mogo finance

Unaudited results for the three months ended 31 March 2021

Mogo Finance becomes Eleving GROUP

Reasons for rebranding

Outgrown umbrella brand

What once was a one-brand company focusing on car financing now has become a global multi-brand group with several lines of business

mogo

Mogo stays as the product brand in all Vehicle Finance markets

Growing product range

Our product range has grown and evolved into a broad product portfolio, comprising productive lending, SMEs financing, and consumer financing

Alignment with our approach

A revised mission that incorporates sustainability and social initiatives into how we do business, and facilitates upward social mobility


Our mission

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

Q1 2021
At a Glance

200,000+
Total Number of Customers

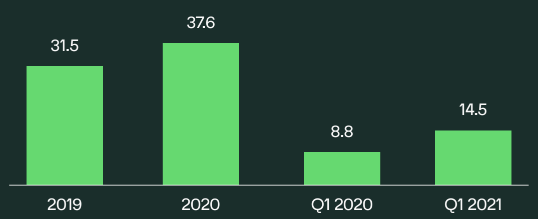
EUR 14.5 million[1]
EBITDA, Q1 2021

EUR 200+ million
Vehicle and Consumer Financing Portfolio

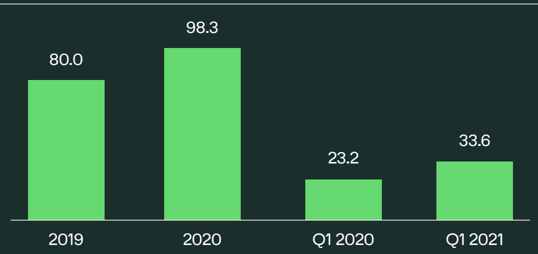
EUR 33.6 million[2]
Revenues, Q1 2021

A 183% year-over-year increase in Net Profit Before FX in Q1 2021

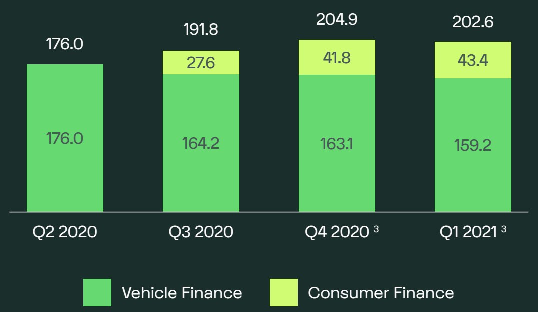
EBITDA, EUR mln [1]



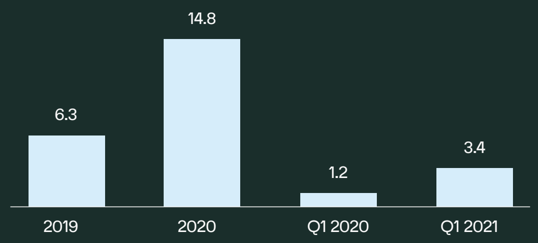
Revenue, EUR mln [2]



Net portfolio, EUR mln



Net profit before FX, EUR mln [4]



[1] 2020 TDA adjusted with an increase by one-off costs of: [a] Mezzanine payments for warrant EUR 2.6 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. Q1 2021 EBITDA adjusted with an increase by one-ff costs of: [a] amortization of fair value gain EUR 0.8 mln; [b] other one-off adjustments

[2] Adjusted with fair value gain on acquisition in Q4 2020 from portfolio in the amount of [3.4] mln EUR and subsequent amortization of portfolio gain in Q1 2021 in the amount of [0.8] mln EUR

[3] Adjusted with fair value gain on acquisition in Q4 2020 from portfolio in the amount of [3.4] mln EUR and [2.4] mln EUR in Q1 2021

[4] Adjusted for discontinued operations in Kazakhstan and Bulgaria in 2020 and Bulgaria in Q1 2021

From strong product performance and high-quality portfolio to consistent profits

Operational and Strategic Highlights

- Sustained performance across all active markets with reduced Covid-19 impact.
- Improvement of portfolio quality driven by effective debt collection processes and underwriting policies in the past twelve months.
- Solid growth of most recently launched vehicle financing product groups. The Premium car financing solution Primero in Latvia has reached a net loan portfolio of EUR 15 million with EUR 1.9 million issued in 2021 Q1. More than 10,000 motorcycle taxis financed in Kenya.
- Continuous steady vehicle sales income—more than EUR 3 million for a third consecutive quarter.
- Successful divestment of the Kazakhstan operations on hold since the beginning of the pandemic.
- Steady issuance balance in Q1 (Q-o-Q) despite the Covid-19 restrictions in the Baltics, shortage of motorcycle supply in Kenya, and persistent movement and operational limitations which affect vehicle sales activities in several markets.
- An adaptable single WEB/CRM platform designed to enable release of new targeted products within one day. Several targeted projects to help vulnerable society groups across different markets projected to be launched in Q2.
- An introduction of the non-financial reporting practice based on the ESG framework, disclosing information and data on the environmental, social, and corporate governance aspects. First ESG Report to be launched in 2021.

Financial Highlights and Progress

- Revenue up 41.4% to EUR 32.8 million (3M 2020: EUR 23.2 million) and normalized revenue reaches EUR 33.6 million in line with high quality portfolio development both in legacy vehicle business as well as consumer business lines.
- EBITDA up 54.5% to EUR 13.6 million (3M 2020: EUR 8.8 million) and normalized EBITDA reaches EUR 14.5 million driven by a continuous focus on most profitable markets and more optimal organizational structure.
- Net profit before FX increased to EUR 3.4 million (3M 2020: EUR 1.2 million) supported by revenue growth as well as control over portfolio quality.
- Increase in total equity by 27.0% to EUR 43.8 million (31 December 2020: EUR 34.5 million) attributable to successful business results as well as shareholders equity contribution during Q1 2021.
- Successful Latvian bonds refinance with more than 600 new bondholders onboarded and positive outcome of Eurobond bondholders meeting held during first quarter with all proposals uniformly adopted.

*A Premium car financing solution created through a strategic partnership with a local bank, which allows to achieve a 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 financing.

Comment from Eleving Group CEO and CFO

Modestas Sudnius
CEO

The Group continued to demonstrate strong performance for the third consecutive quarter after the initial Covid-19 shock. In the first quarter of 2021, our revenues continued to improve, reaching EUR 33.6 million. Revenue growth was achieved through smart capital allocation by shifting capital from the markets put on hold to operational markets, and by steadily improving portfolio quality.

The consistent and steadily improving performance across the 11 vehicle finance markets in tandem with the consumer financing business were the key drivers for strong financial results. Even though movement restrictions imposed on some markets had an impact on car sales, the demand for vehicle financing did not decrease, only the vehicle purchase cycle became longer. Now, with all the major markets seeing vaccination programs being rolled out and markets opening, we see an opportunity to accelerate issuances and continue strengthening our market position.

During the first quarter of 2021, we managed to achieve significant operational and corporate milestones. I am pleased that, despite the challenging economic climate, we managed continue successfully developing Premium car financing solution together with a local bank in Latvia and motorcycle taxi financing in Kenya. Further development of these solutions is part of our future strategy. Also, we will continue to digitize our processes across the Group, with a focus on improving automated debt collection engine and optimizing our web platform.

The Group looks to the future with confidence. Our recent performance in tandem with a dedicated team and the necessary technology in place makes me very confident that we will succeed in creating value to all our stakeholders. We also anticipate the future with a revised corporate strategy and rebranding from Mogo Finance to Eleving Group. We will keep offering products with the “Mogo” brand across our countries, yet, with the new corporate identity, the Group makes the transition from product and service orientation to impact making. The ultimate goal of our business is to empower diverse communities around the world by providing them with financial inclusion thus enabling upward social mobility. The revised mission statement closely intertwines with the newly established non-financial reporting practice as well as the launch of several social and ESG initiatives that will reflect in our product performance as well.

The Q1 results of 2021, with almost 50% higher year-over-year revenue and nearly three times higher comprehensive income before forex, provide a conclusive proof that the actions taken during 2020, with a bolt-on acquisitions among them, paid off. Our forex situation during the first quarter of 2021 remained contained without major adverse or overly positive effects. This can be attributed to both our hedging strategy as well as decreased exposure to volatile currencies.

Over the course of the last quarter, the Group's portfolio quality slowly but constantly improved. Still, in its underwriting policy, the Group remained more conservative than before March 2020; however, the company started to relax some underwriting policy guidelines. These relaxations were performed in the countries where the macroeconomic climate is stable, and the portfolio quality exceptionally good.

We are also positive regarding our prospects with regard to our Eurobonds refinancing. To that end, we have been deploying certain amounts of capital towards Eurobonds repurchases over the last several months, and we have been increasingly focused on the simplification of our balance sheet, including decreasing receivables for Longo sales transaction, divesting selected markets, and the like. Our positive outlook towards the prospective Eurobond refinancing has been further strengthened by the excellent reception of our Latvian bond refinance that took place during the first quarter, with more than 600 new investors joining our community.

Māris Kreics
CFO

Outlook for 2021

Business and product development

Develop existing products across existing geographies

Continue to roll out Premium car finance solution Primero* across the Baltics, and build a significant portfolio by the end of the year

Launch multiple targeted lending products through the company's single lending platform

Maintain similar product balance: ¾ of secured portfolio, up to ¼ of unsecured portfolio

Grow through productive lending while supporting local entrepreneurs and taxi drivers in developing markets

Processes

Further digitalisation [risk technology, online car marketplaces, partner modules]

Continuous focus on improving debt collection practices

Sustained Covid-adjusted underwriting throughout the year

Capital management

Continuous improvement in financial covenants—ICR and Capitalisation Ratio

Refinance Eurobonds

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.

The launch of several targeted projects to help vulnerable society groups across different markets

* A Premium car financing solution created through a strategic partnership with a local bank, which allows to achieve 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

Conference call

On 18 May

A conference call in English with the Group's management team to discuss these results is scheduled for 18 May 2021, at 15:00 CET.

Contact

Māris Kreics
Chief Financial Officer [CFO]
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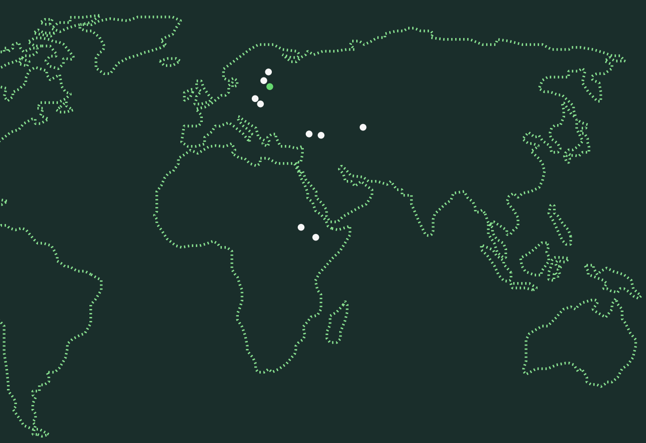
Click here to register for conference call →

About Eleving Group

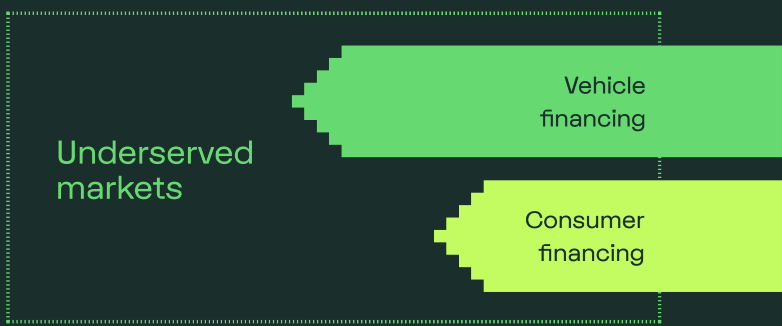


Presence

Eleving Group is an international fast-moving financial technology company offering services across the globe. The Group operates in 14 countries across 3 continents

Our approach

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



Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 500 fastest growing companies in Europe, more than 1,400 employees and 200,000 loyal customers

Financial review

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the three months period ended 31 March 2021 and 31 March 2020.

in EUR million	Q1 2020	Q1 2021	% change
Interest and similar income	20,7	29,3	41,5%
Interest expense and similar expenses	(6,5)	(7,2)	10,8%
Net interest income	**14,2**	**22,1**	**55,6%**
Income from used car rent	1,5	1,7	13,3%
Impairment expense	(5,8)	(6,5)	12,1%
Operating expense and income	(9,0)	(12,7)	41,1%
Net foreign exchange result	(3,7)	0,1	-102,7%
Profit before tax	**(2,8)**	**4,7**	**-267,9%**
Corporate income tax	0,3	(1,2)	-500,0%
Net profit for the period	**(2,5)**	**3,5**	**-240,0%**
Net profit for the period without FX and discontinued operations	**1,2**	**3,4**	**183,3%**

Interest, similar income and income from car rental

in EUR million	Q1 2020	Q1 2021	% change
Interest and similar income	20,7	29,3	41,5%
Income from used car rent	1,5	1,7	13,3%
Average net loan and used car rent portfolio	193,1	201,0	4,1%
Average income yield on net loan and used car rent portfolio	46,0%	61,7%	15,7 p.p,

Interest, similar income and income from used car rent for the period increased by 39.6% to EUR 31.0 million (3M 2020: EUR 22.2 million) reflecting the growth in the average net loan and used car rent portfolio by 4.1% to EUR 201.0 million (3M 2020: EUR 193.1 million) and continuous focus on highest-yielding markets and products.

Interest expense and similar expense

Interest expense and similar expense grew by 10.8% to EUR 7.2 million (3M 2020: EUR 6.5 million) related to slight increase in total borrowings to EUR 221.0 million (31 March 2020: EUR 220.7 million) and higher average cost of debt.

Income from used car rent

The launch of the Mogo Finance Car Portal contributed to boosting income from used car rent that increased by 13.3% to EUR 1.7 million (3M 2020: EUR 1.5 million). The total used car rental fleet in Latvia remained stable and stood at EUR 14.2 million (31 December 2020: EUR 14.7 million).

Impairment expense for car finance portfolio

Net impairment losses on loans and receivables decreased by 65.5% to EUR 2.0 million (3M 2020: 5.8 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 8% (conservative 35+ days past due) of the net portfolio (31 December 2020: 9%), the provision coverage ratio was 93% (31 December 2020: 88%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables consolidated as of 31 March 2021 amounted to EUR 4.5 million. The NPL ratio [Net NPL / Total net portfolio] amounted to 6% [90+ days past due] of the net portfolio, the provision coverage ratio was 159%.

Operating expense

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

in EUR million	Q1 2020	Q1 2020	% change
Employees' salaries	5,0	6,8	36,0%
Marketing expenses	1,0	1,3	30,0%
Office and branch maintenance expenses	0,3	0,5	66,7%
Professional services	0,4	0,7	75,0%
Amortization and depreciation	1,4	1,8	28,6%
Other operating expenses	0,9	1,6	77,8%
Total operating expense	**9,0**	**12,7**	**41,1%**

Total operating expenses at EUR 12.7 million increased by 41.1% [3M 2020: EUR 9.0 million], as a result of consumer lending business acquisition. Salaries increased by 36.0% to EUR 6.8 million [3M 2020: EUR 5.0 million], comprising 53.5% of total operating expenses [3M 2020: 55.6%]. Marketing expenses with effective costs per loan issued of EUR 6 accounted for 10.2% of total operating expenses [3M 2020: 11.1%].

Profit before tax

The consolidated profit before taxes amounted to EUR 4.7 million [3M 2020: loss EUR 2.8 million].

Corporate income tax

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

in EUR million	Q1 2020	Q1 2021	% change
Corporate income tax	[0,2]	[1,4]	600,0%
Deferred tax	0,5	0,2	-60,0%
Total corporate income tax	**0,3**	**(1,2)**	**-500,0%**

Profit for the period

The Group's net profit for the period was EUR 3.6 million [3M 2020: loss EUR 2.5 million].

Non-IFRS figures – EBITDA

in EUR million	Q1 2020	Q1 2021	% change
Profit for the period	[2,5]	3,5	-240,0%
Provisions for taxes	[0,3]	1,2	-500,0%
Interest expense	6,5	7,2	10,8%
Depreciation and amortization	1,4	1,8	28,6%
Currency exchange loss / [gain]	3,7	[0,1]	-102,7%
EBITDA	**8,8**	**13,6**	**54,5%**

Condensed consolidated balance sheet

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

Assets [in EUR million]	31 Dec. 2020	31 Mar. 2021
Intangible assets	14,8	15,6
Tangible assets	10,0	9,8
Loans and lease receivables and rental fleet	201,7	200,2
Deferred tax asset	2,9	2,5
Inventories	1,6	1,8
Non-current assets held for sale	2,1	1,2
Other receivables	26,5	23,0
Assets of subsidiary held for sale	-	7,4
Receivables as a result of sale of subsidiaries to related parties	9,4	7,9
Receivables as a result of sale of subsidiaries to 3rd parties	1,5	8,0
Cash and cash equivalents	9,3	12,8
Total assets	**279,8**	**290,2**

Equity and liabilities [in EUR million]	31 Dec. 2020	31 Mar. 2021
Share capital and reserves	1,3	1,3
Foreign currency translation reserve	[2,3]	[1,8]
Retained earnings	22,9	26,4
Non-controlling interests	0,5	0,5
Subordinated debt	12,1	17,4
Total equity	**34,5**	**43,8**
Borrowings	224,4	221,0
Other liabilities	20,9	25,4
Total liabilities	**245,3**	**246,4**
Total equity and liabilities	**279,8**	**290,2**

Assets

Total assets of the Group increased by 3.7% to EUR 290.2 million [31 December 2020: EUR 279.8 million], reflecting mainly an increase in the consumer loan portfolio.

Tangible assets

Tangible assets decreased by 2.0% to EUR 9.8 million [31 December 2020: EUR 10.0 million] primarily due to reduced rights of use assets following the optimization of the HQ office space.

Net loan and used car rent portfolio

The net loan and used car rental portfolio was stable standing at EUR 200.2 million [31 December 2020: EUR 201.7 million] with sales of North Macedonia and Kazakhstan business lines that have offset the general growth in other markets.

Net loan and used car rent portfolio

in EUR million	31 Dec. 2020	Total share [in %]	31 Mar. 2021	Total share [in %]
Developed countries[1]	131,7	65,3%	124,8	62,3%
Developing countries[2]	22,2	11,0%	29,3	14,6%
Consumer loan markets	38,6	19,1%	41,2	20,6%
Countries on hold[3]	9,2	4,6%	4,9	2,4%
Total net loan and used car rent portfolio	**201,7**	**100,0%**	**200,2**	**100,0%**

[1] Developed countries are Latvia [including used car rent portfolio], Lithuania, Estonia, Belarus, Romania, Moldova, Georgia and Armenia

[2] Developing countries are Uzbekistan, Kenya and Uganda

[3] Countries on hold are Bosnia and Herzegovina, Poland, Albania

In line with the strategy going forward to align Mogo Finance to a leaner cost base and structure, the management pursued a proactive portfolio optimization during 2020 with a clear focus on the most profitable markets. Consequently, issuances in Albania, Bosnia and Herzegovina as well as Bulgaria were suspended or decreased to minimum; the focus lies now on debt collection in those markets. As of the end of first quarter, a sale of North Macedonia business line was concluded and shortly after end of first quarter a sale of Kazakhstan business lines concluded. The remaining developing countries still showed significant upside potential, with full-fledged operations in Uzbekistan, Kenya and Uganda maintained.

The following table sets out the classification of the Group's net loan and used car rent portfolio [excluding consumer lending] in terms of overdue buckets as well as the total impairment coverage ratio.

Net loan and used car rent portfolio [excluding consumer loans]

in EUR million	31 Dec. 2020	Total share [in %]	31 Mar. 2021	Total share [in %]
STAGE 1[1]	122,1	82,3%	121,7	83,9%
STAGE 2[2]	14,1	9,5%	12,3	8,5%
STAGE 3[3]	12,2	8,2%	11,0	7,6%
Total net loan portfolio	**148,4**	**100%**	**145,0**	**100%**
Used car rent	14,7	9,0%	14,2	8,9%
Total net loan and used car rent portfolio	**163,1**		**159,2**	
Net NPL ratio[4]	**8,2%**		**7,6%**	
Impairment coverage ratio[5]	**88,0%**		**92,9%**	

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

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

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

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

[4] Net NPL [35+ days overdue] / Total net portfolio

[5] Total impairment / Gross NPL [35+ days overdue]

NPLs in the net loan portfolio decreased to 7.6% of the total net portfolio [31 December 2020: 8.2%].

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

Net consumer loan portfolio

in EUR million	31 Dec. 2020	Total share [in %]	31 Mar. 2021	Total share [in %]
STAGE 1[1]	34,9	90,4%	37,8	92,2%
STAGE 2[2]	0,6	1,6%	0,9	2,2%
STAGE 3[3]	3,1	8,0%	2,3	5,6%
Total net loan portfolio	**38,6**	**100%**	**41,0**	**100%**
Net NPL ratio[4]	**8,1%**		**5,6%**	
Impairment coverage ratio[5]	**132,6%**		**158,8%**	

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

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

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

[4] Net NPL [90+ days overdue] / Total net portfolio

[5] Total impairment / Gross NPL [90+ days overdue]

Equity

Total equity increased by 27.0% to EUR 43.8 million [31 December 2020: EUR 34.5 million]. The capitalization ratio ended up at 23.5% [31 December 2019: 18.4%], providing good headroom for Eurobond covenants.

Liabilities

Total liabilities increased by 0.4% to EUR 246.4 million [31 December 2020: EUR 245.3 million].

Loans and borrowings

The following table sets out loans and borrowings by type.

in EUR million	31 Dec. 2020	31 Mar. 2021
Loans from banks	11,6	13,6
Latvian Bonds	24,1	29,0
Eurobonds [excl. accrued interest]	96,3	97,3
Bonds acquisition costs and accrued interest	1,7	[2,2]
Financing received from P2P investors	65,2	55,4
Borrowings acquired as a result of acquisition of subsidiaries	22,6	25,2
Loans from other parties	2,9	2,7
Total loans and borrowings	**224,4**	**221,0**

Latvian bonds

On 1 March 2021, through public offering JSC "mogo" successfully issued corporate bond [LV0000802452] in the amount of EUR 30 million, which from 31 March 2021 is listed on the regulated market – the Baltic Bond List of "Nasdaq Riga" stock exchange. The notes, with a minimum subscription amount of EUR 1'000, were issued at par, having a maturity of 3 years and carrying a fixed coupon of 11% per annum, paid monthly in arrears. The bonds were offered to existing Mogo bondholders and other retail and institutional investors from the Baltic region.

Eurobonds

On 11 July 2018, Mogo Finance successfully issued a 4-year corporate bond [XS1831877755], listed on the Open Market of the Frankfurt Stock Exchange, oversubscribed for EUR 50 million at par with an annual interest rate of 9.5%, followed on 16 November 2018 by a EUR 25 million tap at par and 13 November 2019 by a EUR 25 million tap at a price of 95 per cent. After the tap issue, the total amount outstanding of Mogo Finance's 9.50% corporate bonds 2018/2022 [XS1831877755] amounts to EUR 100 million. On 30 November 2018, the corporate bond 2018/2022 [XS1831877755] was uplisted to the regulated market [General Standard] of the Frankfurt Stock Exchange. The bond will mature in July 2022.

On 27 January 2021, Mogo Finance received broad approval from bondholders to amend the terms and conditions of its EUR 2022 bonds [XS1831877755]. At the bondholders meeting, all proposed amendments were resolved. The proposals included the replacement of the bondholders' representative [Proposal 1], the amendment of financial conditions [Proposal 2] and the amendment of the definition of permitted debt [Proposal 3]

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

in EUR million	31 Mar. 2020	31 Mar. 2021
Profit before tax	**(3,6)**	**4,9**
Net cash flows to/from operating activities	**(4,8)**	**3,8**
Net cash flows to investing activities	**(6,3)**	**(2,1)**
Net cash flows from/to financing activities	**11,4**	**1,8**
Change in cash	0,3	3,5
Cash at the beginning of the year	8,6	9,3
Cash at the end of the year	**8,9**	**12,8**

Net cash inflow from operating activities amounted to EUR 3.8 million [3M 2020: cash outflow EUR 4.8 million]. The Group's net cash outflow from investing activities totalled EUR [2.1] million [3M 2020: EUR [6.3] million].

Eurobond covenant ratios

Capitalization	31 Dec. 2020	31 Mar. 2021	Change [in % p.]
Equity/Net loan portfolio	18,4%	23,5%	5,1

Profitability	31 Dec. 2020	31 Mar. 2021	Change [in %]
Interest coverage ratio [ICR]	1,9	2,1	8%

in EUR million	Mintos loans			Net loan and used car rent portfolio			
	31 Dec. 2020	31 Mar. 2021	Change [in %]	31 Dec. 2020	Total share [in %]	31 Mar. 2021	Total share [in %]
Armenia[1]	3,1	1,0	-68%	10,0	6,1%	8,8	5,5%
Belarus[1]	9,1	8,4	-8%	15,3	9,4%	16,0	10,1%
Estonia[1]	7,4	6,1	-18%	12,9	7,9%	12,0	7,5%
Georgia[1]	5,1	5,1	0%	11,9	7,3%	11,7	7,3%
Kenya[2]	0,4	3,5	775%	12,8	7,8%	18,4	11,6%
Latvia[1]	13,6	7,6	-44%	26,6	16,3%	21,6	13,6%
Lithuania[1]	11,3	8,6	-24%	27,0	16,6%	25,6	16,1%
Moldova[1]	6,0	5,8	-3%	11,2	6,9%	11,1	7,0%
Romania[1]	9,7	10,6	9%	16,8	10,3%	18,2	11,4%
Uganda[2]	0,0	0,0	0%	5,1	3,1%	6,2	3,9%
Uzbekistan[2]	0,0	0,0	0%	4,3	2,6%	4,7	3,0%
Countries on hold[3]	1,9	0,2	-89%	9,2	5,6%	4,9	3,1%
Total car lease and rent	**667,6**	**56,9**	**-16%**	**163,1**	**124%**	**159,2**	**100%**
Consumer loan markets	18,9	23,4	24%	38,6	24%	41,0	20,5%
Total	**86,5**	**80,3**		**201,7**		**200,2**	

[1] Developed countries are Latvia [including used car rent portfolio], Lithuania, Estonia, Georgia, Romania, Moldova, Belarus and Armenia

[2] Developing countries are Uzbekistan, Kenya and Uganda

[3] Countries on hold are Bosnia and Herzegovina, Poland, and Albania

Recent developments

No Regulatory Changes

There are no material regulatory changes taken place since 31 March 2021.

Events after the balance sheet date

As of the last day of the reporting year until the date of publishing these unaudited results for the three months ended 31 March 2021 there have been no events requiring adjustment of unaudited results.

Directors' Statement

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

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

Consolidated Statements of:

Financial Position – Assets
Financial Position - Equity and liabilities
Income Statement and Statement of Cash Flow

Consolidated Statement of Financial Position – Assets

in EUR million	31 Dec. 2020	31 Mar. 2021
Goodwill	6,6	6,6
Internally generated intangible assets	5,9	6,8
Other intangible assets	2,3	2,2
Loans and lease receivables and rental fleet	201,7	200,2
Right-of-use assets	7,5	7,3
Property, plant and equipment	2,1	2,1
Leasehold improvements	0,4	0,4
Receivables as a result of sale of subsidiaries to related parties	9,4	7,9
Receivables as a result of sale of subsidiaries to 3rd parties	1,5	8,0
Loans to related parties	5,2	5,5
Other financial assets	2,7	2,8
Deferred tax asset	2,9	2,5
Inventories	1,6	1,8
Prepaid expense	1,9	2,1
Trade receivables	0,5	2,7
CIT paid in advance	1,1	1,0
Other receivables	5,7	8,9
Assets of subsidiary held for sale	9,4	7,4
Assets held for sale	2,1	1,2
Cash and cash equivalents	9,3	12,8
Total assets	**279,8**	**290,2**

Consolidated Statement of Financial Position – Equity and liabilities

in EUR million	31 Dec. 2020	31 Mar. 2021
Equity		
Share capital	1,0	1,0
Retained earnings	22,9	26,4
Foreign currency translation reserve	(2,3)	(1,8)
Reserve	0,3	0,3
Total equity attributable to owners of the Company	**21,9**	**25,9**
Non-controlling interests	0,5	0,5
Subordinated debt	12,1	17,4
Total equity	**34,5**	**43,8**
Liabilities		
Borrowings	224,4	221,0
Provisions	0,4	0,4
Prepayments and other payments received from customers	0,5	0,2
Trade payables	1,2	3,6
Corporate income tax payable	0,8	1,5
Taxes payable	2,0	3,2
Other liabilities	8,6	8,6
Liabilities of subsidiary held for sale	3,9	3,9
Accrued liabilities	3,3	3,8
Other financial liabilities	0,2	0,2
Total liabilities	**245,3**	**246,4**
Total equity and liabilities	**279,8**	**290,2**

Consolidated Income Statement

in EUR million	Q1 2020	Q1 2021
Interest revenue calculated using the effective interest method	20,7	29,3
Interest expense calculated using the effective interest method	(6,5)	(7,2)
Net interest income	**14,2**	**22,1**
Fee and commission income	1,0	1,8
Revenue from rent	1,5	1,7
Total net revenue	**16,7**	**25,6**
Impairment expense	(5,8)	(6,5)
Expenses related to peer-to-peer platform services	(0,2)	(0,3)
Selling expense	(1,0)	(1,3)
Administrative expense	(8,8)	(12,3)
Other operating (expense) / income	-	(0,6)
Net foreign exchange result	(3,7)	0,1
Profit before tax	**(2,8)**	**4,7**
Corporate income tax	(0,2)	(1,4)
Deferred corporate income tax	0,5	0,2
Net profit for the period	**(2,5)**	**3,5**
Discontinued operations	-	0,2
Translation of financial information of foreign operations to presentation currency	(0,2)	0,5
Total comprehensive income for the period	**(2,7)**	**4,2**
Total comprehensive income for the period without FX	1,2	3,6

Consolidated statement of cash flow

in EUR million	31 Mar. 2020	31 Mar. 2021
Cash flows to/from operating activities		
Profit/(loss) before tax	(3,6)	4,9
Adjustments for:		
Amortisation and depreciation	2,0	1,8
Interest expense	6,5	7,2
Interest income	(20,7)	(29,3)
Loss on disposal of property, plant and equipment	3,3	1,4
Impairment expense	5,8	6,5
Loss from fluctuations of currency exchange rates	4,0	0,4
Operating profit before working capital changes	**(2,7)**	**(7,1)**
(Increase)/decrease in inventories	(0,1)	(0,2)
(Increase)/decrease in receivables	(12,9)	(12,1)
Increase/(decrease) in trade payable, taxes payable and other liabilities	(1,7)	3,9
Cash generated to/from operating activities	**(17,4)**	**(15,5)**
Interest received	20,4	28,6
Interest paid	(7,8)	(8,6)
Corporate income tax paid	-	(0,7)
Net cash flows to/from operating activities	**(4,8)**	**3,8**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,0)	(2,3)
Purchase of rental fleet	(5,0)	(1,4)
Loan repayments received	0,1	1,6
Loans issued	(0,4)	-
Net cash flows to/from investing activities	**(6,3)**	**(2,1)**
Cash flows to/from financing activities		
Proceeds from borrowings	60,0	145,1
Repayments for borrowings	(48,6)	(143,3)
Net cash flows to/from financing activities	**11,4**	**1,8**
Change in cash	0,3	3,5
Cash at the beginning of the year	8,6	9,3
Cash at the end of the year	**8,9**	**12,8**

Latvian operations only

Condensed financial information of AS "mogo" [consolidated]

Statement of Profit or Loss and Other Comprehensive Income [AS "mogo" [consolidated]]

in EUR million	Q1 2020	Q1 2021
Interest revenue calculated using the effective interest method	3,1	2,0
Interest expense calculated using the effective interest method	[1,3]	[1,2]
Net interest income	**1,8**	**0,8**
Fee and commission income	0,2	0,1
Revenue from rent	1,4	1,7
Total net revenue	**3,4**	**2,6**
Impairment expense	[1,0]	0,9
Administrative expense	[1,5]	[1,6]
Other operating [expense] / income	0,8	0,4
Profit before tax	**1,7**	**2,3**
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the period	**1,7**	**2,3**

Consolidated Statement of Financial Position – Assets, Equity and Liabilities (AS "mogo" (consolidated))

in EUR million	31 Dec. 2020	31 Mar. 2021
Assets		
Loans and lease receivables and rental fleet	26,2	21,5
Loans to Mogo Finance S.A.	28,5	30,8
Property, plant and equipment	1,3	0,9
Receivables from group companies	1,4	2,4
Non-current assets held for sale	0,1	0,1
Other receivables	0,7	1,0
Prepaid expense	0,1	0,1
Cash and cash equivalents	0,2	0,3
Total assets	**58,5**	**57,1**

in EUR million	31 Dec. 2020	31 Mar. 2021
Equity		
Share capital	5,0	5,0
Other reserves	(4,0)	(4,0)
Retained earnings		
brought forward	7,7	13,3
for the period	5,8	2,3
Total equity	**14,5**	**16,6**
Liabilities		
Borrowings	40,8	36,8
Other provisions	2,4	2,0
Trade payables	0,1	0,1
Payables to related companies	0,3	0,7
Taxes payable	0,1	0,3
Accrued liabilities	0,3	0,6
Total liabilities	**44,0**	**40,5**
Total equity and liabilities	**58,5**	**57,1**

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