

AS «mogo» Bonds` Public Offering

FEBRUARY 2021



Presenters



Modestas Sudnius

Group Chief Executive Officer

Modestas has been at Mogo Finance since 2013.

He started as country manager for Lithuania, where he established successful operations, and in January 2018 was promoted to regional CEO for Mogo's core markets (Latvia, Lithuania, Estonia, Georgia and Armenia).

In November 2018, Modestas joined Mogo Finance Group management team as CEO.

Previously Modestas worked at international organizations, such as EY and EPS LT, UAB.



Māris Kreics

Group Chief Financial Officer

Maris has been at Mogo Finance since 2015.

Before joining Mogo Finance Group, he spent two years in a corporate finance role working for the largest telecommunication service company in Latvia – Tet (prev. Lattelecom).

Before that, Maris spent seven years at PwC with two of them in New York, working exclusively on one of the largest S&P 500 Tech company's lead audit team.

Mogo Finance at a Glance

Founded in 2012, Mogo Finance (Mogo) is a leading finance platform with core focus on used car financing and a presence across emerging Europe, Central Asia and Africa.

- Established in Latvia in 2012, company expanded across the world, however Latvia still the flagship market. Mogo LV In 2020 it has achieved its all-time best result of EUR 5.8 mln net profit.
- Operating in a niche sector with limited competition as used car financing is overlooked by major financial institutions.
- Successfully replicated business model across emerging Europe with later expansion to Uzbekistan and East Africa resulting in a diversified risk profile and loan portfolio.
- In developing markets core full focus on productive lending while financing local entrepreneurs, SME's and taxi / cargo business operators.
- Leading offline presence through 2,000+ car dealerships, c.100 branches and Mogo-owned used car sales lots.
- Strong online presence through own used car sales portals and exclusive car classified ad deals.
- Low investment requirements and fast and intelligent data-driven credit assessments results in a different risk profile compared to "traditional" banks and leasing companies.

KPIs⁽¹⁾

EUR m	2016	2017	2018	2019	2020
Total Net Income	22.6	29.9	45.6	59.0	73.0
EBITDA	15.1	20.0	20.4	31.5	45.8
Net Profit	5.6	9.0	4.6	6.2	1.7
Net loan and used car rent portfolio	63.8	97.1	141.3	189.7	202.3
Equity	13.2	11.5	17.8	28.8	35.4
Borrowings	55.3	96.6	150.4	214.4	222.3
Cash	2.2	5.2	6.5	8.6	11.0

COMPANY HIGHLIGHTS



14
Core Countries



100,000+
Active Customers



2,000+
Car Dealerships



€650m+
Loans Issued since Inception



35%
Revenue CAGR (2016-20¹)



45%
FY20 EBITDA Growth

1. As at 31-Dec-20 unless stated otherwise. 2. On applications received between Jan-20 and Dec-20.

Through Profitable and Considered Expansion, Mogo has Built a Multi-Geography Platform That Eliminates Single Market Risk

Developed countries

Latvia (2012)

Net Portfolio 31-Dec-20: €26.2m

Lithuania (2013)

Net Portfolio 31-Dec-20: €27.0m

Armenia (2017)

Net Portfolio 31-Dec-20: €10.2m

Romania (2017)

Net Portfolio 31-Dec-20: €16.7m

Estonia (2013)

Net Portfolio 31-Dec-20: €12.9m

Belarus (2018)

Net Portfolio 31-Dec-20: €15.3m

Georgia (2014)

Net Portfolio 31-Dec-20: €12.0m

Moldova (2017)*

Net Portfolio 31-Dec-20: € 31.3m

Consumer finance product

Albania (2017)

Net Portfolio 31-Dec-20: € 9.0m

North Macedonia (2018)

Net Portfolio 31-Dec-20: €4.4m

Developing

Uganda (2019)

Net Portfolio 31-Dec-20: €5.1m

Kenya (2019)

Net Portfolio 31-Dec-20: €12.8m

Uzbekistan (2018)

Net Portfolio 31-Dec-20: €4.4m

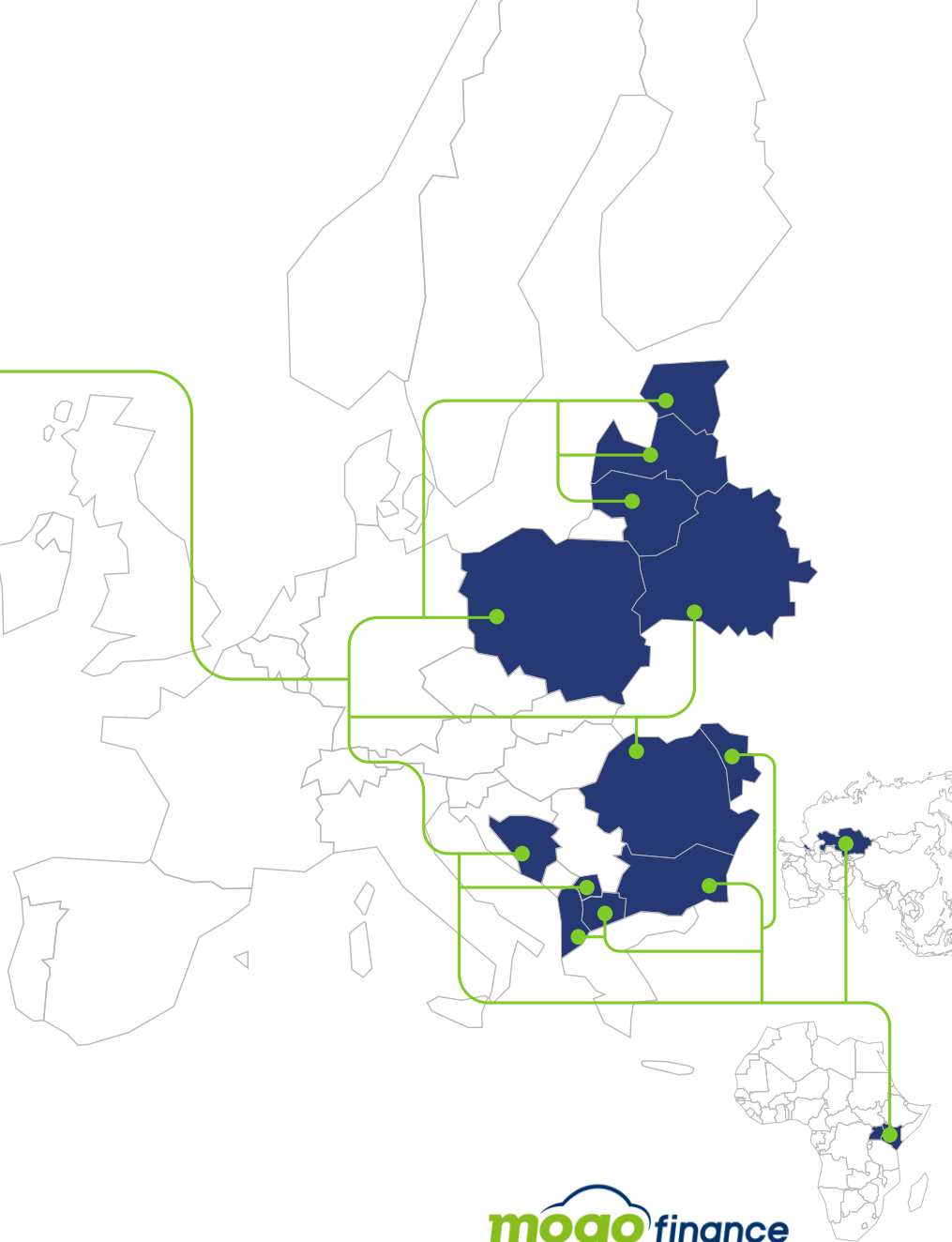
Note:

Developed markets characterized by profitability and scalability.

Year after country name in brackets denotes year of market entry.

In the map we do not show markets which are for sale or . There are no new issuances suspended in run-down countries hence H1'20 issuances may be “€0.0m”.

* In Moldova mogo is present with both Car financing product (secured) and Consumer finance product (unsecured)



Attractive Vehicle Financing Product Offering

Products

% Portfolio ⁽¹⁾	Secured loans			Consumer loans
	59%	15%	7%	19%

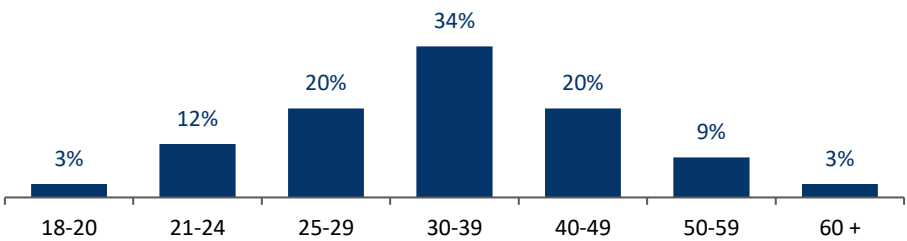
Product	Financial Leasing	Sale and Leaseback	Long Term Rent ⁽¹⁾	Instalment loans
Loan Amount	Up to €15,000	Up to €10,000	Up to €15,000	Up to €3,000
Min / Max Loan Size	€ 410 to 15,000	€ 300 to 10,000	€ 500 to 15,000	150 to €3,000
Term ⁽²⁾	Up to 84 months			Up to 36 months
Payment Structure	Fixed monthly payments			Fixed monthly payments

1 Available in Latvian market only.
 2 The actual contract length being much shorter than contractual term.
 3 Based on FY19 issuances

Typical Borrower Profile⁽³⁾

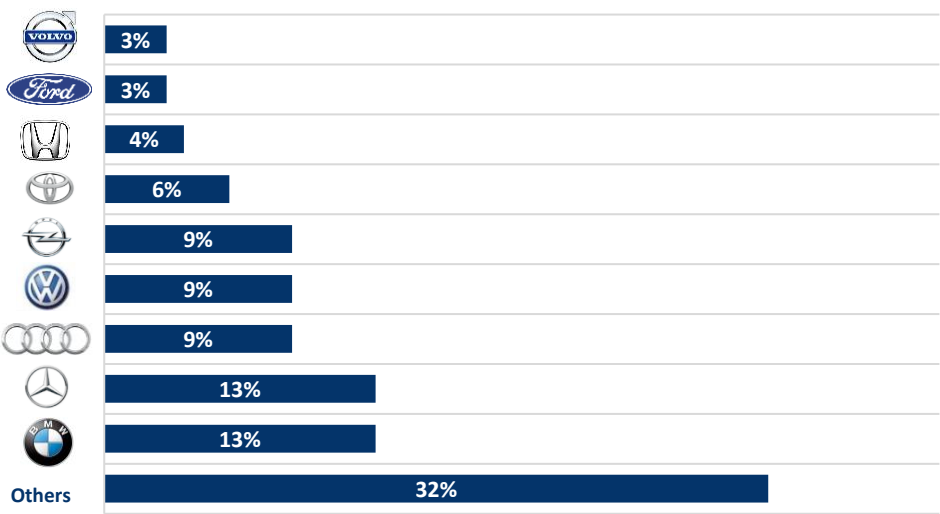
Mogo’s typical customer has regular income, possesses a bank account, uses a car on a regular basis, regularly changes their car and has limited savings

Customer Split by Age



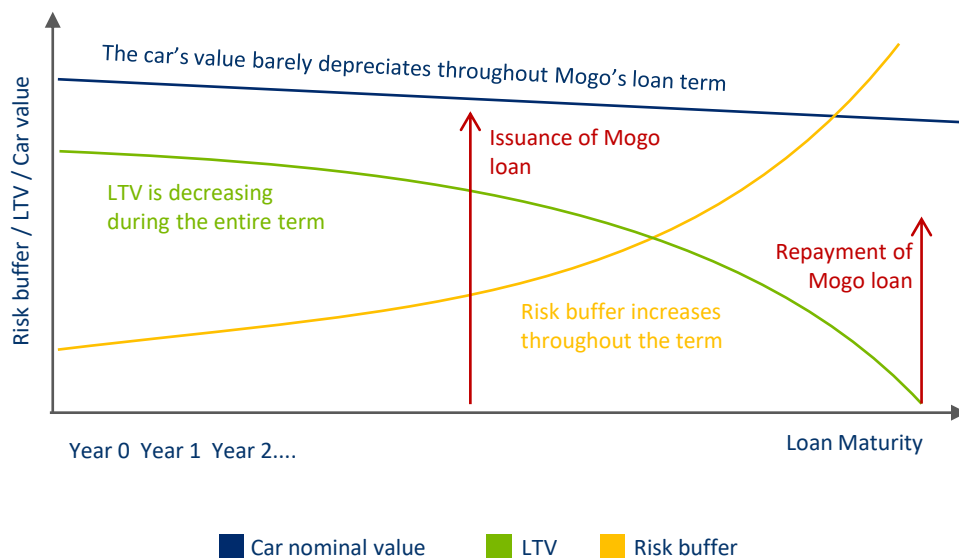
Customer Split by Car Maker

The majority of cars in the portfolio are high-quality cars with long life cycles



Low Risk Profile Due to Used Car Economics

Loan to Value During the Life of the Loan



- High-quality used cars preserve their value. Mogo's borrowers repay a portion of the loan principal each month. Therefore, the LTV of the loan is constantly decreasing
- Mogo retains access to the collateral – title to the car – throughout the life of the loan
- In the event of default, Mogo can, ultimately, repossess and sell the car
- Recovery in this scenario has historically been 92% since inception

Low Risk Profile Due to Used Car Economics

Responsible and sustainable lending is at the core of Mogo

- Primarily focused on clients underserved by mainstream financial institutions
- Engaged in productive lending as typical client acquires a family car for daily commute or uses the vehicle as a source of income (ride hailing platform and delivery drivers, vehicle used by SMEs)
- In selected markets Mogo is launching partnerships with dealers, taxis and companies

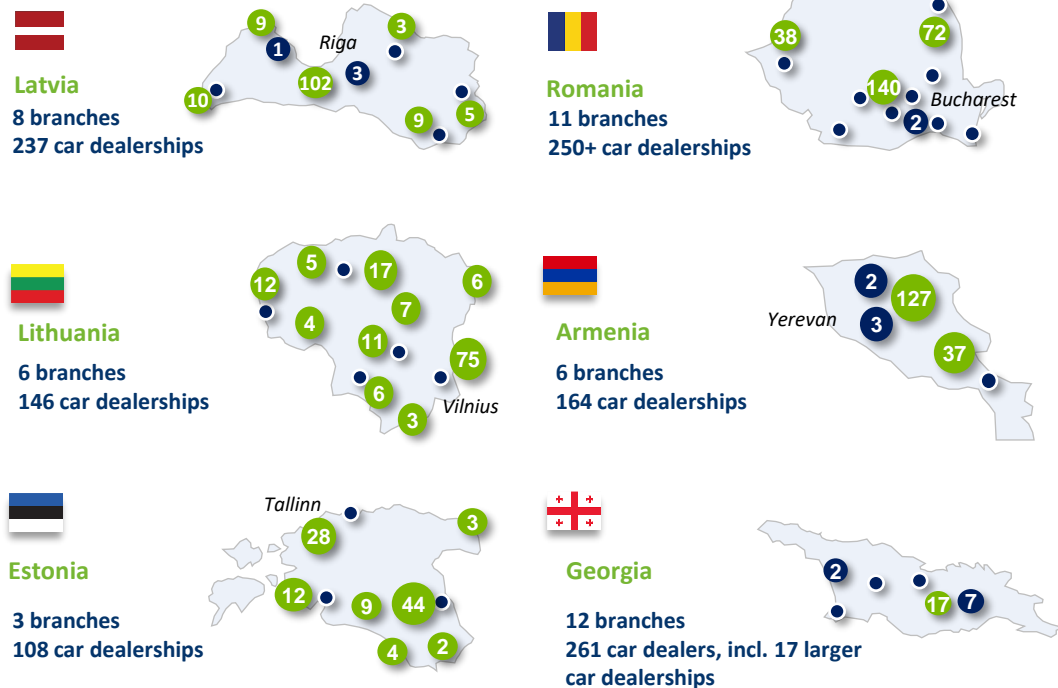
Due to Mogo's risk and yield profile, its product is significantly less exposed to regulatory risks in comparison to other alternative lenders

- Depending on client needs mogo offers wide range on products from car leasing to long term rent with possibility to purchase vehicle to meet different needs of clients
- Capable of operating in markets with tight lending regulation
- Introduction of regulation has strengthened Mogo's positions in some markets due to withdrawal of competition

Established Lending Infrastructure

Strong Onsite Presence & Established Relationships with Car Dealers and Brokers

● Branch ● Partner's location



Other Geographies
34 branches
138 larger car dealerships

Group's total underwriting network
100 branches
2,500+ car dealerships

Distribution Channels

Online Sales and Marketing

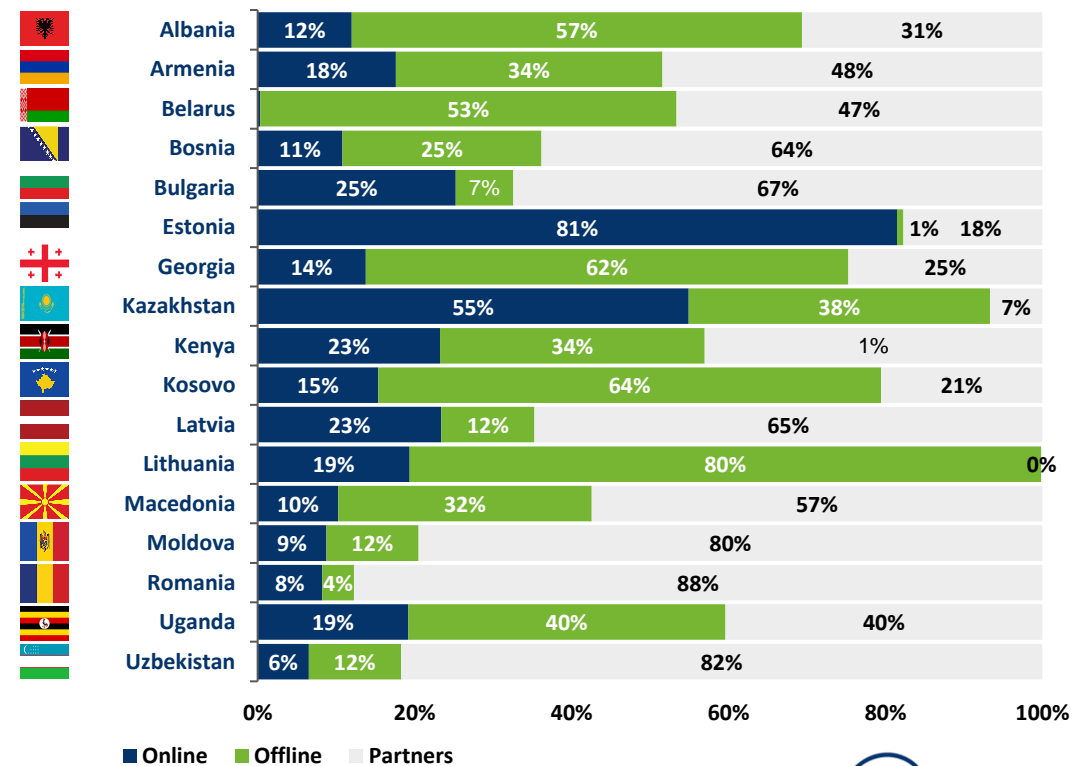
- Proprietary sales websites
- Data-driven online marketing
- Car classifieds portals
- Automatic integration with databases

Offline Sales Infrastructure

- Partner dealer network (2,000+)
- c.100 branches
- Local call centers
- Support on car purchase decisions
- Physical car inspection

Omni-channel Loan Issuance

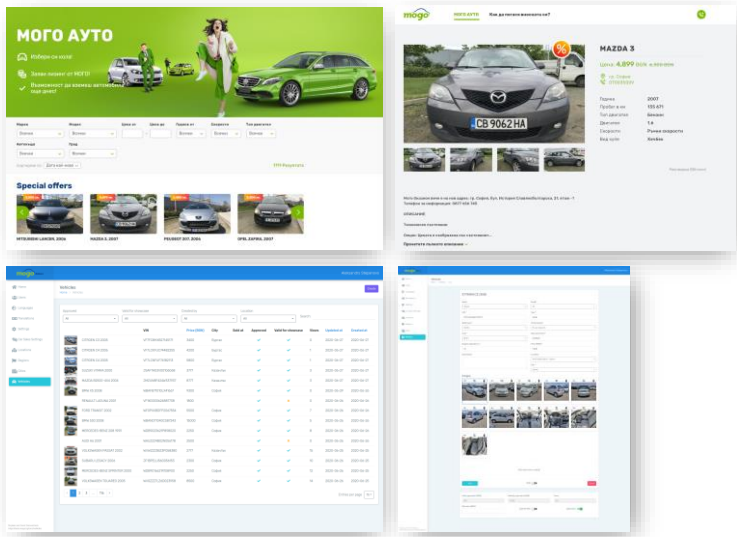
Issued between 01-Jul-19 and 30-Jun-20



Proprietary Dealer Portal

Aggregation of the dealer network in one place, with streamlined process for advertising vehicles, obtaining applications and managing the fleet

Enables Mogo to harness the vast potential of dealer network

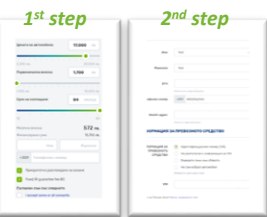


Automated and Streamlined Sales Process

Application and loan disbursement process is streamlined, fast and convenient

Painless application process and ‘pre-approvals’ to close the client

Simple Application Form



Only name, surname and phone asked at initial stage of application

Further, 2nd step of application can be filled (providing more data), but this is optional

Flexible, Automated & Easily Adjustable UW Process



Underwriting has been designed to be fully adjustable without IT involvement

Integration with AZURE solution for automatic, self-learning model recalibration and implementation

Rules can be enabled / disabled, and changed according to needs of market

Built-in CRM System to Drive Action



CRM drives action for operators, streamlining operations

Ensures 60-80% of loans issued within a week of application (including all documents / notaries, etc.)

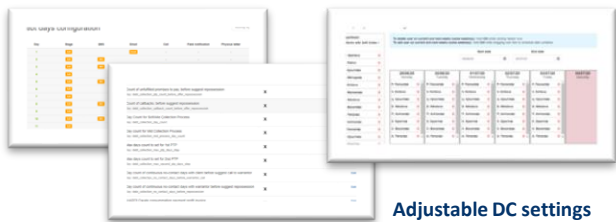
Customizable Debt Collection Process

Whole debt collection process can be fully managed within the IT system, with no or very limited IT support necessary

Fully Customizable Debt Collection Process

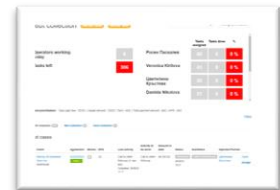
Fully manageable communication matrix

In-built employee working time management



Adjustable DC settings

Task Distribution System & Performance Tracking

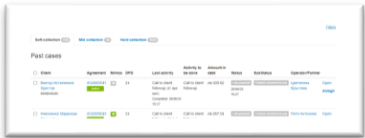


Allows for automatically generated debt collection tasks
In-built performance tracking engine

Task Distribution System & Performance Tracking

Debt collection module encompasses all parts of the process

One true source of data and management



Data Driven Underwriting

Rigorous credit assessment with fast decision output

Car: Automated Instant Valuation

Internally Developed State-of-the-art Solution

Input from the client
(car registration or VIN number)



Integration with relevant databases

State transport
authority databases

Stolen vehicles
databases

Accidents
databases

Manufacturer
records



**Detailed technical information about
the car & it's legal status**



Comparable screening criteria



Main virtual car marketplaces in each country



**Informed valuation based on relevant and comparable
information available in the market**

Client: Automated Scoring

Third-party and In-house Models

Customer profile



Payment discipline and credit reports



Income and liabilities



Customer's background



Vehicle seller's check



Client scoring



**Instant preliminary offer, based on car value and client scoring,
using scalable and efficient proprietary IT platform**



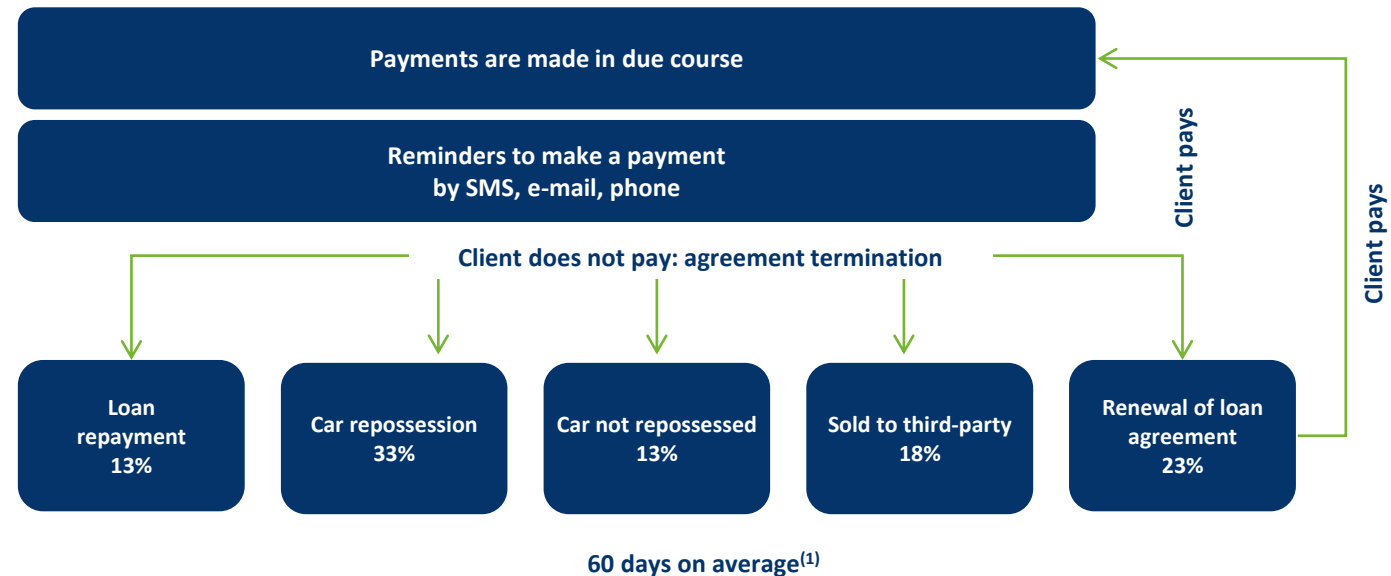
Not Overdue

1-34 Days Overdue

35-60 Days Overdue

60+ Days Overdue

Efficient Debt Collection Process



- Dedicated in-house debt collection team in each country⁽²⁾
- All debt collection practices are fully compliant with local regulation
- Effort is taken to reach an agreement with customers to find a solution for loan repayment prior to pursuing further debt collection activities
- Throughout the loan period, the customer can modify the agreement
 - E.g. extend loan term, make partial repayment etc.
- Loan agreement termination upon 35 to 60 days overdue to physically repossess the car and preserve its value
- Sale of a repossessed car takes 32 days on average from loan termination⁽³⁾

1 Includes developed countries (Latvia, Lithuania, Estonia, Armenia and Georgia) only.
2 Except Estonia, where outsourcing debt collection is more efficient.
3 Calculated for FY19.

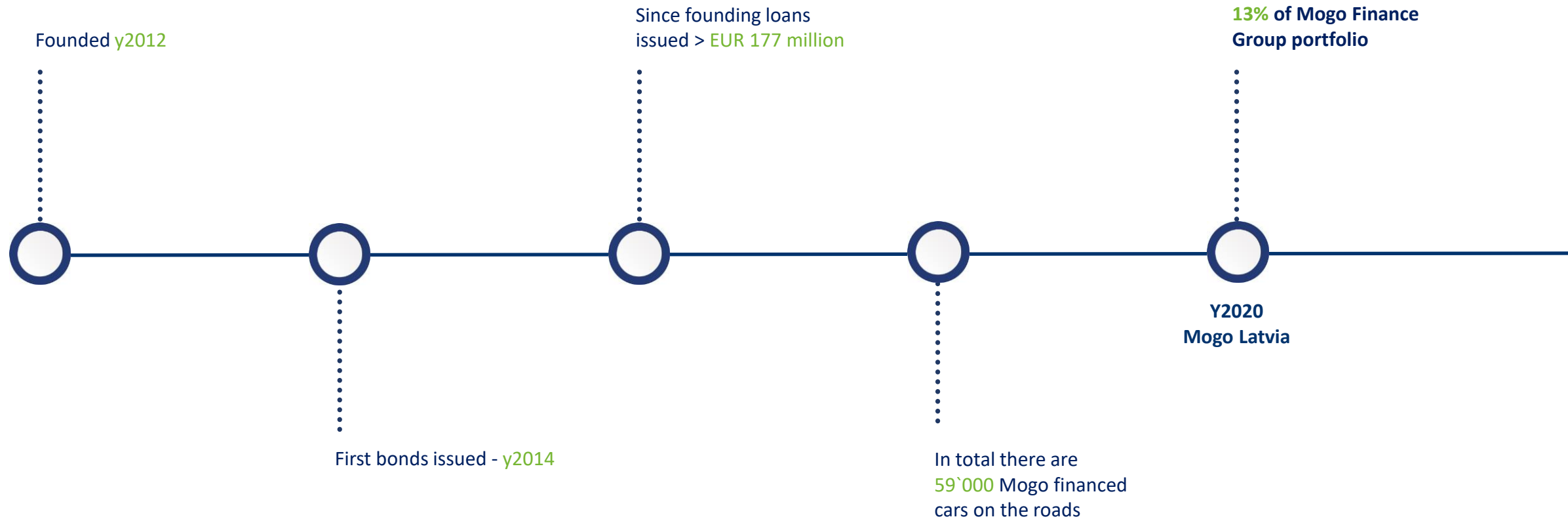
Mogo Latvia

Mogo Finance Group portfolio EUR 202 million

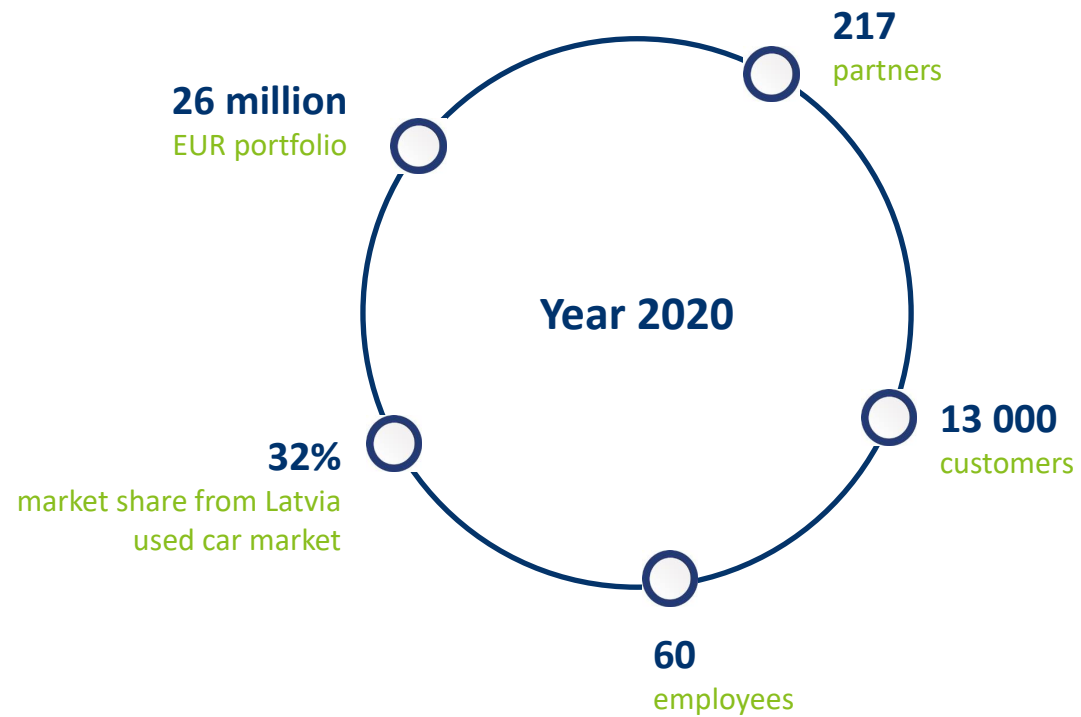
13% = Mogo Latvia



MOGO Latvia



MOGO Latvia



Products



CAR
LEASING



LEASEBACK



CAR LONG-TERM
RENT

Digital leadership



Automatic
customer
credit scoring



Our own
car portal
Autotev.lv



Digitally united –
30% employees
working remotely

MOGO Latvia

	2019	2020
Revenue	20.1	16.9
EBITDA	9.9 ¹	9.41
EBITDA margin	49%	56%
Net profit before FX	4.9	5.8
Net profit	4.9	5.8
Net loan and used car rent portfolio	35.2	26.2
Cash	0.4	0.2
Total Equity	8.0	14.5
Total borrowings	48.4	40.8
EBITDA / Interest expense ²	1.8x	2.1x
Capitalization ratio ³	23%	55%

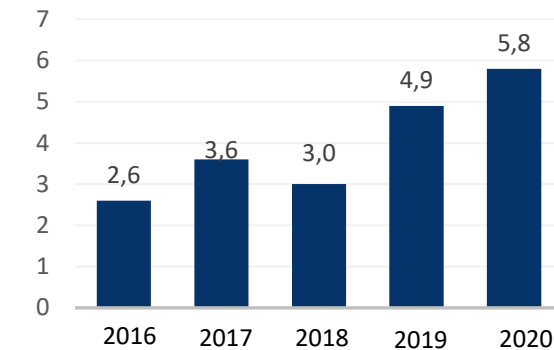
¹ Reduced by intra-group loan interest income

² Ratio for last twelve months

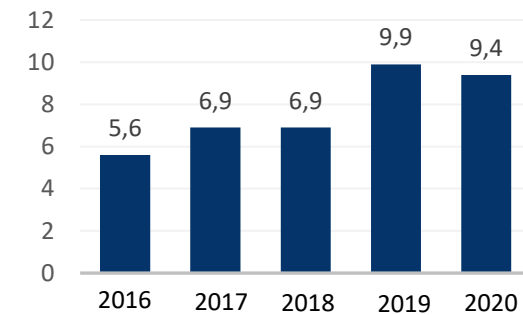
³ (Total equity + shareholder loans) / Net loan portfolio

Source: Mogo Finance financial reports and presentations

NET PROFIT, EUR m



EBITDA, EUR m



New bonds issue

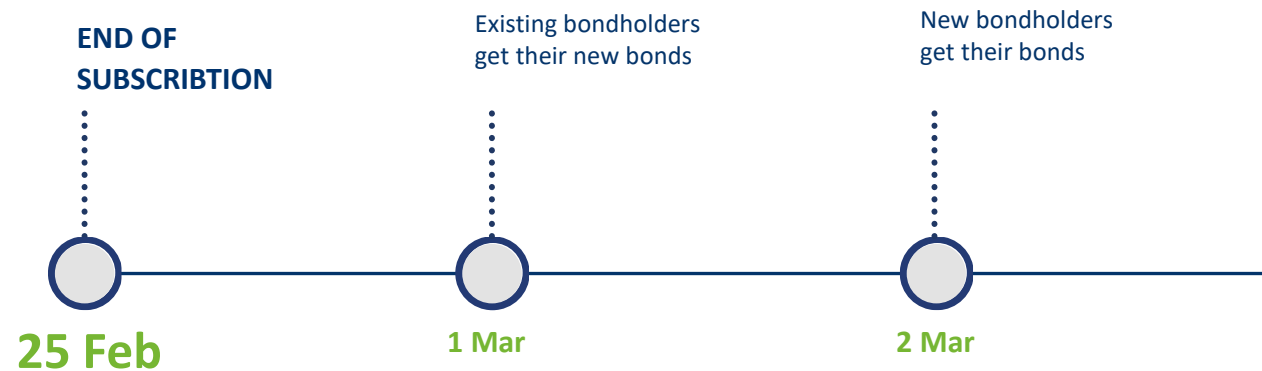
Term sheet

Issuer	AS “mogo” (Latvia)
Security type	Bonds with Group guarantee
Guarantors	Mogo Finance S.A guarantee
Issue size	EUR 30 000 000
Coupon rate	11%
Coupon frequency	Monthly
Rollover premium	2% for current bondholders
Premium for new bondholders	0.5% for order size between EUR 25 000 and EUR 99 000
	1% for order size between EUR 100 000 and EUR 200 000
	2% for order size above EUR 200 000
Term	3 years (bullet)
Call Option	@101% every month
Nominal value	EUR 1 000
Listing	Nasdaq Baltic regulated market
Use of proceeds	Refinancing
Covenants	Consolidated Group basis:
	<ul style="list-style-type: none">• Interest coverage ratio at least 1.25x• Capitalization ratio at least 15% (starting September 30, 2021)
Arranger	Signet Bank AS

How to become a MOGO bondholder?



1. Get in touch with your bank and open securities account
2. Inform your bank on the will to buy AS “mogo” bonds
3. Minimum investment (nominal value) EUR 1000
4. Each month receive fixed income (coupon annual rate 11%)
5. Bonds are transferable security – you can sell them in stock exchange or to anybody who is interested in buying



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