

CURRENTAUTO

Presentation of **financials**

2023 December



Balance sheet	Audited			
	2020	2021	2022	2023 Jan-Oct
Current assets	34 934	385 310	1 237 732	1 668 704
Cash and cash equivalents	11 419	21 984	70 860	18 568
Accounts receivables	21 768	331 106	1 459 988	2 298 189
Provisions	-	(201 629)	(739 905)	(1 290 993)
Vehicles for sale	-	128 458	328 364	495 062
Other current assets	1 747	21 886	19 519	23 594
Next period expense	-	83 505	98 906	124 284
Non-current assets	310 641	2 364 758	2 583 303	2 384 948
Intangible assets	-	5 415	62 832	60 592
Fixed assets	314 280	2 463 895	2 849 938	2 764 780
Accrued depreciation and amortization	(3 639)	(104 552)	(329 467)	(440 424)
TOTAL ASSETS	345 575	2 750 067	3 821 035	4 053 652
Liabilities	395 333	3 086 027	4 720 695	5 724 274
Loans received (principal) - related parties	360 375	2 852 778	4 500 000	5 356 604
Trade accounts payable- third parties	16 325	159 272	112 188	262 180
Payables to employees	3 146	6 802	14 081	12 351
Tax liability	6 215	16 376	42 100	30 260
Other liabilities and reserves	9 272	50 800	52 326	62 879
Equity	(49 758)	(335 960)	(899 660)	(1 670 622)
Share capital	2 800	2 800	2 800	2 800
Retained earnings / losses		(52 558)	(338 760)	(902 460)
Current year earnings / losses	(52 558)	(286 202)	(563 700)	(770 962)
TOTAL LIABILITIES & EQUITY	345 575	2 750 067	3 821 035	4 053 652

- Accounts receivables encompass outstanding payments from both ongoing rental agreements and terminated contracts that are subject to legal proceedings.
- The company allocates provisions for each outstanding debt associated with terminated contracts.
- Fixed assets include the value of vehicles associated with active rental contracts.
- The company's funding structure relies predominantly on indirect shareholder contributions, constituting 80% of the total, with the remaining 20% sourced from affiliated company.

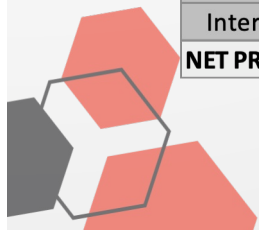
P&L statement	Audited	Audited	Audited	
	2020	2021	2022	2023 Jan-Oct
Revenue	24 393	595 959	1 959 136	1 834 556
Income from Rent	24 092	501 756	1 287 880	987 149
Issuance commission	-	6 765	185 677	51 604
Extras, penalties & Other	301	87 439	485 579	795 802
Vehicle sales net result	107	(55 045)	(371 753)	(295 922)
Provisions	-	(201 629)	(538 276)	(551 088)
GROSS PROFIT/(LOSS)	24 500	339 285	1 049 107	987 546
Payroll	14 017	(82 001)	(190 033)	(181 591)
Customer acquisition cost	(30 684)	(18 542)	(68 098)	(25 378)
Direct sales costs	(5 671)	(97 804)	(190 360)	(462 116)
Vehicle sales costs	-	(6 200)	(55 943)	(60 828)
DIRECT OPERATING EXPENSES	(22 338)	(204 547)	(504 434)	(729 913)
Payroll	-	(22 739)	(44 588)	(12 333)
Marketing	-	(631)	(13 163)	(27 007)
IT	-	(22 038)	(15 611)	(45 249)
Office costs & professional services	(5 732)	(52 225)	(102 230)	(117 453)
Other	(3 812)	(14 934)	(37 372)	(23 275)
INDIRECT OPERATING EXPENSES	(9 544)	(112 569)	(212 964)	(225 317)
EBITDA	(7 382)	22 170	331 709	32 316
Amortization and depreciation	(7 298)	(129 710)	(370 871)	(283 802)
Interest expense	(37 878)	(178 662)	(524 539)	(519 476)
NET PROFIT / (LOSS)	(52 558)	(286 202)	(563 700)	(770 962)

- Income generated from rent experienced substantial growth in both 2021 and 2022, but witnessed a slowdown in 2023 due to restrictions imposed by the issuance policy changes.
- The company's management anticipates a year-over-year income growth of 25% in 2024 and a further increase of 45% in 2025. This income growth is expected to contribute significantly to the overall profitability of the business.
- The company has disbursed more than 1.2 million euros in interest payments to its investors.

P&L statement

	Actual	Actual	Actual
	Q1 2023	Q2 2023	Q3 2023
Revenue	604 500	468 846	503 249
Income from Rent	265 535	275 331	312 272
Issuance commission	21 302	18 109	6 874
Extras, penalties & Other	317 663	175 406	184 103
Vehicle sales net result	(77 906)	(71 746)	(122 430)
Provisions	(172 111)	(115 140)	(115 469)
GROSS PROFIT/(LOSS)	354 483	281 960	265 350
Payroll	(57 109)	(51 681)	(54 738)
Customer acquisition cost	(6 721)	(8 095)	(8 687)
Direct sales costs	(126 357)	(146 253)	(138 211)
Vehicle sales costs	(21 665)	(16 495)	(19 219)
DIRECT OPERATING EXPENSES	(211 852)	(222 523)	(220 854)
Payroll	(12 333)	-	-
Marketing	(6 535)	(8 988)	(9 063)
IT	(19 917)	(13 615)	(7 599)
Office costs & professional services	(33 572)	(33 783)	(36 554)
Other	(5 820)	(5 804)	(9 662)
INDIRECT OPERATING EXPENSES	(78 177)	(62 189)	(62 879)
EBITDA	64 454	(2 752)	(18 383)
Amortization and depreciation	(87 821)	(81 506)	(85 192)
Interest expense	(146 864)	(151 937)	(163 619)
NET PROFIT / (LOSS)	(170 231)	(236 195)	(267 194)

- In 2023, following alterations to the issuance policy, there was consistent growth in income derived from rent services.
- The outcome of vehicle sales is tied to the disposal of repossessed rental cars, and in 2023, the company implemented substantial enhancements in the quality of acquired cars. As a result, it anticipates a 20% improvement in the outcome of vehicle sales moving forward.
- The company's net result was primarily influenced by the sales of repossessed vehicles and provisions set aside for terminated agreements.



P&L statement	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Revenue	420 426	626 763	649 719	661 533	720 376	726 401	776 078	829 456	886 762
Income from Rent	223 352	351 223	376 329	402 509	444 491	484 451	534 128	587 506	644 812
Issuance commission	9 000	13 500	13 500	13 500	13 500	13 500	13 500	13 500	13 500
Extras, penalties & Other	188 073	262 040	259 890	245 524	262 385	228 450	228 450	228 450	228 450
Vehicle sales net result	(44 000)	(66 128)	(59 267)	(54 448)	(51 445)	(46 766)	(46 766)	(46 766)	(46 766)
Provisions	(123 612)	(155 265)	(134 520)	(117 863)	(122 966)	(103 350)	(103 350)	(103 923)	(103 350)
GROSS PROFIT/(LOSS)	252 814	405 370	455 932	489 222	545 965	576 286	625 962	678 767	736 646
Payroll	(36 590)	(54 885)	(54 885)	(54 885)	(54 885)	(54 885)	(54 885)	(54 885)	(54 885)
Customer acquisition cost	(8 500)	(11 500)	(13 500)	(13 500)	(13 500)	(13 500)	(13 500)	(13 500)	(13 500)
Direct sales costs	(76 620)	(74 180)	(72 180)	(72 180)	(72 180)	(72 180)	(72 180)	(72 180)	(72 180)
Vehicle sales costs	(12 142)	(18 213)	(18 213)	(18 213)	(18 213)	(18 213)	(18 213)	(18 213)	(18 213)
DIRECT OPERATING EXPENSES	(133 852)	(158 778)	(158 778)	(158 778)	(158 778)	(158 778)	(158 778)	(158 778)	(158 778)
Payroll	-	-	-	-	-	-	-	-	-
Marketing	(9 800)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)
IT	(5 000)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)
Office costs & professional services	(23 600)	(35 400)	(35 400)	(35 400)	(35 400)	(35 400)	(35 400)	(35 400)	(35 400)
Other	(3 200)	(4 800)	(4 800)	(4 800)	(4 800)	-	-	-	-
INDIRECT OPERATING EXPENSES	(41 600)	(55 200)	(55 200)	(55 200)	(55 200)	(50 400)	(50 400)	(50 400)	(50 400)
EBITDA	77 362	191 392	241 954	275 244	331 987	367 108	416 784	469 589	527 468
Amortization and depreciation	(59 443)	(93 054)	(99 693)	(107 075)	(114 883)	(125 105)	(135 282)	(145 460)	(155 638)
Interest expense	(115 375)	(183 625)	(193 375)	(203 125)	(212 875)	(222 625)	(232 375)	(242 125)	(251 875)
Capex	3 350	5 025	5 025	5 025	5 025	5 025	5 025	5 025	5 025
NET PROFIT / (LOSS)	(94 106)	(80 263)	(46 090)	(29 931)	9 255	24 403	54 152	87 029	124 981

- The company foresees a 25% year-over-year growth in rental income for 2024 and a subsequent 45% increase in 2025. This expansion is anticipated to stem from the augmentation of the partnership network and the continued development of the internal dealership under the brand www.carlot.lv.
- Due to enhancements in the issuance policy and the quality control of acquired vehicles, the company anticipates reaching a breakeven point on a monthly basis by the third quarter of 2024 and achieving its first profitable quarter in the fourth quarter of 2024.
- The company anticipates achieving a net profit of 280,000 euros in the year 2025