

Mogo

Investor Presentation

November 2017



Today's speakers



Aleksandrs Cernagins

Country Manager in Latvia

- Aleksandrs holds a Bachelor's degree in Business Administration from BA School of Business and Finance.
- He has an extensive experience in sales and marketing with 11 years of insurance and banking background.
- Aleksandrs has held various positions in GE Money and Citadele Bank (previously – Parex Bank), and managing the Sales Development department in one of the biggest insurance companies in Latvia – BALTA, where he successfully led sales strategy, planning, management and development.



Maris Kreics

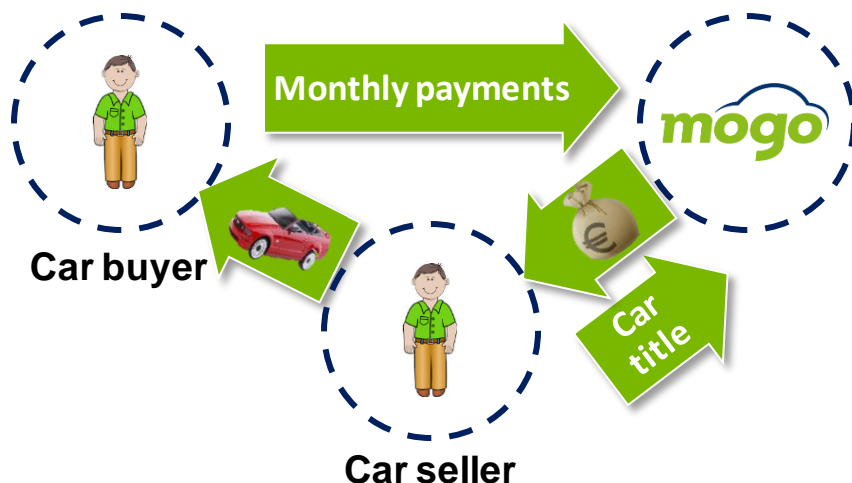
Group Chief Financial Officer

- Maris holds a Master's degree in Finance from BA School of Business and Finance.
- Before joining Mogo he spent 2 years in a corporate finance role working for the biggest telecommunications service company in Latvia – Lattelecom. Before that he spent 7 years in PwC. Two of them in New York, working exclusively on one of the largest (top 5 by market capitalization) S&P 500 Tech company's lead audit team, which was responsible for managing other audit teams globally.
- Maris is a CFA Charterholder and a member of ACCA since 2011 (fellow since 2016).

Exclusive focus on used cars finance

1 Finance lease

- » Financing of acquisition of a vehicle with the vehicle used as collateral



2 Vehicle leaseback

- » Vehicle sale-leaseback, whereby loan is issued with vehicle as collateral



- ✓ 4,529 loans for EUR 16.2m issued in 2017 9M
- ✓ 78% finance lease, 22% vehicle leaseback

Mogo Latvia at a glance



EUR 80m+

Loans issued
since inception



73

Employees,
30.09.2017



28,000+

Registered
customers
since inception



3%

Default loans
in net portfolio,
30.09.2017



66%

APR,
9M 2017



32%

Cost to income,
9M 2017



29%

Revenue
growth y-o-y,
9M 2017



27%

Capital to
assets,
30.09.2017

Mogo Latvia financials, EURm	2015	2016	9M 2016	9M 2017
Interest and similar income	9,4	10,6	7,5	9,7
EBITDA	3,5	5,9	4,6	5,2
Net profit	1,0	3,0	2,4	2,9
Loans issued	17,5	16,5	11,7	16,2
Net loan portfolio	24,2	25,9	25,9	30,7
Equity	5,9	8,3	8,3	10,6
Net margin	11%	28%	32%	30%

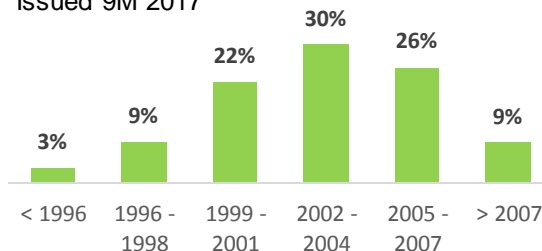
Note: 9M 2016 and 9M 2017 financials are based on management accounts.
EBITDA before forex fluctuation expense is shown

Clear product offering

Product structure	<ul style="list-style-type: none"> Finance lease or vehicle sale and leaseback options available
Average share of finance lease, 9M 2017	<ul style="list-style-type: none"> 78%
Loan amount	<ul style="list-style-type: none"> Up to EUR 15,000
Average loan size, 9M 2017	<ul style="list-style-type: none"> EUR 3,296
Term	<ul style="list-style-type: none"> Up to 72 months
Average term, 9M 2017	<ul style="list-style-type: none"> 52 months
Average LTV, 9M 2017	<ul style="list-style-type: none"> 82%
Average car age, 9M 2017	<ul style="list-style-type: none"> 14 years
Monthly interest rate	<ul style="list-style-type: none"> 2%-3.8%
APR, 9M 2017	<ul style="list-style-type: none"> 66%
Repayment schedule	<ul style="list-style-type: none"> Fixed monthly payments
Extension	<ul style="list-style-type: none"> None

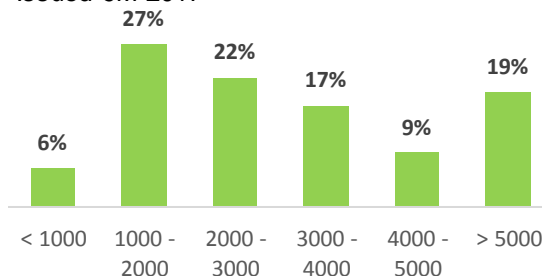
Car manufacturing year

Issued 9M 2017



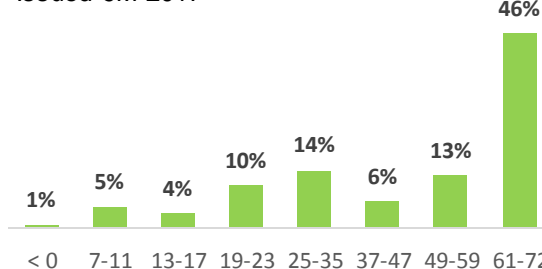
Loan size, EUR

Issued 9M 2017



Term, months

Issued 9M 2017



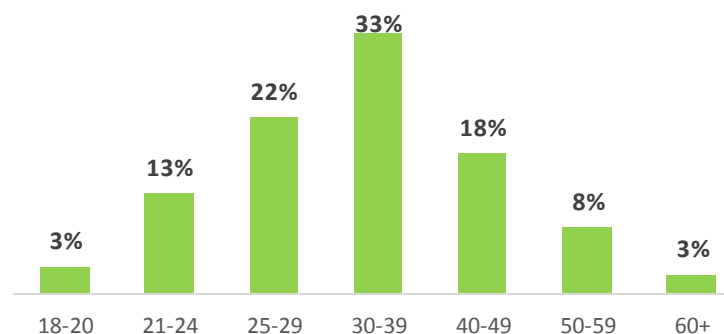
Customer profile

Typical Mogo's customer characteristics

- Intends to buy a car or already has a car
- Buying a car is an emotional purchase
- Cares about low monthly payments
- Limited credit availability
- Regularly changes cars
- Limited or no savings
- Has regular income

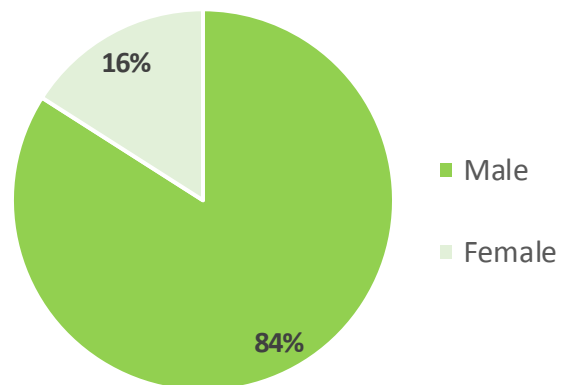
Customer split by age

Issued 9M 2017



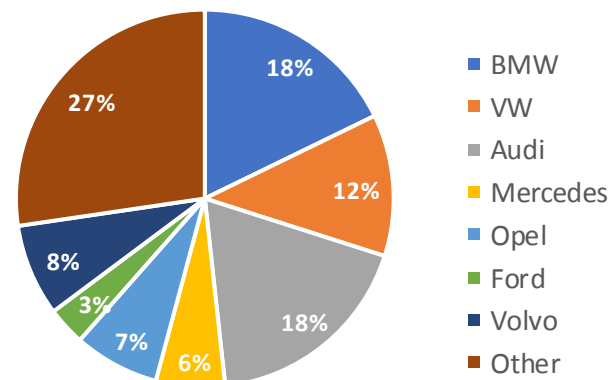
Customer split by gender

Issued 9M 2017



Customer split by car make

Issued 9M 2017



Customer care

Excellent customer service



Single point of contact

Concept of never redirecting the customer to other colleagues



Speed

Value underlying Mogo's customer service philosophy



Strategic locations

Branches in strategically important and easily accessible locations



Ease of access

Accessible by phone, e-mail, chats, social networks or in branches



Call centre

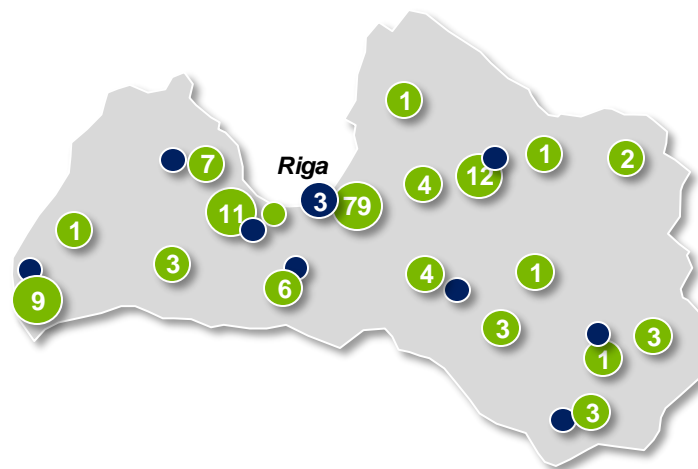
95% calls answered in 10 seconds or less, less than 2% calls missed



Procedures

Procedures supervised by the Group's operations team

Strong onsite presence



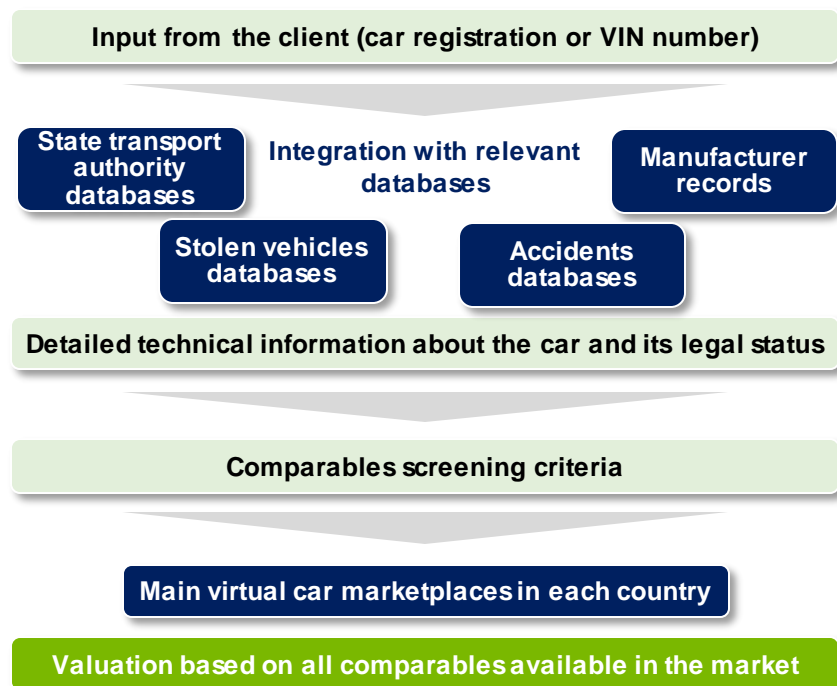
Underwriting platform

- 11 branches
- 250 car dealerships
- Webpage available for customer anytime


Data driven underwriting

Automated instant car valuation tool

Internally developed state-of-the-art solution



Automated client scoring

 Third-party and in-house models



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

Latvia Financials



Income Statement, TEUR

	2015	2016	9M 2015	9M 2016	9M 2017
Interest income and similar income	9 427	10 634	6 614	7 477	9 710
Interest expense and similar expenses	-2 569	-2 408	-1 496	-1 609	-1 750
Net interest income and similar income	6 858	8 226	5 118	5 869	7 961
Net impairment losses on loans and receivables	-2 319	-887	-1 829	-241	-1 724
General administrative and selling expenses	-3 725	-3 934	-2 810	-2 889	-3 149
Other (expense)/income	354	40	42	32	203
Profit before tax	1 168	3 445	521	2 771	3 291
Tax	-163	-482	-152	-376	-407
Net profit	1 005	2 963	370	2 395	2 884
Net Margin, %	11%	28%	6%	32%	30%
EBITDA	3 488	5 946	2 132	4 636	5 196
EBITDA Margin, %	37%	56%	32%	62%	54%

Balance Sheet, TEUR

	31.12.2015	31.12.2016	30.09.2016	30.09.2017
Loans and advances	24 228	25 889	25 895	35 004
Cash and cash equivalents	400	147	205	777
Other assets	7 028	2 664	2 453	2 917
Total assets	31 656	28 700	28 553	38 698
Loans and borrowings	24 387	18 713	18 953	25 654
Other liabilities	1 386	1 666	1 352	2 441
Total liabilities	25 773	20 378	20 305	28 094
Total equity	5 883	8 321	8 278	10 615
Total equity and liabilities	31 656	28 700	28 582	38 709

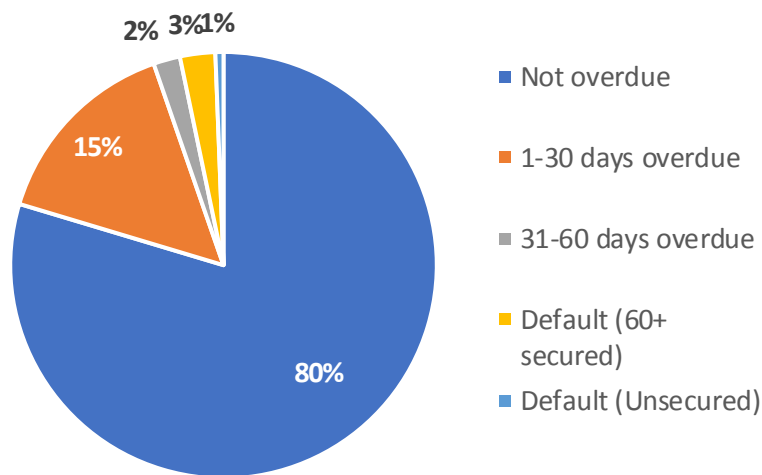
Key ratios

Interest coverage ratio	1,5	2,4	2,7	2,9
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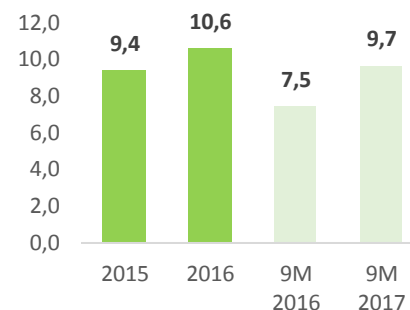
Portfolio and Financial Highlights

Net loan portfolio quality analysis

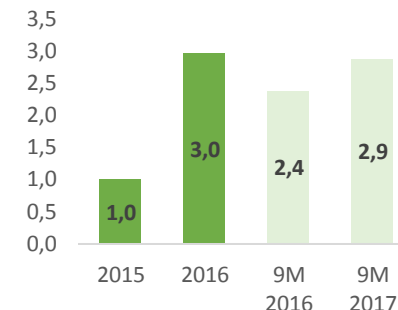
30.09.2017



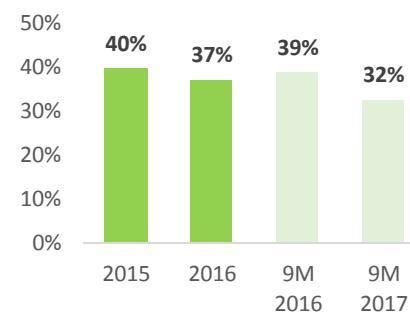
Revenue



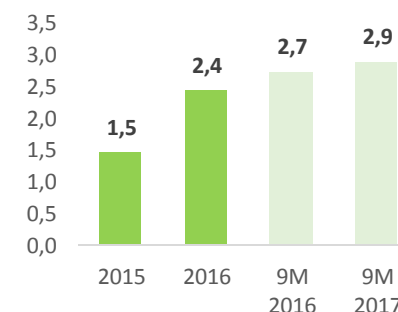
Net profit



Cost to income ratio



Interest coverage ratio



Mogo Latvia Notes

Current notes

Issuer	AS mogo (Latvia)
Security	Unsecured notes
ISIN	LV0000801363
Issue size	EUR 20 000 000
Coupon rate/ frequency	10%, monthly
Maturity date	31 March 2021
Listing	Nasdaq Riga (regulated market)

- Listed on 11 November 2014
- Wide range of bondholders, including professional and private investors
- Arranged by BlueOrange Bank

New notes

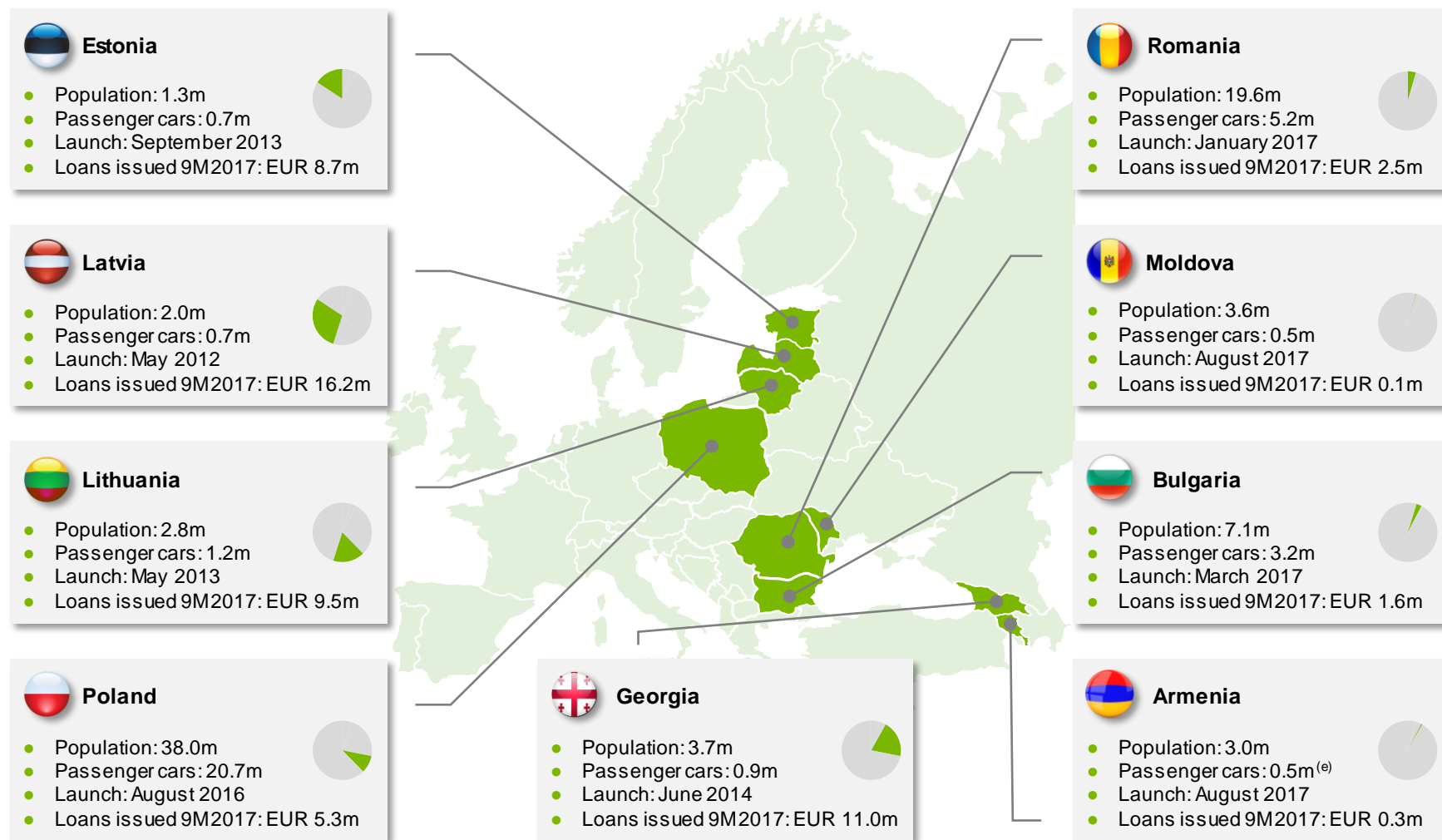
Issuer	AS mogo (Latvia)
Security	Unsecured notes
Issue size	EUR 10 000 000
Coupon rate/ frequency	10%, monthly
Maturity date	31 March 2021
Planned listing	First North (alternative market)

- In line with increased demand, Mogo registered new private placement with issue size up to EUR 10mio
- Identical terms as current notes
- Planned to list notes on the First North
- Minimum subscription amount – EUR 100,000
- Road show – early December 2017
- Lead manager – BlueOrange Bank

Mogo Group



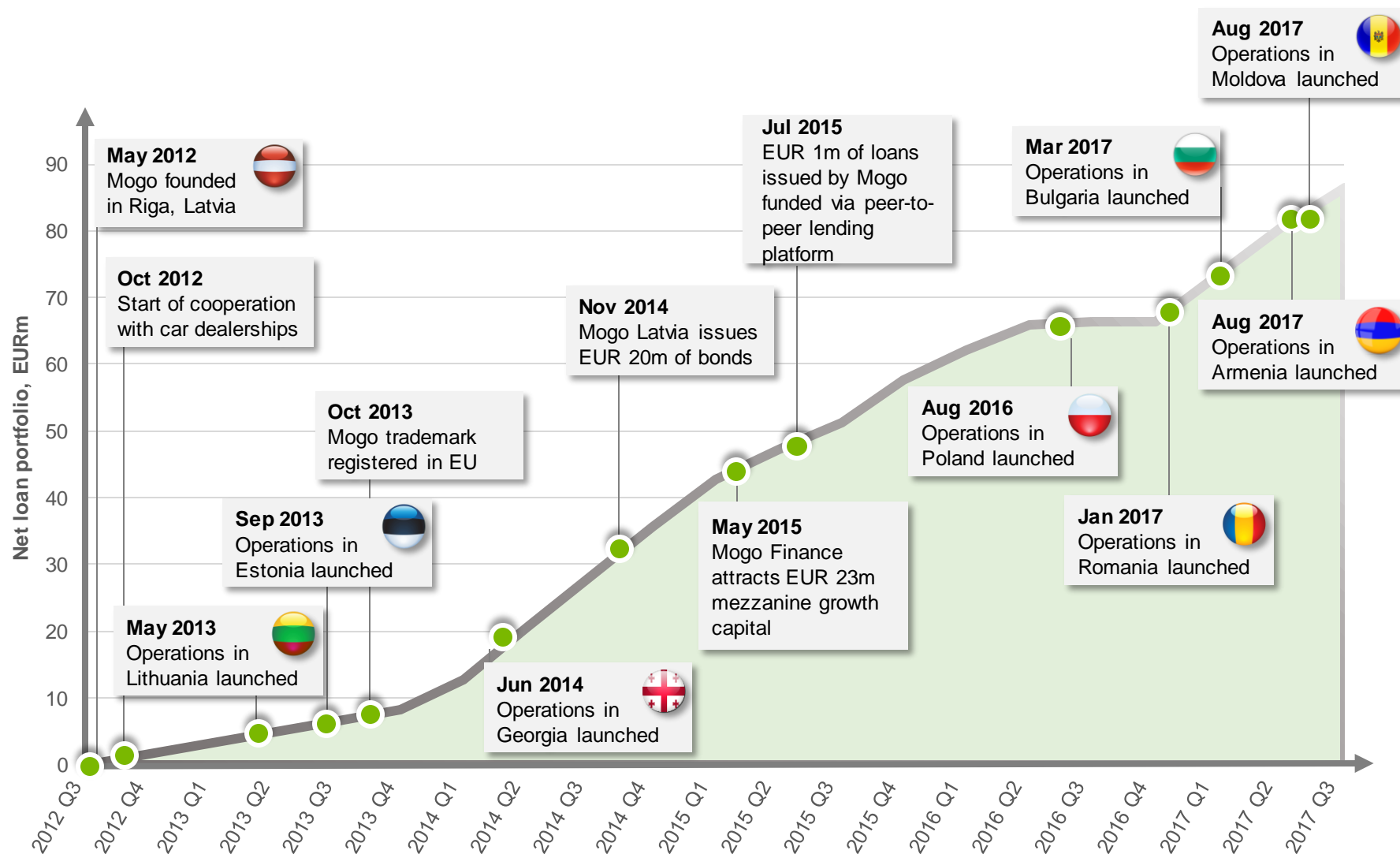
Geographic diversification



Source: Eurostat, International Organization of Motor Vehicle Manufacturers
 Note: Population data for 2016, passenger car data for 2015, Mogo's loans issued for 9M 2017

% of Mogo's loans issued for 9M 2017

Historical growth



Mogo Group Snapshot



**EUR
300m+**

Loans issued
since inception



233

Employees,
30.09.2017



80,000+

Registered
customers
since inception



9

Markets
launched



67%

APR,
9M 2017



27%

Cost to income,
9M 2017



28%

Revenue
growth y-o-y,
9M 2017



22%

Capital to
assets,
30.09.2017



15%

Return on
assets,
9M 2017



4%

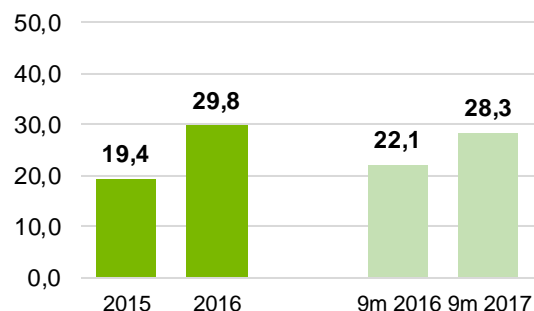
Default loans
in net portfolio,
30.09.2017

Group financials, EURm	2015	2016	9M 2016	9M 2017
Interest and similar income	19.4	29.8	22.1	28.3
EBITDA	6.7	15.8	11.3	14.7
Net profit	(0.7)	6.1	4.8	7.1
Loans issued	53.3	55.3	41.9	54.6
Net loan portfolio	56.1	63.6	66.4	86.7
Net margin	-3%	20%	22%	25%
Return on assets	-1%	9%	9%	10%

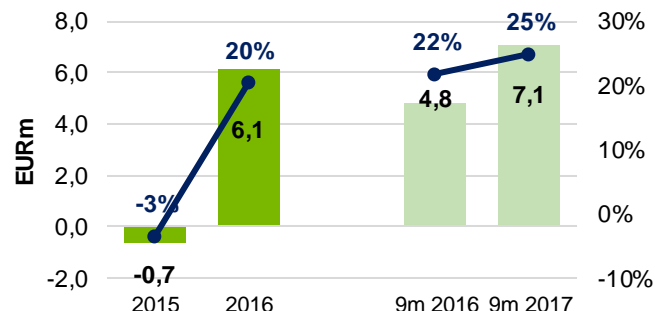
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EBITDA before forex fluctuation expense is shown

Financial highlights

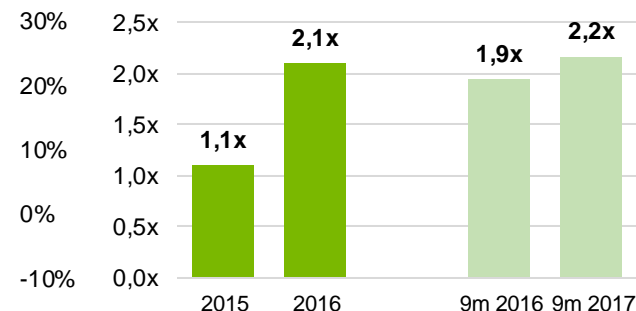
Revenue



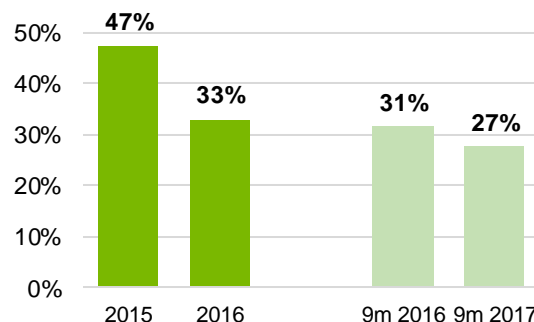
Net profit and margin



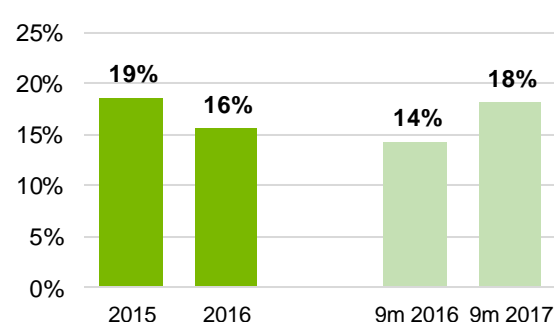
Interest coverage ratio



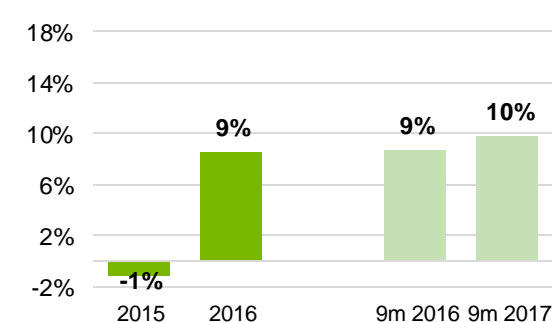
Cost to income ratio



Net impairment to revenue ratio



Return on assets



Note: 9M 2016 and 9M 2017 financials are based on management accounts

Thank you for your attention!

Contacts

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