# MOGO FINANCE REPORTS UNAUDITED RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2019

## Increase in issuances continue to drive strong profitability in terms of EBITDA growth

### OPERATIONAL AND STRATEGIC HIGHLIGHTS

● Group loans issued increased strongly by 55.6% equalling EUR 178.4 million (2018: EUR 114.6 million), of which EUR 53.7 million in mid-tier markets (2018: EUR 33.1 million)

● In line with the announced commitment, Mogo Finance shareholders have injected additional EUR 3 million of capital during Q4 2019. This marks total new capital of EUR 5 million injected into the Group during 2019 with further EUR 5 million to follow by the end of Q1 2020

● Mogo Finance has divested its used car retail business by selling Longo brand entities resulting in a gain of EUR 1.7 million for the Group. This sale will allow to fully focus Group's operations on the lending business in order to significantly increase the overall profitability. Longo will continue to remain a strategic used car sales partner for Mogo

● By following its profitable growth strategy, the Group has managed to deliver annual profitability of now 8 markets (2018: 6 markets) measured by net profit and 10 markets (2018: 6 markets) measured by EBITDA

● As of the end of 2019 full regional HUB teams as well as group management team have all been set up, no significant further pressure on costs expected

### FINANCIAL HIGHLIGHTS AND PROGRESS

● Interest and similar income including income from used car rent up strongly by 40.5% to EUR 76.7 million (2018: EUR 54.6 million)

● Significant growth in total equity by 61.8% to EUR 28.8 million (31.12.2018: EUR 17.8 million)

● Rapid increase in EBITDA by 54.4% to EUR 31.5 million (2018: EUR 20.4 million)

● Net profit for the period improved notably by 34.8% to EUR 6.2 million (2018: EUR 4.6 million)

Modestas Sudnius, CEO of Mogo Finance, commented:

"During 2019 we have executed well on our strategy for the year - to focus on the profitability - and have delivered a record annual EBITDA with a more than 50% increase compared to the year 2018.

This was mainly driven by significant profitability and operational performance improvements particularly in mid-tier markets as well as solid results in our mature countries.

Longo business line sale, together with now fully staffed regional and group management teams, will help us to fully focus on our core mission - providing mobility by the use of most convenient financing solutions.

Mogo Group is well positioned to have another record-breaking year ahead of us with core focus on continuous top line and profitable growth."

## CONTACT:

**Mogo Finance**
Maris Kreics, Chief Financial Officer (CFO)
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## CONFERENCE CALL:

A conference call in English with the Group's management team to discuss these results is scheduled for 18 February 2020, at 15:00 CET.

Please register: http://emea.directeventreg.com/registration/4819519

## ABOUT MOGO FINANCE:

Mogo Finance is one of the largest and fastest-growing secured used car financing companies in Europe. Recognizing the niche in used car financing underserved by traditional lenders, Mogo Finance has expanded its operations to 17 countries issuing over EUR 550 million up to date and running a net loan and used car rent portfolio over EUR 190 million. Mogo offers secured loans up to EUR 15,000 with maximum tenor of 84 months making used car financing process convenient, both for its customers and partners. Wide geographical presence makes Mogo unique over its rivals and diversifies revenue streams.

Mogo Finance operates through its own branch network, more than 2,000 partner locations and strong online presence. Physical footprint makes Mogo Finance top of mind brand in used car financing. Established in 2012, headquartered in Riga, Latvia Mogo Finance operates in: Latvia, Estonia, Lithuania, Georgia, Poland, Romania, Bulgaria, Moldova, Albania, Belarus, Armenia, Uzbekistan, Kazakhstan, North Macedonia, Bosnia and Herzegovina, Kenya and Uganda.

www.mogofinance.com

# FINANCIAL REVIEW

## Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the year ended 31 December 2019 and 31 December 2018.

| (in EUR million) | 2018 | 2019 | % change |
|---|---|---|---|
| Interest and similar income | 54.4 | 72.7 | 33.6% |
| Interest expense and similar expenses | (12.6) | (21.0) | 66.7% |
| **Net interest income** | **41.8** | **51.7** | **23.7%** |
| Income from used car rent | 0.2 | 4.0 | 100% |
| Impairment expense | (18.3) | (18.7) | 2.2% |
| Other operating expense | (18.0) | (30.4) | 68.9% |
| **Profit before tax** | **5.7** | **6.6** | **15.8%** |
| Corporate income tax | (1.1) | (0.4) | -63.6% |
| **Net profit for the period** | **4.6** | **6.2** | **34.8%** |

## Interest and similar income

| (in EUR million) | 2018 | 2019 | % change |
|---|---|---|---|
| Interest and similar income | 54.4 | 72.7 | 33.6% |
| Interest and similar income (mature countries) | 48.8 | 51.1 | 4.7% |
| Average net loan and used car rent portfolio | 119.3 | 165.5 | 38.8% |
| Average Income yield on net loan and used car rent portfolio | 45.6% | 43.9% | -1.7 p.p. |

*Mature countries: Latvia, Lithuania, Estonia, Georgia and Armenia

Interest and similar income for the period was EUR 72.7 million, a 33.6% increase compared to EUR 54.4 million for the twelve months ended 31 December 2018 reflecting the growth in the average net loan and used car rent portfolio by 38.8% from EUR 119.3 million to EUR 165.5 million.

## Interest expense and similar expense

Interest expense and similar expense for the period was EUR 21.0 million, an increase of 66.7% compared to EUR 12.6 million for the twelve months ended 31 December 2018. This increase was mainly due to the increase in total borrowings to EUR 214.4 million (31 December 2018: EUR 150.4 million).

## Income from used car rent

Income from used car rent for the period was EUR 4.0 million (2018: EUR 0.2 million). Total used car rental fleet in Latvia has increased significantly by 12.1 EUR million to 13.4 EUR million as of 31 December 2019 compared to 1.4 EUR million as of 31 December 2018.

## Impairment expense

Net impairment losses on loans and receivables for the period was EUR 18.7 million, a slight increase of 2.2%. (2018: 18.3 million). The NPL ratio (Net NPL / Total net portfolio) was stable at 6% (35+DPD, Days past due) of the net portfolio (31 December 2018: 6%) with a provision coverage ratio of 85% (31 December 2018: 85%).

### Operating expense

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

| (in EUR million) | 2018 | 2019 | % change |
|---|---|---|---|
| Employees' salaries | 10.3 | 17.6 | 70.9% |
| Marketing expenses | 2.3 | 3.4 | 47.8% |
| Net income from sale of vehicles | (0.1) | - | -100.0% |
| Office and branch maintenance expenses | 0.9 | 1.3 | 44.4% |
| Professional services | 1.5 | 2.0 | 33.3% |
| Amortization and depreciation | 1.8 | 3.8 | 111.1% |
| Currency exchange loss | 0.3 | 0.1 | -66.7% |
| Other operating expenses | 1.0 | 2.2 | 120.0% |
| **Total operating expense** | **18.0** | **30.4** | **68.9%** |

Total operating expenses reported for the period were EUR 30.4 million, a 68.9% increase compared to EUR 18.0 million reported for the twelve months ended 31 December 2018.
Employees' salaries remain stable with comprised 57.9% of total operating expenses compared to 57.2% reported for the twelve months ended 31 December 2018, thanks to successfully completed investments in HUBs and expansion activities.
Marketing efficiency remains high with effective cost per loan issued being EUR 31. For the twelve months of 2019 and 2018, marketing expense accounted for 11.2% and 12.8% of total operating expense, respectively.

### Profit before tax

The consolidated profit before tax for the period was EUR 6.6 million, compared to EUR 5.7 million for the twelve months ended 31 December 2018, representing a significant increase of 15.8%.

### Corporate income tax

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

| (in EUR million) | 2018 | 2019 | % change |
|---|---|---|---|
| Corporate income tax | (1.4) | (1.3) | -7.1% |
| Deferred tax | 0.3 | 0.9 | 200.0% |
| **Total corporate income tax** | **(1.1)** | **(0.4)** | **-63.6%** |

### Profit for the period

For the reasons stated above, the Group's profit for the period was EUR 6.2 million, up 34.8% compared to EUR 4.6 million for the twelve months ended 31 December 2018.

### Non-IFRS figures – EBITDA

| (in EUR million) | 2018 | 2019 | % change |
|---|---|---|---|
| Profit for the period | 4.6 | 6.2 | 34.8% |
| Provisions for taxes | 1.1 | 0.4 | -63.6% |
| Interest expense | 12.6 | 21.0 | 66.7% |
| Depreciation and amortization | 1.8 | 3.8 | 111.1% |
| Currency exchange loss/(gain) | 0.3 | 0.1 | -66.7% |
| **EBITDA** | **20.4** | **31.5** | **54.4%** |

### 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. 2018 | 31 Dec. 2019 |
|---|---|---|
| Intangible assets | 3.6 | 7.6 |
| Tangible assets | 3.9 | 9.8 |
| Loans and lease receivables and rental fleet | 141.3 | 189.7 |
| Deferred tax asset | 0.6 | 1.7 |
| Inventories | 1.7 | 1.0 |
| Non-current assets held for sale | 2.6 | 3.9 |
| Other receivables | 14.1 | 12.7 |
| Receivables as a result of sale of subsidiaries | - | 16.1 |
| Cash and cash equivalents | 6.5 | 8.6 |
| **Total assets** | **174.3** | **251.1** |

| Equity and liabilities (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| Share capital and reserves | 0.1 | 1.2 |
| Foreign currency translation reserve | (0.4) | (0.8) |
| Retained earnings | 15.1 | 21.1 |
| Non-controlling interests | 0.5 | 0.5 |
| Subordinated debt | 2.5 | 6.8 |
| **Total equity** | **17.8** | **28.8** |
| Borrowings | 150.4 | 214.4 |
| Other liabilities | 6.1 | 7.9 |
| **Total liabilities** | **156.5** | **222.3** |
| **Total equity and liabilities** | **174.3** | **251.1** |

## Assets

The Group had total assets of EUR 251.1 million as of 31 December 2019. An increase of 44.1% compared to EUR 174.3 million as of 31 December 2018. The increase in assets reflects mainly the net loan and used car rent portfolio growth.
The sale of Longo brand entities resulted in a receivables of EUR 16.1 million, that will be repaid as the new owners will gradually settle the purchase price as well as the previous Longo debt that was used to finance its car stock.

## Tangible assets

Tangible assets increased by 5.9 EUR million to 9.8 EUR million as of 31 December 2019 compared to 3.9 EUR million as of 31 December 2018. The increase in tangible assets was mainly due to implementation of IFRS 16 (Leases).

## Net loan and used car rent portfolio

As of 31 December 2019, the Group's net loan and used car rent portfolio equaled EUR 189.7 million, compared to EUR 141.3 million as of 31 December 2018, representing an increase of EUR 48.4 million (34.2%).

| (in EUR million) | Net loan and used car rent portfolio | | | |
|---|---|---|---|---|
| | 31 Dec. 2018 | Total share (in %) | 31 Dec. 2019 | Total share (in %) |
| Mature countries* | 109.7 | 77.6% | 114.7 | 60.5% |
| Mid-tier countries** | 31.5 | 22.3% | 58.4 | 30.8% |
| Start-up countries*** | 0.1 | 0.1% | 16.6 | 8.8% |
| **Total net loan and used car rent portfolio** | **141.3** | **100.0%** | **189.7** | **100.0%** |

* Mature countries are Latvia (including used car rent portfolio), Lithuania, Estonia, Georgia and Armenia

** Mid-tier countries are Bulgaria, Romania, Poland, Moldova, Belarus and Albania

*** Start-up countries are North Macedonia, Kazakhstan, Uzbekistan, Bosnia and Herzegovina, Kenya and Uganda

The loan portfolio of mid-tier and startup countries was EUR 58.4 and 16.6 million respectively, an increase of EUR 26.9 million and EUR 16.5 million, compared to 31 December 2018.

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

| (in EUR million) | Net loan and used car rent portfolio | | | |
|---|---|---|---|---|
| | 31 Dec. 2018 | Total share (in %) | 31 Dec. 2019 | Total share (in %) |
| STAGE 1* | 119.5 | 85.4% | 153.1 | 86.8% |
| STAGE 2** | 11.8 | 8.4% | 12.1 | 6.9% |
| STAGE 3*** | 8.6 | 6.1% | 11.1 | 6.3% |
| **Total net loan portfolio** | **139.9** | **100%** | **176.3** | **100%** |
| Used car rent | 1.4 | 1.0% | 13.4 | 7.1% |
| **Total net loan and used car rent portfolio** | **141.3** | | **189.7** | |
| **Net NPL ratio****** | **6%** | | **6%** | |
| **Impairment coverage ratio******* | **85%** | | **85%** | |

* 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 mature countries (Latvia, Lithuania, Estonia, Armenia and Georgia). For other countries, 25 DPD is used. Loans up to 30 DPD are considered Stage 1.

** Allowances are recorded for LTECLs by loans/leases showing a significant increase in credit risk since origination. Leases with 31-60 DPD (or 26-34 DPD for immature countries) are considered to be Stage 2 loans. Loans with 30 to 60 DPD are considered Stage 2.

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

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

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

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

The NPLs in the net loan portfolio have been stable at around EUR 11.1 million or 6.3% from the total net portfolio. At both country and product level, the expansion of the portfolio by economies of scale as well as economies of scope compensates for effects on the NPL ratio, which can be further optimized through comprehensive management procedures.

## Equity

Total equity amounted to EUR 28.8 million, a significant increase of EUR 11.0 million (61.8%) compared to 31 December 2018. The increase was due to profits generated by the Group for the period as well as increase in share capital and subordinated debt by EUR 1.0 million and 4.3 EUR million accordingly - representing an increase to EUR 1.0 million (31 December 2018: EUR 0.0) and EUR 6.8 million (31 December 2018: EUR 2.5 million) accordingly. The Group expects to further draw down subordinated loan from the current shareholders in the amount of five million Euro (EUR 5.0 million) in the increments by end of Q1 2020 to strengthen the Group's equity. The capitalization ratio as of 31 December 2019 increased to 16.2% (31 December 2018: 12.7%), providing excellent headroom for Eurobond covenants.

## Liabilities

The Group had total liabilities of EUR 222.3 million as of 31 December 2019, compared to EUR 156.5 million as of 31 December 2018, representing an increase of EUR 65.8 million (42.0%), primarily driven by the increase in borrowings.

## Loans and borrowings

The following table sets out loans and borrowings by type.

| (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| Liabilities for the rights to use assets | 2.4 | 7.7 |
| Loans from banks | 8.3 | 16.3 |
| Latvian Bonds | 23.6 | 23.9 |
| Eurobonds (excl. accrued interest) | 68.0 | 96.8 |
| Bonds acquisition costs and accrued interest | (0.7) | (0.6) |
| Financing received from P2P investors | 48.7 | 70.2 |
| Loans from related and non-related parties | 0.1 | 0.1 |
| **Total loans and borrowings** | **150.4** | **214.4** |

Loans from banks comprise loans received by:
- Mogo Armenia from a local bank. The loans are denominated in local currency, thus eliminating forex risk for the Group in Armenia, with an interest rate of 12.0% and maturing on November 2020.
- Mogo Georgia from Armenian bank in the amount of EUR 1.0 million with an interest rate of 7.8%, maturing on March 2021.
- Mogo Latvia, Mogo Lithuania and Mogo Estonia from Latvian bank in the amount up to EUR 10.0 million with an interest rate of 8% is maturing on July 2021.
- Mogo Belarus from local bank in the amount of USD 1.0 million with an interest rate of 10% is maturing on September 2021.

On 17 March 2014, the Latvian entity (AS “mogo”) registered with the Latvian Central Depository a bond facility through which it could raise up to EUR 20 million. This bond issue is unsecured. The notes issued at par, carry a fixed coupon of 10.0% per annum, paid monthly in arrears, and are maturing on March 2021. On 11 November 2014, the note type was changed to "publicly issued notes" and the notes were listed on the regulated market of NASDAQ OMX Baltic.

On 1 December 2017, the Latvian entity (AS “mogo”) registered with the Latvian Central Depository a bond facility through which it could raise up to EUR 10 million. This bond issue is unsecured. The notes issued at par, carry a fixed coupon of 10.0% per annum, paid monthly in arrears, and are maturing on March 2021. The Bonds are listed on First North of NASDAQ OMX Baltic and are "privately issued notes".

As result of the voting procedure initiated on 6 March 2019, the noteholders have accepted the amendments to the Notes Prospectus (ISIN: LV0000801363) and Terms of the Notes Issue (ISIN: LV0000880029). According to the amendments, the principal amount of the notes shall be fully repaid in one instalment on 31 March 2021, replacing quarterly instalments of the principal amount of the notes. The approved amendments are effective from 29 March 2019.

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.

## Off-balance sheet arrangements

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

## Condensed consolidated statement of cash flow

| (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| **Profit before tax** | **5.7** | **6.6** |
| **Net cash flows to operating activities** | **(27.7)** | **(17.6)** |
| **Net cash flows to investing activities** | **(14.4)** | **(24.4)** |
| **Net cash flows from financing activities** | **43.4** | **44.1** |
| **Change in cash** | **1.3** | **(2.9)** |
| Cash at the beginning of the year | 5.2 | 6.5 |
| **Cash at the end of the year** | **6.5** | **8.6** |

The Group's net cash flows generated by operating activities during the period were EUR (17.6) million compared to EUR (27.7) million in the same period last year. The Group's net cash flows from investing activities of EUR (24.4) million increased by EUR (10.0) million compared to EUR (14.4) million during the same period of the previous year.

## Eurobond covenant ratios

| Capitalization | 31 Dec. 2018 | 31 Dec. 2019 | Change (in % p.) |
|---|---|---|---|
| Equity/Net finance loans and advances to customers | 12.7% | 16.3% | 3.6 |

| Profitability | 31 Dec. 2018 | 31 Dec. 2019 | Change (in %) |
|---|---|---|---|
| Interest coverage ratio (ICR) | 1.7 | 1.6 | -5.8% |

(in EUR million)

| | Mintos loans | | | Net loan and used car rent portfolio | | | |
|---|---|---|---|---|---|---|---|
| | 31 Dec. 2018 | 31 Dec. 2019 | Change (in %) | 31 Dec. 2018 | Total share (in %) | 31 Dec. 2019 | Total share (in %) |
| Armenia* | 0.0 | 7.5 | 0% | 10.4 | 7.4% | 18.4 | 9.7% |
| Bulgaria** | 4.8 | 5.6 | 17% | 9.1 | 6.4% | 10.0 | 5.3% |
| Estonia* | 9.4 | 8.1 | -14% | 18.9 | 13.4% | 16.5 | 8.7% |
| Georgia* | 4.7 | 6.6 | 40% | 18.1 | 12.8% | 16.7 | 8.8% |
| Latvia* | 13.4 | 14.3 | 7% | 37.6 | 26.6% | 35.4 | 18.7% |
| Lithuania* | 9.8 | 12.9 | 32% | 24.7 | 17.5% | 27.7 | 14.6% |
| Albania** | 0.0 | 0.0 | 0% | 0.8 | 0.6% | 4.4 | 2.3% |
| Belarus** | 0.0 | 3.4 | 0% | 2.0 | 1.4% | 13.0 | 6.9% |
| Moldova** | 1.6 | 5.2 | 225% | 6.0 | 4.2% | 13.2 | 7.0% |
| Poland** | 1.7 | 0.8 | -53% | 5.3 | 3.8% | 3.7 | 2.0% |
| Romania** | 3.3 | 5.8 | 76% | 8.3 | 5.9% | 14.1 | 7.4% |
| Start-up countries*** | 0.0 | 0.0 | 0% | 0.1 | 0.1% | 16.6 | 8.8% |
| **Total** | **48.7** | **70.2** | **44%** | **141.3** | **100%** | **189.7** | **100%** |

* Mature countries are Latvia (including used car rent portfolio), Lithuania, Estonia, Georgia and Armenia

** Mid-tier countries are Bulgaria, Romania, Poland, Moldova, Belarus and Albania

*** Start-up countries are North Macedonia, Kazakhstan, Uzbekistan, Bosnia and Herzegovina, Kenya and Uganda

## RECENT DEVELOPMENTS

### Acquisitions and disposals

On 18 February 2019, the Group acquired Mogo DOOEL Skopje (Mogo North Macedonia), an operational entity established in North Macedonia, initially outside of the Group.

On 1 November 2019, the Group acquired Mogo d.o.o. Sarajevo (Bosnia and Herzegovina), an operational entity established in Bosnia and Herzegovina, initially outside of the Group.

### No Regulatory Changes

There are no regulatory changes taken place since 31 December 2019.

### 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 twelve months ended 31 December 2019 there have been no events requiring adjustment of unaudited results.

### Directors' Statement

The consolidated twelve-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 twelve-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 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. 2018 | 31 Dec. 2019 |
|---|---|---|
| Goodwill | 1.7 | 4.0 |
| Internally generated intangible assets | 1.9 | 3.6 |
| Loans and lease receivables and rental fleet | 141.3 | 189.7 |
| Right-of-use assets | 2.4 | 7.6 |
| Property, plant and equipment | 1.0 | 1.9 |
| Leasehold improvements | 0.3 | 0.3 |
| Advance payments for assets | 0.2 | - |
| Receivables as a result of sale of subsidiaries | - | 16.1 |
| Loans to related parties | 10.1 | 6.9 |
| Other financial assets | 1.0 | 1.6 |
| Deferred tax asset | 0.6 | 1.7 |
| Inventories | 1.7 | 1.0 |
| Prepaid expense | 0.8 | 1.2 |
| Trade receivables | 0.8 | 0.3 |
| CIT paid in advance | - | 0.1 |
| Other receivables | 1.4 | 2.6 |
| Assets held for sale | 2.6 | 3.9 |
| Cash and cash equivalents | 6.5 | 8.6 |
| **TOTAL ASSETS** | **174.3** | **251.1** |

Consolidated Statement of Financial Position – Equity and liabilities

| (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| **EQUITY** | | |
| Share capital | 0.0 | 1.0 |
| Retained earnings | 15.1 | 21.1 |
| Foreign currency translation reserve | (0.4) | (0.8) |
| Reserve | 0.1 | 0.2 |
| **Total equity attributable to owners of the Company** | **14.8** | **21.5** |
| Non-controlling interests | 0.5 | 0.5 |
| Subordinated debt | 2.5 | 6.8 |
| **Total equity** | **17.8** | **28.8** |
| **LIABILITIES** | | |
| Borrowings | 150.4 | 214.4 |
| Provisions | 1.5 | 1.1 |
| Prepayments and other payments received from customers | 0.1 | 0.3 |
| Trade payables | 1.1 | 1.3 |
| Corporate income tax payable | 0.6 | - |
| Taxes payable | 0.6 | 0.9 |
| Other liabilities | 0.2 | 1.5 |
| Accrued liabilities | 1.8 | 2.7 |
| Other financial liabilities | 0.2 | 0.1 |
| **Total liabilities** | **156.5** | **222.3** |
| **Total equity and liabilities** | **174.3** | **251.1** |

Consolidated Income Statement

| (in EUR million) | 2018 | 2019 |
|---|---|---|
| Interest revenue calculated using the effective interest method | 54.4 | 72.7 |
| Interest expense calculated using the effective interest method | (12.6) | (21.0) |
| **Net interest income** | **41.8** | **51.7** |
| Fee and commission income | 3.6 | 3.3 |
| Revenue from rent | 0.2 | 4.0 |
| **Total net revenue** | **45.6** | **59.0** |
| Impairment expense | (18.3) | (18.7) |
| Expenses related to peer-to-peer platform services | (0.7) | (0.7) |
| Profit from car sales | 0.1 | - |
| Selling expense | (2.4) | (3.4) |
| Administrative expense | (17.9) | (30.8) |
| Other operating (expense) / income | (0.4) | 1.3 |
| Net foreign exchange result | (0.3) | (0.1) |
| **Profit before tax** | **5.7** | **6.6** |
| Corporate income tax | (1.4) | (1.3) |
| Deferred corporate income tax | 0.3 | 0.9 |
| **Net profit for the period** | **4.6** | **6.2** |
| Translation of financial information of foreign operations to presentation currency | 0.1 | (0.4) |
| **Total comprehensive income for the period** | **4.7** | **5.8** |

## Consolidated statement of cash flow

| (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| **Cash flows to/from operating activities** | | |
| Profit before tax | 5.7 | 6.6 |
| Adjustments for: | | |
| Amortisation and depreciation | 1.8 | 4.7 |
| Interest expense | 12.6 | 21.6 |
| Interest income | (54.3) | (72.7) |
| Loss on disposal of property, plant and equipment | 0.2 | 2.9 |
| Impairment expense | 18.3 | 18.7 |
| Loss from fluctuations of currency exchange rates | 0.3 | 0.5 |
| **Operating profit before working capital changes** | **(15.4)** | **(17.7)** |
| (Increase)/decrease in inventories | (0.9) | 0.7 |
| Increase in receivables | (53.5) | (53.8) |
| Increase in trade payable, taxes payable and other liabilities | 1.4 | 1.8 |
| **Cash generated to/from operating activities** | **(68.4)** | **(69.0)** |
| Interest received | 54.3 | 72.8 |
| Interest paid | (12.4) | (19.4) |
| Corporate income tax paid | (1.2) | (2.0) |
| **Net cash flows to/from operating activities** | **(27.7)** | **(17.6)** |
| **Cash flows to/from investing activities** | | |
| Purchase of property, plant and equipment and intangible assets | (1.9) | (4.9) |
| Purchase of rental fleet | (1.4) | (16.5) |
| Loan repayments received | 1.5 | 4.7 |
| Advance payments for acquisition of a subsidiaries | (1.0) | - |
| Acquisition of a subsidiary, net of cash acquired | (0.9) | (0.8) |
| Loans issued | (10.7) | (6.9) |
| **Net cash flows to/from investing activities** | **(14.4)** | **(24.4)** |
| **Cash flows to/from financing activities** | | |
| Proceeds from issue of share capital | - | 1.0 |
| Proceeds from borrowings | 304.7 | 278.6 |
| Repayments for borrowings | (259.5) | (231.0) |
| Repayment of liabilities for right-of-use assets | (1.8) | (4.5) |
| **Net cash flows to/from financing activities** | **43.4** | **44.1** |
| **Change in cash** | **1.3** | **2.1** |
| Cash at the beginning of the year | 5.2 | 6.5 |
| **Cash at the end of the year** | **6.5** | **8.6** |

## LATVIAN OPERATIONS ONLY

## INTERIM CONDENSED FINANCIAL INFORMATION OF AS "MOGO" (consolidated)

### Statement of Profit or Loss and Other Comprehensive Income (AS "mogo" (consolidated))

| (in EUR million) | 2018 | 2019 |
|---|---|---|
| Interest revenue calculated using the effective interest method | 18.8 | 15.1 |
| Interest expense calculated using the effective interest method | (6.1) | (5.4) |
| **Net interest income** | **12.7** | **9.7** |
| Fee and commission income | 1.0 | 0.9 |
| Revenue from rent | 0.1 | 4.0 |
| **Total net revenue** | **13.8** | **14.6** |
| Impairment expense | (5.3) | (4.1) |
| Expenses related to peer-to-peer platforms services | (0.3) | (0.2) |
| Selling expense | (0.7) | (0.4) |
| Administrative expense | (4.7) | (5.0) |
| Other operating (expense) / income | - | 0.1 |
| **Profit before tax** | **2.8** | **5.0** |
| Corporate income tax | - | - |
| Deferred corporate income tax | - | - |
| **Net profit for the period** | **2.8** | **5.0** |

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

| (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| **ASSETS** | | |
| Loans and lease receivables and rental fleet | 37.6 | 35.2 |
| Loans to Mogo Finance S.A. | 11.1 | 24.3 |
| Property, plant and equipment | 0.3 | 1.7 |
| Receivables from group companies | 2.4 | 0.1 |
| Non-current assets held for sale | 0.1 | 0.2 |
| Other receivables | 0.2 | 0.9 |
| Prepaid expense | 0.2 | - |
| Cash and cash equivalents | 0.7 | 0.4 |
| **TOTAL ASSETS** | **52.6** | **62.8** |

| (in EUR million) | 31 Dec. 2018 | 31 Dec. 2019 |
|---|---|---|
| **EQUITY** | | |
| Share capital | 5.0 | 5.0 |
| Other reserves | (1.1) | (0.5) |
| Retained earnings | | |
| brought forward | 0.1 | 2.9 |
| for the period | 2.8 | 5.0 |
| **TOTAL EQUITY** | **6.8** | **12.4** |
| **LIABILITIES** | | |
| Borrowings | 43.5 | 48.3 |
| Other provisions | 1.4 | 0.7 |
| Prepayments received from customers | 0.1 | - |
| Trade payables | 0.1 | 0.1 |
| Payables to related companies | - | 0.4 |
| Corporate income tax payable | 0.1 | - |
| Taxes payable | - | 0.1 |
| Accrued liabilities | 0.6 | 0.8 |
| **TOTAL LIABILITIES** | **45.8** | **50.4** |
| **TOTAL EQUITY AND LIABILITIES** | **52.6** | **62.8** |

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