Company Description

February 2022

Eleving GROUP

Formerly Mogo Finance

Disclaimer (1/3)

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Disclaimer (2/3)

To the extent available, the industry, market and competitive position data contained in these materials come from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. In addition, certain of the industry and market data contained in this Company Description come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, no reliance should be placed on any of the industry or market data contained in this Company Description.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. In addition, the Bonds provide for debt obligations of the Company with no exposure by investors to reference values or assets other than the assets and business operations of the Company. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared.

Disclaimer (3/3)

Under no circumstances shall this Company Description constitute or form part of any offer to sell or the invitation or solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this Company Description who intend to subscribe for or purchase the Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in any prospectus or offering circular that may be published by the Company in final form.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. By accepting this Company Description, the recipient represents and warrants that it is a person to whom this Company Description may be delivered or distributed without a violation of the laws of any relevant jurisdiction. This Company Description is not to be disclosed to any other person or used for any other purpose and any other person who receives this Company Description should not rely or act upon it.

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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. NOTHING IN THIS COMPANY DESCRIPTION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE COMPANY DESCRIPTION HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT IN ACCORDANCE WITH REGULATION S OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Responsible persons

The Issuer and its management board are responsible for the information contained in this Company Description and Securities Note (Offering Memorandum signed on 29 December 2021) in the attachment.

Hereby we, members of the board of Eleving Group S.A., Modestas Sudnius, Māris Kreics, Delphine Glessinger and Attila Senig, certify that, by paying sufficient attention to this purpose, the information included in the Company Description and Securities Note is true, in accordance with the facts, and no information which may affect its meaning is concealed therein.

Modestas Sudnius
Category A director

Māris Kreics
Category A director

Delphine Glessinger
Category B director

Attila Senig
Category B director

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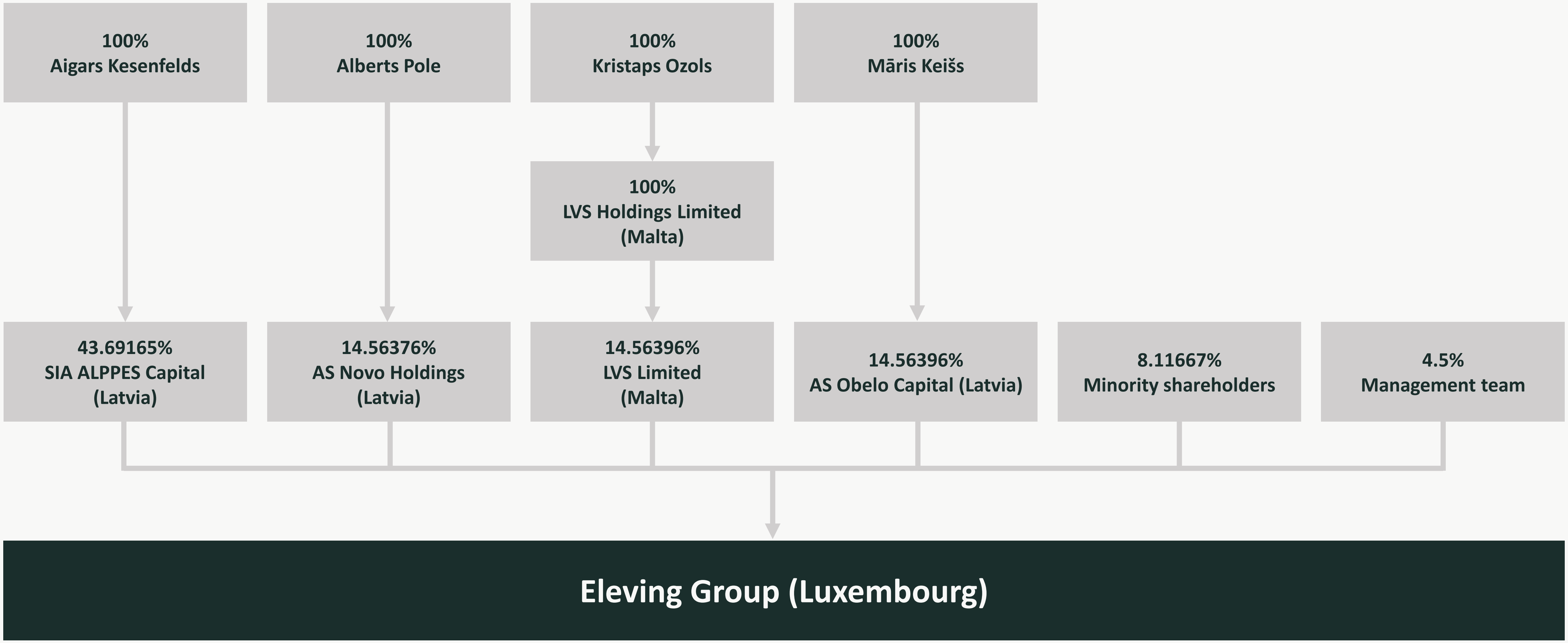
Shareholder structure



Management Board[1] (Type A directors)

Modestas Sudnius

Chief Executive Officer

- With Eleving Group since 2013, part of the Group's management team as CEO since November 2018
- Started as country manager for Lithuania, where he established successful operations. In January 2018, he was promoted to regional CEO for the Group's core markets in Latvia, Lithuania, Estonia, Georgia, and Armenia
- Prior to Eleving Group, he worked for international companies such as EY, EPS LT, UAB
- A graduate of the ISM University of Management and Economics in Vilnius and a Master's Degree holder from the Stockholm School of Economics

Maris Kreics

Chief Financial Officer

- With Eleving Group since 2015
- Before joining Eleving Group, he spent two years in a corporate finance role with the largest telecommunication services company in Latvia—Tet (formerly, Lattelecom). Previously, he spent seven years at PwC, including two years in their New York office, working exclusively on one of the largest S&P 500 Tech company's lead audit teams responsible for managing other audit teams globally
- Holds a Master's Degree in Finance from the BA School of Business and Finance in Riga
- A CFA charterholder and a member of ACCA since 2011 (fellow since 2016)

[1] For further information about the management of the Issuer please refer to Section XIX. «Management» in the Offering Memorandum

Management Board[1] (Type B directors)

Attila Sénig

Client Service Director

- With Eleving Group since 2011
- Attila is a qualified Tax Advisor and Chartered Accountant with extensive experience in accounting and outsourced corporate services in Hungary and Luxembourg.
- Attila has detailed knowledge of regulatory, accounting and tax regulations and regularly acts as a non-executive manager for a diverse portfolio of international clients.
- Before joining Eleving Group, he worked as a Client Service Supervisor and Tax Auditor for international companies such as AIB Administrative Services Luxembourg S. à r. l. and Tax and Finance Control Administration, Fejér County Div., Dept. of legal entities II.
- Attila's academic credentials include a Degree in Finance (specializing in Taxation) and an affiliation to the Chamber of Hungarian Auditors. Attila is also accredited with a Luxembourg Tax Diploma (International Taxation, VAT, Corporate Income Tax, Personal Income Tax).

Delphine Glessinger

Corporate Legal Manager

- With Eleving Group since 2017
- In charge of a team composed of junior and senior corporate legal officers working on portfolios of multinational companies and private equity fund investors.
- Before joining Eleving Group, she spent two years in a Legal Trust Officer role within Citco C&T, Luxembourg. Previously, she spent five years in Air Freight Planner companies.
- Holds a Bachelor's Degree in International Business from the University of Nancy, France and a Bachelor's Degree in Administration & Legal Studies from the University of Lincoln, UK

[1] For further information about the management of the Issuer please refer to Section XIX. «Management» in the Offering Memorandum

Mission and product offering

Tailored products in line with current market trends and diverse customer needs

	Current trends[1]	Eleving Group solution	Eleving Group products
MOBILITY	Demand for affordable vehicles Openness to drive a pre-owned, well-maintained vehicle Demand for simplified, flexible products Preference for tech-enabled, fast, convenient solutions Limited access to finance across diverse communities	**Well-maintained, quality vehicle**	mogo: Vehicle leasing for pre-owned cars primero: Premium vehicle leasing for pre-owned cars RENTI: Rent-to-buy services for ultimate flexibility mogo Boda loans: Motorcycle taxi loans in emerging markets[2]
INCLUSION	Preference for tech-enabled, fast, convenient solutions Demand for simplified, affordable products Limited access to finance across diverse communities	**Easy-to-access credit**	Kredo.al, Tigo.mk, Sebo.md, INSTA FINANCE: Consumer finance products available online and through branch network

A Way Way Up

Eleving Group mission

To enable upward social mobility in diverse communities around the world by creating access to innovative and sustainable financial solutions

[1] Trends in the markets where Eleving Group operates
[2] Kenya and Uganda

Eleving Group at a glance

Robust and profitable growth

Eleving Group[1] is an international, fast-growing financial technology company with a vast global reach

Who we are

Established in Latvia in 2012, Eleving Group has expanded globally, currently operating **on 3 continents, in 14 countries** with more than **1,600 employees**

Successfully replicated business model across emerging Europe, with later expansion to East Africa, resulting in a **diversified risk profile and loan portfolio**

We enjoy a **leading position** in most markets, with no significant international competition and limited local competition

What we do

We **disrupt markets** underserved by traditional banks by offering customers innovative, data-driven financial solutions:

- **Vehicle financing:** satisfying high demand for quality second-hand cars and new motorcycles across the Group's markets. **Secured lending**—the Company holds title of the vehicle throughout the life of the loan
- **Consumer financing:** providing underserved customers with credit access through affordable repayment plans

How we do it

Strong **online and offline presence**: offering customers accessible ways to obtain financing and convenient customer experience

Fast and intelligent **data-driven** credit assessments, resulting in a more comprehensive risk profile of the customer compared to "traditional" banks and leasing companies

Proprietary built **in-house technological** solutions and an **experienced** management team

Information about the Issuer[4]

The Issuer does not undertake client-facing operations and the Issuer's business operations consist of providing financing to the Group companies.

The business operations described in this Company Description refer to the Group's companies

All financial covenants are tested on Group level, hence emphasis on Group performance and results in the Company Description

EUR mln	2016	2017	2018	2019	2020	6M 2020	6M 2021
Total Net Revenue[2]	22.4	30.0	43.8	54.6	68.9	28.1	54.7
Adjusted EBITDA[3]	15.4	20.0	22.7	29.7	37.5	14.6	30.1
Net Profit / (Loss)	5.6	9.0	5.5	4.4	1.1	(3.3)	6.7
Net Loan and used car Rent Portfolio	63.8	97.1	141.3	193.6	201.4	176.0	211.9
Equity incl. subordinated loans	13.2	11.5	17.8	29.1	34.4	30.0	47.3
Borrowings incl. IFRS16 liabilities	55.3	96.6	150.4	215.5	231.1	210.5	226.8
Cash	2.2	5.2	6.5	8.7	9.3	21.5	7.9

EUR 210+ mln
Portfolio in vehicle and consumer financing

32%
Net Revenue CAGR (2016-20)

EUR 710 mln
Loans issued since inception

25%
Adjusted EBITDA CAGR (2016-20)

4.0x
Net leverage excl. IFRS 16 liabilities

250,000+
Active customers

1,000+
Car dealerships

14
Core countries

B-; Outlook stable
Fitch Ratings

FT 1000 Europe's Fastest Growing Companies 2020

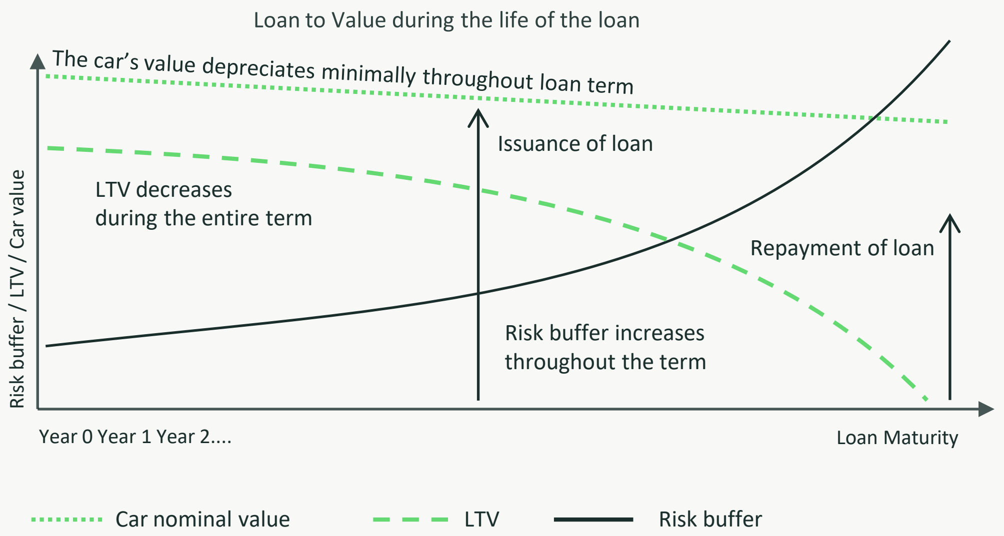
FT 1000 Europe's Fastest Growing Companies 2021

For two consecutive years, Eleving Group has been listed on the Financial Times ranking of Europe's 1000 fastest growing companies

[1] Hereinafter "Eleving", "Group", or "Company"
[2] Total Net Revenue is sum of Interest revenue calculated using the effective interest method, Interest expense calculated using the effective interest method, Fee and commission income and Revenue from leases
[3] 2020 EBITDA adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln and a decrease by one off-gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 6M 2021 EBITDA adjusted with amortization of fair value gain EUR 1.8 mln and Albania write-off EUR 1.0 mln
[4] For full overview, please refer to section XVII. «Information about the Issuer» in the Offering Memorandum

Regulatory outlook in the Group markets and used vehicle economics

Low risk profile due to used car economics



- High-quality used cars preserve their value. Customers repay a portion of the loan principal each month. Therefore, the LTV of the loan constantly decreases
- The Company retains access to the collateral—vehicle title—throughout the life of the loan
- In the event of default, the Company can repossess and sell the vehicle. Since inception, recovery after default has been approximately **79%**

Responsible and sustainable lending practices

Primarily focused on providing financial inclusion to clients underserved by traditional financial institutions

Engaged in productive lending as self-employed customers acquire and use vehicles as a source of income (ride hailing platform drivers, taxi and delivery drivers, vehicles used by SMEs)

Clear and transparent product offering with fixed monthly payments

Resilience to regulatory risks

The Group, with its Vehicle Finance product, has successfully adapted to the tightening of regulation across multiple markets

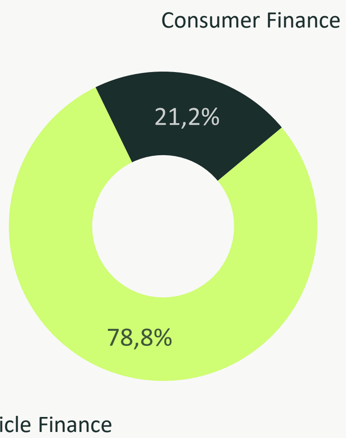
In Consumer Financing, the focus is on longer maturity products that are less affected by regulatory changes

Introduction of new regulation has strengthened the Group's position in some markets due to the withdrawal of a number of competitors

Global scope

Multi-geography platform that eliminates a single-market risk

Portfolio balance
as of 30.06.2021



Vehicle Finance

Latvia (LV)
Population: 1.9 mln
Passenger vehicles: 0.66 mln
Operations launched: y2012
Share of portfolio: 10.1% (18.1%[1])

Lithuania (LT)
Population: 2.8 mln
Passenger vehicles: 1.26 mln
Operations launched: y2013
Share of portfolio: 12.1%

Estonia (EE)
Population: 1.3 mln
Passenger vehicles: 0.79 mln
Operations launched: y2013
Share of portfolio: 5.4%

Georgia (GE)
Population: 3.7 mln
Passenger vehicles: 1.01 mln
Operations launched: y2014
Share of portfolio: 6.2%

Romania (RO)
Population: 19.2 mln
Passenger vehicles: 6.90 mln
Operations launched: y2016
Share of portfolio: 9.6%

Armenia (AM)
Population: 2.9 mln
Passenger vehicles: n.a.
Operations launched: y2017
Share of portfolio: 4.1%

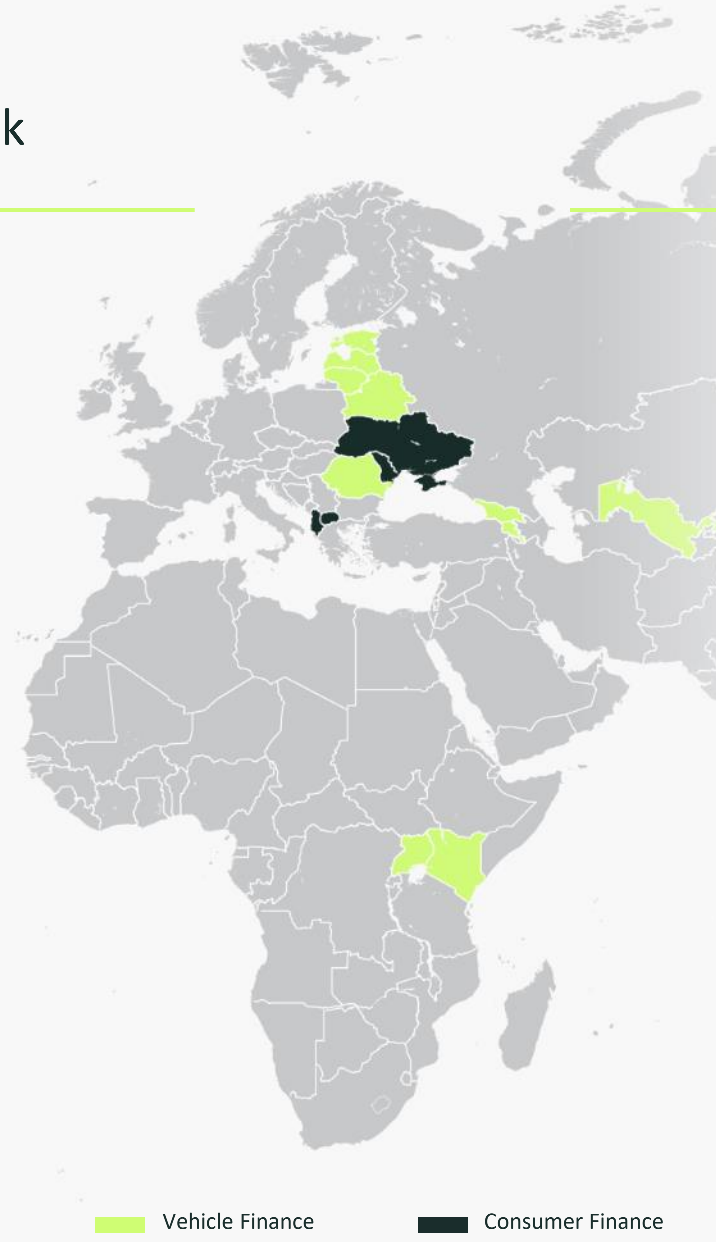
Moldova (MD)
Population: 2.6 mln
Passenger vehicles: 0.58 mln
Operations launched: y2017
Share of portfolio: 5.8%

Belarus (BY)
Population: 9.4 mln
Passenger vehicles: 3.29 mln
Operations launched: y2018
Share of portfolio: 7.8%

Uzbekistan (UZ)
Population: 34.2 mln
Passenger vehicles: n.a.
Operations launched: y2018
Share of portfolio: 2.2%

Kenya (KE)
Population: 53.8 mln
Passenger vehicles: 0.96 mln
Operations launched: y2019
Share of portfolio: 11.9%

Uganda (UG)
Population: 45.7 mln
Passenger vehicles: 0.17 mln
Operations launched: y2019
Share of portfolio: 3.6%



Consumer Finance

Albania (AL)
Population: 2.8 mln
Business acquired: y2020
Share of portfolio: 5.3%

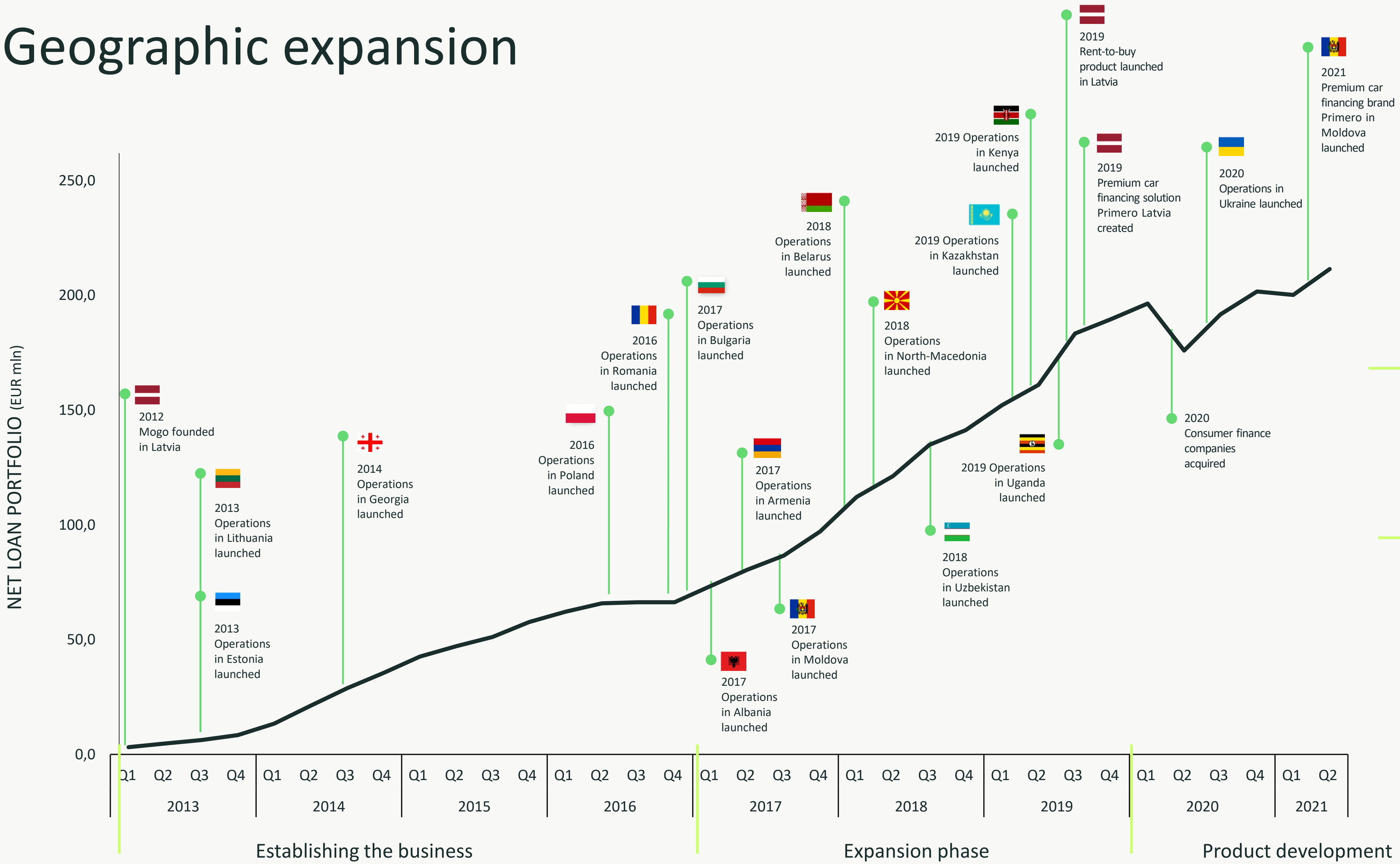
North Macedonia (MK)
Population: 2.1 mln
Business acquired: y2020
Share of portfolio: 3.3%

Moldova (MD)
Population: 2.6 mln
Business acquired: y2020
Share of portfolio: 10.1%

Ukraine (UA)
Population: 41.4 mln
Operations launched: y2020
Share of portfolio: 2.7%

[1] Including Primero product portfolio in total portfolio balance
* Population data source: Eurostat and World bank
* Passenger vehicle data source: ACEA VEHICLES IN USE REPORT and Nation Master

Geographic expansion



Exited/Divested markets

North-Macedonia
Kazakhstan
Bulgaria
Albania

Acquired markets

Albania
North-Macedonia
Moldova

Organizational structure

Hub-based structure to ensure hands-on management of businesses

Founders - 90%

Management, current & former employees[1] - 10%

Eleving GROUP
(Luxembourg)

Eleving VEHICLE FINANCE
(Latvia)

Eleving VEHICLE AFRICA & ASIA
(Latvia, Lithuania)

- MOGO (Kenya)
- MOGO (Uganda)
- MOGO (Uzbekistan)

Eleving VEHICLE EASTERN EUROPE
(Latvia, Lithuania)

- MOGO, RENTI, PRIMERO (Latvia)
- MOGO, RENTI (Lithuania)
- MOGO, PRIMERO (Moldova)
- MOGO (Romania)
- MOGO (Belarus)

Eleving VEHICLE CAUCASUS & ESTONIA
(Latvia)

- MOGO (Estonia)
- MOGO (Armenia)
- MOGO (Georgia)

Eleving CONSUMER FINANCE
(Latvia)

- SEBO (Moldova)
- TIGO (North Macedonia)
- KREDO (Albania)
- INSTAFINANCE (Ukraine)

[1] There are no outstanding employee share options at Eleving Group (Luxembourg) level.

Legal structure

- **Eleving Group (Luxembourg)**
  - **98.7% AS Eleving Finance (Latvia)**
    - 100% «Pocco Finance» sp. z. o. o. (Poland)
    - 83.54% AS Eleving Consumer Finance Holding (Latvia)
      - 100% Kredo Finance SHPK (Albania)
      - 100% Finance Company Tigo Finance DOEL Skopje (Macedonia)
    - 79.66% AS Eleving Consumer Finance (Latvia)
      - 96.256% OCN SEBO CREDIT SRL (Moldova)
      - 100% LLC INSTAFINANCE (Ukraine)
      - 100% LLC NEXT FIN (Ukraine)
      - 96.256% OCN SE Finance SRL (Moldova)
      - 100% HIMA FINANCE LLC (Armenia)
        - 100% HIMA UCO LLC (Armenia)
  - **100% AS Mogo Balkans and Central Asia (Latvia)**
    - 100% «MOGO» d.o.o. Sarajevo (BiH)
    - 100% Mogo Sp. z. o. o. (Poland)
  - **98.57% AS Eleving Vehicle Finance (Latvia)**
    - **100% AS Eleving Luna (Latvia)**
      - 100% Mogo OU (Estonia)
      - 100% Longo Georgia LLC (Georgia)
      - 100% Longo LLC (Armenia)
      - 100% Mogo UCO LLC (Armenia)
      - 100% Mogo LLC (Georgia)
      - 100% Mogo Oj (Finland)
    - **88% AS Eleving Solis (Latvia)**
      - 100% Mogo Kenya Limited (Kenya)
      - 73.88% Mogo Auto Limited (Kenya)
      - 100% Mogo Loans – SMC Limited (Uganda)
      - 100% UAB Mogo Africa (Lithuania)
      - 99.1% OOO Mogo Lend (Uzbekistan)
    - **90% AS Eleving Stella (Latvia)**
      - 100% Mogo Eastern Europe LT (Lithuania)
      - 99.99% MOGO Kredit, LLC (Belarus)
        - 100% ООО «Могo Автокредит» (Belarus)
      - 100% «Рокет Лизинг» (Belarus)
      - 100% O.C.N. MOGO LOANS S.R.L. (Moldova)
      - 99.99% Mogo IFN SA (Romania)
      - 49% AS Primero Holding (Latvia)
        - 100% UAB Primero Finance (Lithuania)
        - 100% AS Primero Finance (Latvia)
      - 98% AS Mogo (Latvia)
        - 100% AS Renti (Latvia)
  - 100% Mogo Iberia SL (Spain)
  - 100% Mogo Albania Sh.A (Albania)
  - 100% «Эл Инвестментс» (Russia)
  - 100% UAB Mogo LT (Lithuania)
    - 100% UAB Renti LT (Lithuania)

Multilayer structure

Efficient split of responsibilities across organizational hierarchy

Eleving Group

- Legal
- Finance
- Business development & BI
- ESD
- HR
- PR

Hubs

- Risk & Analytics
- Finance
- Business control
- IT
- Operations

Countries

- Customer service
- Car dealerships
- Partner account management
- Debt collection
- Accounting
- Administration

Employees as of 30.06.2021

Group:

Total number of employees: 84

Hubs:

Total number of employees: 96
Vehicle finance hubs: 47
Consumer finance hub: 49

Vehicle finance

Total (Customer service & Debt collection)

LV 65 (43)
LT 46 (35)
EE 23 (15)
GE 85 (63)
RO 49 (29)
MD 43 (28)
BY 75 (56)
AM 79 (55)
UG 106 (81)
KE 539 (484)
UZ 36 (27)

Consumer finance

Total (Customer service & Debt collection)

AL 186 (147)
MK 109 (90)
MD 204 (68)
UA 95 (37)

Group functions:

- Fundraising
- Consolidation
- Hub management
- Strategy
- Reporting
- Compliance

Hub functions:

- Operational excellence
- Reporting
- Risk management
- Compliance
- Analysis and data management
- Country-level management

Country-level functions:

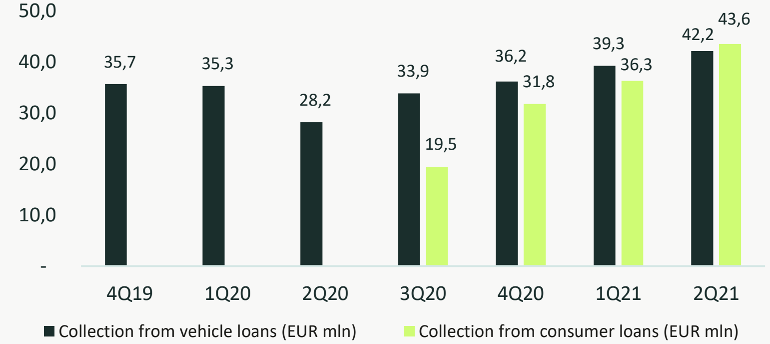
- Sales
- Operational execution (debt collection and customer service)
- Policy implementation
- Administration
- Local regulatory compliance

Navigating Covid-19

Challenges brought by Covid-19 converted into growth opportunities

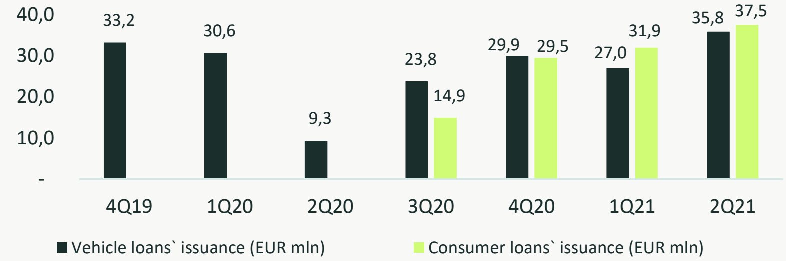
Cash collection

- Strong cash collection throughout the Covid-19 period with continued focus on debt collection and stricter underwriting strategy



Loan issuance

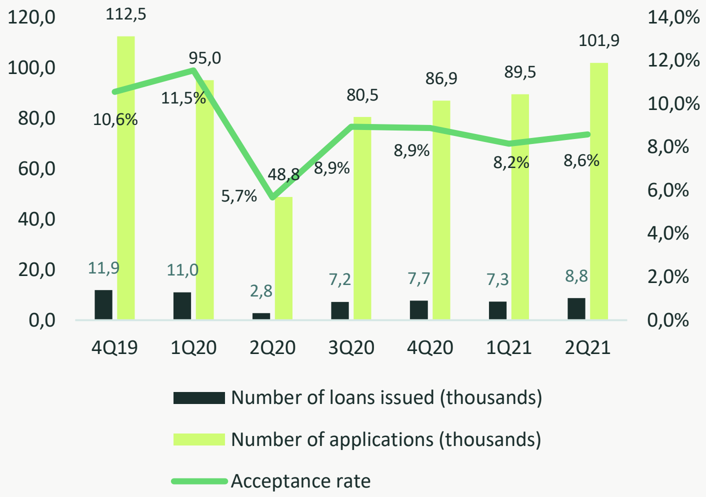
- Fast bounce-back in loan disbursement—swift recovery after the 1st Covid-19 wave, operations unaffected by the next waves



Stricter underwriting policies in place

- Strengthened underwriting process through extra checks and Covid-19 impact assessment (in place since March 2020)
- Demand for vehicle financing products has reached pre-Covid-19 levels

Total applications vs total acceptance[1]



Opportunities

The used car market fully recovered from initial global pandemic year

- Used cars sales in Europe unaffected by Covid-19: June 2021 YTD **used car sales up 21%** over 2020 and 11% above 2019[2]

Strong quarterly demand recorded for personal mobility in all Vehicle Finance markets

- **12% increase** 2Q21 vs. 1Q21 in car loan applications
- **4% increase** 2Q21 vs. 1Q21 in an average car loan ticket

Increased preference for personal vehicles

- During the pandemic, more people preferred using a personal vehicle instead of public transportation due to personal health and safety reasons

Attractive growth opportunities as traditional lenders become more cautious

- Niche market position, geographic diversification, and a tech-enabled platform well positions the Group to capture new market share and launch new product offerings

[1] Statistics for active Vehicle Finance markets, excluding motorcycle taxi loans
[2] Source: https://www.indicata.com/download/INDICATA_Market_Watch_18_EN.pdf

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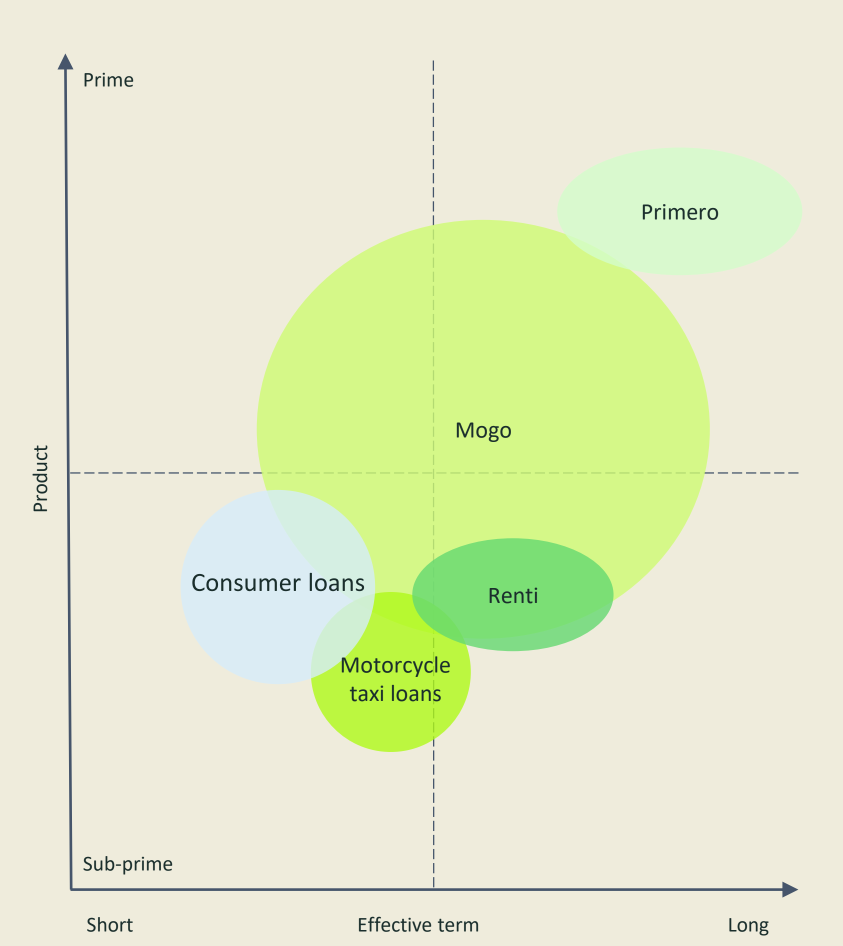
Product ecosystem

Products tailored to meet the needs of a diverse clientele

		Vehicle Finance				Consumer Finance
Brand		Mogo		Renti	Primero	Sebo, Tigo, Kredo, Instafinance
Products		Secured vehicle loans	Motorcycle taxi loans	Rent-to-Buy	Premium vehicle loans	Consumer loans[2]
Portfolio (EUR mln)		138.6 (65.4%)	14.9 (7.0%)	13.5 (6.4%)	16.9[1]	44.9 (21.2%)
Loan size (EUR)	Average	3,400	1,000	3,800	5,400	240
	Max.	15,000	1,200	8,000	25,000	1,600
Term (months)	Average	45	19	59	73	5
	Max.	84	24	84	84	48
Avg. interest rate (monthly)		3.6%	5.7%	3.9%	1.8%	Up to 10.4%
Average LTV		72%	85%	-	94%	-
Sales channels		Web platform / 59 branches / Own car classifieds				Web platform / 100 branches
Countries		LV, LT, EE, GE, AM, RO, MD, BY, KE, UG, UZ	KE, UG	LV, LT	LV[1], MD To be launched in 2021 LT, EE, RO	MD, MK, UA, AL



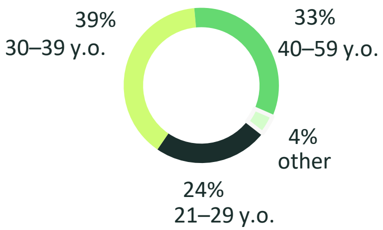
[1] Premium car financing solution created through a strategic partnership with a local bank in Latvia (Eleving Group 49%, bank 51%), which achieves an efficient combination of bank-level product pricing with FinTech speed, exceptional customer service, automation, and flexibility. Primero finance is bridging the gap between conventional banking/leasing sector and subprime consumer lending
[2] Consists of instalment loans, single payment loans, and credit line products. Statistics are shown as a blended weighted average for all products combined

Diverse customer profile

Serving economically active individuals with a focus on productive lending

Secured vehicle loans and rent-to-buy

Age:



Gender: 77% | 23%

Characteristics:

- Regular income
- Use a car on a regular basis
- Regularly change cars
- Seek low monthly payments
- Limited savings
- For rent-to-buy—value ultimate flexibility

TOP vehicle brands:

Average vehicle age: 14.9 years

Motorcycle taxi loans

Age:

Gender: 91% | 9%

Characteristics:

- Self-employed customers who use a motorcycle to generate regular income
- Seek low monthly payments
- Limited savings

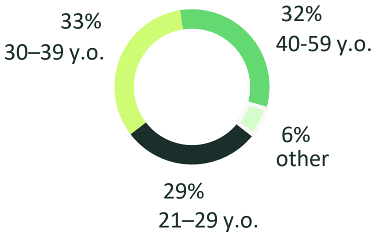
TOP vehicle brands:

HONDA, HAOJIN, TVS, BAJAJ

Average vehicle age: new motorcycles

Premium vehicle loans

Age:



Gender: 76% | 24%

Characteristics:

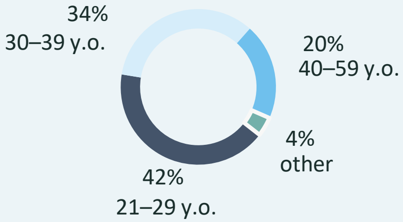
- Regular income
- Look for a higher quality
- Can afford a more expensive vehicle
- Regularly change cars
- Seek low monthly payments
- Limited savings

TOP vehicle brands:

Average vehicle age: 13.1 years

Consumer loans

Age:



Gender: 56% | 44%

Characteristics:

- Regular income
- Underserved by traditional lenders
- Solving daily needs, mostly related to householding
- Value flexibility and availability

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Lending process

Automated, data-driven customer journey to ensure minimal response time

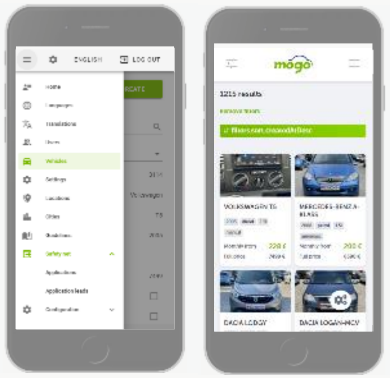
Fraud prevention & data privacy

Marketing → Application → Underwriting / valuation → Customer service → Debt collection

Marketing

Diversified performance-focused channels

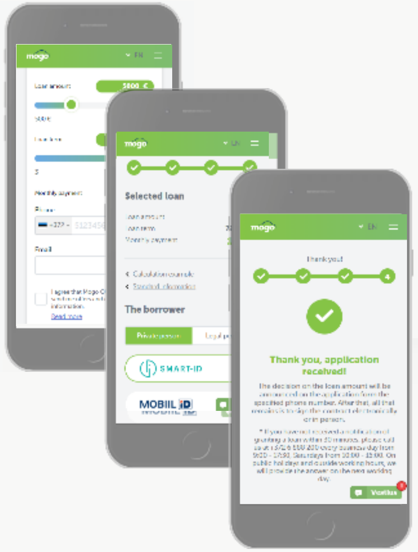
- High-converting online marketing channels-affiliates, social networks, pay-per-click marketing
- Usage of own car classified portals to attract customers
- Vast offline presence through advertising at dealers' and partners' locations
- Data driven multi-channel marketing



Application

Simple and user-friendly application form

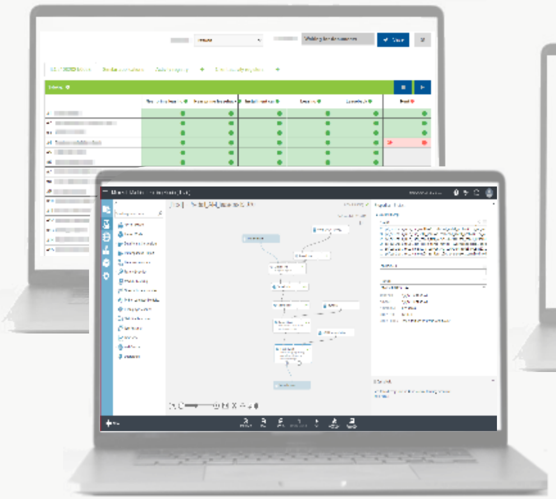
- Available both online and offline
- 2-step process for most efficient data collection
- Digital and physical client identification based on preferences



Underwriting / valuation

Flexible, automated & easily adjustable underwriting process

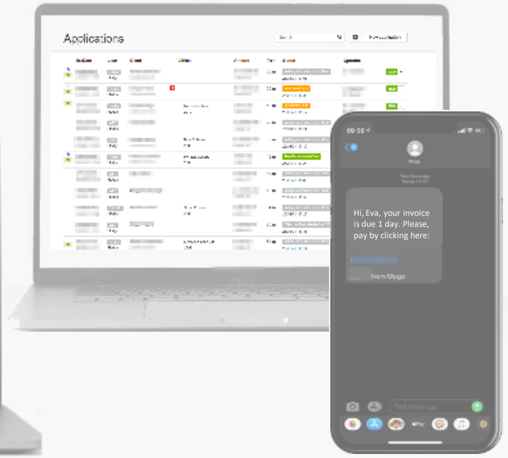
- Automated data collection from multiple sources within seconds
- Underwriting designed to be fully adjustable without IT's involvement
- Integration with Microsoft AZURE solution for automatic, self-learning model recalibration and implementation



Customer service

Built-in CRM system to drive action

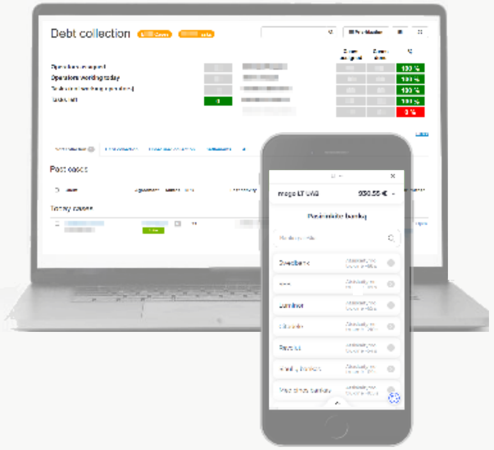
- CRM drives action for operators by streamlining processes
- Integrated with third party call center solutions
- Depending on the product, ensures short loan disbursement process ranging from 2 minutes to 1 day



Debt collection

Fully customizable debt collection process

- Fully manageable communication matrix
- Task distribution system & built-in performance tracking allows automatically generated debt collection tasks
- Full lifecycle of debt collection managed in one place



Established lending infrastructure

A unique mix of sales channels serves as a competitive advantage

Offline

159	15	1,000+
Branches across 14 markets	Used vehicle sales lots	Dealerships

Own branch network as a competitive advantage:

- Efficient sales channels
- Reaching wider groups of customers
- Serve as local call and customer centers
- Used for physical car inspection
- Cost-efficient to maintain

Market-leading dealership network:

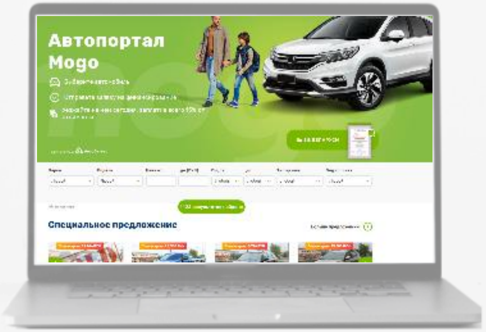
- Efficient sales channels
- Commission-based incentives to drive performance
- Enable country-wide coverage with no fixed costs
- Equipped with IT solution to evaluate clients
- Physical car inspection

Online

10	20+	50+
Proprietary car sales portals	Product websites	Integrations with sales partners on digital channels

Proprietary car classified ads portal serves as a unique sales channel:

- 10,000+ cars listed on 10 markets in Europe, Asia, and Africa
- Main channel to sell repossessed vehicles
- Listings of the best dealers' cars—helps to connect dealers to potential customers
- Cost-efficient lead generation through an integrated application form



Tech-enabled underwriting and client service

Rigorous credit assessment with a fast decision output

Client | Automated scoring

Third-party and in-house models

- Customer profile
- Payment discipline and credit reports
- Income and liabilities
- Customer background
- Vehicle seller check[1] | Digital fingerprint and device information[2]
- Risk-based scoring

Vehicle | Automated instant valuation

Internally developed high-level solution

- Input from the client (Vehicle registration or VIN number)
- Integration with relevant databases: State transport authority databases; Manufacturer records; Stolen vehicle databases; Accident databases
- Detailed technical information about the vehicle and its legal status
- Comparable screening criteria
- Main virtual vehicle marketplaces in each country
- Vehicle valuation based on actual market price

Client service

Built in-house with integrated third-party models

CRM

- Sales and efficiency oriented
- Data-driven
- Performance-based
- Integrated

Branches | Call centers | Customer self-service | Third party solutions

Number of applications serviced (LTM)

Vehicle Finance	Consumer Finance[3]
Applications: 359,000	Applications: 615,000
Acceptance rate: 8.6%	Acceptance rate: 17.6%

[1] Applicable only for vehicle financing
[2] Applicable only for consumer financing
[3] Applications from new clients only

Efficient debt collection process

Versatile, results-oriented debt collection process fueled by automation

Overdue days	Vehicle Finance	Consumer Finance	
Not Overdue	**Pre-collection:** Upcoming payment reminders: predictive dialer, automatic emails, SMS, robot calls		
1–30 days overdue	**Soft collection:** Predictive dialer, calls, automatic emails, SMS, robot calls, written letters		▪ Throughout a loan term, a customer can modify the agreement terms—e.g., extend loan term, make partial repayment, etc.
31–60 days overdue	**Mid/Hard collection:** Predictive dialer, calls, automatic emails, SMS, robot calls, written letters, contract termination, in-person visits, skip tracing ➢ *Loan termination on day 35* [1] **Further actions:** ▪ Loan renewal ▪ Restructuring ▪ Voluntary vehicle return ▪ Vehicle repossession	**Mid/Hard collection:** Predictive dialer, calls, automatic emails, SMS, robot calls, written letters, contract termination **Further actions:** ▪ Loan renewal ▪ Restructuring ▪ Loan termination	▪ Effort is made to reach an agreement with a customer to find a solution for loan repayment prior to pursuing further debt collection activities ▪ In most (>90%) of the cases, vehicle loan agreements are terminated when they are 35 to 60 days overdue to physically repossess a vehicle and preserve its value ▪ Over 50% of the cases in Vehicle Finance and more than 24% of the cases in Consumer Finance are recovered in mid-collection stage and a client returns to a regular payment schedule
61–90 days overdue	**Hard collection:** Skip tracing, GPS analytics, home visits, repossession, police reporting **Further actions:** ▪ Vehicle sales ▪ Legal collection[2]	**Hard collection:** Skip tracing, manual calls, notary writs	▪ ~ 80% of vehicles set for repossession are successfully repossessed in the *Hard collection* process ▪ Sale of a repossessed vehicle takes an average of 103 days from the time of loan termination (~70 days from a car repossession)
91+ days overdue	Legal collections[2], cession sales		▪ Since inception, the recovery rate[3] after default through all debt collection actions has been 79% for the Vehicle Finance products

[1] Exact termination date differs across markets and is based on local regulations and client's willingness to cooperate
[2] Third-party services
[3] Total recovery rate: income from sold repossessed vehicles and debt collection procedures / outstanding debt amount at termination. 2021 is not taken into account due to repossession and car sales process

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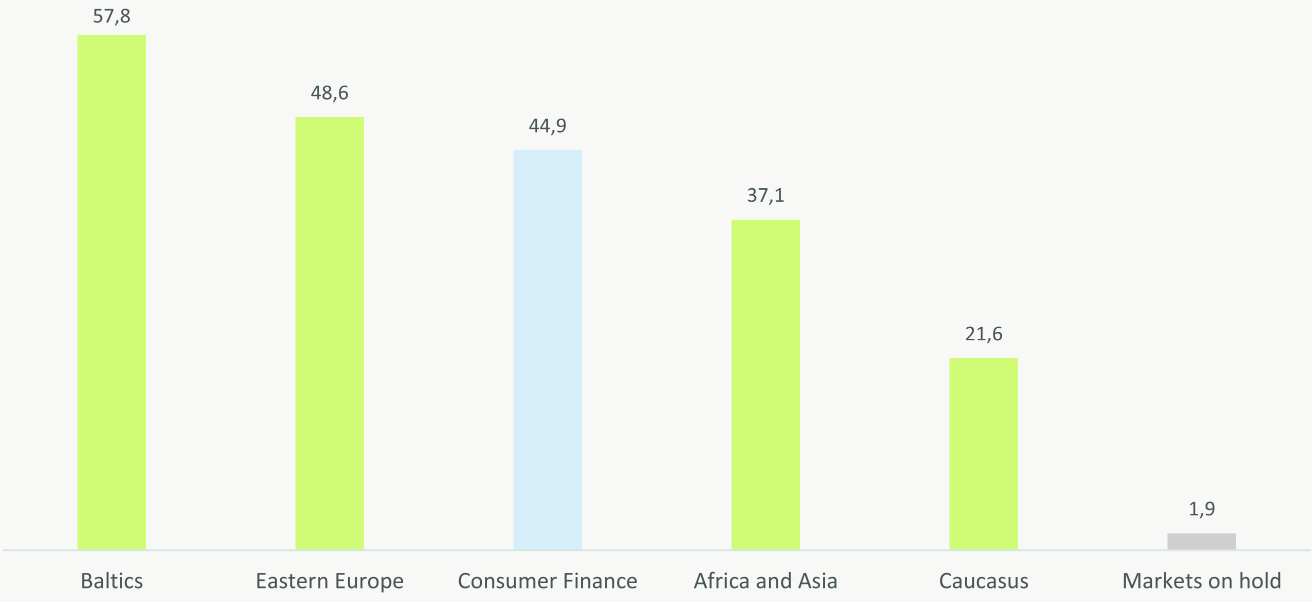
Diversified loan portfolio

A predominantly European-based portfolio, secured against collateral

Net Loan and used vehicle Rent Portfolio by region, EUR mln

As of 30.06.2021



Baltics: Latvia, Lithuania, Estonia
Eastern Europe: Romania, Belarus, Moldova
Consumer Finance: Albania, North Macedonia, Moldova, Ukraine

Africa and Asia: Kenya, Uganda, Uzbekistan
Caucasus: Georgia, Armenia
Markets on hold: Bosnia and Herzegovina, Poland

The Group has a geographically diverse portfolio, with over 70% of loans concentrated in the European region with resilient economies and strong currencies

The split between secured Vehicle Finance and unsecured Consumer Finance portfolios remains close to 80% / 20%

Strong diversification is coupled with solid portfolio quality. Gradual relaxation of the underwriting policies started in 1Q21 and is still being adjusted to the local macroeconomic situation, retaining a more conservative approach

The Group proactively optimized its portfolio at the beginning of the Covid-19 pandemic and now focuses entirely on the markets with the greatest potential for profitable growth

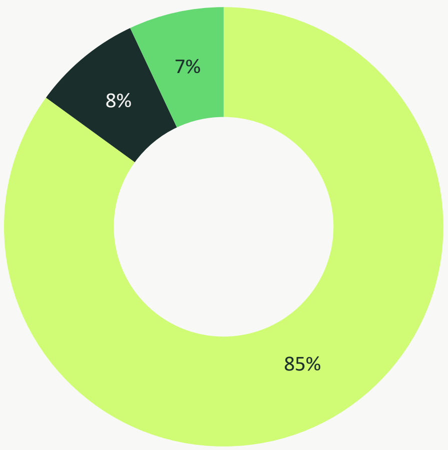
The share of the “Markets on hold” has been significantly reduced, accounting for less than 1% of the portfolio

Non-performing loans and provisioning

Continuously improving portfolio quality

Vehicle Net Loan Portfolio quality analysis

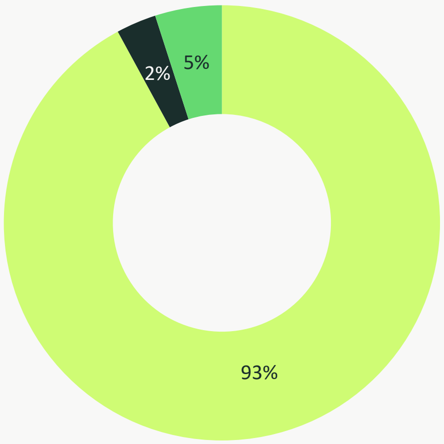
As of 30.06.2021



Stage 1: Current-30 days overdue
Stage 2: 31-34 days overdue
Stage 3: 35+ days overdue (NPL)

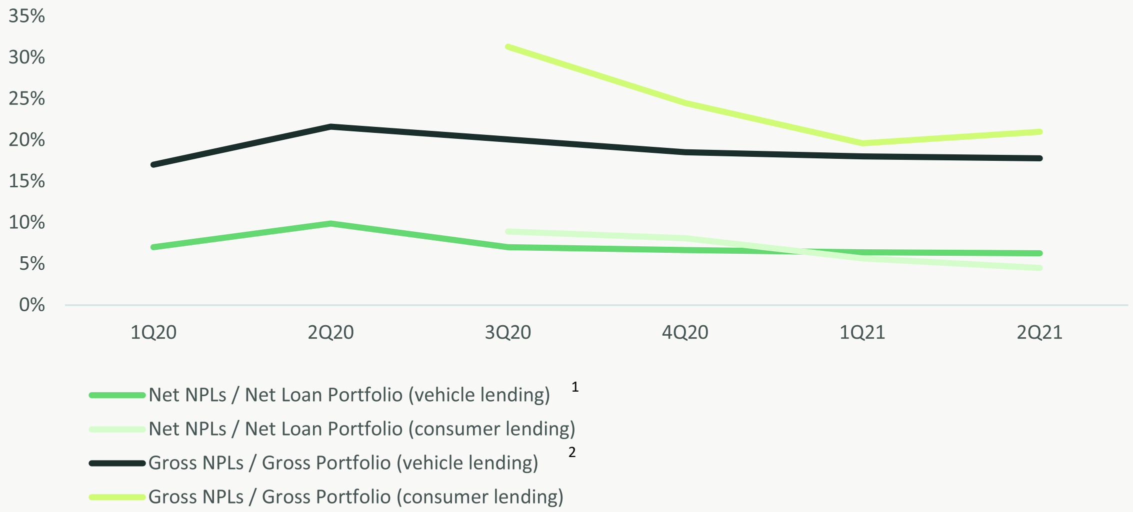
Consumer Net Loan Portfolio quality analysis

As of 30.06.2021



Stage 1: Current-30 days overdue
Stage 2: 31-90 days overdue
Stage 3: 90+ days overdue (NPL)

Gross and Net NPL portfolio



Portfolio quality continued to improve, with the share of Stage 1 loans increasing both in the vehicle and consumer portfolios. The share of Stage 3 loans decreased in both segments, compared to 1Q21

Net NPLs improved compared to previous quarters in both vehicle and consumer finance segments

Gross NPLs have slightly increased in consumer loans business line due to fewer third-party debt sales conducted in 2Q21, compared to 1Q21

An improvement in NPL ratios was largely driven by an overall improvement of the economic climate, as well as more cautious underwriting in 2020 and Year to Date 2021

[1] Net Loan Portfolio (including accrued interest) = Gross loan portfolio – provisions; NPL is defined as 35+ DPD (Days past Due) for vehicles and 90+ DPD for consumer portfolios
[2] Excluding Poland from 3Q18 and Albania, Kazakhstan, Bosnia and Herzegovina, and North Macedonia since 2Q20

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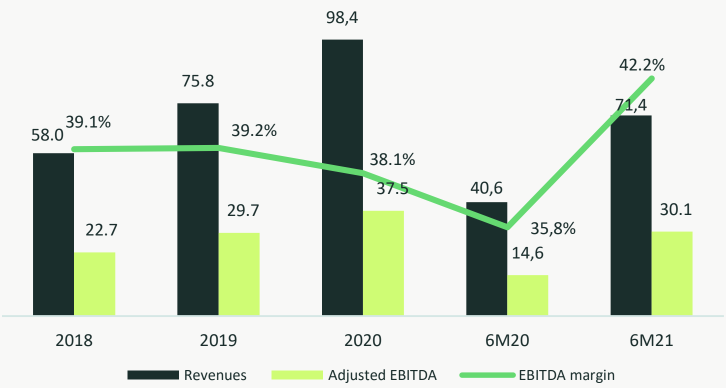
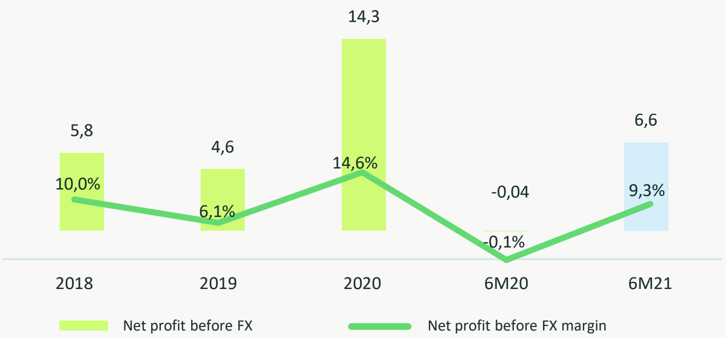
Financial highlights

Financial results speak of a sturdy performance

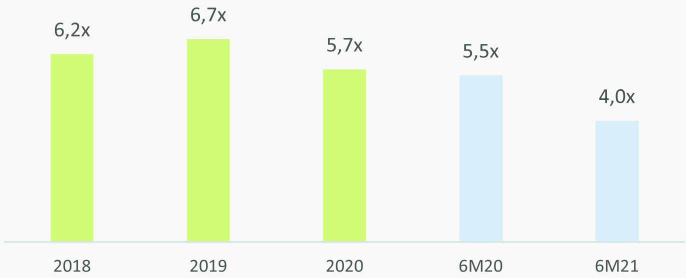
Revenue[1] and Adjusted EBITDA[2], EUR mln



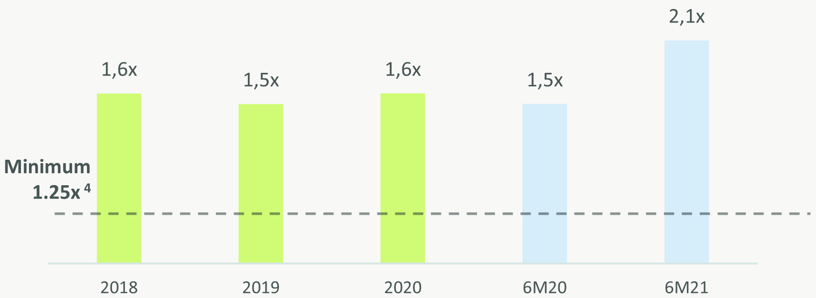
Net profit before FX effect, EUR[3] mln



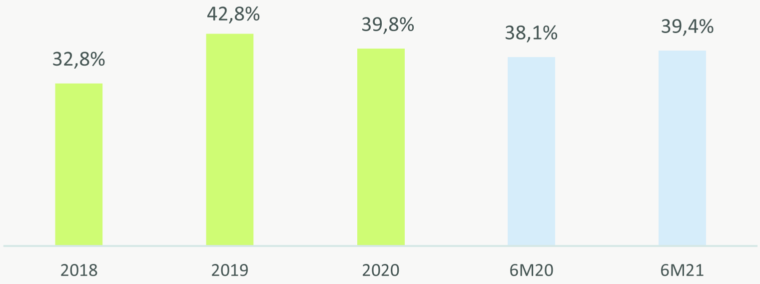
Net leverage ratio (Net debt excl. IFRS16 liabilities / LTM Adjusted EBITDA)



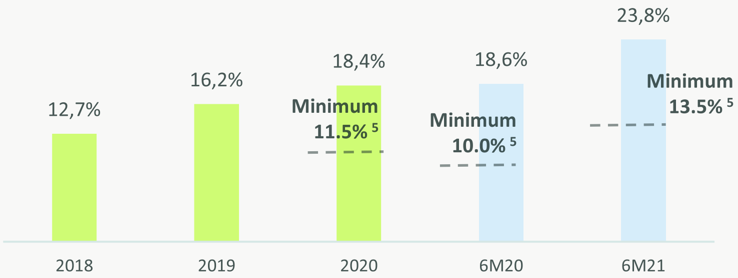
Interest coverage ratio (Adjusted EBITDA / Finance charges)



Cost to income ratio



Capitalization ratio (Equity incl. subordinated loans / Net Loan Portfolio)



[1] Adjusted with fair value gain on acquisition in 2020 from portfolio in the amount of EUR (3.4) mln and subsequent amortization of portfolio gain in 6M21 in the amount of EUR (1.4) mln

[2] 2020 Adjusted EBITDA with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln and a decrease by one off-gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 6M21 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 1.8 mln; (b) loss from Albanian operations write-off EUR 1.0 mln

[3] Adjusted for discontinued operations of Longo business in 2019, Bulgaria in 2020, and Bulgaria in 6M21

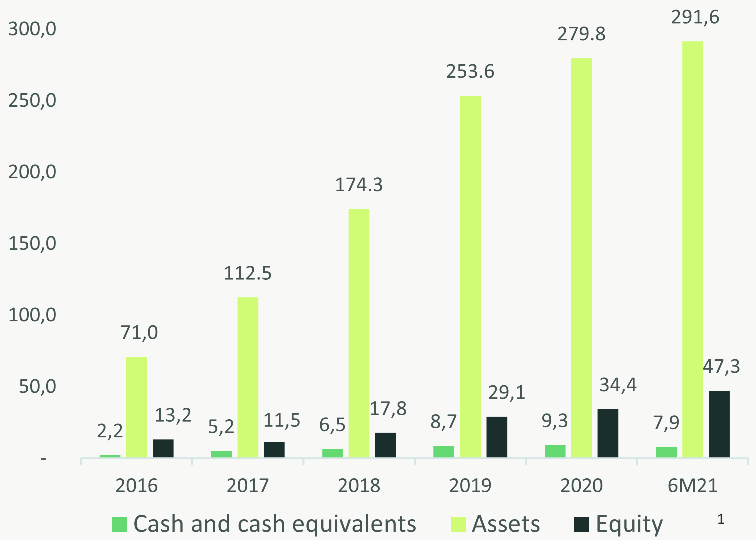
[4] Financial covenant: Interest coverage ratio of at least 1.25x, if not cash at least EUR 5.0 mln until interest coverage ratio reaches 1.25x

[5] Financial covenant: Capitalization ratio of at least 12.5% until 31 March 2021; 13.5% until 30 June 2021, and 15% until 30 September 2021 until full repayment of the Bonds

Assets and liabilities

A sustained growth in assets

Assets and equity, EUR mln

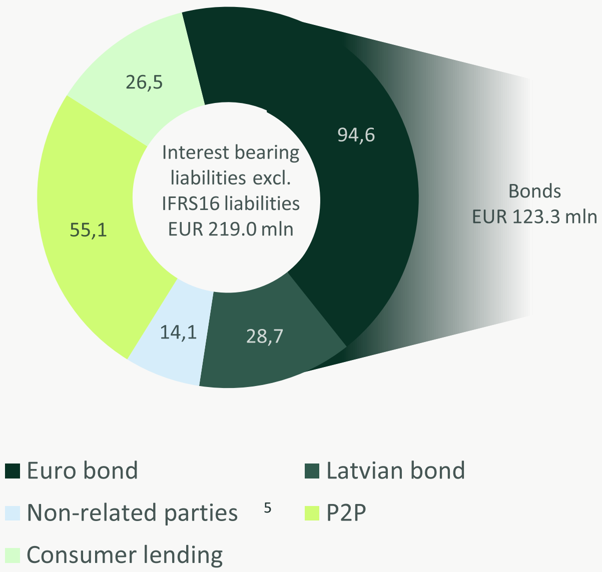


Most total assets are comprised of Net Loan Portfolio, used vehicle Rent Portfolio, and cash

An increase in total assets in 2020 was caused by the acquisition and growth of consumer loan companies; vehicle loan portfolio was slightly affected by the stopped issuances in countries on hold [2]

Capitalization ratio above the Eurobond covenant level

Liabilities, EUR mln



The Group's cost of debt has decreased with Mintos[4] marketplace's weighted average borrowing rate now below 10%, and both of the Group's bonds trading comfortably above par in the secondary market

	2017	2018	2019	2020	6M 2020	6M 2021
Capitalization ratio [3]	11.8%	12.7%	16.2%	18.4%	18.6%	23.8%

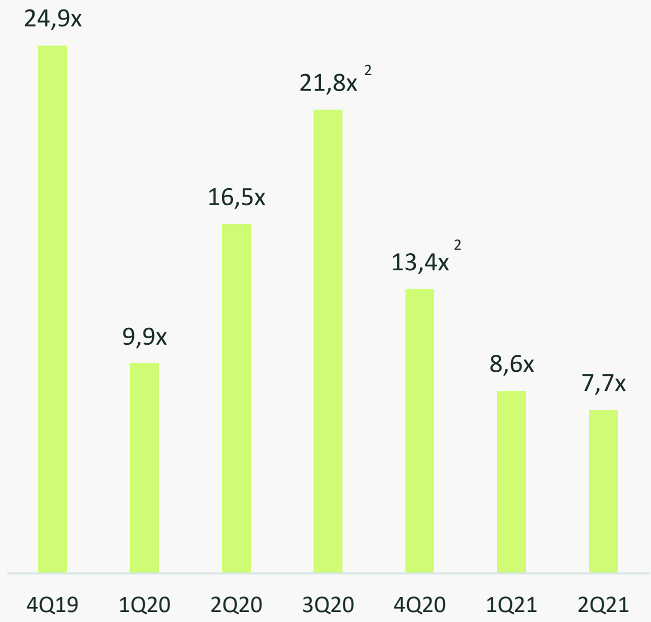
Bond maturity profile	2022	2024
EUR	100,000,000	30,000,000

[1] Equity incl. subordinated loans
[2] Countries on hold (Vehicle Finance): Kazakhstan (sold), Bosnia and Herzegovina, Poland, Albania (Sales agreement signed), Bulgaria (Sales agreement signed), North Macedonia (sold)
[3] Capitalization ratio: Shareholders´ equity + shareholders´ loans / Net Loan Portfolio
[4] Mintos is a peer-to-peer (P2P) marketplace for loans that provides a perfect asset-liability match and a revolving credit line type of an arrangement
[5] This consists of EUR 13.5 mln of loans from local banks and EUR 0.6 mln of other interest-bearing liabilities

Deleveraging story

Company's outstanding financial performance continues to drive deleveraging

Gross debt / Tangible equity[1]



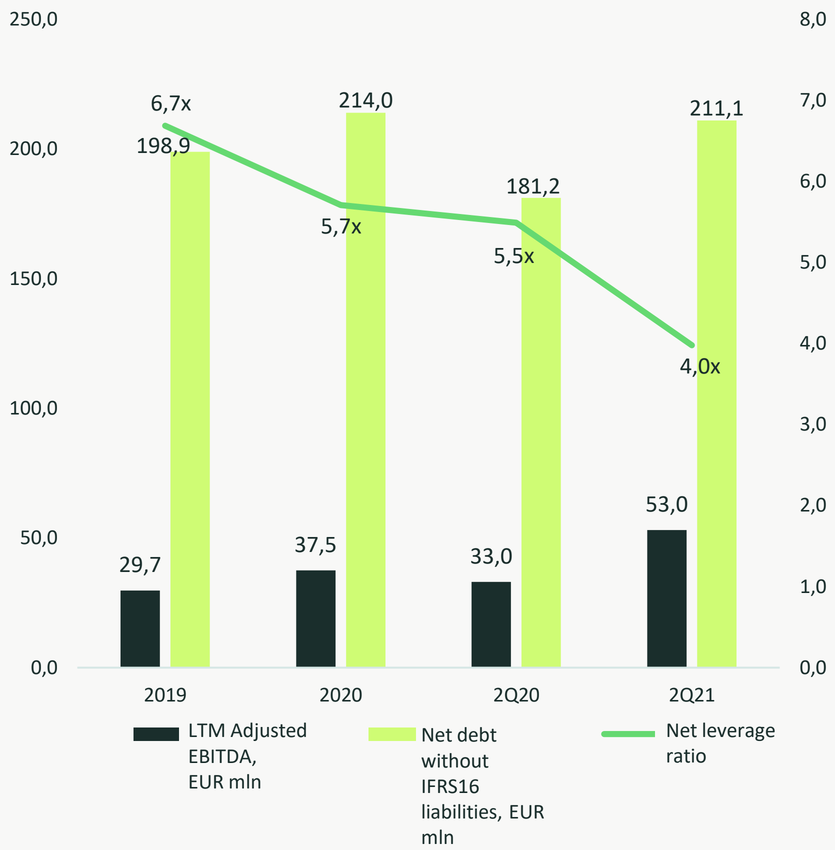
The level of Gross debt / Tangible equity has been initially elevated due to financing activities aimed at further business development

The highest point of 2020 (21.8x) was reached in 3Q20 as a result of the acquisition of Consumer Finance businesses

As of 2Q21, leverage has fallen back to 7.7x, after the finalization of acquisitions

Going forward, the Company's leverage is expected to further decrease and stabilize

Net leverage (Net debt excl. IFRS 16 capabilities / LTM Adjusted EBITDA)



The Group's Net leverage increased rapidly from 2016 to 2018 due to frequent financing exercises for the business development

As profitability rapidly increased in the past few years, Net leverage gradually stepped down

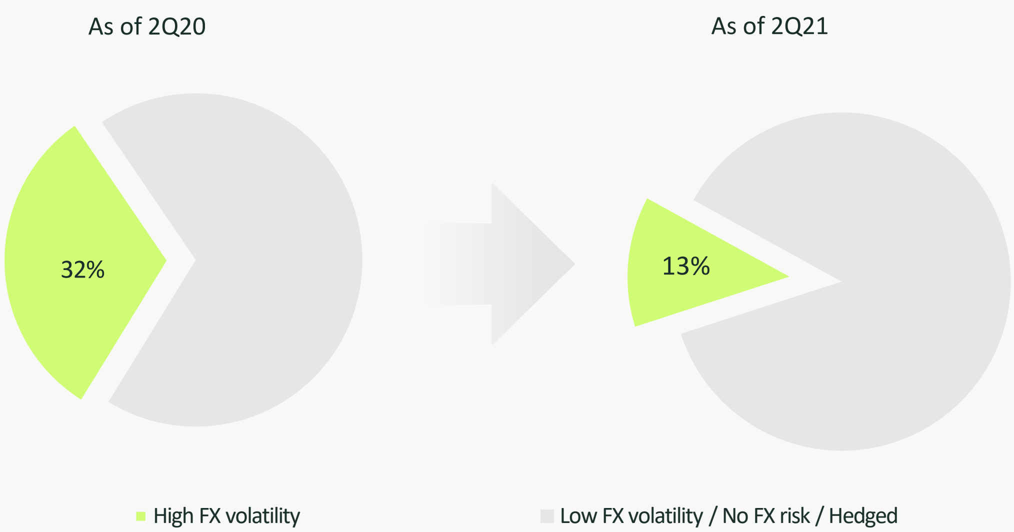
Net leverage stands at 4.0x as of 2Q21 (LTM Adjusted EBITDA)

[1] Gross debt without IFRS16 liabilities / Tangible equity = (borrowings-IFRS16 liabilities) / (equity including subordinated debt - intangible assets-deferred tax assets)
[2] Acquisitions of Consumer Finance companies made in 2H20

Foreign currency risk

Substantial progress in issuing USD and EUR linked loans

Net Loan Portfolio breakdown by FX volatility



Low FX[1] volatility / No FX risk as at end of 2Q21:
- Low FX volatility 25%
- No FX risk 37%
- Hedged 25%

The Group has decreased its exposure to volatile foreign currencies from 32% (as of 2Q20) to 13% (as of 2Q21). This has been achieved by:

- Successful divestment of markets on hold that previously operated in volatile FX environment
- Issuing loan portfolios linked to stable currencies (EUR and USD) in markets where local currency is different
- Subsequently hedging USD loan portfolios against EUR by use of derivative contracts
- Obtaining USD hedges in markets where local currencies highly correlated with USD

High FX volatility loans account for 13% of total Net Loan Portfolio as of 2Q21. This mainly consists of Georgia, unhedged part of Armenia, Uzbekistan, and Ukraine portfolios. However, the Group has priced in a possible further deterioration of the local currencies within its products in respective markets, hence allowing sufficient profitability headroom

The Group expects exposure to high volatility foreign currencies to remain at the current level or decrease in the future

[1] Low FX volatility would be considered a local currency whose value has changed less than 10% cumulatively against EUR over the last 5 years

Income statement

Group financials, EUR mln	2018	2019	2020	6M20	6M21
Interest revenue calculated using the effective interest method	54.4	68.0	83.5	36.0	62.5
Interest expense calculated using the effective interest method	(14.2)	(21.2)	(26.1)	(12.5)	(14.8)
Net interest income	**40.2**	**46.8**	**57.4**	**23.5**	**47.7**
Fee and commission income	3.4	3.8	5.2	1.6	3.7
Revenue from rent	0.2	4.0	6.2	3.0	3.4
Total net revenue	**43.8**	**54.6**	**68.9**	**28.1**	**54.7**
Impairment expense	(18.3)	(16.1)	(25.6)	(12.2)	(15.8)
Expenses related to peer-to-peer platform services	(0.7)	(0.7)	(1.0)	(0.5)	(0.6)
Profit from car sales	-	-	-	-	-
Selling expense	(2.2)	(3.1)	(2.8)	(1.1)	(2.9)
Administrative expense	(16.8)	(29.4)	(35.0)	(14.4)	(24.5)
Other operating (expense) / income	1.0	(0.4)	9.1	(0.4)	(2.1)
Net foreign exchange result	(0.3)	(0.2)	(13.2)	(3.2)	0.1
Profit or loss before taxes	**6.5**	**4.7**	**0.4**	**(3.7)**	**9.0**
Corporate income tax	(1.4)	(1.3)	(0.7)	(0.5)	(3.0)
Deferred corporate income tax	0.4	1.0	1.4	1.0	0.7
Net profit for the period	**5.5**	**4.4**	**1.1**	**(3.3)**	**6.7**
Discontinued operations	(0.8)	2.1	0.5	(0.6)	0.7
Translation of financial information of foreign operations to presentation currency	0.1	(0.4)	(1.5)	0.3	0.4
Total comprehensive income for the year	**4.7**	**6.2**	**0.1**	**(3.6)**	**7.8**
Net profit before FX and discontinued operations	**5.8**	**4.6**	**14.3**	**(0.1)**	**6.6**
EBITDA	**22.7**	**29.7**	**45.4**	**14.6**	**27.3**
Adjusted EBITDA	**22.7**	**29.7**	**37.5**	**14.6**	**30.1**

Balance sheet

Assets, EUR mln	2018	2019	2020	6M21
ASSETS				
Goodwill	1.7	4.1	6.6	6.6
Internally generated intangible assets	1.9	3.6	5.9	7.3
Other intangible assets	0.1	0.2	2.3	2.2
Loans and lease receivables and rental fleet	141.3	193.6	201.4	211.9
Right-of-use assets	2.4	7.9	7.5	7.5
Property, plant and equipment	1.0	1.6	2.1	2.1
Leasehold improvements	0.3	0.3	0.4	0.5
Advance payments for assets	0.2	-	-	-
Loans to related parties	5.4	22.1	15.8	11.3
Other financial assets	5.8	2.5	3.0	6.6
Deferred tax asset	0.6	1.6	2.9	2.7
Inventories	1.7	0.6	1.6	2.9
Prepaid expense	0.8	1.0	1.9	2.3
Trade receivables	0.8	1.4	3.3	3.5
Other receivables	1.3	2.5	4.1	6.4
Assets of subsidiary held for sale	-	-	9.4	8.9
Assets held for sale	2.6	1.9	2.1	1.0
Cash and cash equivalents	6.5	8.7	9.3	7.9
TOTAL ASSETS	**174.3**	**253.6**	**279.8**	**291.6**

Equity & Liabilities, EUR mln	2018	2019	2020	6M21
EQUITY				
Share capital	-	1.0	1.0	1.0
Retained earnings	15.1	21.4	22.9	29.6
Foreign currency translation reserve	(0.4)	(0.8)	(2.3)	(1.9)
Reserve	0.1	0.3	0.3	0.6
Equity attributable to equity holders of the Company	**14.8**	**21.8**	**21.9**	**29.3**
Non-controlling interests	0.5	0.5	0.3	0.7
Subordinated debt	2.5	6.8	12.1	17.3
TOTAL EQUITY	**17.8**	**29.1**	**34.4**	**47.3**
LIABILITIES				
Borrowings	150.4	215.5	231.1	226.8
Provisions	1.4	0.9	0.4	0.4
Prepayments and other payments received from customers	0.1	0.2	0.5	0.3
Trade payable	1.2	1.3	1.3	2.0
Corporate income tax payable	0.6	0.3	0.8	1.8
Taxes payable	0.6	1.5	2.0	2.6
Other liabilities	0.2	2.4	1.9	2.2
Liability of subsidiary held for sale	-	-	3.9	4.2
Accrued liabilities	1.8	2.6	3.3	3.9
Other non-current financial liabilities	0.1	0.1	0.2	0.1
TOTAL EQUITY + LIABILITIES	**174.3**	**253.6**	**279.8**	**291.6**

Statement of cash flow

EUR mln	2018	2019	2020	6M20	6M21
Cash flows to/from operating activities					
Profit/(loss) before tax	5.7	6.9	0.9	(4.6)	9.7
Adjustments for:					
Amortization and depreciation	1.8	3.8	5.7	4.5	3.6
Interest expense	14.2	21.9	26.1	12.8	14.8
Interest income	(54.4)	(72.4)	(83.5)	(39.1)	(62.5)
Loss/(gain) on disposal of property, plant and equipment	0.2	1.0	1.4	0.7	2.0
Impairment expense	17.6	16.7	26.1	13.7	15.7
Gain on acquisition of subsidiaries	-	-	(11.5)	-	-
(Gain)/loss from fluctuations of currency exchange rates	0.3	(0.1)	11.7	3.8	0.3
Operating profit before working capital changes	**(14.6)**	**(22.3)**	**(23.1)**	**(8.2)**	**(16.4)**
(Increase)/decrease in inventories	(0.9)	1.1	(1.0)	0.3	(1.3)
Increase in receivables	(53.9)	(66.3)	(24.6)	(0.7)	(32.5)
Increase in trade payable, taxes payable and other liabilities	1.4	(3.2)	7.1	(3.0)	2.2
Cash generated to/from operating activities	**(68.1)**	**(84.3)**	**(41.6)**	**(11.5)**	**(47.9)**
Interest received	54.3	70.5	83.3	38.9	64.1
Interest paid	(12.4)	(19.4)	(22.6)	(10.9)	(16.8)
Corporate income tax paid	(1.2)	(1.8)	(1.0)	(0.1)	(2.0)
Net cash flows to/from operating activities	**(27.4)**	**(35.0)**	**18.2**	**16.4**	**(2.6)**

EUR mln	2018	2019	2020	6M20	6M21
Cash flows to/from investing activities					
Purchase of property, plant and equipment and intangible assets	(1.9)	(5.4)	(3.9)	(1.4)	(4.0)
Purchase of rental fleet	(1.4)	(13.4)	(9.0)	(4.4)	(2.4)
Loan repayments received	1.5	9.2	3.3	4.8	8.5
Received payments for sale of shares in subsidiaries	-	0.2	5.3	-	-
Advance payments for acquisition of a subsidiaries	(1.0)	(0.3)	-	-	-
Acquisition of a subsidiary, net of cash acquired	(0.9)	(0.8)	(4.1)	-	-
Disposal of discontinued operation, net of cash disposed of		(1.4)	(0.3)		
Loans issued	(10.7)	(11.4)	(0.4)	(5.4)	(1.0)
Net cash flows to/from investing activities	**(14.4)**	**(23.3)**	**(9.3)**	**(6.3)**	**1.0**
Cash flows to/from financing activities					
Proceeds from issue/(repayment) of share premium	-	1.0	-	-	-
Proceeds from borrowings	304.7	108.3	212.8	106.5	149.7
Repayments for borrowings	(259.5)	(47.0)	(216.6)	(103.7)	(148.0)
Payments for acquisition of non-controlling interests	-	(0.1)	(0.1)	-	-
Repayment of liabilities for right-of-use assets	(1.8)	(1.8)	(4.3)	(1.3)	(1.5)
Dividends paid to non-controlling shareholders	(0.1)	-	-	-	(0.1)
Net cash flows to/from financing activities	**43.3**	**60.4**	**(8.2)**	**1.5**	**0.2**
Effect of exchange rates on cash and cash equivalents	(0.2)	0.1	-	-	-
Change in cash	**1.3**	**2.1**	**0.7**	**11.7**	**(1.4)**
Cash at the beginning of the year	5.2	6.5	8.7	8.7	9.3
Cash at the end of the year	**6.5**	**8.7**	**9.3**	**20.3**	**7.9**

Related parties'[1] transactions (1/3)

As per unaudited interim condensed consolidated financial statements for the period ended 30 June 2021

The income and expense items with related parties for first 6 months of 2021 were as follows

Related party	Shareholder controlled companies EUR	Other related parties EUR
interest income	**525 858**	**-**
Interest expenses	(679 220)	-
Sale of finance lease receivables to associated entities	-	5 652 517
Management services provided to associated entities	-	430 529

The income and expense items with related parties for 2020 were as follows

Related party	Shareholder controlled companies EUR	Other related parties EUR
interest income	**1 128 262**	**-**
Interest expenses	(368 649)	-
Sale of finance lease receivables to associated entities	-	589 816
Management services provided to associated entities	-	227 481

The receivables and liabilities with related parties as at 30.06.2021. and 31.12.2020. were as follows

Related party	30.06.2021. EUR	30.12.2020. EUR
Amounts owed by related parties		
Loans to related parties	11 318 966	15 828 513
Trade receivables	48 506	133 795
Amounts owed to related parties		
Subordinated loans from shareholders of the Parent Company	17 282 823	12 126 467
Payables to related parties	304 161	315 566

[1]Related parties shall mean the following parties:

- All ultimate beneficial shareholders and entities controlled or jointly controlled by these individuals or close family members of these individuals are deemed as related parties of the Group.
- Other related parties are entities which are under control or joint control of the shareholders of the Group, but not part of the Group.

Related parties' transactions (2/3)

As per unaudited interim condensed consolidated financial statements for the period ended 30 June 2021

Movement in amounts owed by related parties	Amounts owed by related parties
Amounts owed by related parties as of 01 January 2020	**22 328 834**
Receivables covered in period	(6 366 526)
Amounts owed by related parties as of 31 December 2020	15 962 308
Amounts owed by related parties as of 01 January 2021	15 962 308
Receivalbles covered in period	(4 594 836)
Amounts owed by related parties as of 30 June 2021	11 367 472

Movement in amounts owed to related parties	Amounts owed to related parties
Amounts owed to related parties as of 01 January 2020	**6 782 061**
Loans received in period	6 551 786
Loans repaid/settled in period	(1 576 029)
Interest calculated in period	368 649
Interest repaid/settled in period	-
Change in other payables	315 566
Dividends calculated for minority shareholders	65 192
Dividents paid to minority shareholders	(65 192)
Amounts owed to related parties as of 31 December 2020	12 442 033
Amounts owed to related parties as of 01 January 2021	**12 442 033**
Loans received in period	9 179 220
Loans repaid/settled in period	(4 022 864)
Interest calculated in period	679 220
Interest repaid/settled in period	(679 220)
Change in other payables	(11 405)
Dividends calculated for minority shareholders	87 838
Dividents paid to minority shareholders	(87 838)
Amounts owed to related parties as of 30 June 2021	17 586 983

Related parties' transactions (3/3)

As per audited FY 2020 consolidated financial statements for the period ended 31 December 2020

Movement in amounts owed by related parties	Amounts owed by related parties
Amounts owed by related parties as of 01 January 2019	**22 697 711**
Net change in receivables	(368 877)
Amounts owed by related parties as of 31 December 2019	22 328 834
Amounts owed by related parties as of 01 January 2020	**22 328 834**
Net change in receivables	(6 366 526)
Amounts owed by related parties as of 31 December 2020	15 962 308

Movement in amounts owed to related parties	Amounts owed to related parties
Amounts owed to related parties as of 01 January 2019	**2 573 883**
Loans received in period	4 282 061
Loans repaid/settled in period	-
Interest calculated in period	337 216
Interest repaid in period	(389 299)
Dividends calculated for minority shareholders	-
Dividents paid to minority shareholders	(21 800)
Amounts owed to related parties as of 31 December 2019	6 782 061
Amounts owed to related parties as of 01 January 2020	**6 782 061**
Loans received in period	6 551 786
Loans repaid/settled in period	(1 576 029)
Interest calculated in period	368 649
Interest repaid in period	-
Change in other payables	315 566
Dividends calculated for minority shareholders	65 192
Dividents paid to minority shareholders	(65 192)
Amounts owed to related parties as of 31 December 2020	12 442 033

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Outlook - Products & Strategy

Become an ultimate mobility platform

Eleving Group products

MOBILITY

mogo
Vehicle leasing for pre-owned cars

primero
Premium vehicle leasing for pre-owned cars

RENTI
Rent-to-buy service for ultimate flexibility

mogo Boda loans
Motorcycle taxi loans in emerging markets[1]

New: car subscription services
All inclusive vehicle as a service product

INCLUSION

Kredo.al Tigo.mk Sebo.md INSTA FINANCE
Consumer loan products available online and through branch networks

[1] Kenya and Uganda

Eleving Group product strategy

Maintain organic growth in existing markets

Rollout the product across all of the Group's European markets

Rollout the product across all of the Group's EU markets

Maintain organic growth, with the possible launch of a new market in 2022

Launch and scale new product in the Group's European markets

Shift portfolio to longer maturities and higher ticket loans to serve wider customer needs

Processes

- Further automation of loan issuances and underwriting processes for seamless customer experience and efficient resource allocation
- Further development of sales channels:
  - Launch of updated car portal across all Vehicle Finance markets
  - Upgrade partners (POS/Dealerships) sales tools

Capital management

Refinance Eurobonds

Continuous **improvement in financial covenants**—ICR, Net leverage ratio and Capitalization ratio and target **rating upgrade**

Explore routes for **attracting outside equity**

Social impact

Non-financial reporting based on the ESG framework to disclose information and data on the environmental, social and corporate governance aspects

Set **long-term ESG targets**. Launch several projects to help vulnerable groups across different markets

Focus on sustainability

Making a positive impact by addressing ESG issues

Alignment with the United Nations Sustainable Development Goals[1]

5 GENDER EQUALITY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Environment

Working towards paperless office in Romania, with 70% of all contracts already signed digitally in 2Q21

Waste optimization initiatives—zero paper policy and plastic waste reduction activities

Carbon neutrality standard acquired in 2021

Social

Women empowerment program in Kenya—subsidising motorcycle riding school for women and offering special vehicle financing program

Group-wide responsible lending policy

The Group's companies are members of industry associations contributing to compliance, ethics, and corporate responsibility goals

Employee voluntary work and charity activities—contribution to an animal shelter and kids orphanage

Governance

Group-wide Anticorruption policy & Code of Ethics

Group-wide Equality, Inclusion, and Non-discrimination policy & Whistleblowing system

Share option program for employees

Balanced gender diversity ratio across all the positions— 55% female vs. 45% male

Full-scale ESG audit implemented in 2021

ESG reporting system according to a global standard in 2022

Integrating ESG approach in product development

Our products

Better for society

Productive lending
Vehicle becomes an income generating asset

Access to finance
Additional financial freedom through unsecured markets

Increased mobility
More opportunities to find a job outside living area

Better safety
Access to better and safer vehicles

Better for the environment

Green vehicles
Rollout of special green vehicle financing initiatives across our markets during 2021

Rollout of electric motorcycle taxi financing in emerging countries

Lower Pollution
69% of vehicles financed in 1Q21—new low pollution vehicles (motorcycles)

Upgraded vehicles
We help people replace their old vehicles with newer ones

[1] Read more on Integrated Annual report: https://current.mogo.finance/wp-content/uploads/2021/05/Mogo-Finance-S.A._Conso-31.12.2020_PDF_SIGNED.pdf

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Subordinated bond overview[1]

Issuer:	**Eleving Group, formerly known as Mogo Finance S.A**
Securities offered:	Euro denominated subordinated unsecured bonds (the “**Bonds**”).
Form:	Bearer bonds represented by a Global Bond.
Currency:	EUR
Issue Size:	EUR 25,000,000.00
EURIBOR:	The applicable Screen Rate (as defined in the Terms and Conditions) for EURIBOR rates with a maturity of 6-months for the relevant period of six months or any other benchmark to be developed by the European Union relevant authorities in compliance with the EU Benchmark Regulation (EU) 2016/1011 as decided by the Issuer acting reasonably (“**Replacement Reference Rate**”) (and if the applicable 6-month-EURIBOR or Replacement Reference Rate is less than zero, it shall be deemed to be zero)
Margin:	12% per annum
Coupon Rate:	EURIBOR plus Margin
Coupon type:	Floating with potential step-up in limited circumstances described in the Terms and Conditions
Issue Price:	100% of the aggregate nominal amount of the Bonds (the “**Nominal Amount**”)
Issue Date:	29 December 2021
Maturity Date:	29 December 2031
Interest Payment Date:	Interest will be payable monthly, commencing on 29 January 2022. Interest will accrue from the Issue Date.
Deferral of Interest:	Unconstrained possibility of the Issuer to defer (in whole or in part) any payment of Interest that is otherwise scheduled to be paid on an Interest Payment Date. Any Interest Deferral will lead to a coupon step-up of 1%. Any Deferred Interest accrued will be capitalised on an Interest Capitalisation Event (as defined in the Terms and Conditions). The Issuer will notify the Paying Agent about the deferral of interest not less than fifteen (15) Business Days prior to the relevant Interest Payment Date

[1] For full overview, please, refer to section XX. «Terms and Conditions of the Bonds» in the Offering Memorandum

Day count fraction:	**Act/Act (ICMA)**
Denomination of the Bonds:	EUR 1,000.00
Minimum Subscription Volume:	EUR 100,000.00
Status of the Bonds:	The Bonds constitute direct, subordinated and unsecured obligations of the Issuer and rank *pari passu*, without any preference among themselves. The Bonds shall, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all payments under any Subordinated Debt (as defined in the Terms and Conditions) and at least *pari passu* with any present or future unsecured obligation which is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds.
Use of Proceeds:	Refinancing of existing indebtedness, in particular refinancing of the Shareholder Loans (as defined in the Terms and Conditions) and other borrowings, for general business purposes and payment of transaction fees and expenses.
Optional Redemptions:	**Optional Redemption at the Discretion of the Issuer at Maturity** The Issuer shall redeem the Bonds in full on the Maturity Date with an amount per Bond equal to the Current Outstanding Amount together with accrued but unpaid and non-capitalized Deferred Interest. **Optional Redemption at the Discretion of the Issuer (Call Option)** The Issuer may redeem at least 5% of the Current Outstanding Amount of the Bonds in cash on any Business Day before the Maturity Date, at a price per Bond equal to 101% of the Current Outstanding Amount, subject to the provisions outlined in the Terms and Conditions. Such partial redemption shall be made *pro rata* to the number of Bonds held by each Holder. **Optional Redemption for Taxation Reasons** If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Bonds, the Issuer may redeem the Bonds in whole, but not in part, at a redemption price of 100% of the Current Outstanding Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Optional Conversions:	Optional Conversion at the Discretion of the Issuer at Maturity The Issuer shall unless previously converted or redeemed and cancelled in accordance with the Terms and Conditions, proceed with the Conversion of the Bonds on the Maturity Date into such amount of New Shares as is equal to the Conversion Ratio in effect on the relevant Conversion Date, subject to the Terms and Conditions. Optional Conversion at the Discretion of the Issuer (Conversion Option) The Issuer may, at its sole discretion and upon giving notice to the Holders mandatorily convert all or some only of the outstanding Bonds into such number of New Shares in respect of each Bond as is equal to the Conversion Ratio in effect on the relevant Conversion Date, subject to the Terms and Conditions. A prerequisite for the exercise of the Conversion Option by the Issuer is the former occurrence of an Interest Capitalization Event. “Conversion Ratio” means the ratio which will determine the number of New Shares per Bond, which will be issued on a Conversion Date pursuant to a Conversion of the Bonds and which will be calculated by the Calculation and Conversion Agent by performing a division having as denominator the total number of the Bonds and as numerator the quotient of the following division: 10% of the Share Capital of the Issuer, as at the relevant Conversion Date, divided by the nominal value of the New Shares, it being one cent (EUR 0.01) each. The calculation of the Conversion Ratio is subject to Conditions 5.6 and 5.8 of the Terms and Conditions.
Mandatory Conversion:	Mandatory Conversion following an Event of Default Upon the occurrence of an Event of Default, each Holder shall have the right to request that all, or only some, of its Bonds are converted (whereby the Issuer shall have the obligation to convert such Bonds), together with accrued but unpaid Interest into such amount of New Shares as is equal to the Conversion Ratio in effect on the relevant Conversion Date, subject to the Terms and Conditions.
Specification of the type of New Shares:	Upon the Conversion of the Bonds, the Holders shall be entitled to decide the type of New Shares (Ordinary Shares or Preferred Shares) they want to convert their Bonds into, subject to the procedure and provisions stated in the Terms and Conditions.
Change of Control:	Upon the occurrence of certain events constituting a Change of Control, the Bonds, on top of the Interest Rate, shall bear an Additional Interest at a rate of 5% per annum on the Current Outstanding Amount paid at each Interest Payment Date.
Additional Amounts **(Tax Gross-up):**	All payments in respect of the Bonds will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer will pay additional amounts so that the net amount you receive is no less than that which you would have received in the absence of such withholding or deduction

Financial Conditions:	The Terms and Conditions contain, inter alia, the following financial covenants: Financial Conditions The Issuer shall be subject to the following financial covenants, to be tested on a quarterly basis upon publication of the annual audited consolidated reports and interim unaudited quarterly consolidated reports: ▪ the Interest Coverage Ratio for the Relevant Period; and ▪ the Capitalization Ratio for the Relevant Period, should be at least as high as it is stated and required in the terms and conditions of the Eurobonds (as defined in the Terms and Conditions).
Certain further Covenants:	The Terms and Conditions contain covenants that, among other things, limit the ability of the Issuer, to: ▪ pay dividends or make any other payment or distribution on its Equity Interests during a Deferral Period. "**Deferral Period**" means each period starting from (and including) the Interest Payment Date preceding the Business Day the Issuer elects to defer the payment of Interest due on such Interest Payment Date and ending on (but excluding) the date falling six (6) calendar months following such Interest Payment Date.
Information undertakings:	The Terms and Conditions contain undertakings that, among other things, require the Issuer to provide investors with the following information by publication on the Issuer's website in the English language: ▪ annual audited unconsolidated and consolidated financial statements of the Issuer, not later than four (4) months after the expiry of each financial year; ▪ quarterly interim unaudited consolidated reports of the Issuer, no later than 45 calendar days after the expiry of each relevant interim period. In addition, the Issuer undertakes to have quarterly earning calls with investors.

Event of Default:	The Terms and Conditions provide for the following event of defaults that would trigger an early redemption of the Bonds by the Holders, following a decision taken in the context of a Holders' meeting: (i) non-payment under the Bonds; For the avoidance of doubt, the occurrence of the following shall not entitle the Holders to terminate the Bonds: (a) the deferral of interest; (b) the non-payment of Deferred Interest; (c) the capitalization of Deferred Interest due to non-payment thereof for more than six (6) months; and (d) the non-payment of Additional Interest. (ii) non-delivery of New Shares pursuant to a Conversion within twenty-five (25) Business Days from the relevant Settlement Date; and (iii) insolvency and insolvency proceedings in respect of the Issuer.
Selling Restrictions:	No action has been or will be taken in any jurisdiction by the Issuer or any selling agent, that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of this Offering Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required. The Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to certain restrictions on transfer and resale. There are restrictions on the offer, sale, and delivery of the Bonds, inter alia, in the United States and the United Kingdom. No sale/distribution in the U.S., or to investors in Canada, Australia and Japan. Standard restrictions apply elsewhere, including in the EEA.
Listing:	Application will be made to the Nasdaq Riga AS for the Bonds to be included to trading at Nasdaq Riga First North multilateral trading facility operated by Nasdaq Riga, AS upon Settlement Date and on another comparable trading venue within the EU.

Clearing:	Euroclear Bank S.A. / N.V. / Clearstream Banking S.A.	
Governing Law:	The Bonds will be governed by Luxembourg law.	
Paying Agent:	Banque Internationale à Luxembourg S.A.	
Security Codes:	**ISIN:**	**XS2427362491**
	Common Code:	**242736249**
LEI:	**Eleving Group** (*Luxembourg*)	894500N14T2GUDX0FL66

Certified Adviser

Signet Bank AS acts as the First North Certified Adviser for «Eleving Group S.A.»

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Signet Bank AS is advising «Eleving Group S.A.» with the preparation of admission documents. The agreement is valid from the day of submitting the application for admission to trading on First North to Nasdaq Riga until the actual first trading day of the Notes on First North platform.

Certified Adviser and employees of the Certified Adviser do not have any direct or indirect shareholdings in the Issuer and are not represented in Board of the Issuer.

Important risk factors related to the Bonds[1]

- The Company may be unable to repay or repurchase the Bonds at maturity
- There are only specific events which can trigger a conversion/redemption of the Bonds
- We may choose to repurchase, redeem or convert the Bonds when prevailing interest rates are relatively low, including in open market purchases
- The Bonds will be subordinated to all other senior liabilities of the Issuer
- The Bonds will be unsecured
- The Bond coupon payments may be deferred
- The Bonds may be converted into New Shares and there will be a time lag between the conversion and the registration of the Holders as shareholders, during which the market value of the New Shares may decline
- There is a risk that the Issuer may be prevented from issuing New Shares or proceeding with the relevant registration when a conversion is triggered
- Upon conversion of the Bonds, the Holders will become shareholders of the Issuer and will, as such, be particularly exposed to the risk of suffering a total loss of the capital invested
- Upon conversion of the Bonds, the Holders who opted to receive Preferred Shares will become shareholders of the Issuer without having any voting rights

[1]Full overview of the risk factors regarding Bonds are available in slides 71-77

Risk factors[1] (1/25)

Below is the description of risk factors that are material for the assessment of the market risk associated with the Bonds and risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds.

Any of these risks could have a material adverse effect on the financial condition and results of operations of the Group. The market price of the Bonds could decline due to any of these risks, and investors could lose all or part of their investments.

Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Offering Memorandum and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of the Bonds. In addition, investors should bear in mind that several of the described risks can occur simultaneously and those have, possibly together with other circumstances, a material adverse impact on the Group's business activities, financial conditions and result of operations. Additional risks, of which the Issuer is not presently aware, could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations.

Potential investors should, among other things, consider the following:

1. RISK FACTORS RELATING TO THE ISSUER, THE GROUP AND OUR BUSINESS

a. Risks relating to the Group's business activities and industry

We may face difficulties in assessing the credit risk of potential customers

Despite our credit scoring as well as vehicle valuation models, we may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. Our financing decisions are partly based on information provided to us by applicants. Prospective customers may fraudulently provide us with inaccurate information upon which, if not alerted to the fraud, we may base our credit scoring. Any failure to correctly assess the credit risk of potential customers, due to failure in our evaluation of the customer or incorrect information fraudulently provided by the customer, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including imposition of fines and penalties, suspension of operations, or revocation of our licenses).

We utilize a variety of proprietary credit scoring criteria, monitor our loan portfolios performance and maintain an allowance for estimated losses on loans and advances (including interest fees) at a level estimated to be adequate to absorb expected credit losses. Our allowances for doubtful debts are based on estimations and thus, if circumstances or risks arise that have not been identified or anticipated when developing our credit scoring model, the level of our non-performing assets and write- offs could be greater than expected. Actual losses may materially exceed the level of our allowance for impairment losses, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. The quality of credit risk is influenced by, among other factors, customers' financial strength, collateral quality, overall demand for vehicles and general macroeconomic conditions. In order to assess the level of credit risk, we use our proprietary credit scoring system and/or vehicle valuation models that provide us with an objective basis to evaluate a potential lease.

[1] For full overview, please, refer to section II. «Risk Factors» in the Offering Memorandum

Risk factors (2/25)

Covid-19

In addition to the worsening of the global macroeconomic environment and the risk of credit profile deterioration of some customer segments caused by the Covid-19 pandemic, such pandemic has led and could further lead to slowdowns in business activities. In particular, the Group operations and financial results may be further impacted by: (i) relief measures enacted by national and foreign authorities, such as loan deferment and suspension of enforcement procedures; (ii) disruption to business operations and economic activity in the Group's operating markets, with a cascading impact on both upstream and downstream supply chains, (iii) increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates; (iv) difficulties encountered by the Group's customers in repaying the loans; and (v) the decrease of the propensity to consume, negatively impacting the Group's overall results and objectives.

The Group's emergency response included (i) establishment of a crisis management team, (ii) reconsidering the debt collection strategy for the existing portfolios to address the increased credit risk (iii) strengthening the new loan issuance policy, (iv) cash preserving activities to manage liquidity risk and (v) work from home policy ensuring continuity of the core processes.

However, due to the widespread consequences of the Covid-19 pandemic on the markets in which the Group's operations are concentrated, there is no guarantee that the mitigating factors described above will outweigh the potential effects that the wider economic downturn could have on the Group. The ultimate severity of Covid-19 is uncertain and therefore the further impact it may have on the Group's businesses, operations, financial conditions and results cannot be predicted.

We are exposed to the risk that our customers or other contractual counterparties may default or that the credit quality of our customers or other contractual counterparties may deteriorate

The risk of counterparty default is defined as the potential negative deviation of the actual counterparty risk outcome from the planned one. This includes the risk of default on lease payments as well as on repayment. The deviation in outcome occurs when the actual loss exceeds the expected loss due to changes in internal credit ratings or credit losses.

In particular, we are subject to risk of loss through defaults in the customer business, notably, due to non-payments by a lessee or a borrower of its obligations. The default is contingent on the inability or unwillingness of the lessee or a borrower to make payments. This includes scenarios where the contracting party makes payments late, only partially or not at all.

We have implemented detailed procedures in order to contact delinquent customers for payment, initiate legal actions and, in the case of secured loans, also arrange for the repossession of unpaid vehicles and sell repossessed vehicles. However, there is still the risk that our assessment procedures, monitoring of credit risk, maintenance of customer account records, collection procedures and repossession policies, in the case of secured loans, might not be sufficient to prevent negative effects for our operations.

In addition, factors beyond our control, such as the impact of macroeconomic trends, political events or adverse events affecting our key jurisdictions, or natural disasters, may result in an increase in non-performing assets. Our allowances for doubtful debts may not be adequate to cover an increase in the amount of non-performing assets or any future deterioration in the overall credit quality of our total portfolio. If the quality of our total portfolio deteriorates, we may be required to increase our allowances for doubtful debts, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (3/25)

A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of our finance leases, used car rent and sale and lease back

As a lessor under leasing and used-car rental contracts we generally bear the risk that the market value of vehicles sold at the end of the term may be lower than the contractual residual value at the time the contract was entered into (so-called residual value risk). We take such differences into account in establishing provisions for the existing portfolio and in its determination of the contractual residual values for new business.

The residual value risk could be influenced by many different external factors, including, government policies and regulatory reforms (e.g. implementation of EU emission standards). For example, a decline in the residual value of used vehicles was evident during the global financial and economic crisis as a result of incentive programs, offered by governments (e.g. scrapping premium) and automobile manufacturers, aiming to promote new vehicle sales. New policy initiatives and regulatory changes may also be implemented in the future in response to a renewed deterioration of the macroeconomic environment. For instance, current political discussions surrounding potential driving bans of Diesel vehicles might influence the residual value risk of such vehicles. Due to the fact that customers might change their consumption behavior and refrain from buying Diesel vehicles, the potential implementation of these bans could have a negative impact on the corresponding market prices.

Furthermore, changes in economic conditions, government policies, exchange rates, marketing programs, the actual or perceived quality, safety or reliability of vehicles or fuel prices could also influence the residual value risk.

Uncertainties may also exist with respect to the internal methods for calculating residual values. Although we continuously monitor used vehicle price trends and make adjustments to our risk valuation, there is still the risk of using false or inaccurate assumptions to assess the residual value risk.

Estimates of provisions for residual value risks may be less than the amounts actually required to be paid due to misjudgments of initial residual value forecasts or changes in market or regulatory conditions. Such a potential shortfall may have a material adverse effect on the value of the collateral of our finance leases, used car rent and sale and lease back.

Our operations in various countries subject us to foreign exchange risk

We operate in various jurisdictions and provide loan products in local currencies, including the Euro, the Georgian Lari, the Romanian Leu, the Moldavian Leu, the Albanian Lek, the Armenian Dram, the Uzbekistani Som, the Kenyan Shilling, the Ugandan Shilling, the North Macedonian Denar, the Ukrainian Hryvnia, the Belorussian Ruble and loans linked to the United States Dollar through monthly payments which are adjusted based on the performance of the United States Dollar in foreign exchange markets. Thus, our results of operations are exposed to foreign exchange rate fluctuations. As of 31 December 2020, 33% (as of 30 September 2021, 27%) of our net loans and advances due from customers and rental fleet were denominated in highly volatile foreign and unhedged currencies. Although we regularly monitor our open foreign currency positions, and manage them by borrowing in local currencies to the extent possible, and by entering into economically viable financial instruments, such as FX hedge agreements, we are still subject to certain shifts in currency valuations. Any failure to manage foreign exchange risk may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (4/25)

Substantial change in the underwriting standards

Further credit risks could arise if our management decides on a more aggressive risk tolerance without compensating for it in the form of sufficient additional revenue. For instance, the acceptance policy for lease or loan contracts could be adjusted to a riskier approach by setting higher acceptance thresholds. This could lead to a situation where our total credit risk increases, but the planned income from additional business does not compensate the additional risk-related costs. As a consequence, our operational results could be adversely affected.

We are dependent upon our information technology systems to conduct our business operations

Our operations are significantly dependent on highly complex information technology ("**IT**") systems. The underwriting process is mainly performed automatically by IT systems developed internally by us and used at various stages of the underwriting process, including customer registration, application, identification and credit scoring. In addition, bank transfers are completed online and reminder e-mails and invoices are automatically generated and sent to customers. If any IT system at any stage of the underwriting process were to fail, any or all stages of the underwriting process could be affected and customer access to our websites and products could be disrupted. Any disruption in our IT systems would prevent customers from applying for leases, used- car rent and loans, which would hinder our ability to conduct business and have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Moreover, our IT strategy is based on utilizing, in our view, the most sophisticated technologies and solutions available on the market. Therefore, we intend to continue making substantial investments in our IT systems and to adapt our operations and software to support current and future growth. We are required by our IT strategy to continually upgrade our global IT system, and any failure to carry out such upgrades efficiently may result in the loss or impairment of our ability to do business or in additional remedial expense. In addition, there can be no assurance that we will be able to keep up to date with the most recent technological developments due to financial or technical limitations. Any inability to successfully develop or complete planned upgrades of our IT systems and infrastructure or to adapt our operations and software may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The continued expansion of our portfolio depends, to an increasing extent, upon our ability to obtain adequate funding

Our growth depends, to a significant extent, on our ability to obtain adequate funding from a variety of sources such as international capital markets, marketplace platforms, bank facilities and other third parties. It is possible that these sources of financing may not be available in the future in the amounts we require, or they may be prohibitively expensive and/or contain overly onerous terms. European and international credit markets have experienced, and may continue to experience, high volatility and severe liquidity disruptions, such as those that took place following the international financial and economic crisis in 2008 - 2009, and more recently, the European sovereign debt crisis. These and other related events have had a significant impact on the global financial system and capital markets, and may make it increasingly expensive for us to diversify our funding sources and refinance our debt, if necessary. Increased funding costs or greater difficulty in diversifying our funding sources may negatively impact our ability to sufficiently finance the expansion of our business operations and also, potentially, the business operations themselves, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (5/25)

Our business depends on services provided by third parties such as banks, local consumer credit agencies, IT service providers and debt-collection agencies

For the most part, we advance loans to customers and collect repayments from customers through local bank accounts. Our continuing relationship with banks, with which we maintain accounts, are important to our business.

We contact consumer credit agencies and use other publicly available data sources in the jurisdictions in which we operate to verify the identity and creditworthiness of potential customers. In addition, every application in every country is verified through one or more credit bureaus. Should access to such information be restricted or disrupted for any period of time, or if the rates we are charged for access to such information should significantly increase, we may not be able to complete automatic customer identity and credit scoring checks in a timely manner or at all. This could impede our ability to process applications and to grant loans, and/or increase our cost of operation.

We also outsource certain IT services, such as software development, data center and technical support, to third party providers.

Moreover, in certain jurisdictions where we operate, we outsource the collection of debt to debt-collection agencies. The loss of a key debt-collection agency relationship, or the financial failure of one of our core debt-collection agency partners, could restrict our ability to recover delinquent debt, and there is no guarantee that we could replace a strategic debt-collection agency partner in a timely manner or on favorable terms.

Any inability to maintain existing business relationships with banks, local consumer credit agencies, IT service providers, debt-collection agencies and other third-party providers or the failure by these third party providers to maintain the quality of their services or otherwise provide their services to us may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our current interest rate spread may decline in the future, which could reduce our profitability

We earn a substantial majority of our revenues from interest payments and fees on the loans we make to our customers. Financial institutions and other funding sources provide us with capital to fund these loans and charge us interest on funds that we draw down. In the event that the spread between the rate at which we lend to our customers and the rate at which we borrow from our lenders decreases, our financial results and operating performance will suffer. The interest rates we charge to our customers and pay to our lenders could each be affected by a variety of factors, including access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements. These interest rates may also be affected by a change over time in the mix of the types of products we sell to our customers and investors. Interest rate changes may adversely affect our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, the level of economic growth, the state of the credit markets, changes in market interest rates, global economic disruptions, unemployment and the fiscal and monetary policies of the jurisdictions in which we operate. Any material reduction in our interest rate spread could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our ability to recover outstanding debt may deteriorate if there is an increase in the number of our customers facing personal insolvency procedures

Various economic trends and potential changes to existing legislation may contribute to an increase in the number of customers subject to personal insolvency procedures. The ability to successfully collect on our loans may decline with an increase in personal insolvency procedures or a change in insolvency laws, regulations, practices or procedures, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (6/25)

We operate in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful

We operate in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- increase the number and total volume of loans while managing our credit risk;
- improve the terms on which we provide loans to our customers as our business becomes more efficient;
- increase the effectiveness of our direct marketing;
- increase repeated borrowing particularly in the consumer lending segment;
- increase partnership and brokerage network;
- successfully develop and deploy new products;
- favorably compete with other companies that are currently in, or may in the future enter, the business of vehicle financing, used car renting and consumer lending;
- successfully navigate economic conditions and fluctuations in credit markets;
- respond to regulatory developments;
- successfully integrate new acquisitions;
- effectively manage the growth of our business; and
- successfully expand our business into new markets.

We may not be able to successfully address these risks and difficulties, which could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (7/25)

We may make acquisitions or pursue business combinations that prove unsuccessful or strain or divert our resources

Our growth strategy depends, in part, on the acquisition of existing businesses, including possible competitors. For example, in 2020, we expanded our business into consumer lending by acquiring three profitable and mature operating entities (Sebo, Tigo and Kredo) in Moldova, North Macedonia and Albania. We expect to continue growing our business by acquiring or combining with other businesses.

Successful growth, partially through future acquisitions, is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms and ultimately complete such transactions and integrate the acquired businesses into our existing network. If we make acquisitions, there can be no assurance that we will be able to generate expected margins or cash flows or to realize the anticipated benefits of such acquisitions, including growth or expected synergies. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations.

Integration risks are particularly high when entering a new market due to the time associated with establishing an appropriate credit scoring and vehicle valuation models and an effective collection system. We may not be able to integrate acquisitions successfully into our business or such integration may require more investment than expected, particularly if acquisitions are in regions or areas of business where we do not currently have operations, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or other parties, which may impact our results of operations. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses, or a deterioration in our results of operations. Moreover, any acquisition may result in the incurrence of additional debt. All of these factors may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Rapid growth and expansion may place significant strain on our managerial and operational resources and could be costly

We have experienced substantial growth and development in a relatively short period of time and, although our strategy is to grow profitably, our business may continue to grow substantially in the future. This growth has placed and may continue to place significant demands on our management and our operational and financial infrastructure. Expanding our products or entering into new jurisdictions with new or existing products can be costly and may require significant management time and attention. Additionally, as our operations grow in size, and as scope and complexity and our product offerings increase, we will need to upgrade our systems and infrastructure to offer an increasing number of customer-enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will ultimately increase. Continued growth could also strain our ability to maintain reliable service levels for our customers, develop and improve our operational, financial and management controls, develop and enhance our legal and compliance controls and processes, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel. Managing our growth will require, among other things, continued development of financial and management controls and IT systems; increased marketing activities; hiring and training new personnel; and the ability to adapt to changes in the markets in which we operate, including changes in legislation, incurrence of additional taxes, increased competition and changes in the demand for our services. Rapid growth and expansion may be costly, and may strain our managerial and operational resources; any difficulties encountered in managing our growth may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (8/25)

Damage to our reputation and brand or a deterioration in the quality of our service may impede our ability to attract new customers and retain existing customers

Our ability to attract new customers and retain existing customers depends in part on our brand recognition and our reputation for and delivery of high-quality services. The Group has recently rebranded by transferring from an outgrown umbrella brand to the new Eleving Group brand to better reflect the growing product range of the Group. Although the previously established Mogo brand remains the product brand in all vehicle finance markets of the Group, it is uncertain how the rebranding will affect our brand recognition and our reputation. In addition, our reputation and brand (including the newly acquired consumer finance brands – Kredo, Tigo, Sebo) may be harmed if we encounter difficulties in the provision of new or existing services, whether due to technical difficulties, changes to our traditional product offerings, financial difficulties, regulatory sanctions, or for any other reason. An unsuccessful rebranding, damage to our reputation and brand, or a deterioration in the quality of our service, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The international scope of our operations may contribute to increased costs

We currently operate in 14 jurisdictions and, as part of our business strategy, we aim to continue pursuing attractive business opportunities in new jurisdictions. Although we analyze and carefully plan our international expansion and strictly control our investments, such expansion increases the complexity of our organization and may result in additional administrative costs (including costs relating to investments in IT), operational risk (including risks relating to management and control of cash flows and management and control of local personnel), other regulatory risk (including risks relating to non-compliance with data protection, anti-money laundering and local laws and regulations) and other challenges in managing our business. Any unforeseen changes or mistakes in planning or controlling our operations in these respects may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The introduction of our new products and services may not be successful

As part of our business strategy, we may develop and introduce products and services that complement our current lending proposition. For example, in 2019 we introduced our new premium vehicle financing brand, Primero, through a joint venture with a local Latvian bank. However, we cannot guarantee these pilot products will be developed into permanent product offerings or that we will launch any other new products. We can also offer no assurance that any products or services that we introduce will be successful once they are offered to our current or future customers. We may not be able to adequately anticipate our target customers' needs or desires, which could change over time rendering certain of our products and services obsolete. We may face difficulties in making these products and services profitable and may incur significant costs in connection with such products. Moreover, our introduction of additional financial products or services could subject us to additional regulation or regulatory oversight by governmental authorities. Any of these factors may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our business depends on a strategically located branch footprint

A core part of our vehicle loan origination process is visually inspecting the vehicle on the spot before issuing the loan. Convenient location greatly improves customer experience and, thus, conversion. We have established branches in strategic locations, such as within close vicinity of large local vehicle markets, near (or within) vehicle registries, or areas with high population density to ensure vehicle inspection process causes minimal disruption in the customer journey. Our consumer lending business, formed through a strategic acquisition during 2020, also depends on the number of branches as well as their convenient location to enable our customers to easily contact our customer service representatives.

We do not own any of the premises where our branches are located. Any inability to maintain existing relationships with current landlords may have a material adverse effect on customer experience & conversion and/or increase cost of our operations as we may not be able to find comparable locations at similar cost.

Risk factors (9/25)

Our business depends on marketing affiliates to assist us in obtaining new customers

We are partially dependent on marketing affiliates as a source for new customers. Our marketing affiliates place our advertisements on their websites, which, in turn, direct potential customers to our websites. As a result, the success of our business depends substantially on the willingness and ability of marketing affiliates to provide us customer leads at acceptable prices.

The failure of our marketing affiliates to comply with applicable laws and regulations, or any changes in laws and regulations applicable to marketing affiliates or changes in the interpretation or implementation of such laws and regulations, could have an adverse effect on our business and could increase negative perceptions of our business and industry. Also, certain changes in our online marketing affiliates' internal policies or privacy rules could limit our ability to advertise online. Additionally, the use of marketing affiliates could subject us to additional regulatory cost and expense. Any restriction on our ability to use marketing affiliates may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The Issuer is a company that has no revenue generating operations of its own and depends on cash from our operating companies to be able to make payments on the Bonds

The Issuer's only business operations consist of providing financing to the Group companies and to act as holding company of the Group with no business operations other than the equity interests it holds in its subsidiaries. See "Information about the Issuer" The Issuer will be dependent upon the cash flow from our operating subsidiaries in the form of interest income, direct loan repayment, dividends or other distributions or payments to meet their obligations, including the Issuer's obligations under the Bonds or other indebtedness incurred to fund its equity interests and other financial assets. The amounts of interest income, dividends or other distributions or payments available to the Issuer will depend on the profitability and cash flows of our subsidiaries and the ability of those subsidiaries to issue dividends and make distributions and other payments under applicable law. Our subsidiaries, however, may not be able to, or may not be permitted under applicable law to, make interest payments, loan principal repayments, dividends, distributions or other payments to the Issuer to make payments in respect of their indebtedness, including the Bonds. In addition, our subsidiaries that do not guarantee the Bonds have no obligation to make payments with respect to the Bonds.

Our vehicle finance business depends on partnerships (e.g. vehicle dealers) and brokers to assist us in obtaining new customers

A substantial part of our loan issuances goes through vehicle dealer and broker channels. We typically motivate our partners to work with us by paying a commission for each loan issued and, in some cases, offering better loan terms to the customers that have been attracted by some (or all) partners. In most markets, our competitors use similar partner motivation models and the majority of partners work with more than one lease provider.

Should our partner motivation system become less competitive or should our loan product terms become substantially worse compared to competition, we may lose all or part of the business that is issued through partner channel. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (10/25)

A decrease in demand for our financial products and failure by us to adapt to such decrease could result in a loss of revenues

Any decrease in demand for our products could have a significant impact on our revenue. A variety of factors could influence demand for our products, such as increased availability or attractiveness of competing financial products, changes in consumer sentiment and spending or borrowing patterns, regulatory restrictions that inhibit customer access to particular financial services, and changes in the financial condition of our customers that cause them to seek financing from other lending institutions or, alternatively, to exit the lending market entirely. Should we fail to adapt to a significant change in customer demand for, or access to, our products and services, our revenues could decrease significantly and our on-going business operations could be adversely affected. Even if we do adapt our existing products or introduce new products to meet changing customer demand, customers may resist or reject such products. The effect of any product diversification or change on the results of our business may not be fully ascertainable until the change has been in effect for some time. All of these factors may result in a loss of revenue and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may be unable to protect our proprietary technology or keep up with that of our competitors and we may become subject to trademark infringements and intellectual property disputes, which are costly to defend and could harm our business and operating results

The success of our online and mobile lending channels depends to a significant degree upon the protection of our software and other proprietary intellectual property rights. We may be unable to deter misappropriation or other unauthorized use of our proprietary information or take appropriate steps to enforce our intellectual property rights. In addition, competitors could, without violating our proprietary rights, develop technologies that are as good as or better than our technology. Failure to protect our software and other proprietary intellectual property rights or to develop technologies that are as good as our competitors' could put us at a competitive disadvantage. Any such failures may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may face in the future, allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors. Third parties without any affiliation to the Group may also infringe our intellectual property rights by unauthorized use of our trademarks. Trademark and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes. Such events may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (11/25)

We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and respond to cyber incidents

Our business involves the storage and transmission of customers' proprietary and personal information, and security breaches could expose us to a risk of loss or misuse of this information, of being involved in litigation procedures and of potentially being held liable. We are entirely dependent on the secure operation of our websites and systems, and the websites and systems of our data center providers, as well as on the operation of the internet generally. While we have not incurred any significant cyber- attacks or security breaches to date, a number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers and/or our data center providers. Although we and our data center providers devote resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, there is no assurance that these security measures will provide absolute security. Despite our efforts to ensure the integrity of our systems and our data center providers' efforts to ensure the integrity of their systems, effective preventive measures against all security breaches may not be anticipated or implemented, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources. These risks may increase in the future as we continue to increase our mobile and other internet- based product offerings and expand our internal usage of web-based products and applications or expand into new countries. If an actual or perceived breach of security occurs, customer and/or supplier perception of the effectiveness of our security measures could be harmed and could result in the loss of customers, suppliers or both. Actual or anticipated attacks and risks may cause us to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees or engage third party experts and consultants.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions, including "denial-of-service" type attacks. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches that result in the unauthorized release of customers' personal information could damage our reputation and expose us to a risk of loss or litigation and possible liability. In addition, many of the third parties who provide products, services or support to us could also experience any of the cyber risks or security breaches described above, which could impact our customers and our business and could result in a loss of customers, suppliers or revenue.

Any of these events could result in a loss of revenue and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our success is dependent upon our management and employees and our ability to attract and retain qualified employees

Our success depends on our management and employees who possess highly specialized knowledge and experience in IT and the development of vehicle and consumer financing. Many members of our senior management team possess significant experience in the lending industry and knowledge of the regulatory and legal environment in the markets in which we operate, and we believe that our senior management would be difficult to be replaced. The market for qualified individuals is highly competitive and labor costs for hiring and training new employees are increasing. Accordingly, we may not be able to attract and/or retain qualified managers or IT specialists, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (12/25)

The preparation of our consolidated financial statements under IFRS and certain tax positions taken by us require the judgment of management, and we could be subject to risks associated with these judgments or could be adversely affected by the implementation of new, or changes in the interpretation of existing, accounting standards, financial reporting requirements or tax rules

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). IFRS and its interpretations are subject to change over time. If new accounting standards or interpretations of or amendments to existing accounting standards require us to change our financial reporting, our results of operations and financial condition could be materially adversely affected, and we could be required to restate historical financial reporting.

The preparation of our consolidated financial statements in conformity with IFRS requires the board of directors and other management personnel to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the dates of the consolidated financial statements, and the reported amounts of income and expenses in the reporting periods. It also requires our board of directors and other management personnel to exercise their judgment in the application of our accounting policies. There is a risk that such estimates, assumptions or judgments by the board of directors and other management personnel do not correctly reflect the actual financial position of the Group.

In addition, management’s judgment is required in determining the provision for income taxes, the levels of deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets, along with our approach to matters concerning withholding tax and value added tax. We regularly assess the adequacy of our tax provisions. If required, we also seek advice from external tax advisors. There can be no assurance as to the outcome of these decisions, or to the quality of advice we receive. From time to time, we may become subject to tax audits in the jurisdictions in which we operate. Furthermore, tax laws and regulations, including the interpretation and enforcement thereof, in the jurisdictions in which we operate may be subject to change. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner. Any additional or increased tax payments may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

If we fail to geographically diversify and expand our operations and customer base, our business may be adversely affected

Several countries in which we operate generate a significant share of our revenues. As a result, we are exposed to country-specific risks with respect to such national markets. In such markets, a dissatisfaction with our products, a revocation of our operating license, a decrease in customer demand, a failure to successfully market our new and existing products or the failure to further expand our customer base and retain our existing customer base may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. While we continue to seek opportunities to expand our operations into new markets, there can be no guarantee that such efforts of diversification will be successful. Failure to geographically diversify and expand our operations and customer base could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Failure to keep up with the rapid changes in e-commerce and the uses and regulation of the Internet could harm our business

The business of providing products and services such as ours over the Internet is dynamic and relatively new. We must keep pace with rapid technological change, consumer use habits, Internet security risks, risks of system failure or inadequacy and governmental regulation and taxation. Local regulators may have divergent interpretations as to the classification of our services provided online, which may result in the reclassification of our services into services requiring a separate license. In addition, concerns about fraud, computer security and privacy and/or other problems may discourage additional customers from adopting or continuing to use the Internet as a medium of commerce, and each of these factors could adversely impact our business.

Risk factors (13/25)

Significant, rapid or unforeseen economic or political changes in the economies in which we operate could reduce demand for our products and services and result in reduced income

We operate in a variety of markets which experience or may face in the future political and/or economic instability. Countries in which we currently operate, such as Belarus, Armenia and Uganda, have suffered from political turbulence and, in some instances, armed conflicts. We also consider expanding our business into other new markets should opportunities present themselves. Hence, any significant changes in, or a deterioration of, the political environment in regions where we currently operate or will operate in the future could lead to political and economic instability, which may have an adverse effect on investor and consumer confidence and affect consumers’ ability to repay loans. Should the ability of our customers to repay loans be negatively affected, this could restrict our ability to sustain or expand our operations in these countries and could therefore adversely and materially affect our cash flow, liquidity and working capital position.

The unstable regulatory and legal framework and the volatility of the emerging economies in which we operate could reduce demand for our products and services and result in reduced income

In recent years, certain of the emerging markets where we operate have undergone substantial economic and institutional change. As it is typical of emerging or transitioning markets, they do not possess the full business, legal and regulatory infrastructures that would generally exist in more mature, free market economies, and the business, legal and regulatory infrastructures in these jurisdictions are continuously evolving. See also “Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance, we may be subject to fines or penalties, have to exit certain markets or be restricted from carrying out certain operations”. In addition, the tax and currency legislation in the markets in which we operate are subject to varying interpretations and changes, which can occur frequently. Any disruption of the reform policies and recurrence of economic instability may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The future economic development of the markets in which we operate remains largely dependent upon the effectiveness of economic, financial and monetary policies undertaken by their respective governments, together with tax, legal and regulatory developments. Our failure to manage the risks associated with our operations in emerging markets may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our operations could be subject to civil unrest and other business disruptions, which could adversely impact our future income and financial condition and increase our costs and expenses

Our services and operations are vulnerable to damage or interruption from power losses, telecommunications failures, terrorist attacks, acts of war and similar events in countries where we operate. Although we have clear understanding of actions necessary to be taken in case of disaster to recover our IT systems, acts of terrorism, war, civil unrest and violence could cause disruptions to our business or the economy as a whole. Any of these events could cause consumer confidence to decrease, which could decrease the number of loans we make to customers. Any of these occurrences may have a material adverse effect on our business, financial condition, results of operations, prospects, credit recovery or cash flows.

Risk factors (14/25)

b. Risks related to the Group's financial situation

Changes in our working capital requirements may adversely affect our liquidity and financial condition

Our working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for vehicle financing and consumer credit. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital.

Furthermore, an economic or industry downturn could increase the level of non- performing assets. A significant deterioration in our debt collection or our ability to sell non-performing loans to third parties could affect our cash flow and working capital position and could also negatively impact the cost or availability of financing to us.

If our capital resources are insufficient to meet our capital requirements, we will have to raise additional funds. We may not be able to raise sufficient additional funds on terms that are favorable to us, if at all. If we fail to raise sufficient funds, our ability to fund our operations, take advantage of strategic opportunities or otherwise respond to competitive pressures could be significantly limited, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. See also "The continued expansion of our portfolio depends, to an increasing extent, upon our ability to obtain adequate funding".

Our substantial level of indebtedness could adversely affect our financial condition, our ability to obtain financing in the future and our ability to fulfill our obligations under the Bonds

We have substantial indebtedness and we may incur additional indebtedness. Our high level of indebtedness and high debt to equity ratio could have important consequences for holders of the Bonds. Notably, it could:

- make it more difficult for us to satisfy our obligations with respect to the Bonds and our other indebtedness, resulting in possible defaults on and acceleration of such indebtedness;
- require us to dedicate a substantial portion of our cash flows from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of such cash flows to fund working capital, acquisitions, capital expenditures and other general corporate purposes;
- limit our ability to obtain additional financing for working capital, acquisitions, capital expenditures, debt service requirements and other general corporate purposes;
- limit our ability to refinance indebtedness or cause the associated costs of such refinancing to increase;
- limit our ability to fund change of control offers;
- restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us, which could limit our ability to, among other things, make required payments on our debt;
- increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations (because a portion of our borrowings may have variable rates of interest); and
- place us at a competitive disadvantage compared to other companies with proportionately less debt or comparable debt at more favorable interest rates who, as a result, may be better positioned to withstand economic downturns.

The high level of our indebtedness and the consequences thereof (as described above) could have a material adverse effect on our business, financial condition and results of operations. We expect to obtain the funds to pay our expenses and to repay our indebtedness primarily from our operations. Our ability to meet our expenses and make these payments thus depends on our future performance, which will be affected by financial, business, economic, regulatory and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future and our currently anticipated growth in revenue and cash flow may not be realized, either or both of which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not have enough funds, we may be required to refinance all or part of our then existing debt, sell assets or borrow more funds, which we may not be able to accomplish on terms acceptable to us, or at all. In addition, the terms of existing or future debt agreements may restrict us from pursuing any of these alternatives.

Risk factors (15/25)

We may face liquidity risks

We are exposed to liquidity risks arising out of the mismatches between the maturities of our assets and liabilities, which may prevent us from meeting our obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between our assets and liabilities occur, this may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

A downgrade of the Group's credit ratings may increase its financing costs and harm its ability to finance its operations and investments

Fitch Ratings – a branch of Fitch Ratings Ireland Limited ("Fitch") has rated the Issuer "B-"; outlook stable. Depending on its ratings, the Group's access to capital markets may be limited and obtaining funding from capital markets may be more expensive. There can be no assurance that the credit ratings assigned to the Issuer will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the rating agency if, in such rating agency's judgment, circumstances so warrant. Any actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the Bonds and increase our corporate borrowing costs.

We may be able to incur substantially more debt, including secured debt, which could further exacerbate the risks associated with our substantial level of indebtedness

We may incur substantial additional indebtedness in the future, including secured debt. If new debt is added to our current debt levels, the related risks that we face would increase, and we may not be able to meet all of our debt obligations.

c. Legal and regulatory risk

Failure to comply with anti-corruption laws, including anti-bribery laws, could have an adverse effect on our reputation and business

While we are committed to doing business in accordance with anti-corruption and anti- bribery laws applicable in the countries where we operate, we face the risk that any of our operating subsidiaries or their respective officers, directors, employees, agents or business partners may take actions or have interactions with persons that violate such anti-corruption laws, or face allegations that they have violated such laws.

Certain countries where we operate pose risks of corruption violations. According to the 2020 Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world by ranking countries from 1 (least corrupt) to 179 (most corrupt), key markets for the Group in terms of assets, growth and profitability like Lithuania, Romania, Kenya and Moldova were ranked 35, 69, 124 and 115 respectively.

While we closely monitor any signs of potential breaches of the law, the effects of corruption on our operations are difficult to predict. However, under certain circumstances, corruption, particularly where it heightens regulatory uncertainty or leads to regulatory changes adverse to our operations or to liability on our part or on the part of our directors or business partners, may result in penalties and sanctions, which may have a material adverse effect on our reputation, business, financial condition, results of operations, prospects or cash flows.

Risk factors (16/25)

The legal and judicial systems in some of our markets of operation are less developed than western European countries – enforceability risk

The legal and judicial systems in some of the markets in which we operate are less developed than those of western European countries. Commercial, competition, securities, anti-bribery, personal data protection, company and bankruptcy law (as well as other areas of law) in such countries may be unfamiliar to local judges. Related legal provisions in these jurisdictions have been and continue to be subject to ongoing, and at times unpredictable, changes. Existing laws and regulations in our countries of operation may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. Furthermore, it may not be possible, in certain circumstances, to obtain legal remedies in a timely manner in these countries. The relatively limited experience of a significant number of judges or other legal officials practicing in these markets, specifically with regard to capital markets issues, and questions regarding the independence of the judiciary system in such markets may lead to decisions based on considerations that are not grounded in the law. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through the respective court systems may be laborious, especially where such judgments may lead to business closures or job losses. This lack of legal certainty may adversely affect our business, and may also make it difficult for you to address any claims you may have as an investor.

Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance we may be subject to fines, penalties or limitations, have to exit certain markets or be restricted from carrying out certain operations

Our operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing. See “Regulatory Framework”. National and international regulations, as well as plaintiff bars, the media and consumer advocacy groups, have subjected our industry to intense scrutiny in recent years. Failure to comply with existing laws and regulations applicable to our operations, or to obtain and comply with all authorizations and permits required for our operations, or adverse findings of governmental inspections, may result in the imposition of material fines or penalties or more severe sanctions, including preventing us from continuing substantial parts of our business activities, suspension or revocation of our licenses, or in some cases criminal penalties being imposed on our officers.

In several of the jurisdictions where we operate, we also face risks related to the acquisition of licenses to conduct financial leasing and consumer lending services. We are dependent on the authorities to grant us such required licenses, and in some jurisdictions the licenses are subject to renewal procedures. See “Regulatory Framework”. If we fail to comply with the laws and regulations applicable to our business, it may result in us not being able to renew our consumer lending license in one or several jurisdictions. Local regulators may also suspend existing licenses temporarily or revoke them permanently.

Furthermore, governments may seek to impose new laws, regulatory restrictions or licensing requirements that affect the products or services we offer, the terms on which we offer them, and the disclosure, compliance and reporting obligations we must fulfill in connection with our business. They may also interpret or enforce existing requirements in new ways that could restrict our ability to continue our current methods of operation, including the development of our scoring models, or to expand operations or impose significant additional compliance costs on us. In some cases, these measures could even directly limit or prohibit some or all of our current business activities in certain jurisdictions, or render them unprofitable. In addition, they could require us to refund interest and result in a determination that certain leases and loans are not recoverable and could cause damage to our brand and our valued customer relationships.

Risk factors (17/25)

Our business is subject to complex and evolving laws and regulations regarding privacy, data protection, and other matters

Our business is subject to a variety of laws and regulations internationally that involve user privacy issues, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The introduction of new products or the expansion of our activities in certain jurisdictions may subject us to additional laws and regulations. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and may also be inconsistent with our current or past policies and practices. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, the expansion into new markets, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to inquiries or investigations, claims or other remedies, including demands which may require us to modify or cease existing business practices and/or pay fines, penalties or other damages. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Although we continuously educate our employees on applicable laws and regulations in relation to privacy, data protection and other relevant matters, we cannot guarantee that our employees will comply at all times with such laws and regulations. If our employees fail to comply with such laws and regulations in the future, we may become subject to fines or other penalties which may have a negative impact on our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Failure to comply with anti-money laundering laws could have an adverse effect on our reputation and business

We are subject to anti-money laundering laws and related compliance obligations in part of the jurisdictions in which we do business. We have put in place local anti-money laundering policies and procedures, which we apply in all of our countries of operation. However, our compliance with the anti-money laundering requirements of local laws may not prevent all possible breaches. The relatively small amounts invested by our customers make our business less attractive for money laundering activities at a large scale and therefore we consider the money laundering risk inherent to the Group is low. Country managers in each jurisdiction are responsible for money laundering prevention and compliance. As a financial institution, we are required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks. As a result, we often rely on anti-money laundering checks performed by our customers' banks when such customers open new bank accounts. If we are not in compliance with relevant anti-money laundering laws (including as a result of relying on deficient checks carried out by our customers' banks), we may be subject to criminal and civil penalties and other remedial measures. Any penalties, remedial measures or investigations into any potential violations of anti-money laundering laws could harm our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may be adversely affected by contractual claims, complaints, litigation and negative publicity

We may be adversely affected by contractual claims, complaints and litigation, resulting from relationships with counterparties, customers, competitors or regulatory authorities, as well as by any adverse publicity that we may attract. Any such litigation, complaints, contractual claims, or adverse publicity may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Defense of any lawsuit, even if successful, could require substantial time and attention of our management and could require the expenditure of significant amounts for legal fees and other related costs. We are also subject to regulatory proceedings, and we could suffer losses from the interpretation of applicable laws, rules and regulations in regulatory proceedings, including regulatory proceedings in which we are not a party. Any of these events could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk factors (18/25)

The transposition of the Anti-Tax Avoidance Directive in Luxembourg law could have an impact on our tax position (including our performance)

As part of its anti-tax avoidance package, the EU Commission published a draft Anti- Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (“**ATAD 1**”).

In this respect, the Luxembourg law dated 21 December 2018 (the “**ATAD 1 Law**”) transposed ATAD 1 into Luxembourg legislation. The ATAD 1 Law may have an impact on the tax position of the Issuer (including on its performance). Amongst the measures contained in the ATAD 1 Law is an interest deductibility limitation rule.

The interest deduction limitation rule set out by ATAD 1 has been implemented in article 168bis of the Luxembourg income tax law (“**LITL**”) effective as of 1 January 2019, which restricts, for a Luxembourg taxpayer (such as the Issuer), the deduction of net interest expenses qualifying as “exceeding borrowing costs” to the higher of (i) 30% of the taxpayer’s EBITDA (defined as the taxpayer’s total net income increased by the amount of its exceeding borrowing costs, depreciation and amortisation), and (ii) €3 million.

Exceeding borrowing costs are defined as the amount by which the deductible borrowing costs of a taxpayer exceeds the taxpayer’s taxable interest revenues and other economically equivalent taxable income of the taxpayer. Exceeding borrowing costs not deductible in a tax period can be carried forward indefinitely. The same applies to a taxpayer’s excess interest capacity which cannot be used in a given tax period (however, such exceeding interest capacity can only be carried forward for a maximum period of 5 years).

If ATAD 1 should result in the refusal of the tax deductibility of a portion of the interest accrued or paid under the Bonds, the tax position as well as the performance of the Issuer could be impacted due to the potential increase of its taxable basis.

d. Internal control risk

The interests of our beneficial owners may conflict with those of the Holders

The Group is ultimately controlled by several individuals (see Information about the Group – Beneficial ownership). These individuals have and will continue to have the power to affect the legal and capital structure and the day-to-day operations of the Group, as well as the ability to elect and change the management team and approve other changes to the Group’s operations. The interests of the ultimate beneficial owners may, in some circumstances, conflict with the interests of the Holders, particularly if the Group encounters financial difficulties or if we are unable to pay our debts as they become due. The ultimate beneficial owners could also have an interest in pursuing financings or other transactions which, in their judgment, could enhance their equity investment, although such transactions might increase the Group’s indebtedness, require the Group to sell assets or otherwise impair our ability to make payments under the Bonds. Any potential conflict between the interests of the indirect controlling shareholder or the ultimate beneficial owners, on the one hand, and Holders, on the other hand, may have a material adverse effect on the value of the Bonds.

Risk factors (19/25)

e. Risks related to the nature of the Bonds

We may not be able to generate sufficient cash to service all of our indebtedness, including the Bonds, and may be forced to take other actions to satisfy our obligations under our debt agreements, which may not be successful

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest and additional amounts, if any, on our indebtedness, including the borrowings under the Bonds offered hereby.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including our indebtedness under the Bonds offered hereby. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous borrowing covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

If we cannot make scheduled payments on our debt:

- the holders of our debt could declare all outstanding principal and interest to be due and payable;
- the holders of our secured debt, to the extent we have any, could commence foreclosure proceedings against our assets;
- we could be forced into bankruptcy or liquidation; and
- you could lose all or part of your investment in the Bonds

Risk factors (20/25)

We may be unable to repay or repurchase the Bonds at maturity

The maturity of the Bonds, i.e. 10 years, represents a risk that the financial state of the Issuer may change considerably within a time period of 10 years.

At maturity, the entire principal amount of the Bonds, together with accrued and unpaid interest, will become due and payable and we shall be able to choose whether we will redeem or convert the Bonds. In case we do not opt for conversion, we may not have the ability to repay or refinance these obligations. We may also attempt to seek approval of the Holders to further extend the maturity of the Bonds. If the maturity date occurs at a time when other arrangements prohibit us from repaying the Bonds, we could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. If we fail to obtain the waivers or refinance these borrowings, we would be unable to repay the Bonds. ***Luxembourg insolvency and administrative laws may not be as favorable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Issuer is subject to risks relating to the location of their center of main interest ("COMI")***

The Issuer is incorporated in the Grand Duchy of Luxembourg. The insolvency laws of Luxembourg may not be as favorable to your interests as creditors as the bankruptcy laws of certain other jurisdictions and your ability to receive payment under the Bonds may be more limited than would be the case under such bankruptcy laws. In addition, there can be no assurance as to how the insolvency laws of Luxembourg will be applied. In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such proceedings. Under the Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended (the "**EU Insolvency Regulation**"), the "main" insolvency proceedings in respect of a debtor should be opened in the EU Member State in which its COMI is located. There is a presumption in the EU Insolvency Regulation that a company's COMI is in the EU Member State in which its registered office is located; however, this presumption may be rebutted by certain factors relating in particular to where the company's central administration is located. Although the Issuer is incorporated under the laws of the Grand Duchy of Luxembourg and has its registered office in the Grand Duchy of Luxembourg, where the board meetings are held or initiated, some members of its board of directors are not residing in the Grand Duchy of Luxembourg, and thus it is possible, even though rather unlikely, that the Issuer's COMI may be found to exist outside Luxembourg, and insolvency laws of another jurisdiction may become relevant. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferences, transactions at an undervalue and transactions defrauding creditors, priority of governmental and other creditors, ability to obtain or claim interest following the commencement of insolvency proceedings and the duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Bonds in these jurisdictions and limit any amounts that you may receive. Prospective investors in the Bonds should consult their own legal advisors with respect to such considerations.

Investors may face foreign exchange risks by investing in the Bonds

The Bonds will be denominated and payable in EUR. If investors measure their investment returns by reference to a currency other than EUR, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the EUR relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the EUR against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the relevant Bonds below their stated coupon rates and could result in a loss to investors when the return on such Bonds is translated into the currency by reference to which the investors measure the return on their investments.

Risk factors (21/25)

There are only specific events which can trigger a conversion/redemption of the Bonds

Holders have limited ability to trigger the termination of the Bonds via conversion or redemption. The Terms and Conditions of the Bonds provide for specific events of default, namely the non-payment of any amount due under the Bonds, the non-delivery of New Shares following a conversion and the insolvency of the Issuer.

The Terms and Conditions of the Bonds do not include a right for the Holders to demand repayment or conversion in the event of a change of control in the Issuer. A change of control or change of ownership in the Issuer could lead to a new owner incorporating a change in strategy, management, risk or business model which may negatively affect the Issuer's ability to redeem or convert the Bonds. In addition, certain of the Issuer's contractual and financial arrangements may be subject to change of control or change of ownership provisions, which may cause termination or amended terms and which in turn may have a material adverse effect on the Issuer's business, financial position, results of operations, future prospects, or its ability to redeem or convert the Bonds. Nevertheless, the change of control in the Issuer will result in a five- percent (5%) step-up in the applicable Interest Rate.

We may choose to repurchase, redeem or convert the Bonds when prevailing interest rates are relatively low, including in open market purchases

We may seek to repurchase, redeem or convert the Bonds from time to time in full under a call option right provided under the Terms and Conditions, especially when prevailing interest rates are lower than the rate borne by such Bonds. If prevailing rates are lower at the time of redemption, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Bonds being redeemed. Our redemption right may also adversely impact your ability to sell such Bonds.

We may also from time to time repurchase the Bonds in the open market, privately negotiated transactions, tender offers or otherwise. Any such repurchases or redemptions and the timing and amount thereof would depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. Such transactions could impact the market for such Bonds and negatively affect our liquidity.

The Bonds will be subordinated to all other senior liabilities of the Issuer

The Bonds will be subordinated to all other senior creditors' claims of the Issuer, including trade creditors. The subordination of the Bonds means that upon the liquidation or bankruptcy of the Issuer, all the claims arising from the Bonds will fall due and will be satisfied only after the full satisfaction of all other senior creditors' claims against the Issuer in accordance with the applicable law. Therefore, upon the liquidation or bankruptcy of the Issuer, the Holders will not be entitled to any payments due until the full and due satisfaction of all other senior creditors' claims against the Issuer. The subordination may have adverse effect on the Issuer's ability to meet its obligations arising from the Bonds.

Additionally, there is no restriction on the amount or type of further indebtedness which the Issuer may issue or incur which ranks senior to, or *pari passu* with, the Bonds. The incurrence of any such further indebtedness may reduce the amount recoverable by Holders on a liquidation, dissolution or winding-up of the Issuer in respect of the Bonds and may limit the ability of the Issuer to meet its obligations in respect of the Bonds, and result in a Holder losing all or some of its investment in the Bonds. In addition, the Bonds do not contain any restriction on the Issuer issuing securities ranking by law or by its terms pari passu with the Bonds and having similar or preferential terms to them.

Risk factors (22/25)

The Bonds will be unsecured

The Bonds will not be secured by the Issuer nor there will be securities or guarantees provided by any of the Issuer's Group companies. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Bonds. The Issuer shall not be prevented from creating any security interest over any of its assets in favour of any third party. This Offering Memorandum does not include any negative pledge provisions, or provide any restrictions on entrance to particular security arrangements between the Issuer and any third party.

The Bond coupon payments may be deferred

The Issuer has an unconstrained option for cumulative coupon deferral. The Issuer has the right to pay coupon at its sole discretion or choice, without it being an obligation. Coupon payments deferred will be capitalised upon the occurrence of an Interest Capitalisation Event. Hence there is a risk of not receiving a coupon payment during the life of the Bond.

An increase in interest rates could result in a decrease in the relative value of the Bonds

In general, as market interest rates rise, Bonds bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase these Bonds and market interest rates increase, the market value of your Bonds may decline. We cannot predict future levels of market interest rates.

Risks related to the Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD, including the Common Reporting Standard ("**CRS**"). As of 12 May 2016, and per the status issued by the OECD on 19 August 2016, 84 jurisdictions, including Luxembourg, signed the multilateral competent authority agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions, including Luxembourg, have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which include trusts and foundations) with tax residency in another CRS country. CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Luxembourg law (by the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*), as amended). As a result, the Issuer is required to comply with identification obligations starting in 2016, with reporting having begun in 2017. Holders of Bonds may be required to provide additional information to the Issuer to enable it to satisfy its identification obligations under the Luxembourg implementation of the CRS. Prospective investors are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU. Not complying with the CRS rules may be sanctioned by fines imposed upon the Issuer. Furthermore, it cannot be ruled out that as a sanction against failure to comply with the CRS rules, a withholding tax will be introduced similar to the withholding tax imposed for non-compliance with FATCA regulations.

Risk factors (23/25)

There is no established trading market for the Bonds. If an actual trading market does not develop for the Bonds, you may not be able to resell them quickly, for the price that you paid or at all

There is no established trading market for the Bonds. If an active trading market does not develop or is not sustained, the market price and liquidity of the Bonds may be adversely affected and you may be unable to resell your Bonds at a particular time, at their fair market value or at all.

If a trading market does develop, the market price of the Bonds will depend on many factors, including:

- the market demand for securities similar to the Bonds and the interest of securities dealers in making a market for the Bonds;
- the number of holders of the Bonds;
- the prevailing interest rates being paid by other companies similar to us;
- our financial condition, financial performance and future prospects;
- the market price of the New Shares;
- any event which has a dilutive effect on the New Shares;
- the prospects for companies in our industry generally; and
- the overall condition of the financial markets.

Historically, the market for non-investment grade subordinated debt has been subject to disruptions that have caused volatility in prices of securities similar to the Bonds. It is possible that the market for the Bonds will be subject to such disruptions. Any disruptions may have a negative effect on holders, regardless of our prospects and financial performance.

The Issuer will apply for the listing of the Bonds on the Nasdaq Riga First North multilateral trading facility operated by Nasdaq Riga, AS, also known as an Alternative Market, within 6 months, however, although every effort will be made by the Issuer to ensure the listing of the Bonds as anticipated by the Issuer, no assurance can be provided that the Bonds will be listed and admitted to trading. Further, the Nasdaq Riga First North is substantially less liquid than established markets.

The transfer of the Bonds is restricted for U.S. Securities Act purposes, which may adversely affect their liquidity and the price at which they may be sold

The Bonds have not been registered under, and we are not obliged to register the Bonds under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act or such securities laws as applicable. We have not agreed to or otherwise undertaken to register the Bonds , and do not have any intention to do so.

The Bonds may be converted into New Shares and there will be a time lag between the conversion and the registration of the Holders as shareholders, during which the market value of the New Shares may decline

There will be a time lag between the conversion of Bonds and the registration of the Holders as holders of the New Shares by the Issuer. The market value of the Issuer’s New Shares may decline in the period during the relevant Conversion Date (when the conversion ratio will be calculated) and the registration of the Holders as shareholders in the registry of the Issuer. Thus the market value of the New Shares at the time of the registration might be lower than the market value of the New Shares on the relevant Conversion Date. This would result in the Holders incurring a loss in their initial investment.

Risk factors (24/25)

There is a risk that the Issuer may be prevented from issuing New Shares or proceeding with the relevant registration when a conversion is triggered

It cannot be excluded that the Issuer is legally prevented from issuing New Shares or registering the Holders as shareholders in its registry, when a conversion is triggered. In such case, the relevant Holder has no right to receive New Shares of the Issuer and the Issuer is, in accordance with the Terms and Conditions, obliged to pay a cash settlement amount to the Holder in lieu of the delivery of New Shares. In such case, the Holder would not become a shareholder of the Issuer.

Holders of the Bonds will have no shareholder rights prior to conversion

Holders will not be shareholders of the Issuer prior to conversion of their Bonds into New Shares. Holders will not have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the New Shares until such time, if any, as of which the Issuer converts their Bonds into New Shares and proceeds with the registration of the Holders as shareholders in its share registry.

The Issuer may issue additional capital which could have a substantial dilutive effect on the New Shares issued following a conversion of the Bonds

The Issuer might issue new capital in the future and the Terms and Conditions of the Bonds do not restrict this possibility. Such capital could consist of new equity or equity- like securities which may have a substantial dilutive effect on issued New Shares and a materially negative effect on their value.

Holders of the Bonds will have limited anti-dilution protection

The Share Capital of the Issuer, which will be used for the calculation of the Conversion Ratio, will be adjusted only in cases where the newly issued shares are subscribed by the current shareholders of the Issuer. In all other cases of capital increase, the Holders will incur dilution.

Risk factors (25/25)

Upon conversion of the Bonds, the Holders will become shareholders of the Issuer and will, as such, be particularly exposed to the risk of suffering a total loss of the capital invested

Upon a conversion of the Bonds and the execution of the required registration, the Holders will become shareholders of the Issuer. As shareholders, they would not be creditors of the Issuer in the event of insolvency proceedings and would therefore not participate in a quota distribution. Only if there was a surplus after the final distribution, such residual surplus would be distributed among the shareholders in accordance with their participation ratios. Hence, they would be exposed to the risk of suffering a total loss of the capital invested in the event the Issuer becomes insolvent.

Upon conversion of the Bonds, the Holders who opted to receive Preferred Shares will become shareholders of the Issuer without having any voting rights

Upon a conversion of the Bonds, the Holders who opted to receive Preferred Shares will become shareholders of the Issuer without having any voting rights. This would result in their inability of expressing their views or opposing to any decisions taken by the shareholders of Issuer, which could affect the business model of the Issuer.

The New Shares delivered upon a conversion of the Bonds will not be traded in a liquid secondary market

Upon a conversion of the Bonds, the Holders will become shareholders of the Issuer and their capital will be locked-in to the Issuer. The Holders will not be able to monetise their investment since the New Shares will not be traded in a liquid secondary market. The only manner of liquidating their New Shares will be in the (illiquid) private equity market, or in case the Issuer decides to redeem the New Shares.

Other Statements [1]

Legal proceedings

No member of the Group is engaged in or, to our knowledge, has currently threatened against it, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Offering Memorandum, a significant effect on our financial position or profitability.

No insolvency

No insolvency proceeding of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Company or any of its assets or properties, is pending or, to the knowledge of the Company, threatened. The Company has not taken any action in contemplation of, or that would constitute the basis for, the institution of any such insolvency proceedings.

Interest of Directors and Officers

As of the date of this Offering Memorandum, none of the members of the board of directors of the Issuer, other than Modestas Sudnius (holding indirect interest in the Issuer equal to 3% of the share capital of the Issuer) and Maris Kreics (holding indirect interest in the Issuer equal to 1.5% of the share capital of the Issuer), has an ownership interest in the share capital of the Issuer and there are no other potential conflicts of interest between any duties of the board of directors of the Issuer and their private interests and/or other duties.

Recent events and trends

Our business has grown substantially in recent years, and we continue to monitor business development opportunities in new countries as well as existing markets. As we have made use of organic growth as well as strategic acquisitions, we aim further to leverage our existing expertise to expand into countries which we believe have an attractive customer base and growth potential.

During the first quarter of 2021, the Group has revised its corporate strategy together with the brand update from Mogo Finance to Eleving Group, to better reflect its updated mission statement and its diverse product and brand portfolio. The Group will keep offering products with the 'Mogo' brand name across its vehicle finance subsidiaries.

Following its smart capital allocation strategy, the Group has entered into several subsidiary sales agreements during the first half of 2021.

The Group has already successfully closed its vehicle finance business sales transactions in Kazakhstan and North Macedonia, while the transaction in respect of the Group’s vehicle finance business in Albania and Bulgaria are pending local regulatory approvals which are expected to be received by the end of 2021.

[1] For full overview, please, refer to section XVIII. «Information About The Group» in the Offering Memorandum

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Annexes

- Annex 1 – Offering Memorandum signed on 29 December 2021
- Annex 2 – Audited consolidated financial report of the Group for the year 2020
- Annex 3 – Audited standalone financial report of the Issuer for the year 2020

Glossary

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)
- **Cost/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
- **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
- **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
- **DPD** – days past due

Market definitions

- **Developed markets**: markets where the Group has operated for more than 3 years, with already substantial net portfolios (more than EUR 7 million). Those being: Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova, Belarus
- **Emerging markets:** markets where the Group has operated for less than 3 years, and portfolios are in their early growth stage. Those being: Kenya, Uganda, Uzbekistan
- **On-hold markets:** markets where the Group has stopped or limited its issuances to minimum with the goal to exit some markets. Those being: Poland, Bosnia and Herzegovina
- **Consumer finance markets:** markets where the Group offers consumer loans only. Those being: Albania, North Macedonia, Moldova, Ukraine

Eleving GROUP

Thank you!

Eleving Group

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