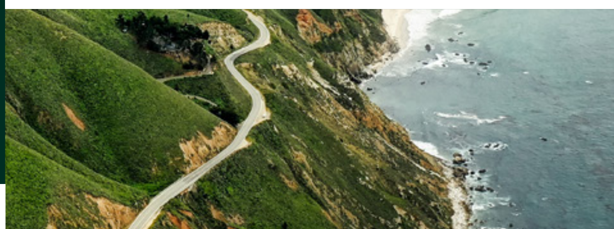
Eleving GROUP

Unaudited results
for the six months
ended 30 June 2024



Content

6 months at a glance

298 000
Total Number of Active Customers

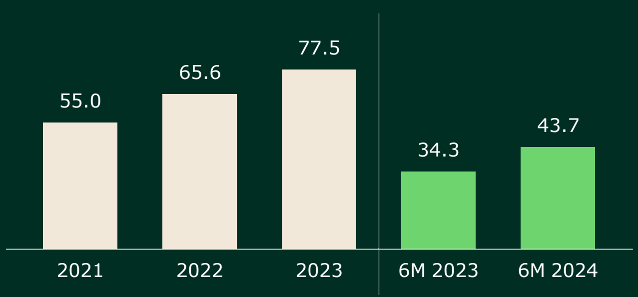
EUR 43.7 mln[1]
EBITDA, 6M 2024

EUR 343.5 mln
Vehicle and Consumer Financing Net Portfolio

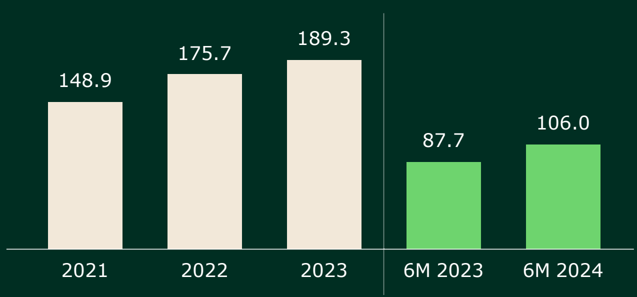
EUR 106.0 mln[2]
Revenues, 6M 2024

All-time best six-month profit - EUR 14.9 mln

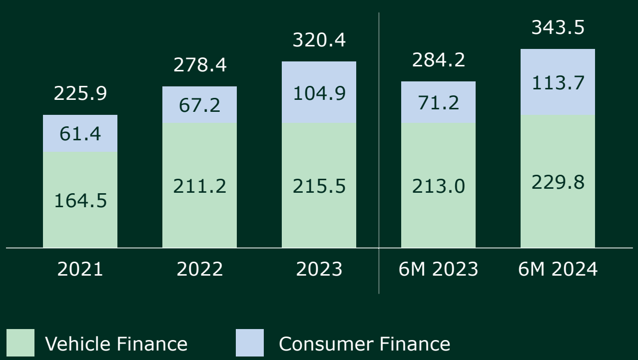
EBITDA, EUR mln[1]



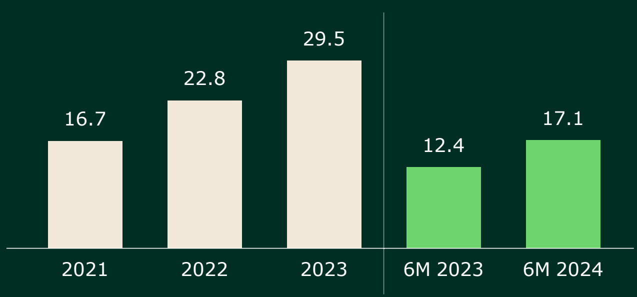
Revenue, EUR mln[2]



Net portfolio, EUR mln



Net profit before FX, EUR mln[3]



[1] 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln; and a decrease by: (a) non-controlling interests EUR 5.0 mln. 2022 EBITDA adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.8 mln; and a decrease by one-off gains of: (a) non-controlling interests EUR 3.3 mln. 2023 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 4.4 mln. 6M 2023 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 2.4 mln. 6M 2024 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 3.3 mln.

[2] Adjusted with fair value gain on acquisition in 2021 in the amount of EUR 3.2 mln.

[3] 2021 adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. 2022 adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.8 mln. 2023 adjusted with an increase by one-off costs of: (a) solidarity tax payment in North Macedonia EUR 1.2 mln.

Return to accelerated growth backed by historically highest profitability

Operational and Strategic Highlights

Profitability

- Eleving Group ended the first half of 2024 with excellent consolidated results, recording revenues of EUR 106.0 mln, up by over 20% compared to the corresponding reporting period a year ago.
- A diversified portfolio alongside a well-balanced revenue stream from all key business segments:
  - Flexible lease and subscription-based products contributed EUR 23.4 mln to the revenues.
  - Traditional lease and leaseback products contributed EUR 36.3 mln to the revenues.
  - The consumer loan segment contributed EUR 46.3 mln to the revenues.
- The Group's adjusted EBITDA reached the historically strongest six-month results of EUR 43.7 mln, an impressive leap of around 27% compared to the corresponding reporting period a year ago.
- The net portfolio increased to EUR 343.5 mln at the end of the first half of 2024, up by 21% compared to the EUR 284.2 mln for the first 6M 2023.
- Net profit before FX and discontinued operations reached EUR 17.1 mln during the first six months of 2024, a formidable increase of 38% compared to the corresponding reporting period a year ago (6M 2023: EUR 12.4 mln).
- Net profit after FX from continued operations reached EUR 14.9 mln, a solid increase of 32% compared to the corresponding reporting period a year ago (6M 2023: EUR 11.3 mln).
  - Portfolio quality has been the main driver behind the improved bottom line during the first half of 2024 as the impairment expense decreased by 4% to EUR 19.7 mln (6M 2023: EUR 20.5 mln) while the revenue increased by more than 20% compared to the corresponding reporting period.
  - Even with lower impairment expenses, impairment coverage increased by 2.1% p.p. for the Consumer Finance and 2.3% p.p. for Vehicle Finance portfolios compared to the corresponding reporting period a year ago.

Growth

- Loan issuance volumes increased to EUR 167.0 mln, an improvement of 29% (6M 2023: EUR 129.3m). The main drivers have been an increased organic demand for our products, further expansion of sales channels, and weakening local competition in certain markets.
- Eleving Group saw a significant increase in customer activity in the Vehicle Finance segment. The loan application count during Q2 2024 grew by nearly 29% compared to Q1 2024, and the six-month figures leaped by more than 70% compared to the corresponding reporting period a year ago. Impressive growth in applications has been recorded across most of the markets, with the Latvian and Romanian car financing segment and East Africa's motorcycle segment standing out the most. The number of vehicles financed also noticeably increased during Q2 2024, stimulating 17% growth compared to Q1 2024, with the Group maintaining prudent underwriting standards and keeping the conversion rate at a stable level of 8.1% during Q2 2024.
- The Group's Consumer Finance business line continues setting new loan issuance volume records each quarter, reaching a new milestone of EUR 44.8 mln worth of loans issued in Q2 2024, an increase of 6.5% compared to Q1 2024. In its mature Consumer Finance European markets, the Group continued to demonstrate consistent performance, maintaining a stable net portfolio size, while the growth stems from scaling up the business in the Sub-Saharan region, where the loan issuance volume reached EUR 15.7 mln during Q2 2024, up by EUR 3.4 mln compared to Q1 2024. The African Consumer Finance operations also set a new record in the number of loans issued, reaching a 55,300 loan milestone and surpassing the Q1 2024 result by 20.6%. This was achieved while keeping prudent underwriting standards, and the conversion rates for all Consumer Finance business lines only marginally increased by 3.5% p.p. to 34.3% in Q2 2024 (Q1 2024: 30.8%).
- Despite significant growth in applications received and loans issued, the company managed to maintain excellent marketing expense discipline, as the ratio of the Group's marketing expenses against the revenue over the first six months of 2024 dropped by 0.2% p.p. to 3.3% (6M 2023: 3.5%). Overall, marketing expenses have remained unchanged, having increased by only EUR 0.4 mln to EUR 3.5 mln during the first half of 2024, compared to the corresponding reporting period a year ago (6M 2023: EUR 3.1 mln), yet brand awareness among customers is improving.

Operational Milestones

- In June, Eleving Group received Kenya's digital credit provider license. This achievement allows the company to reach a larger customer base, expand its financing product range, and more efficiently serve the underbanked population. The Group also anticipates that the digital credit provider license will help improve local currency funding conditions for further regional business funding efforts.
- In May, the Group rolled out an electric motorcycle (e-boda) product in Uganda, and already during the first months, issuance volumes have outperformed Kenya's initial figures. Eleving Group continues to see an insatiable demand for green mobility products in Kenya and Uganda, where it is a front-runner in the e-boda financing segment. African Vehicle Finance operations currently record around 280 e-boda loan issuances per month and aim to reach a new milestone of 500 issued loans per month in the following quarters.
- A new generation 2.0 digital solution (customer self-service platform) has been successfully rolled out in Romania, with over 7,000 registered users as at June 30, 2024. The solution is planned to be launched in all Eleving Vehicle Finance European markets by the end of the year.
- In Q2 2024, Eleving Group appointed an international Supervisory Board consisting of three investment and start-up ecosystem experts from the Baltics and the USA. The Group expects further improvements in the company's corporate governance standards and strong support for management in strategic business decisions.
- On 30 July 2024, the recently established Supervisory Board and the Group's Management Board approved a new Eleving Group dividend policy. Dividend distribution is based on capital structure (namely, the equity ratio), and the target dividend payout ratio is within the 30%-50% range of the yearly net profit. Dividends are planned to be distributed to the shareholders two times a year.

Return to accelerated growth backed by historically highest profitability

Financial Highlights and Progress

- Consistent profitability as evidenced by the strongest-ever business financials:
  - Adjusted EBITDA of EUR 43.7 mln (6M 2023: EUR 34.3 mln).
  - Net profit before FX 17.1 mln (6M 2023: EUR 12.4 mln).
  - Net profit of 14.9 mln (6M 2023: EUR 11.3 mln).
  - Total net loan and pre-owned vehicle rent portfolio of EUR 343.5 mln (6M 2023: EUR 284.2 mln).
  - 6M 2024 ended with a healthy financial position, supported by the capitalization ratio of 26.0% (31 December 2023: 26.1%), ICR ratio of 2.4 (31 December 2023: 2.3), and net leverage of 3.3 (31 December 2023: 3.7), providing an adequate and stable headroom for Eurobond covenants.
- During Q2 2024, Eleving Group continued to explore potential external equity-raise opportunities, with an IPO in the Baltics remaining as one of the likely avenues. The company aims to raise additional equity to facilitate further business growth, including but not limited to launching new products and markets.
- The international credit ratings agency Fitch Ratings acknowledged the Group's improved balance sheet structure and consistent profitability. During Q2 2024, the Group's credit rating was upgraded from B- to B (stable outlook). This is a further testament to Eleving Group's improvements in fundraising and capital allocation, execution of its long-term strategy, and strengthened corporate governance.
- Eleving Group remains focused on its strategic direction of further diversifying its debt profile and funding through various channels, primarily in local currencies, and optimizing funding costs in the EUR and USD currencies:
  - The Group continues pragmatically tapping into Mintos, the marketplace for loans. The weighted average annual funding cost for Mintos was substantially reduced from 9.7% to 8.7% over Q2 2024, significantly reducing the Group's interest expense and further improving its profitability. The weighted average annual funding cost stood at 12.6% at the end of the corresponding reporting period a year ago. As at the end of Q2 2024, Eleving Group had outstanding loans of EUR 62.5 mln on Mintos (compared to EUR 71.7 mln as at 31 March 2024), a decrease of EUR 9.2 mln.
  - Outstanding investments raised through the Kenyan local notes program increased by around 23% from EUR 13.0 mln to EUR 16.0 mln during Q2 2024. Most of this funding is secured in the local currency.
  - Eleving Group is also in the late negotiation stages with a local bank in Uganda to raise the local currency equivalent of around USD 5 mln to support its capital structure in the country further.
- During Q2 2024, the Group increased its equity to EUR 87.7 mln (EUR 86.9 mln as at 31 March 2024), further solidifying its capital base for future growth.

Comments from Eleving Group CEO and CFO

Modestas Sudnius
CEO of Eleving Group

This quarter has been historically strong, with exceptional performance in all key business areas, recording outstanding organic growth rate and portfolio quality results. The current growth pace has already kept up for the second consecutive quarter, which aligns with our 2023-end promise to return to a more rapid growth vector in 2024 by targeting a significant double-digit growth rate.

In Q2, compared to Q1 of this year, we saw a significant increase in sales volumes in the vehicle financing segment, and the majority of our markets reached six-month budget goals early. Also, the number of applications received doubled, compared to Q2 a year ago, while we maintained the marketing costs and conversion rates across all markets at a conservative level. Even more than in other quarters, for this period, I would like to emphasize that our unit economics continue to strengthen; the EBITDA grows faster than the revenue, leading to growth that does not come at the expense of the profit.

During the quarter, we also reached several notable operational milestones, including receiving the digital credit provider license in Kenya. We are one of the first asset financiers to obtain this license, which confirms that Mogo Kenya meets the expected governance, transparency, responsibility, and business ethics standards. We have also finished Romania's digitalization and digital customer portal project. In the first half of the year, it has already brought significant value in issuance volumes and reduced customer delays as it helps streamline customer onboarding and handling the entire credit cycle. Following the success in Romania, similar upgrades of the system will be introduced in other European markets as well.

In Q2, we appointed an international Supervisory Board consisting of experienced experts from the investment community and start-up ecosystem in the Baltics and USA. The functions of the newly appointed governance structure will include strengthening the company's corporate governance, advising management on business decisions, overseeing a potential IPO or external equity raise, and contributing to the company's future strategy. At the end of July, the new Supervisory Board and the Group's Director's board approved the new Eleving Group dividend policy as one of the first major joint decisions.

On a different note, we have also maintained our sustainable mobility course. In Q2, we significantly increased our EV financing in Kenya and Uganda, and by the end of the quarter, we had financed around 700 e-motorcycles. It is four times the number financed in the last year. Seeing the increasing demand and improved logistics, we will soon overachieve our initial goals for the year, and a 1000 e-motorcycle benchmark will be reached already within the next few months. As for the following quarters, we plan to strengthen our position in promoting the transition to electric mobility in our Eastern African region markets.

Second quarter of 2024 has proven to be highly successful, showcasing healthy long-term development patterns for our business. The Group reported revenues of EUR 106.0 mln for the first six months of the year, reflecting a 20% increase over the same period last year. Our net portfolio expanded to EUR 343.5 mln, representing a 21% growth compared to one year ago. Additionally, the adjusted EBITDA climbed to EUR 43.7 mln for the first six months of the year, while the net profit was EUR 14.9 mln respectively, a 32% rise from the six months in 2023. These figures demonstrate the stability and capacity of the business to achieve profitable growth.

The international credit rating agency Fitch Ratings has positively assessed the Group's latest achievements from the financial results perspective and has upgraded Eleving Group's credit rating from 'B-' to 'B,' with a stable outlook. The rating upgrade marks a significant milestone for the company and is a validation of the Group's recent achievements in the following areas – execution of the strategy, financial results, corporate governance, and successful performance in the capital markets.

During Q2, we continued to explore external equity raise options that could potentially result in a pan-Baltic IPO. This would make Eleving Group one of the most globally oriented companies on the Baltic stock exchange, potentially drawing significant international interest and providing new opportunities for Baltic and global investors. It could also result in one of the largest IPOs in the Baltics in recent years.

Entering Q3, Eleving Group holds an even stronger market position and more robust balance sheet, demonstrating that we are prepared for the various decisions associated with capital markets and strong enough to ensure long-term growth that brings additional value to the company's investors and its clients.

Māris Kreics
CFO of Eleving Group

Business outlook (2024)

Operational excellence and consistent growth

Healthy organic growth

Explore new growth opportunities

New-generation digital solutions

Attract outside equity

Diversified funding structure

FX risk management

Streamlined governance

Climate impact mitigation

Processes

Maintain healthy organic growth across existing products and markets, **targeting a 5-20% growth rate** depending on the market.

Scale up portfolio operations in recently integrated South African region consumer lending markets, with core focus on creating sustainable financial products for the underserved population.

Roll out SME financing product in existing European markets – launch the first market in 2025.

In 2024, **explore opportunities to launch new vehicle financing markets** with the goal to open a new market in Q1 2025.

Explore M&A opportunities in the markets for both entering the SME segment and entering a new market.

Become a leading Electric motorcycle financier (financing new EVs and retrofitting used petrol bikes) in the Eastern Africa region.

Roll out new generation 2.0 digital solutions (client cabinet, auto-process, car portal) across all Eleving Vehicle Finance markets.

Capital management

Explore opportunities to raise outside equity in 2024 for further company's growth.

Further focus on fundraising initiatives to supplement the existing capital structures of different markets with local currency funding and unlock new debt funding avenues, especially in East African markets, to facilitate growth and mitigate the FX gap. Also, explore other FX hedging opportunities and options.

Diversify and improve debt structure while raising additional debt across markets with a specific focus on financing partners with an impact focus.

Exit from Belarus.

Governance and Social impact

Implement a **Group-wide environmental activity** across all markets.

Reduce the carbon footprint arising from the company's portfolio by **implementing carbon offsetting projects in Kenya and Uganda**.

Continue the improvement of the company's processes and policies to maintain a sustainable and transparent business and reporting practice according to CSRD standards.

Build an **independent supervisory board** following the best corporate governance practices.

Execute **a dividend policy**.

A Way
Way Up

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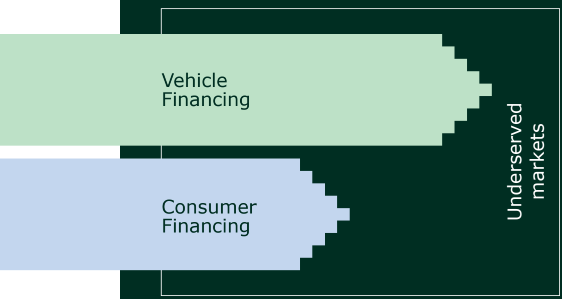
OX DRIVE Kredo.al Tigo.mk
Sebo.md ExpressCredit

About Eleving Group

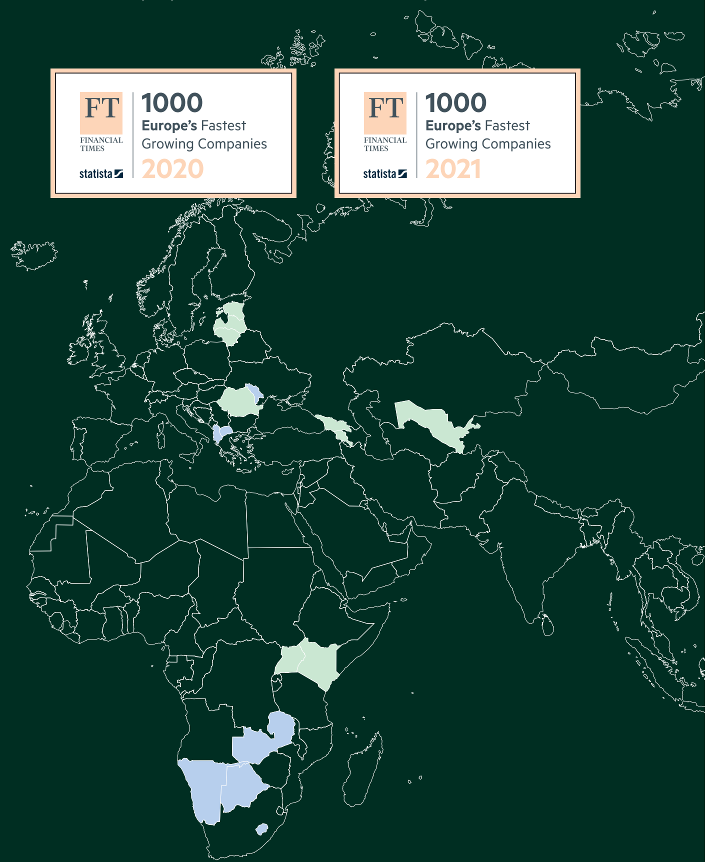
Our approach

Our approach to business is to identify underserved markets and disrupt them with innovative and sustainable financial solutions both in the vehicle and consumer financing segments.



Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 1 000 fastest growing companies in Europe, with 2 800 employees and 298 000 active loyal customers.



Presence

Eleving Group is an international fast-moving financial technology company offering services across the globe. The Group operates in 16 countries across 3 continents.

Conference call

On 1 August

A conference call in English with the Group's management team to discuss these results is scheduled for 1 August 2024, at 15:00 CET.

Contact

Māris Kreics
Chief Financial Officer (CFO)
maris.kreics@eleving.com

Conference call access information

Financial review

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the six months period ended 30 June 2023 and 30 June 2024.

EUR million	6M 2023	6M 2024	Change (%)
Interest and similar income	81.8	99.1	21.1%
Interest expense and similar expenses	(17.3)	(20.6)	19.1%
Net interest income	**64.5**	**78.5**	**21.7%**
Fee and commission income	3.7	5.1	37.8%
Income from used vehicle rent	2.2	1.8	(18.2%)
Total net revenue	**70.4**	**85.4**	**21.3%**
Impairment expense	(20.5)	(19.7)	(3.9%)
Operating expense and income	(34.7)	(44.2)	27.4%
Net foreign exchange result	(1.1)	(2.2)	100.0%
Profit before tax	**14.1**	**19.3**	**36.9%**
Corporate income tax	(2.8)	(4.4)	57.1%
Total net profit for the period without FX and discontinued operations	12.4	17.1	37.9%
Net profit from continued operations	**11.3**	**14.9**	**31.9%**

Interest, similar income and income from used vehicle rent

EUR million	6M 2023	6M 2024	Change (%)
Flexible lease and subscription based products	**25.1**	**23.4**	**(6.8%)**
Interest and similar income	22.8	21.1	(7.5%)
Rental income	2.2	1.8	(18.2%)
Fee and commission income	0.1	0.5	400.0%
Traditional lease and leaseback products	**33.4**	**36.3**	**8.7%**
Interest and similar income	31.4	34.1	8.6%
Fee and commission income	2.0	2.2	10.0%
Consumer lending products	**29.2**	**46.3**	**58.6%**
Interest and similar income	27.6	43.9	59.1%
Fee and commission income	1.6	2.4	50.0%
Average net loan and used vehicle rent portfolio	**281.3**	**332.0**	**18.0%**
Average income yield on net loan and used vehicle rent portfolio	**62.4%**	**63.9%**	**1.5 p.p.**

Flexible lease and subscription-based products revenues decreased by 6.8% to EUR 23.4 million (6M 2023: EUR 25.1 million) mainly due to sold Renti Plus business operations in July 2023.

Traditional lease and leaseback product revenues increased by 8.7% to EUR 36.3 (6M 2023: EUR 33.4 million), mainly driven by portfolio growth in Romania, Armenia, and Latvia. However, nearly all other Group markets also experienced positive incremental growth.

Lastly, consumer lending products revenues increased by 58.6% to EUR 46.3 million (6M 2023: EUR 29.2 million). Main driver for the solid revenue increase was the the integration of the Express Credit business and successful results from the consumer segment in the Balkans.

Interest expense and similar expense

Interest expense and similar expenses increased by 19.1% to EUR 20.6 million (6M 2023: EUR 17.3 million), driven by beginning of coupon repayments for the recently issued October 2023 Eurobond which were not part of previous reporting period comparable coupon payments.

Income from used vehicle rent

Income from used vehicle rent decreased by 18.2% to EUR 1.8 million (6M 2023: EUR 2.2 million). Due to partial vehicle rental portfolio sale, the total used vehicle rental fleet decreased to EUR 6.3 million (31 December 2023: EUR 7.1 million).

Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables decreased by 7.4% to EUR 11.1 million (6M 2023: EUR 11.9 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 7.5% (conservative 35+ days past due) of the total net portfolio (31 December 2023: 7.5%) with provision coverage ratio of 88.5% (31 December 2023: 86.2%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables increased by 0.9% to EUR 8.6 million (6M 2023: EUR 8.5 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 4.5% (90+ days past due) of the total net portfolio (31 December 2023: 4.5%) with provision coverage ratio of 121.3% (31 December 2023: 119.2%).

Operating expense

The table below sets out a breakdown of the Group's total operating expenses.

EUR million	6M 2023	6M 2024	Change (%)
Employees' salaries	15.8	19.8	25.3%
Marketing expenses	3.1	3.5	12.9%
Office and branch maintenance expenses	1.4	1.8	28.6%
Professional services	1.3	2.1	61.5%
Amortization and depreciation	4.2	4.9	16.7%
IT services	2.2	2.8	27.3%
Tax expenses	1.5	2.5	66.7%
Other operating expenses/(income)	5.2	6.8	30.8%
Total operating expense	**34.7**	**44.2**	**27.4%**

The total operating expense for the period increased to EUR 44.2 million (6M 2023: EUR 34.7 million).

Salaries increased by 25.3% to EUR 19.8 million (6M 2023: EUR 15.8 million), comprising 44.8% of the total operating expenses (6M 2023: 45.5%). Meanwhile, marketing expenses, with effective cost of EUR 13 per loan issued, accounted for 7.9% of the total operating expenses (6M 2023: 8.9%).

Profit before tax

The consolidated profit before taxes increased by 36.9% and amounted to EUR 19.3 million (6M 2023: EUR 14.1 million).

Corporate income tax

The table below sets out a breakdown of the Group's corporate income tax.

EUR million	6M 2023	6M 2024	Change (%)
Corporate income tax	(5.3)	(5.5)	3.8%
Deferred tax	2.5	1.1	-56.0%
Total corporate income tax	**(2.8)**	**(4.4)**	**57.1%**

Profit for the period

The consolidated net profit for the period increased by 31.9% and amounted to EUR 14.9 million (6M 2023: EUR 11.3 million).

Alternative performance measures (non-IFRS)

EUR million	6M 2023	6M 2024	Change (%)
Profit for the period	11.3	14.9	31.9%
Provisions for taxes	2.8	4.4	57.1%
Interest expense	17.3	20.6	19.1%
Depreciation and amortization	4.2	4.9	16.7%
Currency exchange (gain)/loss	1.1	2.2	100.0%
EBITDA	**36.7**	**47.0**	**28.1%**
Non-controlling interests	(2.4)	(3.3)	36.5%
Adjusted EBITDA	**34.3**	**43.7**	**27.5%**

Condensed consolidated balance sheet

The table below sets out the Group's condensed consolidated statement of its financial position.

EUR million	31 Dec. 2023	30 Jun. 2024
Intangible assets	22.5	23.2
Tangible assets	13.5	14.8
Loans and lease receivables and rental fleet	320.4	343.5
Deferred tax asset	8.9	11.0
Inventories	4.8	1.8
Non-current assets held for sale	0.5	1.3
Other receivables	13.6	14.4
Assets of subsidiary held for sale	9.6	0.1
Cash and cash equivalents	27.5	27.6
Total assets	**421.3**	**437.7**

EUR million	31 Dec. 2023	30 Jun. 2024
Share capital and reserves	5.3	5.1
Foreign currency translation reserve	0.5	2.2
Retained earnings	47.9	53.0
Non-controlling interests	11.8	15.0
Subordinated debt	16.5	12.4
Total equity	**82.0**	**87.7**
Borrowings	310.6	310.1
Other liabilities	28.7	39.9
Total liabilities	**339.3**	**350.0**
Total equity and liabilities	**421.3**	**437.7**

Assets

The total assets of the Group increased by 3.9% to EUR 437.7 million (31 December 2023: EUR 421.3 million), chiefly due to the integration of EC Finance Group consumer lending business.

Tangible assets

Tangible assets increased by 9.6% to EUR 14.8 million (31 December 2023: EUR 13.5 million).

Net loan and used vehicle rent portfolio

The net loan and used vehicle rent portfolio increased by 7.2% to EUR 343.5 million (31 December 2023: EUR 320.4 million).

Net loan and used vehicle rent portfolio split by market type

EUR million	31 Dec. 2023	Total share (%)	30 Jun. 2024	Total share (%)
Developed countries*	135.5	42.3%	142.5	41.5%
Developing countries**	80.0	25.0%	87.3	25.4%
Consumer loan markets	104.9	32.7%	113.7	33.1%
Total net loan and used vehicle rent portfolio	**320.4**	**100.0%**	**343.5**	**100.0%**

* Developed countries are Latvia (including used vehicle rent portfolio), Lithuania, Estonia, Romania, Moldova, Georgia and Armenia

** Developing countries are Uzbekistan, Kenya and Uganda

Net loan portfolio split by product type

EUR million	31 Dec. 2023	Total share (%)	30 Jun. 2024	Total share (%)
Flexible and subscription based products	68.6	21.4%	74.7	21.8%
Traditional lease and leaseback products	146.9	45.8%	155.1	45.1%
Consumer lending products	104.9	32.7%	113.7	33.1%
Total net loan portfolio split by product type	**320.4**	**100.0%**	**343.5**	**100.0%**

The Group continues controlled loan portfolio growth strategy in its flexible and subscription based products, as well tradional lease and leaseback business lines, which at the end of the period stood at 21.8% and 45.1% of the total net loan and used vehicle rent portfolio.

Consumer lending business line is continuing steady growth trajectory and after integration of EC Finance Group operations has considerably increased the share within the Group and now is standing at 33.1% from the total net loan and used vehicle rent portfolio.

Developing markets, especially African operations, retain significant potential for future growth.

Net loan and used vehicle rent portfolio (excluding consumer lending)

The table below sets out the classification of the Group's net loan and used vehicle rent portfolio (excluding consumer lending) in terms of overdue buckets as well as the total impairment coverage ratio.

EUR million	31 Dec. 2023	Total share (%)	30 Jun. 2024	Total share (%)
STAGE 1*	168.8	81.0%	182.4	81.6%
STAGE 2**	24.0	11.5%	24.3	10.9%
STAGE 3***	15.6	7.5%	16.8	7.5%
Total net loan portfolio	**208.4**	**100.0%**	**223.5**	**100.0%**
Used vehicle rent	7.1	3.3%	6.3	2.7%
Total net loan and used vehicle rent portfolio	**215.5**		**229.8**	
Net NPL ratio******	**7.5%**		**7.3%**	
Impairment coverage ratio*********	**86.2%**		**88.5%**	

* Allowances are recognized based on 12m ECLs by first recognition of loans/leases. Leases current or with up to 30 DPD are considered as Stage 1 for Latvia, Lithuania, Estonia, Armenia and Georgia. For other countries, 25 DPD is used. Loans up to 30 DPD are considered Stage 1.

** Allowances are recorded for LTECLs by loans/leases showing a significant increase in credit risk since origination. Leases with 31-60 DPD (or 26-34 DPD for countries other than Latvia, Lithuania, Estonia, Armenia and Georgia) are considered to be Stage 2 loans. Loans with 30 to 60 DPD are considered Stage 2.

*** Leases and loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Finance lease agreements are considered defaulted and therefore Stage 3 with 60 DPD on contractual payments or terminated lease agreement. For countries other than Latvia, Lithuania, Estonia, Armenia and Georgia a 35 DPD backstop is applied. Loans with 60 DPD are considered defaulted and therefore Stage 3.

A healing period of 3 months for mature countries and 2 months for immature countries is applied before an exposure previously classified as Stage 3 can be transferred to Stage 1. In case of mature countries, it is determined to have two healing periods – one month period to Stage 2 and further two month period to Stage 1. This is considered appropriate in context of a prudent default definition of 60 DPD. In case of immature countries, it is determined to have one healing period –two month period where the exposure is in Stage 2 and then transfers to Stage 1. This is considered appropriate in context of an even more conservative default definition of 35 DPD.

**** Net NPL (35+ days overdue) / Total net portfolio

***** Total impairment / Gross NPL (35+ days overdue)

NPLs in the net loan and used vehicle rent portfolio remained stable and amounted to 7.5% (31 December 2023: 7.5%).

Net consumer loan portfolio

The table below sets out the classification of the Group's net consumer lending portfolio in terms of overdue buckets as well as the total impairment coverage ratio.

EUR million	31 Dec. 2023	Total share (%)	30 Jun. 2024	Total share (%)
STAGE 1*	98.0	93.4%	105.7	93.0%
STAGE 2**	2.2	2.1%	2.9	2.6%
STAGE 3***	4.7	4.5%	5.1	4.5%
Total net loan portfolio	**104.9**	**100.0%**	**113.7**	**100.0%**
Net NPL ratio******	**4.5%**		**4.5%**	
Impairment coverage ratio*********	**119.2%**		**121.3%**	

* Allowances are recognized based on 12m ECLs by first recognition of loans. Loans current or with up to 30 DPD are considered as Stage 1.

** Allowances are recorded for LTECLs by loans showing a significant increase in credit risk since origination. Loans with 31-90 DPD are considered to be Stage 2 loans.

*** Loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Loans with 90 DPD are considered defaulted and therefore Stage 3.

**** Net NPL (90+ days overdue) / Total net portfolio

***** Total impairment / Gross NPL (90+ days overdue)

NPLs in the total net consumer loan portfolio remained stable and amounted to 4.5% (31 December 2023: 4.5%).

Equity

The total equity of the Group increased by 7.0% to EUR 87.7 million (31 December 2023: EUR 82.0 million). The capitalization ratio at the end of the period stood at 26.0% (31 December 2023: 26.1%), providing adequate and stable headroom for Eurobond covenants.

Liabilities

The total liabilities of the Group increased by 3.2% and stood at EUR 350.0 million (31 December 2023: EUR 339.3 million). The increase mainly was due to EC Finance Group integration and its liability overtaking within the Group. Total borrowings marginally decreased to EUR 310.1 million (31 December 2023: EUR 310.6 million).

Borrowings

The table below sets out borrowings by type.

EUR million	31 Dec. 2023	30 Jun. 2024
Loans from banks	6.1	7.5
Local Notes and Bonds	38.6	23.1
Private debt funds	10.0	27.2
Eurobonds (excl. accrued interest)	191.6	186.6
Bond acquisition costs and accrued interest	(0.9)	(0.8)
Financing received from P2P investors	63.9	62.5
Loans from other parties	1.3	4.0
Total borrowings	**310.6**	**310.1**

Eurobonds

On 18 October 2021, Eleving Group successfully issued a 5-year corporate bond (XS2393240887), listed on the Open Market of the Frankfurt Stock Exchange, at par with an annual interest rate of 9.5% and total amount of EUR 150 million. The bond will mature in October 2026. The previous corporate bond (XS1831877755) with an annual interest rate of 9.5% was fully repaid on 20 October 2021 following the issuance of the new corporate bond (XS2393240887).

On 31 October 2023, Eleving Group successfully issued a 5-year senior secured and guaranteed bond (ISIN DE000A3LL7M4), listed on the Regulated Market of Frankfurt Stock Exchange at par with an annual interest rate of 13.0% and a total amount of EUR 50 million. On 6 November 2023, the respective bond was also listed on the Regulated Market of Nasdaq Riga Stock Exchange. The bond maturity is set at 31 October 2028.

Subordinated bonds

On 7 March 2022, Eleving Group subordinated bond (XS2427362491) was admitted to trading on the Nasdaq Baltic First North Market. The size of the Eleving Group bond issue is EUR 25 million. The bond has a nominal value of EUR 1 000 each and a floating annual coupon rate of 12% + 6 month EURIBOR, with interest paid monthly. The subordinated bond matures on 29 December 2031.

Off-balance sheet arrangements

The Group does not have significant off-balance sheet arrangements.

Condensed consolidated statement of cash flow

EUR million	6M 2023	6M 2024
Profit before tax	14.9	20.2
Net cash flows from operating activities	7.8	23.6
Net cash flows from investing activities	(5.2)	(4.2)
Net cash flows from financing activities	2.3	(19.3)
Change in cash	4.9	0.1
Cash at the beginning of the year	13.8	27.5
Cash at the end of the year	18.7	27.6

Net cash inflow from operating activities amounted to EUR 23.6 million (6M 2023: cash inflow of EUR 7.8 million). The Group's net cash outflow from investing activities totalled EUR 4.2 million (6M 2023: cash outflow of EUR 5.2 million). Finally, the Group's cash outflow from financing activities amounted to EUR 19.3 million (6M 2023: cash inflow of EUR 2.3 million).

Eurobond covenant ratios

Capitalization	31 Dec. 2023	30 Jun. 2024	Change (p.p.)
Equity/Net loan portfolio	26.1%	26.0%	(0.1)

Profitability	31 Dec. 2023	30 Jun. 2024	Change
Interest coverage ratio (ICR)	2.3	2.4	0.1

Leverage	31 Dec. 2023	30 Jun. 2024	Change
Net leverage	3.7	3.3	(0.4)

EUR million	Mintos loans			Net loan and used vehicle rent portfolio			
Country	31 Dec. 2023	30 Jun. 2024	Change (%)	31 Dec. 2023	Total share (%)	30 Jun. 2024	Total share (%)
Armenia*	1.1	1.5	36.4%	13.2	6.1%	15.4	6.7%
Georgia*	1.6	-	(100.0%)	16.7	7.7%	17.5	7.6%
Estonia*	3.5	4.2	20.0%	11.0	5.1%	11.5	5.0%
Kenya**	3.0	2.3	(23.3%)	44.6	20.7%	48.4	21.1%
Latvia*	2.5	2.1	(16.0%)	11.4	5.3%	13.1	5.7%
Lithuania*	10.3	8.5	(17.5%)	32.0	14.8%	30.1	13.1%
Moldova*	3.8	5.7	50.0%	17.9	8.3%	17.5	7.6%
Romania*	2.1	5.2	147.6%	33.3	15.5%	37.4	16.3%
Uganda**	-	-	-	23.8	11.0%	27.2	11.8%
Uzbekistan**	-	-	-	11.6	5.4%	11.7	5.1%
Total vehicle lease and rent	**27.9**	**29.5**	**5.7%**	**215.5**	**100%**	**229.8**	**100%**
Consumer loan markets	36.0	33.0	-8.3%	104.9	32.7%	113.7	33.1%
Total	**63.9**	**62.5**		**320.4**		**343.5**	

* Developed countries are Latvia (including used vehicle rent portfolio), Lithuania, Estonia, Romania, Moldova, Georgia and Armenia

** Developing countries are Uzbekistan, Kenya and Uganda

Recent developments

No Regulatory Changes

No material regulatory changes have taken place since 30 June 2024.

Events after the balance sheet date

As of the last day of the reporting period until the date of publishing these unaudited results for the six months ended 30 June 2024 there have been no events requiring adjustment of unaudited results.

Directors' Statement

The consolidated six month report of the Group is, to the best of the Directors' knowledge, prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole.

The six month management report of the Group includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Consolidated statements of:

Financial Position – Assets
Financial Position – Equity and Liabilities
Income Statement and Statement of Cash Flow

Consolidated Statement of Financial Position – Assets

EUR million	31 Dec. 2023	30 Jun. 2024
Assets		
Goodwill	6.8	6.8
Internally generated intangible assets	10.3	11.0
Other intangible assets	5.4	5.4
Loans and lease receivables and rental fleet	320.4	343.5
Right-of-use assets	10.6	11.6
Property, plant and equipment	2.1	2.3
Leasehold improvements	0.8	0.9
Receivables as a result of sale of subsidiaries to related parties	-	0.1
Other financial assets	0.9	0.4
Deferred tax asset	8.9	11.0
Inventories	4.8	1.8
Prepaid expense	3.1	3.5
Trade receivables	-	0.4
Other receivables	9.6	10.0
Assets of subsidiary held for liquidation	9.6	0.1
Assets held for sale	0.5	1.3
Cash and cash equivalents	27.5	27.6
Total Assets	**421.3**	**437.7**

Consolidated Statement of Financial Position – Equity and liabilities

EUR million	31 Dec. 2023	30 Jun. 2024
Equity		
Share capital	2.9	2.9
Retained earnings	47.9	53.0
Foreign currency translation reserve	0.5	2.2
Other reserves and equity items	2.4	2.2
Total equity attributable to owners of the Company	**53.7**	**60.3**
Non-controlling interests	11.8	15.0
Subordinated debt	16.5	12.4
Total equity	**82.0**	**87.7**
Liabilities		
Borrowings	310.6	310.1
Prepayments and other payments received from customers	1.1	1.0
Trade payables	2.2	2.1
Corporate income tax payable	0.7	2.9
Taxes payable	3.4	4.9
Other liabilities	13.4	23.0
Liabilities of subsidiary held for sale	2.0	-
Accrued liabilities	5.8	5.9
Other financial liabilities	0.1	0.1
Total liabilities	**339.3**	**350.0**
Total equity and liabilities	**421.3**	**437.7**

Consolidated Income Statement

EUR million	6M 2023	6M 2024
Interest revenue calculated using the effective interest method	81.8	99.1
Interest expense calculated using the effective interest method	(17.3)	(20.6)
Net interest income	**64.5**	**78.5**
Fee and commission income	3.7	5.1
Revenue from rent	2.2	1.8
Total net revenue	**70.4**	**85.4**
Impairment expense	(20.5)	(19.7)
Expenses related to P2P platform services	(0.5)	(0.5)
Profit from car sales and other equipment	-	0.1
Selling expense	(3.1)	(3.5)
Administrative expense	(29.2)	(37.4)
Other operating income/(expense)	(1.9)	(2.9)
Net foreign exchange result	(1.1)	(2.2)
Profit before tax	**14.1**	**19.3**
Corporate income tax	(5.3)	(5.5)
Deferred corporate income tax	2.5	1.1
Net profit from continued operations	**11.3**	**14.9**
Discontinued operations	0.9	0.8
Translation of financial information of foreign operations to presentation currency	(2.5)	1.8
Total profit for the period without FX	13.3	17.9
Total profit for the period	**9.7**	**17.5**

Consolidated statement of cash flow

EUR million	6M 2023	6M 2024
Cash flows from operating activities		
Profit before tax	14.9	20.2
Adjustments for:		
Amortisation and depreciation	4.2	4.9
Interest expense	17.3	20.6
Interest income	(81.8)	(99.1)
Loss on disposal of property, plant and equipment	0.6	0.5
Impairment expense	20.5	19.7
Loss/(gain) from fluctuations of currency exchange rates	3.6	4.2
Operating profit before working capital changes	**(20.7)**	**(29.0)**
(Increase)/decrease in inventories	(4.8)	3.0
(Increase)/decrease in receivables	(30.9)	(32.6)
Increase/(decrease) in trade payable, taxes payable and other liabilities	0.5	7.3
Cash generated to/from operating activities	**(55.9)**	**(51.3)**
Interest received	81.8	99.1
Interest paid	(15.4)	(21.4)
Corporate income tax paid	(2.7)	(2.8)
Net cash flows from operating activities	**7.8**	**23.6**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2.4)	(3.6)
Purchase of rental fleet	(3.0)	(0.4)
Loan repayments received	0.3	-
Investments in subsidiaries	-	(0.2)
Loans issued and bank deposits	(0.1)	-
Net cash flows from investing activities	**(5.2)**	**(4.2)**
Cash flows from financing activities		
Proceeds from borrowings	81.6	138.0
Repayments for borrowings	(73.9)	(150.1)
Dividends paid	(5.4)	(7.2)
Net cash flows from financing activities	**2.3**	**(19.3)**
Change in cash	4.9	0.1
Cash at the beginning of the period	13.8	27.5
Cash at the end of the period	**18.7**	**27.6**

Glossary and important information

Definitions and alternative performance measures

- **Average income yield on net loan and used car rent portfolio** — the sum of annualized interest revenue calculated using the effective interest method and revenue from rent/average net loan and used car rent portfolio
- **Average net loan and used car rent portfolio** — the sum of net loan and used car rent portfolio as of the start and end of each period divided by two
- **Capitalization ratio** — equity (incl. subordinated debt)/net loan portfolio (excl. used car rent portfolio)
- **Conversion rate** — number of loans issued/number of loan applications received
- **Cost to income ratio** — the sum of selling expense and administrative expense/sum of interest revenue calculated using the effective interest method, fee and commission income and revenue from rent
- **DPD** — days past due
- **EBITDA** — net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, and net foreign exchange result
- **ESG** — Environmental, Social, and Governance strategy
- **Equity/Total Assets ratio** — equity (excl. subordinated debt)/ total assets
- **Flexible lease and subscription-based products** — motorcycle-taxi financing in Kenya and Uganda, used vehicle rent in Lithuania, new vehicle subscription in Latvia
- **Gross non-performing loans (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables
- **Impairment coverage ratio** — total impairment/gross non-performing loans (NPLs)
- **Interest coverage ratio** — last twelve-month Adjusted EBITDA/ interest expense calculated using the effective interest method less Eurobonds acquisitions costs and subordinated debt interest expense
- **Marketing expenses with effective costs per loan issued** — marketing expenses for the period divided by number of loans issued in the respective period
- **Net NPL ratio** — non-performing loans (NPLs)/total net portfolio
- **Non-performing loans (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables less impairment provisions
- **Net profit before FX effect** — net profit for the period before net foreign exchange result
- **QOQ/YOY** — comparison between two consecutive quarters/ years, e.g., 3M 2024 compared to 3M 2023 / 2024 compared to 2023

Market definitions

- **Developed markets** — Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova
- **Developing markets** — Kenya, Uganda, Uzbekistan
- **On-hold markets** — Bosnia and Herzegovina
- **Consumer finance markets** — Albania, North Macedonia, Moldova, Botswana, Namibia, Zambia and Lesotho

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