**Mogo Finance S.A.**
**Société anonyme**

**Annual accounts for the financial year ended 31 December 2020**
**(with the report of the Réviseur d'Entreprises agréé thereon)**

Registered office:
8-10 Avenue de la Gare
L-1610, Luxembourg
Luxembourg Trade and Companies Register number: B 174.457

**Mogo Finance S.A.**
**Société anonyme**

## Table of contents

## Management report

17 May 2021

The Directors of the Company present the report on the annual accounts for the year ended 2020. All the figures are presented in EUR (euro).

### General information

Mogo Finance S.A. (hereinafter referred to as – the Company) and its subsidiaries (hereinafter together referred to as – the Group) is an international and fast-growing Financial Technology company with a vast reach across the globe. Operating in 3 continents, the Group`s companies recognize the niche underserved by conventional lenders and provide financial inclusion by disruptively changing the used car and consumer financing industry. Founded in 2012 in Latvia, the Group revolutionized the way people acquire used cars. Having expanded to all the Baltic region within a year after its launch, the Group continued its further expansion, operating in a total of 14 active markets as of the end of 2020. Mogo Finance Group has disrupted the used vehicle market as well as the way how a person's social mobility can be elevated through the access to a convenient and responsible lending. Group's main car financing products are financial leasing, where Mogo services are used by customers to acquire the vehicles, and leaseback financing, where the customer sells his/her vehicle and leases it back to Mogo. The Group`s consumer finance business offers flexible financial products starting with a credit line and ending with an instalment loan with a focus to provide an accessibility to a substantial amount of money in a most convenient way. Innovative financial solutions, transparency provided by the presence in the international capital markets and a talented team of more than 1 000 people makes the Group a one of the top fastest growing companies in the industry.

### Operations and Financial Results

Despite the headwinds from a global pandemic, 2020 was a year during which the Group successfully performed throughout the first, second and the third Covid-19 waves, all of which have left minimal if any impact on the operational performance of the Group while the Company continued investments in its subsidiaries as well as supporting them with the necessary financing. The Company's financial performance mainly depends on the performance of the Group as majority of the Company's assets relate to affiliated undertakings and the Company's financial performance should be considered in the context of the Group's financial performance. The Company's financial standing as it relates to going concern is largely dependent from the dividends to be distributed by its subsidiaries, which has been a consistent practice also during 2020. The same will be undertaken also in 2021 with the expected dividend payments from its subsidiaries.

Total assets of the Company grew up to 154.3 million euro (11.5% increase, compared to 138.4 million EUR in 2019).

During the year 2020 the Group made a strategic decision to optimize its product and country portfolio by deliberately focusing on the highest yielding products and countries with the greatest growth and profitability prospects. As a result of this strategy put in motion the Group has signed the agreement of the sale of shares of Mogo North Macedonia business during 2020. Further, on the Group is in process of finalizing several other sale transactions all of which are expected to release capital to be deployed in other markets as well as direct Group's management focus to a narrower set of countries than before. After several years of portfolio rundown, the Group decided not to further continue active operations in Poland as it does not intend to restart the operations in foreseeable future, hence the related loan amount advanced to the Polish subsidiary was written off.

During 2020 the Group executed several acquisitions in the field of consumer lending. These acquisitions have been instrumental in strengthening the return profile of the Company as well as diversify the Group's overall business model.

In 2020 the Group continued to cooperate with continental Europe's leading peer-to-peer lending marketplace Mintos ( www.mintos.com ). Currently the Group is the company with the largest loan portfolio listed in the platform and it offers investors to invest in Group's loans originated in sixteen operational entities.

During 2020 the Group managed to sustain its B- issuer as well as senior secured bond rating by Fitch.

On 27 January 2021 the Group received a broad approval from its bondholders to amend the terms and conditions of its EUR 2022 bonds. The proposals included the replacement of the bondholders' representative, the amendment of financial conditions and the amendment of the definition of permitted debt.

On 1 March 2021, AS "mogo" (Latvian operational entity) issued bonds in the amount of EUR 30 million, thus, successfully completing the largest bond issue in recent years by a private company on Nasdaq Riga Stock Exchange. With an annual coupon rate of 11%, 3-year maturity and minimum subscription amount of EUR 1 000, the bonds were offered to existing AS "mogo" bondholders and other retail and institutional investors from the Baltic region. The public offering consisted of two parts – subscription by new investors and exchange offer to existing bondholders. Bond issue demonstrates the investors' confidence in the Group.

While the high uncertainty remains, the Company does not intend to invest resources in research or development activities. See Note 28 to the annual accounts for further details on events after balance sheet.

The Company has not and does not expect to acquire own shares.

The Company does not have any branches and does not intend to establish any in the nearest future.

**Financial risks**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures which carried out by the central treasury department (Company's treasury).

Liquidity risk

The Company controls its liquidity by managing the amount of funding it attracts through peer-to-peer platforms, which provides management greater flexibility to manage the level of borrowings and available cash balances. Also, the Company manages its longer-term liquidity need by issuing bonds.

Credit risks

The Company is exposed to credit risk through its finance lease receivables, loans, and advances, as well as cash and cash equivalents. The key areas of credit risk policy cover lease and loan granting process (including solvency check of the lessee or borrower), monitoring methods, as well as decision making principles. The Company uses financed vehicles as collaterals to significantly reduce the credit risk.

The Company operates by applying a clear set of finance lease and loan granting criteria. These criteria include assessing the credit history of the customer, means of lease and loan repayment and understanding the lease object. The Company takes into consideration both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Company sets the credit limit for each and every customer. When the lease agreement has been signed, the Company monitors the lease object and customer's solvency. The Company has developed a lease monitoring process that helps to quickly spot any possible non-compliance with the provisions of the agreement. The receivable balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimized, and, where appropriate, sufficient provisions are being made. The Company does not have a significant credit risk exposure to any single counterparty, but instead is exposed to risks towards counterparties having similar characteristics.

Market risk

The Company takes on exposure to market risks, which are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility or market rates or prices such as interest rates and foreign exchange rates.

Currency risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The most significant foreign currency exposure comes from Georgia, Kazakhstan, and Belarus, where the Company has evaluated potential hedging options, but due to the costs associated with it, has decided not to pursue hedging strategy for now and assume potential short to mid-term currency fluctuations with retaining potential upside from strengthening of the mentioned currencies. However the Company is making substantial progress in issuing as much as possible of loans in EUR and USD currencies. The USD loan issuances are linked to Belarus, Kenya and Uganda. Having now a significant amount of USD loan and lease portfolio, the Company has started to proactively manage to the foreign currency exposure risk towards USD. The proactive management of USD exposure can be observed by forward contract purchases that have started already in 2020 and continued to do so in 2021.

It is expected that the Company's exposure to volatile foreign currencies will be continuing to decrease in the future with the Company's divestment of several of its subsidiaries.

Interest rate risk

The Company is not exposed to interest rate risk because all of its liabilities are interest bearing borrowings with a fixed interest rate.

Future outlook

In the light of events related to Covid-19, the Company's management has assessed the impacts of the coronavirus outbreak on the Company's ability to continue as a going concern. For further information and details on stress test performed please refer to the Note 2 "Going concern" to the annual accounts.

While the economic environment remains uncertain, the Company and its subsidiaries enter 2021 with improved operations and a strong funding position, and our employees, partners and customers have proven resilient to the challenges posed by the pandemic. The business model is highly relevant to the lives of many thousands of customers and plays an important role in enhancing the lives of people of modest means. We are confident that we will continue to serve our customers well and maintain high profitability and long-term growth.

Going in to 2021 the Company and its subsidiaries intend to:

- Continue to develop its current set of 14 active markets with particular focus on productive lending in the fastest growing markets.
- Develop premium car financing solution by engaging in mutually beneficial strategic partnerships with local banks.
- Continue further digitalization across the key business areas.
- Maintain stricter underwriting policies in place.
- Launch of several of ESG friendly products.
- Explore capital market sentiment as it relates to a possible Eurobond refinance within 2021.
- Continue simplifying its balance sheet.

**Corporate Governance Statement**

Mogo Finance S.A. Corporate Governance Statement has been included in the Management report included in the Mogo Finance S.A. consolidated annual report for the year ended 31 December 2020, and it is also available to the public electronically on the Mogo Finance webpage www.mogofinance.com.

Signed on behalf of the Company on 17 May 2021 by:

| Māris Kreics | Delphine Glessinger |
|---|---|
| Type A director | Type B director |

**KPMG Luxembourg, Société coopérative**
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of
Mogo Finance S.A.
8-10, Avenue de la Gare
L - 1610 Luxembourg

# REPORT OF THE REVISEUR D'ENTREPRISES AGREE

## *Report on the audit of the annual accounts*

### *Opinion*

We have audited the annual accounts of Mogo Finance S.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

### *Basis for Opinion*

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Significant judgments with regards to assessment of the Company's ability to continue as a Going Concern***

a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the year ended 31 December 2020

The Company's annual accounts are prepared on a going concern basis.

The World Health Organization declared on 11 March 2020 the coronavirus (COVID-19) outbreak a pandemic, following which government measures and restrictions to counter the effects of the outbreak were imposed in the markets of the Company and its subsidiaries (together "the Group"), affecting its business in the affected jurisdictions. These measures and restrictions include border closure, quarantine, severe limitations imposed on cross-border and domestic transportation and ban on social, cultural, leisure or sport events.

The Company's standalone profitability and ability to repay its debt directly depend on the performance of the underlying Group. Due to the Company's investment strategy – the balance of loans issued and received between the Company and its subsidiaries as well as investments in subsidiaries and subsequent receipt of dividends – its ability to continue as a going concern is assessed in the light of the profitability and liquidity of the Group overall.

As a consequence of the pandemic, the Group was forced to temporarily close its offline sales channels and transfer them to a mostly remote working regime. Due to these conditions during the first half of 2020, the Group experienced a significant decrease in revenues and profitability. Issuance of new loans is still limited in certain markets in 2021.

The Company's going concern assessment is based on the Group's cash flow forecasts, which, in the Board of Directors' view, support the assertion that the Group and therefore the Company will have sufficient resources to continue as a going concern for a period of at least 12 months from the reporting date. The preparation of these forecasts incorporates a number of assumptions and significant judgment under different scenarios, including those considered by the Board of Directors to be severe but plausible, such as an extended closure of offline channels and continued substantial reduction in new loan issuance.

The Board of Directors concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Note 3 further explains how this judgment was formed.

The COVID-19 pandemic has been an unprecedented challenge for humanity and for the economy globally, and at the date of approval of the annual accounts for issue, its effects are subject to significant levels of uncertainty. The Company's use of the going concern basis of accounting is a key audit matter due to the associated extent of uncertainty, and consequently, high level of judgment required in evaluating the Board of Directors' plans for future actions and their financial impact.

b) How the matter was addressed in our audit

Our procedures over the going concern assumption included but were not limited to:

- understanding through inquiries and inspection the Company's and Group's business planning process, including the process to assess the ability to continue as a going concern, and the preparation and validation of cash flow forecasts used in the assessment;
- inspecting the Board of Directors' going concern assessment, including their evaluation of the business/operating and liquidity risks arising from the COVID-19 outbreak, and plans for further actions in response to the risks identified. As part of the procedure, we also made corroborating inquiries of the Group's CEO and CFO;
- evaluating the reasonableness and feasibility of the management's plans for future actions in order to alleviate the effects of the outbreak by reference to the procedures as follows:
  - challenging the key assumptions used in the determination of the forecasted financial information under various scenarios. This primarily included challenging the assumed lockdown and sales channel closure periods, forecast amounts of new loans attracted, borrower payment discipline trends, capital expenditure and cost optimization volumes, based on our understanding of the Group's activities and by reference to publicly available industry/market reports;
  - performing an analysis of the going concern conclusion's sensitivity to changes in the aforementioned key assumptions adopted in the going concern assessment, and considering whether there were any indicators of management bias in management's assessment;
  - Assessing the availability of financing facilities and arrangements, by inspecting underlying documentation, such as agreements signed before the reporting period end, and assessing the impact of any covenants and other restrictive terms therein;
- considering whether any additional relevant facts or information have become available since the date on which the Company made its assessment;
- evaluating the appropriateness of Company's disclosures in respect of the going concern assessment, subsequent events and any related uncertainties in the annual accounts.

### *Valuation of the Shares in affiliated undertakings and loans to affiliated undertakings*

a) Why the matter was considered to be one of most significance in our audit of the Company's annual accounts for the year ended 31 December 2020

Being the ultimate parent entity of Mogo Finance S.A. Group, the Company's assets mainly consist of shares in affiliated undertakings and loans to affiliated undertakings

The carrying amount of the shares in affiliated undertakings and loans to affiliated undertakings as at 31 December 2020 amount to EUR 53 595 thousand and EUR 72 294 thousand. Shares in affiliated undertakings represent 34.7% and loans to affiliated undertakings represent 46.9% of Company's total assets as at 31 December 2020; The Company has recognized value adjustments amounting to EUR 8 297 thousand in relation to these assets.

We refer to the annual accounts: Note 2 and Note 3 (accounting policy), Notes 4, 5 and 21 (financial disclosures).

At the end of each reporting period, management is required to assess whether there is no permanent reduction in value of financial assets measured at cost. The assessment requires the Board of Directors to apply judgement, including in respect of the affiliates' future operating cash flows, growth rates and discount rates, and is therefore associated with significant estimation uncertainty.

Due to the above, we have associated the impairment assessment in respect of the shares in affiliated undertakings and loans to affiliated undertakings with a significant risk of material misstatement and as such, this area is considered to be a key audit matter.

### b) How the matter was addressed in our audit

Our procedures, performed with the assistance from our own valuation specialists, included, among others:

— testing the design and implementation of selected key controls in the impairment testing process, including those over the review and approval of the key assumptions applied in the impairment testing and of the test outcomes;

— assessing the appropriateness of impairment testing methods applied against the requirements of the relevant financial reporting standards and current market practice;

— evaluating the reasonableness of the Board of Director's judgment as to the existence of impairment indicators. This included, but was not limited to, discussing the subsidiaries' performance with the Company's finance function officers, and assessing their strategy and historical profitability;

— challenging the key assumptions applied in the impairment test, as follows:

  - terminal flow growth rate - by reference to historical financial performance of other related companies, assessed quality of budgeting process, past and expected future market developments;
  - discount rates - by assessing whether the cost of debt and cost of equity used are within the reasonable range, given Mogo's industry, risk profile and financial position;
  - other key inputs, such as estimates of free cash flows in the first five years of operation by inquires of the Board of Directors and inspection of supporting documentation (including approved budgets);

— performing a sensitivity analysis of impairment test's results to changes in key assumptions, such as, primarily, terminal growth and discount rates;

— considering the adequacy of the Company's disclosures related to the assumptions and significant judgements used in estimating the recoverable amounts of the investment in subsidiary and the loan issued thereto.

## *Other information*

The Board of Directors is responsible for the other information. The other information comprises the information stated the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

## *Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## *Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts*

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

## *Report on other legal and regulatory requirements*

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 21 November 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is *2* years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website mogofinance.com, is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the annual accounts of the Company as at 31 December 2020 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to:

- Annual accounts prepared in a valid xHTML format.

In our opinion, the annual accounts of Mogo Finance S.A. as at 31 December 2020, identified as 'Annual report 2020 Standalone.xhtml', have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 17 May 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

M. Jahke

**Annual Accounts Helpdesk :**

**Tel. : (+352) 247 88 494**
**Email : centralebilans@statec.etat.lu**

RCSL Nr. : B174457 | Matricule : 2012 2226 019

eCDF entry date :

# BALANCE SHEET

**Financial year from** 01 01/01/2020 **to** 02 31/12/2020 *(in* 03 EUR *)*

Mogo Finance

8-10, Avenue de la Gare
L-1610 Luxembourg

## ASSETS

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **A. Subscribed capital unpaid** | 1101 | 101 | 102 |
| I. Subscribed capital not called | 1103 | 103 | 104 |
| II. Subscribed capital called but unpaid | 1105 | 105 | 106 |
| **B. Formation expenses** | 1107 | 107 | 108 |
| **C. Fixed assets** | 1109 | 109 134.187.174,00 | 110 123.346.159,00 |
| I. Intangible assets | 1111 | 111 | 112 |
| 1. Costs of development | 1113 | 113 | 114 |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were | 1115 | 115 | 116 |
| a) acquired for valuable consideration and need not be shown under C.I.3 | 1117 | 117 | 118 |
| b) created by the undertaking itself | 1119 | 119 | 120 |
| 3. Goodwill, to the extent that it was acquired for valuable consideration | 1121 | 121 | 122 |
| 4. Payments on account and intangible assets under development | 1123 | 123 | 124 |
| II. Tangible assets | 1125 | 125 | 126 |
| 1. Land and buildings | 1127 | 127 | 128 |
| 2. Plant and machinery | 1129 | 129 | 130 |

| RCSL Nr. : B174457 | Matricule : 2012 2226 019 |
|---|---|

| | Code | Reference(s) | Code | Current year | Code | Previous year |
|---|---|---|---|---|---|---|
| 3. Other fixtures and fittings, tools and equipment | 1131 | | 131 | | 132 | |
| 4. Payments on account and tangible assets in the course of construction | 1133 | | 133 | | 134 | |
| III. Financial assets | 1135 | | 135 | 134.187.174,00 | 136 | 123.346.159,00 |
| 1. Shares in affiliated undertakings | 1137 | 4 | 137 | 53.595.268,00 | 138 | 30.882.543,00 |
| 2. Loans to affiliated undertakings | 1139 | 5 | 139 | 72.293.627,00 | 140 | 73.856.248,00 |
| 3. Participating interests | 1141 | | 141 | | 142 | |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests | 1143 | | 143 | | 144 | |
| 5. Investments held as fixed assets | 1145 | | 145 | | 146 | |
| 6. Other loans | 1147 | 6 | 147 | 8.298.279,00 | 148 | 18.607.368,00 |
| **D. Current assets** | 1151 | | 151 | 16.945.223,00 | 152 | 10.232.278,00 |
| I. Stocks | 1153 | | 153 | | 154 | |
| 1. Raw materials and consumables | 1155 | | 155 | | 156 | |
| 2. Work in progress | 1157 | | 157 | | 158 | |
| 3. Finished goods and goods for resale | 1159 | | 159 | | 160 | |
| 4. Payments on account | 1161 | | 161 | | 162 | |
| II. Debtors | 1163 | | 163 | 14.934.536,00 | 164 | 6.097.301,00 |
| 1. Trade debtors | 1165 | | 165 | | 166 | |
| a) becoming due and payable within one year | 1167 | | 167 | | 168 | |
| b) becoming due and payable after more than one year | 1169 | | 169 | | 170 | |
| 2. Amounts owed by affiliated undertakings | 1171 | 7 | 171 | 6.223.545,00 | 172 | 2.454.701,00 |
| a) becoming due and payable within one year | 1173 | 7 | 173 | 6.223.545,00 | 174 | 2.454.701,00 |
| b) becoming due and payable after more than one year | 1175 | | 175 | | 176 | |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 | | 177 | | 178 | |
| a) becoming due and payable within one year | 1179 | | 179 | | 180 | |
| b) becoming due and payable after more than one year | 1181 | | 181 | | 182 | |
| 4. Other debtors | 1183 | 8 | 183 | 8.710.991,00 | 184 | 3.642.600,00 |
| a) becoming due and payable within one year | 1185 | 8 | 185 | 8.710.991,00 | 186 | 3.642.600,00 |
| b) becoming due and payable after more than one year | 1187 | | 187 | | 188 | |

RCSL Nr. : B174457 | Matricule : 2012 2226 019

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| III. Investments | 1189 | | 189 | | 190 | |
| 1. Shares in affiliated undertakings | 1191 | | 191 | | 192 | |
| 2. Own shares | 1209 | | 209 | | 210 | |
| 3. Other investments | 1195 | | 195 | | 196 | |
| IV. Cash at bank and in hand | 1197 | | 197 | 2.010.687,00 | 198 | 4.134.977,00 |
| **E. Prepayments** | 1199 | 9 | 199 | 3.120.442,00 | 200 | 4.777.987,00 |
| **TOTAL (ASSETS)** | | | 201 | 154.252.839,00 | 202 | 138.356.424,00 |

| RCSL Nr. : B174457 | Matricule : 2012 2226 019 |
|---|---|

## CAPITAL, RESERVES AND LIABILITIES

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **A. Capital and reserves** | 1301 | 10 | 301 | 1.141.026,00 | 302 | 697.325,00 |
| I. Subscribed capital | 1303 | | 303 | 1.000.000,00 | 304 | 1.000.000,00 |
| II. Share premium account | 1305 | | 305 | | 306 | |
| III. Revaluation reserve | 1307 | | 307 | | 308 | |
| IV. Reserves | 1309 | | 309 | 3.104,00 | 310 | 3.104,00 |
| 1. Legal reserve | 1311 | | 311 | 3.104,00 | 312 | 3.104,00 |
| 2. Reserve for own shares | 1313 | | 313 | | 314 | |
| 3. Reserves provided for by the articles of association | 1315 | | 315 | | 316 | |
| 4. Other reserves, including the fair value reserve | 1429 | | 429 | | 430 | |
| a) other available reserves | 1431 | | 431 | | 432 | |
| b) other non available reserves | 1433 | | 433 | | 434 | |
| V. Profit or loss brought forward | 1319 | | 319 | -305.779,00 | 320 | 912.742,00 |
| VI. Profit or loss for the financial year | 1321 | | 321 | 443.701,00 | 322 | -1.218.521,00 |
| VII. Interim dividends | 1323 | | 323 | | 324 | |
| VIII. Capital investment subsidies | 1325 | | 325 | | 326 | |
| **B. Provisions** | 1331 | | 331 | 197.531,00 | 332 | 80.474,00 |
| 1. Provisions for pensions and similar obligations | 1333 | | 333 | | 334 | |
| 2. Provisions for taxation | 1335 | | 335 | 17.765,00 | 336 | 17.534,00 |
| 3. Other provisions | 1337 | 11 | 337 | 179.766,00 | 338 | 62.940,00 |
| **C. Creditors** | 1435 | | 435 | 152.914.282,00 | 436 | 137.578.625,00 |
| 1. Debenture loans | 1437 | | 437 | 103.403.912,00 | 438 | 101.975.550,00 |
| a) Convertible loans | 1439 | | 439 | | 440 | |
| i) becoming due and payable within one year | 1441 | | 441 | | 442 | |
| ii) becoming due and payable after more than one year | 1443 | | 443 | | 444 | |
| b) Non convertible loans | 1445 | 12 | 445 | 103.403.912,00 | 446 | 101.975.550,00 |
| i) becoming due and payable within one year | 1447 | | 447 | 4.440.863,00 | 448 | 4.426.550,00 |
| ii) becoming due and payable after more than one year | 1449 | | 449 | 98.963.049,00 | 450 | 97.549.000,00 |
| 2. Amounts owed to credit institutions | 1355 | | 355 | | 356 | |
| a) becoming due and payable within one year | 1357 | | 357 | | 358 | |
| b) becoming due and payable after more than one year | 1359 | | 359 | | 360 | |

| RCSL Nr. : B174457 | Matricule : 2012 2226 019 |
|---|---|

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks | 1361 | | 361 | | 362 | |
| a) becoming due and payable within one year | 1363 | | 363 | | 364 | |
| b) becoming due and payable after more than one year | 1365 | | 365 | | 366 | |
| 4. Trade creditors | 1367 | | 367 | 49.601,00 | 368 | 77.050,00 |
| a) becoming due and payable within one year | 1369 | | 369 | 49.601,00 | 370 | 77.050,00 |
| b) becoming due and payable after more than one year | 1371 | | 371 | | 372 | |
| 5. Bills of exchange payable | 1373 | | 373 | | 374 | |
| a) becoming due and payable within one year | 1375 | | 375 | | 376 | |
| b) becoming due and payable after more than one year | 1377 | | 377 | | 378 | |
| 6. Amounts owed to affiliated undertakings | 1379 | 13 | 379 | 37.208.947,00 | 380 | 28.654.765,00 |
| a) becoming due and payable within one year | 1381 | | 381 | 13.385.912,00 | 382 | 4.355.965,00 |
| b) becoming due and payable after more than one year | 1383 | | 383 | 23.823.035,00 | 384 | 24.298.800,00 |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385 | | 385 | | 386 | |
| a) becoming due and payable within one year | 1387 | | 387 | | 388 | |
| b) becoming due and payable after more than one year | 1389 | | 389 | | 390 | |
| 8. Other creditors | 1451 | 14 | 451 | 12.251.822,00 | 452 | 6.871.260,00 |
| a) Tax authorities | 1393 | | 393 | | 394 | |
| b) Social security authorities | 1395 | | 395 | | 396 | |
| c) Other creditors | 1397 | 14 | 397 | 12.251.822,00 | 398 | 6.871.260,00 |
| i) becoming due and payable within one year | 1399 | | 399 | 125.355,00 | 400 | 89.200,00 |
| ii) becoming due and payable after more than one year | 1401 | | 401 | 12.126.467,00 | 402 | 6.782.060,00 |
| **D. Deferred income** | 1403 | | 403 | | 404 | |
| **TOTAL (CAPITAL, RESERVES AND LIABILITIES)** | | | 405 | 154.252.839,00 | 406 | 138.356.424,00 |

The notes in the annex form an integral part of the annual accounts

**Annual Accounts Helpdesk :**

**Tel. : (+352) 247 88 494**
**Email : centralebilans@statec.etat.lu**

| RCSL Nr. : B174457 | Matricule : 2012 2226 019 |
|---|---|
| | eCDF entry date : |

# PROFIT AND LOSS ACCOUNT

**Financial year from** 01 01/01/2020 **to** 02 31/12/2020 *(in* 03 EUR )

Mogo Finance

8-10, Avenue de la Gare
L-1610 Luxembourg

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **1. Net turnover** | 1701 | | 701 | | 702 | |
| **2. Variation in stocks of finished goods and in work in progress** | 1703 | | 703 | | 704 | |
| **3. Work performed by the undertaking for its own purposes and capitalised** | 1705 | | 705 | | 706 | |
| **4. Other operating income** | 1713 | | 713 | | 714 | |
| **5. Raw materials and consumables and other external expenses** | 1671 | 15 | 671 | -3.005.006,00 | 672 | -2.419.308,00 |
| a) Raw materials and consumables | 1601 | | 601 | | 602 | |
| b) Other external expenses | 1603 | 15 | 603 | -3.005.006,00 | 604 | -2.419.308,00 |
| **6. Staff costs** | 1605 | 16 | 605 | -5.500,00 | 606 | 0,00 |
| a) Wages and salaries | 1607 | | 607 | -5.500,00 | 608 | 0,00 |
| b) Social security costs | 1609 | | 609 | | 610 | |
| i) relating to pensions | 1653 | | 653 | | 654 | |
| ii) other social security costs | 1655 | | 655 | | 656 | |
| c) Other staff costs | 1613 | | 613 | | 614 | |
| **7. Value adjustments** | 1657 | | 657 | | 658 | |
| a) in respect of formation expenses and of tangible and intangible fixed assets | 1659 | | 659 | | 660 | |
| b) in respect of current assets | 1661 | | 661 | | 662 | |
| **8. Other operating expenses** | 1621 | 17 | 621 | -2.546.355,00 | 622 | 0,00 |

| RCSL Nr. : B174457 | Matricule : 2012 2226 019 |
|---|---|

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **9. Income from participating interests** | 1715 | | 715 | 18.243.106,00 | 716 | 3.481.320,00 |
| a) derived from affiliated undertakings | 1717 | 18 | 717 | 18.243.106,00 | 718 | 3.481.320,00 |
| b) other income from participating interests | 1719 | | 719 | | 720 | |
| **10. Income from other investments and loans forming part of the fixed assets** | 1721 | | 721 | 8.584.796,00 | 722 | 6.717.100,00 |
| a) derived from affiliated undertakings | 1723 | 19 | 723 | 8.584.796,00 | 724 | 6.717.100,00 |
| b) other income not included under a) | 1725 | | 725 | | 726 | |
| **11. Other interest receivable and similar income** | 1727 | | 727 | 1.417.035,00 | 728 | 1.402.464,00 |
| a) derived from affiliated undertakings | 1729 | | 729 | | 730 | |
| b) other interest and similar income | 1731 | 20 | 731 | 1.417.035,00 | 732 | 1.402.464,00 |
| **12. Share of profit or loss of undertakings accounted for under the equity method** | 1663 | | 663 | | 664 | |
| **13. Value adjustments in respect of financial assets and of investments held as current assets** | 1665 | 21 | 665 | -8.340.634,00 | 666 | 0,00 |
| **14. Interest payable and similar expenses** | 1627 | 22 | 627 | -13.541.864,00 | 628 | -10.166.076,00 |
| a) concerning affiliated undertakings | 1629 | | 629 | -3.633.207,00 | 630 | -2.669.117,00 |
| b) other interest and similar expenses | 1631 | | 631 | -9.908.657,00 | 632 | -7.496.959,00 |
| **15. Tax on profit or loss** | 1635 | 23 | 635 | -357.062,00 | 636 | -229.206,00 |
| **16. Profit or loss after taxation** | 1667 | | 667 | 448.516,00 | 668 | -1.213.706,00 |
| **17. Other taxes not shown under items 1 to 16** | 1637 | 23 | 637 | -4.815,00 | 638 | -4.815,00 |
| **18. Profit or loss for the financial year** | 1669 | | 669 | 443.701,00 | 670 | -1.218.521,00 |

**Note 1 - General information**

Mogo Finance S.A., (hereinafter the "Company"), was incorporated on December 18, 2012 as a société anonyme for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of 10 August, 1915 on commercial companies, as amended.

The registered office of the Company is established in Avenue de la Gare 8-10, Luxembourg 1610 and is registered at the Trade and Companies register in Luxembourg under the number B174457.

The financial year of the Company starts on 1 January and ends on 31 December of each year.

The principal activity of the Company is to invest, acquire and take participations and interests, in any form whatsoever, in Luxembourg or foreign companies or entities having a purpose similar to the purpose of the Company and to acquire through participations, contributions, purchases, options or in any other way any securities, rights, interests, patents, trademarks and licenses or other property as the Company shall deem fit, and generally to hold, manage, develop, encumber, sell or dispose of the same, in whole or in part, for such consideration that is in the corporate interest of the Company.

The Company may also enter into any financial, commercial or other transactions and grant to any company or entity that forms part of the same group of companies as the Company or is affiliated in any way with the Company, including companies or entities in which the Company has a direct or indirect financial or other kind of interest, any assistance, loan, advance or grant in favor of third parties any security or guarantee to secure the obligations of the same, as well as borrow and raise money in any manner and secure by any means the repayment of any money borrowed.

Finally the Company may take any action and perform any operation which is, directly related to its purpose in order to facilitate the accomplishment of such purpose.

In accordance with the legal requirements of title II of the law 19 December 2002 as amended, these annual accounts have been drawn up on a standalone basis and subject to approval of the Company’s Annual General Meeting scheduled for 17 May 2021.

In application of section XVI of the law of 10 August 1915 as amended, the Company represents the ultimate parent of a group of undertakings and also prepares consolidated financial statements which are prepared under IFRS as adopted by the EU and which are lodged with the Luxembourg trade register and are available for inspection on Company’s corporate address. The consolidated financial statements of the Company are available as well on its corporate website.

**Comparability of Prior Year figures**

Following the introduction of the new Luxembourg standard chart of accounts (plan comptable normalisé - PCN) as of 1 January 2020, the presentation of the annual accounts has been modified when compared to the presentation used in respect of the financial year ended 31 December 2019. As a consequence, and in order to ensure adequate comparability accross both financial years, certain comparative figures in respect of the financial year ended 31 December 2019 have been reclassified. This concerns mainly the following captions: “Other external expenses” and “Interest payable and similar expenses”.

Certain accounts for 2020 were classified differently from the prior year, due to management judgment. This concerns mainly the following captions: “Tax on profit or loss” and “Other taxes not shown under items 1 to 16” .The reclassification has no impact on the financial result. The comparative information for 2019 disclosed in annual accounts for 2019 was classified in line with the principles used in 2020 and is comparable.

**Note 2 - Summary of significant accounting policies**

**Basis of preparation**

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Figures are rounded to whole amounts.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December, 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Going concern*

These annual accounts are prepared on a going concern basis.

The Company's standalone financial results directly depend from its investment strategy. Its investments in subsidiaries ensure returns when dividends from subsidiaries are paid out.

In the light of events related to Covid-19, the Company's management has assessed the impacts of the coronavirus outbreak on the Company's ability to continue as a going concern by analyzing the potential effect on the Company and its subsidiaries ( the "Group") since the Company's future operations depend on the performance of its subsidiaries.

Initial Covid-19 outbreak impacting Group's activities back in 2020

The wider economic impacts that the Group faced upon initial outbreak back in Q1 of 2020 similarly to other entities:
– Disruption to business operations and economic activity in Mogo operating markets, with a cascading impact on both upstream and downstream supply chains;
– Significant disruption to businesses in certain sectors, both within Mogo operating markets and in markets with high dependence on a foreign supply chain as well as export-oriented businesses with high reliance on foreign markets. The affected sectors include trade and transportation, travel and tourism, entertainment, manufacturing, construction, retail, insurance, education and the financial sector;
– Significant decrease in demand for non-essential goods and services;
– An increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates.

Management further considered the following operating risks that could adversely affect the Group:

– Temporarily closed offline sales channels;
– Workforce unavailability for extended period;
– Recession in the global economy, as already confirmed by a number of economic forecasts done internationally, that would significantly reduce the purchasing power of end consumers and businesses.

In order to mitigate the risks resulting from potential adverse scenarios, the management started to implement measures, which notably included:

– Formation of a crisis management team, to ensure an instant reaction to the situation, dedicated resources reviewing public health requirements and other related government announcements and ensuring the Group stays informed;
– To address increasing credit risk the Group has focused and reconsidered debt collection strategy for the existing portfolios;
– Strengthening the new loan issuance policy;
– Implemented set of cash preserving activities to manage liquidity risk;
– Developing alternative ways of accepting payments such as integration with paybox companies, online payment providers, remittance services;
– Successful implementation of work from home ensuring continuity of core processes;
– Employees have been required to adhere to very strict precautionary standards including social distancing and other health and safety best practices followed by published government guidelines;
– Monitoring and applying for any reliefs and support mechanisms provided by the governments in operating markets, to which the Group could qualify, including discussions with the tax authorities to renegotiate the tax payment schedules. For instance, in agreement with the State Revenue Service certain taxes due for the period March-May 2020 were postponed in Latvia and transferred to June, 2021 for payment.
– Reviewing and renegotiating payment terms with suppliers.

The Group's performance under ongoing Covid-19 situation

Despite the overall increased global optimism associated with Covid-19 vaccination commencement, Management has identified the fall in the Group's profitability in the course of 2020 as being an event or condition which may cast significant doubt over the going concern ability of the Group and consequently of the Company.

The Group has performed a quantitative analysis with a set of critical scenarios of Group's operations assuming continued disruption in the  core processes or 'full lockdown' due to COVID-19 for several months. The key assumptions of this analysis include limited or entirely paused issuance of new loans and car sales and severe cost reduction related with the issuance of new loans. The Covid-19 impact on 2020 results was most pronounced through first and foremost new loan disbursements, which are under the direct control of Group and can be instantly adjusted or even cut to zero or bare minimum. The issuance volume is one of key drivers of the size of Net portfolio and indirectly Revenues afterwards. The other area of Covid-19 impact on the financial results of the Group is the portfolio quality that drives the size of Net loan portfolio and Impairment expenses subsequently. Although to a lesser extent than issuances, portfolio quality is partially under Group's control through its Debt collection practices and policies. The analysis includes 2 scenarios and the key assumptions are as follows.

The Group's has successfully performed through second and  third Covid-19 waves, all of which have left minimal or if any impact on the operational performance for the Group. The Group's revenue increase by 25% as compared to 2019 and reached EUR 95.0 millions, which resulted in all time high EBITDA (Earnings before interest expense, taxes, depreciation and amortization and net foreign exchange result) of EUR 45.4 millions. The Group has had a stable and improving portfolio quality throughout this period and it comfortably enters 2021 from both operational perspective as well as the future funding availability perspective as evidenced by performance in January - April 2021.

1) Baseline scenario:
– Loans issuance volumes: April 2021 EUR 22.1 million per month, May 2021 - 24.3 million, June 2021 – EUR 24.3 million, July 2021 – EUR 25.3 million, August 2021 – EUR 26.3 million, September 2021 – EUR 27.9 million, October 2021 – EUR 28.9 million, November 2021 – EUR 30.3 million and December 2021 – EUR 31.3 million. For comparison, in January 2021 loan issued volume was EUR 16.5 million (January 2020: EUR 14.1 million), in February 2021(February 2020: EUR 17.3 million) – EUR 20.9 million and in March 2021 – EUR 22.0 million. Operations were unaffected by the second Covid-19 wave in 2020, therefore Group's management believes that further growth in loan issuance volumes is a reasonably conservative assumption;

– The operations were unaffected by the second Covid-19 wave in 2020, therefore Group's management believes that further growth in loan issuance volumes is a reasonably conservative assumption;

– Total revenue for the twelve-month period ended 31 December 2021 expected to increase by more than 92% compared to the same period last year. This is expected to be achieved by focusing on highest-yielding markets and products such as newly acquired consumer lending companies and their respective products as well as growth markets in the African region;

– Net impairment losses on loans and receivables (including Net gain/(loss) vs total revenue for the twelve-month period ended 31 December 2021 expected to reach 32% compared to 27% for the same period last year;

– Selling expense expected to be at the level of 3% from the total issued loan volumes, administrative expenses at the level of 18% from planned net loan portfolio as of 31 December 2021;

– FX losses are expected to be at the level of 2% from the net loan portfolio as of 31 December 2021 (7% as of 31 December 2020). It is expected to be achieved with purchase of the currency forward instruments (USD/EUR), optimization of high FX volatility portfolios and introduction of products linked to USD and EUR in multiple countries.

2) Pessimistic scenario:

– Loans issuance volumes: April 2021 EUR 22.1 million per month, May 2021 - 2.0 million, June 2021 – EUR 2.0 million, July 2021 – EUR 2.0 million, August 2021 EUR 2.0 million, September 2021 – EUR 2.0 million, October 2021 - EUR 28.9 million, November 2021 - EUR 30.3 million, December 2021 - 31.3 million. Decrease of 39% compared to base scenario due to potential imposed moratoriums;

– Average decrease of 39% for loan issuance volumes compared to base scenario due to potentially imposed drastic moratoriums on operations;

– Total revenue for the twelve-month period ended 31 December 2021 expected to increase by 70% compared to the same period last year, such increase is mainly driven by the existing consumer lending portfolio acquired in the second half of 2020. A decrease of 22 p.p. compared to base scenario due to substantially lower loan issuance volumes and net loan portfolio;

– Net impairment losses on loans and receivables vs total revenue for the twelve-month period ended 31 December 2021 expected to reach 38%;

– Selling expense expected to be at the level of 4% from total issued loan volumes, administrative expenses at the level of 20% from planned net loan portfolio as of 31 December 2021;

– FX losses are expected to be at the level of 2% from net loan portfolio as of 31 December 2021 (7% as of 31 December 2020).

In management's view, and having considered the positive results of the stress testing under two scenarios outlined, the above factors and measures taken support the assertion that the Group will have sufficient resources to continue for a period of at least 12 months from the reporting date. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Management cannot however preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Group operates in will not have an adverse effect on the Group, and its financial position and operating results, in the medium and longer term. We continue to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

The Group monitors its liquidity ratios on an ongoing basis. The main liquidity ratios for the Group are capitalization ratio and interest coverage ratio. As at 31 December 2020, the Group's capitalization ratio and interest coverage ratio were accordingly 18% and 1.9 (31.12.2019: 16% and 1.5), indicating stable liquidity shape of the Group. The Group has maintained strong funding and liquidity position with its robust diversified funding base. As at 31 of December 2020 the Group is compliant with all financial covenants. The Group's management foresees that it will be able to fully satisfy the requirements of financial covenants also in the future assuming both development scenarios as outlined below. The Group maintains stable cash position, as at 31 December 2020 the Group's quick ratio (cash and cash equivalents vs current liabilities) was 10% (31.12.2019: 20%). At 31 December 2020 the Company's quick ratio (cash and cash equivalents vs current liabilities) was 11.17% (31 December 2019: 46.21%). Quick ratio has decreased due to increased amounts owed to affiliated undertakings. Quick ratio decrease does not indicate any liquidity problems for the Company as in the event that further financing is required by the Company, Management has the possibility to regulate cash flows at Group level either by adjusting loan issuance volumes and by extending the maturity dates of the loans due under affiliated undertakings and thus ensuring that the Company has sufficient liquidity to settle its current liabilities as the fall due.

The Group controls its liquidity by managing the amount of funding it attracts through P2P platform Mintos and other sources. P2P platform Mintos provides management greater flexibility to manage the level of borrowings and available cash balances. Despite the current uncertainty in the global economy, the amount of loans funded through Mintos have remained stable, demonstrating that investors trust in the Group, and they continue to invest in Mogo loans. The Management believes that current macroeconomical environment is favorable for further sustained debt raise or refinance activities, which was recently proved by successful Latvian bonds' refinance that closed on 1st and 2nd of March. The Group (through its Latvian subsidiary) provided an exchange offer to existing bondholders of two Latvian bonds ISIN LV0000801363 (nominal value of EUR 20 million) and ISIN LV0000880029 (nominal value of EUR 10 million) to swap their holdings into the new bond ISIN LV0000802452 (nominal value of EUR 30 million), in addition to exchange offer, new subscriptions were also accepted. In total EUR 21 419 000 investments were exchanged from two previous Latvian bonds into the new bond, with remaining EUR 8 581 000 being new subscriptions. New bond ISIN LV0000802452 was issued on 2 March 2021 and listed on the Nasdaq Baltic Bond List as of 11 March 2021.

The Group continues to closely monitor the updates of eligible reliefs and support mechanisms provided by the governments.

Consequently, and based on the analysis provided above, these annual accounts have been prepared on the going concern basis.

**Significant accounting policies and valuation rules**

The main valuation rules applied by the Company are the following:

*Financial assets*

Shares in affiliated undertakings and investments held as fixed assets as well as loans to affiliated undertakings and other loans are valued respectively at purchase price / nominal value (loans and claims) including the expenses incidental thereto. In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which value adjustments were made have ceased to apply.

Currency exchange derivatives are recognized at cost. Liabilities are recognized if fair value of derivatives decrease below nil.

The Group continues to closely monitor the updates of eligible reliefs and support mechanisms provided by the governments.

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Currency exchange derivatives are recognized at cost. Liabilities are recognized if fair value of derivatives decrease below nil.

*Debtors*

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which value adjustments were made have ceased to apply.

*Foreign currency translation*

The Company maintains its books and records in EUR.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates. Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and realized gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower between the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

*Prepayments*

This asset item includes expenditures incurred during the financial year but relating to subsequent financial years.

*Provisions*

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

*Provisions for pensions and similar obligations*

The Company does not offer its employees a defined benefit plan and/or a defined contribution plan.

*Current tax provisions*

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Other creditors a) Tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

*Creditors*

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear/actuarial method.

*Employee share options*

Employees of the Company's subsidiaries have entered share option agreements with the  Company or the Company’s shareholders. Under the agreements respective employees obtain rights to acquire Company’s or certain subsidiaries’ shares under several graded vesting scenarios. The respective option would be classified as an equity-settled share-based payment transaction in the Company’s annual accounts.

The Company's management has estimated that the value of the options, due to the specifics of the share option agreements, would not be materially different than zero. If it were, the Company would have to record expenses related to this transaction and recognize a respective component of equity.

In estimating the value for the share options the most appropriate valuation model would depend on the terms and conditions of the grant.

Management has considered that the particular features mentioned in the option agreements, such as buy-back options, dividend policy of the Company and related pledges posed upon the borrowings effectively indicate that the value of the employee options would not materially different than zero.

*Contingencies*

Contingent liabilities are recognized in the annual accounts only if the related outflows is deemed probable. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the annual accounts but is disclosed when an inflow of economic benefits is probable.

*Related parties*

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions. Related parties of the Company are shareholders who could control or who have significant influence over the Company in accepting operating business decisions, key management personnel of the Company and close family members of any above-mentioned persons, as well as entities over which those  persons have a control or significant influence, including subsidiaries and asscociates.

**Note 3 - Significant accounting judgments, estimates and assumptions**

The preparation of the annual accounts requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingencies. The significant areas of estimation used in the preparation of the annual accounts relate to fair value of employee share options and measurement of contingent consideration. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the annual accounts:

*Valuation of financial assets*

The carrying amounts of the Company's financial assets are reviewed at each reporting date by the Company's management to determine whether there is a durable depreciation in value and value adjustments need to be made in respect of the financial assets. Company's management has assessed that the Company's assets do not have a durable depreciation in value as at 31 December 2020.

*Covid-19 impact assessment*

In the light of events related to Covid-19, the Company's management has assessed the impacts of the coronavirus outbreak on the Company's ability to continue as a going concern. The Company has performed the stress test at Group level – a quantitative analysis with a set of critical scenarios of Group's operations assuming partly disrupted core processes or 'full lockdown' for several months due to Covid-19. The key assumptions of the stress test include limited or entirely paused issuance of new loans and car sales and severe cost reduction related with the issuance of new loans and administration costs.

For further information and resulting management judgements please refer to Note 2.

Please also note that the economic impact of further Covid-19 waves may have a significant negative impact on the estimates of recoverable values of financial and non-financial assets further discussed in Note 2. The magnitude of such impact cannot be presently estimated in a reliable manner.

**Note 4 - Shares in affiliated undertakings**

| a) The movements for the year are as follows: | **Shares in affiliated undertakings / Participating interests** | **Total 2020** |
|---|---|---|
| | **EUR** | **EUR** |
| **Gross book value - opening balance** | **30 882 543** | **30 882 543** |
| Additions for the year* | 39 669 022 | 39 669 022 |
| Disposals for the year** | (16 956 297) | (16 956 297) |
| **Gross book value - closing balance** | **53 595 268** | **53 595 268** |
| **Net book value - closing balance** | **53 595 268** | **53 595 268** |
| **Net book value - opening balance** | 30 882 543 | 30 882 543 |

* Additions for the year consisted of new investments in the following subsidiaries and other affiliated undertakings:

| Name of undertaking (legal form) | Percentage of investment in shares | 2020 |
|---|---|---|
| Mogo Consumer Finance AS (previously Mogo Central Asia AS) | 100% | 13 600 001 |
| Mogo Baltics and Caucasus AS (previously HUB 1 AS) | 98,8015% | 10 201 395 |
| Mogo Car Finance AS (previously Mogo Group AS) | 99,4171% | 8 096 576 |
| Mogo Albania SHA | 100% | 1 255 000 |
| Mogo Bulgaria EOOD | 25% | 128 334 |
| Mogo LLC | 100% | 8 102 |
| Mogo Eastern Europe AS (previously HUB 3 AS) | 100% | 6 379 557 |
| Mogo Africa AS (previously HUB 5 AS) | 100% | 30 |
| OCN SE Finance S.R.L. | <1% | 22 |
| OCN SEBO CREDIT SRL | <1% | 5 |
| **Total** | | **39 669 022** |

** Disposals for the year consisted of sale of shares in following subsidiaries:

| Name of undertaking (legal form) | Percentage of investment in shares | 2020 |
|---|---|---|
| Mogo Eastern Europe AS (previously HUB 3 AS) | 100% | 8 095 907 |
| Mogo IFN | 99,99% | 6 379 980 |
| Mogo LLC | 100% | 2 005 100 |
| Mogo DOOEL Skopje | 100% | 220 000 |
| Mogo Polska Sp. Zoo | 100% | 117 780 |
| Mogo Loans DOOEL Skopje | 100% | 100 000 |
| Mogo Africa AS (previously HUB 5 AS) | 100% | 35 030 |
| Risk Management services OU | 100% | 2 500 |
| **Total** | | **16 956 297** |

Mogo Eastern Europe AS, Mogo IFN AS, Mogo LLC , Mogo Polska Sp. Zoo, Mogo Africa AS Mogo DOOEL Skopje, Mogo Loans DOOEL Skopje have been sold within the Group.

Risk Management Services OU have been disposed out of the Group and Mogo DOOEL Skopje, Mogo Loans DOOEL Skopje as at 31 December 2020 are in process of being disposed out of the Group.

b) Undertakings in which the Company holds at least 20% of the share capital or in which it is a general partner are as follows:

| Name of undertaking (legal form) | Ownership as at 31 December 2020 % | Last balance sheet date | Net equity at the balance sheet date of the company concerned EUR | Profit or loss for the last financial year EUR | Net book value 2020 (EUR) | Net book value 2019 (EUR) |
|---|---|---|---|---|---|---|
| Mogo Baltics and Caucasus AS (previously HUB 1 AS) | 98,8015% | 31.12.2020 | 16 440 208 | (229 858) | 16 712 860 | 6 511 465 |
| Mogo Consumer Finance AS (previously Mogo Central Asia) | 100% | 31.12.2020 | 13 737 956 | (93 886) | 13 638 501 | 38 500 |
| Mogo Car Finance AS (previously Mogo Group AS) | 99,4171% | 31.12.2020 | 8 072 693 | (28 777) | 8 131 576 | 35 000 |
| Mogo Balkans and Central Asia AS (previously HUB 2 AS) | 100% | 31.12.2020 | 7 325 698 | (665 150) | 7 804 480 | 7 804 480 |
| Mogo Albania SHA | 100% | 31.12.2020 | 1 653 973 | (376 093) | 4 030 153 | 2 775 153 |
| Mogo LT UAB | 100% | 31.12.2020 | 7 547 536 | 4 946 277 | 2 499 827 | 2 499 827 |
| Mogo Bulgaria EOOD | 25,1% | 31.12.2020 | 1 083 932 | (110 643) | 774 844 | 646 510 |
| Mogo Finance S.L. | 100% | 31.12.2020 | 3 000 | - | 3 000 | 3 000 |
| OCN SE Finance S.R.L. | 0,0333% | 31.12.2020 | - | - | 22 | - |
| OCN SEBO CREDIT SRL | 0,0002% | 31.12.2020 | - | - | 5 | - |
| Mogo Eastern Europe AS (previously HUB 3 AS) | 0% | 31.12.2020 | 7 433 484 | (662 614) | - | 1 716 350 |
| Mogo IFN | 0% | 31.12.2020 | 5 097 686 | 411 093 | - | 6 379 980 |
| Mogo LLC | 0% | 31.12.2020 | 8 626 139 | (219 262) | - | 1 996 998 |
| Mogo DOOEL Skopje | 0% | 31.12.2020 | (1 051 682) | (320 151) | - | 220 000 |
| Mogo Polska Sp. zoo | 0% | 31.12.2020 | (5 915 458) | (1 554 719) | - | 117 780 |
| Mogo Loans DOOEL Skopje | 0% | 31.12.2020 | 67 798 | (292 597) | - | 100 000 |
| Mogo Africa AS (previously HUB 5 AS) | 0% | 31.12.2020 | 2 856 049 | (373 577) | - | 35 000 |
| Risk Management services OU | 0% | 31.12.2020 | (2 231 178) | - | - | 2 500 |
| **Total** | | | | | **53 595 268** | **30 882 543** |

The figures of net equity at the balance sheet date and profit or loss for the last financial year are based on the preliminary financial information extracted from the consolidation table that the Company has used to prepare its consolidated financial statements for the year ended 31 December 2020.

In the opinion of the Board of Directors there is no impairment effect for shares in affiliated undertakings.

c) Latest approved financial results of the undertakings in which the Company holds at least 20% of the share capital or in which it is a general partner as at 31 December 2020:

| Name of undertaking (legal form) | Ownership as at 31 December 2020 % | Last balance sheet date | Net equity at the balance sheet date of the company concerned EUR | Profit or loss for the financial year EUR |
|---|---|---|---|---|
| Mogo LT UAB | 100% | 31.12.2019 | 9 503 120 | 4 344 926 |
| Mogo Balkans and Central Asia AS (previously HUB 2 AS) | 100% | 31.12.2019 | 7 990 848 | 177 785 |
| Mogo Baltics and Caucasus AS (previously HUB 1 AS) | 98,8015% | 31.12.2019 | 6 451 241 | (52 779) |
| Mogo Bulgaria EOOD | 25,1% | 31.12.2019 | 583 895 | (392 161) |
| Mogo Consumer Finance AS (previously Mogo Central Asia AS) | 100% | 31.12.2019 | 217 813 | 155 054 |
| Mogo Car Finance AS (previously HUB 0 AS) | 99,4171% | 31.12.2019 | 4 697 | (30 303) |
| Mogo Finance S.L. | 100% | 31.12.2019 | 3 000 | - |
| Mogo Albania SHA | 100% | 31.12.2019 | (783 961) | (1 308 182) |

**Note 5 - Loans to affiliated undertakings**

Loans to affiliated undertakings are detailed as follows:

| Name | Interest rate | Maturity | Net book value 2020 EUR | Net book value 2019 EUR |
|---|---|---|---|---|
| Mogo Auto Limited (previously Longo cars Limited) - loan | 12,0% | 15.02.2024 | 10 588 500 | 165 500 |
| Mogo LT UAB - loan | 12,0% | 27.04.2023 | 8 488 143 | 2 250 000 |
| Mogo Africa UAB (previously HUB 5 LT UAB) - loan | 16,0% | 15.02.2024 | 1 311 500 | - |
| Mogo Africa UAB (previously HUB 5 LT UAB) - loan | 18,5% | 01.07.2028 | 6 489 500 | - |
| Mogo Africa UAB (previously HUB 5 LT UAB) - loan | 12,0% | 15.02.2024 | - | 597 500 |
| Mogo Eastern Europe AS (previously HUB 3 AS) - loan | 12,0% | 27.04.2023 | 7 418 118 | 1 027 873 |
| Mogo Poland Sp. z o.o. - loan | 8,50% | 27.04.2023 | 7 110 508 | 7 360 508 |
| Mogo Poland Sp. z o.o. - impairment allowance | | | (7 110 508) | - |
| Mogo Kredit OOO - loan | 14,5% | 19.03.2023 | 7 069 000 | 9 339 000 |
| Mogo Africa AS (previously HUB 5 AS) - loan | 12,0% | 29.01.2024 | 1 247 831 | 602 331 |
| Mogo Africa AS (previously HUB 5 AS) - loan | 12,0% | 05.09.2023 | 2 150 000 | - |
| Mogo Africa AS (previously HUB 5 AS) - loan | 12,0% | 15.02.2024 | 1 300 000 | - |
| Mogo Africa AS (previously HUB 5 AS) - loan | 13,0% | 29.03.2024 | 600 000 | - |
| Instafinance LLC - loan | 11,0% | 29.07.2025 | 4 054 607 | - |
| Mogo Lend OOO - loan | 12,0% | 05.09.2023 | 3 785 000 | 4 375 000 |
| Mogo loans SRL - loan | 9,0% | 27.04.2025 | 3 319 000 | 6 619 000 |
| Mogo Balkans and Central Asia AS (previously HUB 2 AS) - loan | 12,0% | 01.04.2025 | 3 181 700 | - |
| Mogo Bulgaria EOOD - loan | 12,0% | 27.04.2023 | 2 946 486 | 4 919 486 |
| Mogo Kenya Limited - loan | 12,0% | 29.03.2024 | 2 582 000 | 2 730 000 |
| Mogo Kazakhstan - loan | 12,0% | 21.09.2023 | 2 378 209 | 7 175 700 |
| Mogo Baltics and Caucasus AS (previously HUB 1 AS) - loan | 12,0% | 31.07.2023 | 1 947 759 | 2 111 000 |
| Mogo DOOEL Skopje - loan - payable after more than one year | 0,0% | 30.06.2022 | 201 773 | 1 587 000 |
| Mogo DOOEL Skopje - impairment allowance | 0,0% | | (162 568) | - |
| Mogo Loans DOOEL Skopje - loan - payable after more than one year | 0,0% | 30.06.2022 | 154 937 | 728 000 |
| Mogo Loans DOOEL Skopje - impairment allowance | 0,0% | | (13 903) | - |
| Mogo D.o.o. Sarajevo - loan | 12,0% | 03.09.2023 | 689 000 | 2 304 000 |
| Mogo UCO - loan | 12,0% | 22.11.2023 | 472 035 | 3 001 555 |
| Longo LLC - loan | 12,0% | 27.11.2023 | 95 000 | 90 000 |
| Mogo IFN - loan | 12,0% | 27.04.2023 | - | 5 020 000 |
| Mogo Albania SHA - loan | 12,0% | 27.04.2023 | - | 3 459 848 |
| Mogo AS - bonds* | 10,0% | 31.03.2021 | - | 3 212 000 |
| Mogo Loans SMC Limited | 3,0% | 15.02.2024 | - | 3 209 000 |
| Mogo Consumer Finance AS (previously Mogo Central Asia AS) - loan | 12,0% | 31.07.2023 | - | 1 158 641 |
| Mogo Car Finance AS (previously Mogo Group AS) - loan | 12,0% | 24.09.2024 | - | 385 000 |
| Renti AS - loan | 12,0% | 27.11.2023 | - | 290 306 |
| Mogo LLC - loan | 16,5% | 27.04.2023 | - | 100 000 |
| Mogo Eastern Europe LT UAB (previously HUB 3 LT UAB) - loan | 12,0% | 19.02.2024 | - | 38 000 |
| **Total** | | | **72 293 627** | **73 856 248** |

**Note 6 - Other loans**

| Name | Type | Interest rate | Maturity | Net book value 2020 (EUR) | Net book value 2019 (EUR) |
|---|---|---|---|---|---|
| AK Family Treasury SIA* | Loan | 10,5% | 27.04.2023 | 3 084 162 | - |
| AK Family Treasury SIA* | Loan | 12,5% | 27.04.2023 | 1 923 063 | - |
| AK Family Treasury SIA** | Loan | 3,0% | 15.01.2021 | 1 132 331 | 4 616 633 |
| KM Invest AS** | Loan | 3,0% | 15.01.2021 | 367 390 | 1 538 878 |
| Novo Holding AS** | Loan | 3,0% | 15.01.2021 | 313 375 | 1 108 989 |
| Avole Holdings AS** | Loan | 3,0% | 15.01.2021 | 313 375 | 1 108 989 |
| Obelo Capital AS** | Loan | 3,0% | 15.01.2021 | 54 014 | 429 889 |
| Nevia Finance SIA** | Loan | 3,0% | 15.01.2021 | 88 732 | 429 889 |
| BCAP Holding AS** | Loan | 3,0% | 15.01.2021 | 12 823 | 93 262 |
| Impairment allowance for loan receivable | | | | (1 154) | |
| AK Family Investments SIA** | Loan | 3,0% | 15.01.2021 | - | 1 620 518 |
| KM Invest AS** | Loan | 3,0% | 15.01.2021 | - | 541 266 |
| Obelo Capital AS** | Loan | 3,0% | 15.01.2021 | - | 541 266 |
| Nevia Finance SIA** | Loan | 3,0% | 15.01.2021 | - | 541 266 |
| BCAP Holding AS** | Loan | 3,0% | 15.01.2021 | - | 32 804 |
| AK Family Treasury SIA** | Loan | 3,0% | 15.01.2021 | - | 3 280 |
| 100x Treasury SIA* | Loan | 10,5% | 27.04.2023 | - | 2 823 724 |
| 100x Treasury SIA* | Loan | 12,5% | 27.04.2023 | - | 1 731 715 |
| Mogo SH.P.K - loan*** | Loan | 0,0% | 30.09.2023 | 1 053 787 | 1 445 000 |
| Mogo SH.P.K - impairment allowance | Loan | | | (43 619) | - |
| **Total** | | | | **8 298 279** | **18 607 368** |

* - Loans to debtor 100x Treasury SIA, in 2020 have been novated to AK Family Treasury SIA and reached a total amount of 5 007 224 EUR. Debt increased slightly due to quarterly interest capitalization in line with initial agreement terms.

** - During 2020 Longo Group novated loans have been repaid by EUR 1 440 336 and at the year-end unpaid principal amount from the shareholder companies were the following (AK Family Treasury AS – EUR 4 655 296, SIA Nevia Finance – EUR 381 000, AS Novo Holdings – EUR 1 288 365, AS Obelo Capital – EUR 222 065, AS Avole Holdings 1 288 365, AS KM Invest 1 510 431 and SIA BCAP Holding 52 719) leaving the total principal amount unpaid of 9 398 241 EUR. All the before mentioned loans and their repayment schedules have been amended on January 2021 by extending the maturity until February 2022.

During 2020 Loans to related parties resulting from Share sale of Longo Group have been paid in full.

*** Company Mogo SH.P.K. has not yet been incorporated in Group during 2020, therefore the loan is not reflected in Loans to affiliated undertakings.

**Note 7 - Amounts owed by affiliated undertakings**

Amounts owed by affiliated undertakings are detailed as follows:

| Name | Interest rate | Maturity | Net book value 2020 EUR | Net book value 2019 EUR |
|---|---|---|---|---|
| *Becoming due and payable within one year* | | | | |
| Mogo Baltics and Caucasus AS (previously HUB 1 AS) - loan | 0,0% | 31.01.2021 | 260 000 | - |
| Mogo DOOEL Skopje - loan - payable within one year | 0,0% | 30.06.2022 | 1 095 349 | - |
| Mogo DOOEL Skopje - impairment allowance | 0,0% | | (882 519) | - |
| Mogo Loans DOOEL Skopje - loan - payable within one year | 0,0% | 30.06.2022 | 841 093 | - |
| Mogo Loans DOOEL Skopje - impairment allowance | 0,0% | | (75 472) | - |
| Mogo Kazakhstan - accrued interest | | | 1 096 809 | 441 382 |
| Mogo Lend OOO - accrued interest | | | 959 404 | 276 007 |
| Mogo Kenya Limited - accrued interest | | | 417 202 | 111 609 |
| Mogo Africa UAB (previously HUB 5 LT UAB) - accrued interest | | | 384 279 | 30 275 |
| Mogo Balkans and Central Asia AS (previously HUB 2 AS) - accrued interest | | | 348 209 | - |
| Mogo Auto Limited (previously Longo cars Limited) - accrued interest | | | 338 348 | 15 433 |
| Mogo DOOEL Skopje - accrued interest | | | 314 616 | 184 374 |
| Mogo Baltics and Caucasus AS (previously HUB 1 AS) - accrued interest | | | 278 076 | - |
| Mogo D.o.o. Sarajevo - accrued interest | | | 150 035 | 68 781 |
| Mogo Africa AS (previously HUB 5 AS) - accrued interest | | | 147 489 | 26 164 |
| Mogo Eastern Europe AS (previously HUB 3 AS) - accrued interest | | | 99 611 | 9 382 |
| Mogo Kredit OOO - accrued interest | | | 80 254 | 90 472 |
| Mogo Poland Sp. z o.o. - accrued interest | | | 52 045 | 161 112 |
| Mogo Poland Sp. z o.o. - impairment allowance | | | (52 045) | - |
| Instafinance LLC - accrued interest | | | 37 184 | - |
| Mogo Bulgaria EOOD - accrued interest | | | 30 398 | 51 114 |
| Mogo UCO - accrued interest | | | 29 081 | 35 232 |
| Mogo Loans DOOEL Skopje - accrued interest | | | 26 693 | 16 017 |
| Longo LLC - accrued interest | | | 17 451 | 6 106 |
| Mogo Loans SMC Limited - accrued interest | | | 12 174 | 131 200 |
| Mogo Albania SHA - accrued interest | | | - | 317 596 |
| Mogo IFN - accrued interest | | | - | 51 360 |
| Renti AS - accrued interest | | | - | 7 403 |
| Mogo LLC - accrued interest | | | - | 229 |
| Mogo Balkans and Central Asia AS (previously HUB 2 AS) - receivables | | | 217 781 | - |
| Mogo DOOEL Skopje - receivables | | | - | 423 453 |
| **Total** | | | **6 223 545** | **2 454 701** |

**Note 8 - Other debtors**

| Name | Type | Interest rate | Maturity | Net book value 2020 (EUR) | Net book value 2019 (EUR) |
|---|---|---|---|---|---|
| AK Family Investments SIA | Short-term balance of loan | 3,0% | 15.01.2021 | - | 988 000 |
| AK Family Treasury SIA | Short-term balance of loan | 3,0% | 15.01.2021 | 3 522 966 | 750 463 |
| KM Invest AS | Short-term balance of loan | 3,0% | 15.01.2021 | 1 143 041 | 579 487 |
| Obelo Capital AS | Short-term balance of loan | 3,0% | 15.01.2021 | 168 051 | 400 111 |
| Nevia Finance SIA | Short-term balance of loan | 3,0% | 15.01.2021 | 292 268 | 400 111 |
| Avole Holdings AS | Short-term balance of loan | 3,0% | 15.01.2021 | 974 989 | 179 376 |
| Novo Holding AS | Short-term balance of loan | 3,0% | 15.01.2021 | 974 989 | 179 376 |
| BCAP Holding AS | Short-term balance of loan | 3,0% | 15.01.2021 | 39 896 | 35 124 |
| Mogo SH.P.K | Short-term balance of loan | 0,0% | 30.09.2023 | 366 213 | - |
| Other debtors | Accrued interest on other loans | | | 220 468 | 62 548 |
| Other debtors | VAT overpayment | | | 46 981 | 46 982 |
| Other debtors | Advance paid for purchased shares of subsidiaries | | | - | - |
| Other debtors | Investment in Mintos platform | | | 119 586 | - |

**Note 8 - Other debtors - continued**

| Name | Type | Interest rate | Maturity | Net book value 2020 (EUR) | Net book value 2019 (EUR) |
|---|---|---|---|---|---|
| Other debtors | Investment in FX platform* | | | 787 521 | - |
| Other debtors | Other debtors | | | 54 022 | 21 022 |
| **Total** | | | | **8 710 991** | **3 642 600** |

* - The amount represents the margin account balance (including both initial and variable margin) that needs to be held within FX hedging partner account to ensure deals enrolled in remain open until their maturity.

**Note 9 - Prepayments**

| Name | Type | Net book value 2020 (EUR) | Net book value 2019 (EUR) |
|---|---|---|---|
| Prepaid expenses | Deferred bonds acquisition costs | 3 113 336 | 4 772 934 |
| Prepaid expenses | Prepaid expenses other | 7 106 | 5 053 |
| **Total** | | **3 120 442** | **4 777 987** |

**Note 10 - Capital and reserves**

**Subscribed capital and share premium account**

The subscribed capital of the Company amounts to EUR 1 000 000 and is divided into 100 000 000 shares fully paid.

| The movements on the "Subscribed capital " caption during the year 2020 are as follows: | Share capital EUR | Number of class A Shares | Number of class B Shares | Total number of Shares |
|---|---|---|---|---|
| **Opening balance** | **1 000 000** | **100 000 000** | **-** | **100 000 000** |
| Subscriptions for the year/period | - | - | - | - |
| Redemptions for the year/period | - | - | - | - |
| **Closing balance** | **1 000 000** | **100 000 000** | **-** | **100 000 000** |

As of and for the year ended 31 December 2020, the Company does not hold any of its own shares.

The movements on the "Subscribed capital " caption during the year 2019 are as follows:

| | Share capital EUR | Number of class A Shares | Number of class B Shares | Total number of Shares |
|---|---|---|---|---|
| **Opening balance** | **31 036** | **3 103 600** | **-** | **3 103 600** |
| Subscriptions for the year/period | 968 964 | 96 896 400 | - | 96 896 400 |
| Redemptions for the year/period | - | - | - | - |
| **Closing balance** | **1 000 000** | **100 000 000** | **-** | **100 000 000** |

**Legal reserve**

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of its annual net profit until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

| The movements on the "Legal reserve" caption during the year 2020 are as follows: | EUR |
|---|---|
| **Opening balance** | **3 104** |
| Additional reserve recognised | |
| **Closing balance** | **3 104** |

**Note 11 - Other provisions**

| **Name** | **Type** | Nominal value as at 31.12.2020 EUR | Nominal value as at 31.12.2019 EUR |
|---|---|---|---|
| Eerik Oja | Non-current contingent consideration liability | - | - |
| Eerik Oja | Current contingent consideration liability | 179 766 | 62 940 |
| **Total** | | **179 766** | **62 940** |

On 1 October 2017, the Company acquired an additional 2% interest in the shares of Mogo OU (Estonia), increasing its ownership interest to 100%. As part of the purchase agreement with the previous non-controlling interest holder of Mogo OU (Estonia), a contingent consideration has been agreed. There will be additional cash payments to the previous non-controlling interest holder of:

1) 2% of the net profit earned by Mogo OU for the years 2017 through 2019;

2) 1% of the net profit earned by Mogo OU for the year 2020.

3) During 2018 2% of the net profit earned in 2017 for total amount EUR 58 759 were paid out

4) During 2019 2% of the net profit earned in 2018 for total amount EUR 70 286 were paid out

On 16 January 2020, the Group acquired an additional 2% interest in the shares of Mogo LLC (Georgia), increasing its ownership interest to 100%. As part of the purchase agreement with the previous non-controlling interest holder of Mogo LLC (Georgia), a contingent consideration has been agreed. There will be additional cash payments to the previous non-controlling interest holder of:

1) 2% of the net profit earned by Mogo LLC for the years 2019 through 2021;

2) Aditional annual amounts of GEL 82 836 for the years 2019-2021.

**Note 12 - Debenture loans**

| Name | Maturity date | Interest rate | Borrowing/ (reimburse-ment) | Nominal value as at 31.12.2020 EUR | Nominal value as at 31.12.2019 EUR |
|---|---|---|---|---|---|
| *Becoming due and payable within one year* | | | | | |
| Accrued interest | | | 14 313 | 4 440 863 | 4 426 550 |
| *Becoming due and payble after more than one year* | | | | | |
| Bond holders | 10.07.2022 | 9,5% | 1 414 049 | 98 963 049 | 97 549 000 |

On 13 November 2019, Mogo Finance successfully placed a EUR 25 million tap issue of its 9.50% corporate bond 2018/2022 (XS1831877755) at 95% plus accrued interest. Listing of the bonds on the Frankfurt Stock Exchange's regulated market (General Standard) is based on the securities prospectus approved by the CSSF (Luxembourg supervisory authority).
The total amount outstanding of Mogo Finance's 9.50% corporate bonds 2018/2022 (XS1831877755) amounts to EUR 100 million. The bond will mature in July 2022.

Starting from 9 July 2018 Mogo Finance S.A. and its subsidiaries entered into several pledge agreements with Greenmarck Restructuring Solutions GmbH, establishing pledge over shares of the subsidiaries, pledge over present and future loan receivables of the subsidiaries, pledge over trademarks of the subsidiaries, general business pledge over the subsidiaries, pledge over primary bank accounts if feasible, in order to secure Mogo Finance S.A. obligations towards bondholders deriving from Mogo Finance S.A. bonds. Subsequently additional pledgors were added who became material (subsidiaries with net portfolio of more than EUR 7 500 000) according to terms and conditions of the bonds. As at 31 December 2020 the Company has pledged its shares in subsidiaries, all intercompany receivables as well as receivables from AK Family Treasury in favour of the bond liabilities.

On 9 July 2018 the Group as Issuer and its subsidiaries as Guarantors signed a guarantee agreement, as amended and restated on 13 November 2018, 31 January 2019, 31 May 2019, 11 November 2019, 15 November 2019, 31 January 2020, 23 June 2020, 29 September 2020 and 30 November 2020 according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Mogo Finance S.A. bonds the due and punctual payment of principal of, and interest on, and any other amounts payable under the Mogo Finance S.A. bonds prospectus.

**Note 13 - Amounts owed to affiliated undertakings**

| Name | Maturity date | Interest rate | Borrowing/ (reimbursement ) | Nominal value as at 31.12.2020 EUR | Nominal value as at 31.12.2019 EUR |
|---|---|---|---|---|---|
| *Becoming due and payable within one year* | | | | | |
| Mogo OU | 11.09.2021 | 12,75% | 8 199 401 | 11 149 401 | 2 950 000 |
| YC Group AS | 09.07.2021 | 3,00% | 1 950 000 | 1 950 000 | - |
| Mogo Balkans and Central Asia AS (previously HUB 2 AS) | 22.07.2020 | 11,25% | (919 000) | - | 919 000 |
| *Other payables to related parties* | | | (200 454) | 286 511 | 486 965 |
| | | | **9 029 947** | **13 385 912** | **4 355 965** |
| *Becoming due and payble after more than one year* | | | | | |
| Mogo AS | 27.04.2023 | 11,75% | (1 125 765) | 23 173 035 | 24 298 800 |
| Kredo Finance Shpk | 06.10.2025 | 12,63% | 320 000 | 320 000 | - |
| Tigo Finance Dooel Skopje | 06.10.2025 | 12,00% | 200 000 | 200 000 | - |
| Funderly Group AS | 24.11.2025 | 12,00% | 130 000 | 130 000 | - |
| | | | **(475 765)** | **23 823 035** | **24 298 800** |

During 2020 Mogo Finance S.A. enterred into loan agreements with its indirect subsidiaries YC Group AS (Latvia), Kredo Finance Shpk (Albania), Tigo Finance Dooel Skopje Finance Company (North Macedonia) and Funderly Group AS (Latvia).

**Note 14 - Other creditors**

| Name | Maturity date | Interest rate | Borrowing/ (reimburse-ment) | Nominal value as at 31.12.2020 EUR | Nominal value as at 31.12.2019 EUR |
|---|---|---|---|---|---|
| *Becoming due and payable within one year* | | | | | |
| Other payables | | | 36 155 | 125 355 | 89 200 |
| | | | **36 155** | **125 355** | **89 200** |
| *Becoming due and payble after more than one year* | | | | | |
| *Subordinated loans** | | | | | |
| *AK Family Treasury SIA* | 11.07.2022 | 3% | 2 716 762 | 7 493 556 | 4 776 794 |
| *Novo Holdings AS* | 11.07.2022 | 3% | 876 600 | 1 545 032 | 668 432 |
| *Avole Holdings AS* | 11.07.2022 | 3% | 876 597 | 1 544 998 | 668 401 |
| *KM Invest SIA* | 11.07.2022 | 3% | (500 208) | - | 500 208 |
| *ZS Invest Holdings AS* | 11.07.2022 | 3% | 1 374 657 | 1 542 881 | 168 224 |
| *Other creditors* | | | | | |
| Warrant - Bonriki Holdings Ltd | | | - | - | 1 |
| | | | **5 344 408** | **12 126 467** | **6 782 060** |

* During 2020 Mogo Finance has attracted 5 344 407 EUR in subordinated loans with the interest rate of 3% yearly and maturity at 11 July 2022.

**Note 15 - Other external expenses**

| | **2020 EUR** | **2019 EUR** |
|---|---|---|
| Brokerage fees | 2 123 547 | 1 737 625 |
| Professional services | 556 173 | 473 931 |
| Bank fees | 100 009 | 109 740 |
| Subsidiary acquisition expenses | 212 988 | 95 207 |
| Other administrative expenses | 12 289 | 2 805 |
| **Total** | **3 005 006** | **2 419 308** |

*Audit fees*

Fees paid by the Company in relation to the statutory audit of the consolidated financial statements as at 31 December 2020 as well as the statutory audit of the annual accounts as at 31 December 2020 amount to 106 900 EUR (96 900 EUR audit fees of KPMG Luxembourg and 10 000 EUR audit fees of KPMG Baltics).

Fees for permitted non-audit-services billed to the Company by KPMG Baltics during the year amount to 19 355 EUR relating to tax services.

Amounts are included in 'the Professional services' line.

**Note 16 - Staff costs and number of employees**

The Company has one administrative employee. All economic activities are performed by outsourced personnel authorized to represent the Company. Board and Council Members did not receive any renumeration for the financial year 2020 and no loans and commitments were granted to the Board and Council Members.

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Staff expenses | 5 500 | - |
| **Total** | **5 500** | **-** |

**Note 17 - Other operating expenses**

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Share warrant cash settlement expenses* | 2 546 355 | - |
| **Total** | **2 546 355** | **-** |

* - On 5 May 2015 Bonriki Holdings Limited (“Bonriki”) entered into a mezzanine facility agreement with the Company, as amended on 23 May 2016. In accordance with the Bonriki mezzanine facility agreement a facility in amount of EUR 12,000,000 was made available to the Company. The Bonriki mezzanine facility agreement provided for an interest rate of 12.5% and maturity date 31 August 2018. In addition, Bonriki was granted a warrant over the shares of the Company whereby Bonriki may acquire 2.5% shares of the Company by 21 June 2021. The amended and restated warrant agreement signed on 23 May 2016 stipulated that Bonriki has the right to exercise warrant within three year period after full repayment of the Mezzanine loan and other accrued amounts. The warrant agreement provided the opportunity for Bonriki to either purchase the shares or put it against the Company or certain Company's shareholders. During 2019 the respective Company's shareholders had provided documented intent to settle the cash with Bonriki in case it would exercise the put option against the Company. In 2020 with the uncertainties caused by Covid-19 pandemic it became clear that Bonriki would put the warrant back to the Company and the certain Company's shareholders would not be able to compensate the expenses due to impact of Covid-19. On 1 July 2020, Bonriki Holdings Limited served the Company with a Put Option Notice, whereby Bonriki used its right to sell to the Company half of the Warrant Shares owned by Bonriki equal to 1.25% of the Company’s share capital against payment of a purchase price equal to EUR 1,251,678.08, and on 1 October 2020, Bonriki served the Company with the second Put Option Notice, whereby Bonriki used its right to sell to the Company the remaining half of the Warrant Shares owned by Bonriki equal to 1.25% of the Company’s share capital against payment of a purchase price equal to EUR 1,294,674.66. Due to the factors described above which changed the circumstances of the transaction in 2020, the Company recognized the expenses in 2020. Following the sale of the Warrant Shares, the share pledge established in favour of Bonriki over the Company’s shares has been fully removed.

**Note 18 - Income from participating interests**

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Dividends income | 8 285 666 | 3 200 920 |
| Income from sale of shares of subsidiary | 9 957 440 | 280 400 |
| **Total** | **18 243 106** | **3 481 320** |

**Note 19 - Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings**

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Interest income on loans issued to related parties | 8 584 796 | 6 717 100 |
| **Total** | **8 584 796** | **6 717 100** |

**Note 20 - Other interest receivable and similar income**

| | 2020 EUR | 2019 EUR |
|---|---|---|
| Interest income on loans issued to non related parties | 1 189 746 | 909 995 |
| Income from transactions with bonds | 126 149 | 492 132 |
| Income from surplus investments | 93 561 | - |
| Realised forex gain from currency exposure | 7 579 | - |
| Unrealised forex gain from currency exposure | - | 337 |
| **Total** | **1 417 035** | **1 402 464** |

**Note 21 - Value adjustment in respect of financial assets and of investment held as current assets**

| | 2020 EUR | 2019 EUR |
|---|---|---|
| Value adjustment on loans issued to affiliated undertakings | 8 297 015 | - |
| Value adjustment on loans issued to non related parties | 43 619 | - |
| **Total** | **8 340 634** | **-** |

**Note 22 - Interest payable and similar expenses**

| | 2020 EUR | 2019 EUR |
|---|---|---|
| *Interest payable and similar expenses concerning affiliated undertakings* | | |
| Interest expenses on loans from related parties | 3 633 207 | 2 669 117 |
| **Total** | **3 633 207** | **2 669 117** |
| *Other interest and similar expenses* | | |
| Interest expenses on bonds | 9 159 303 | 7 233 613 |
| Interest expenses on loans from non related parties | 363 982 | 263 346 |
| Net gain/loss of foreign currency operations | 385 372 | - |
| **Total** | **9 908 657** | **7 496 959** |

**Note 23 - Taxation**

The Company is subject to the taxation pursuant to the Luxembroug law, being Corporate Income Tax, Social Tax, Net Wealth and Municipal Business tax payer.

**Note 24 - Related party disclosures**

Related parties are all shareholders of the Group. All shareholders have equal rights in making decisions proportional to their share value.
Receivables and payables incurred are not secured with any kind of pledge.
The management of the Company considers all transactions with related parties to be according to arm's length principal.
Please refer to to notes 4, 5, 6, 7, 13, 18, 19, 21 and 22 for more details on transactions with related parties.

**Note 25 - Share-based payments**

The Group may grant share options of Subsidiaries to its employees. Share options are generally awarded on the first day of employment. The share options vest within four years time with front loaded vesting of 25% of the granted shares after one year of employment. The maximum term of options granted is 4 years.

The fair value of share options granted is estimated at the date of the grant. The Company's management has assessed that the fair value of the respective share options, due to reasons described in Note 3 is not material. Accordingly, no expense and liability arising from these equity-settled share-based payment transactions is recognized.

The exercise price of the share options under typical circumstances is equal to the nominal price of the underlying shares. The contractual maximum term of the share options are till 2023. There are cash settlement alternatives. Given absence of an ongoing sale of subsidiaries or Mogo Finance S.A. or any listing process initiated and any other relevant cash settlement events, cash settlement is considered not to be probable. The Company does not have a past practice of cash settlement for these awards and does not have a present obligation to settle in cash.

The following table illustrates the number and weighted average exercise prices of General Employee share option plan involving shares of Company's direct and indirect subsidiaries:

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | Number | Weighted average exercise price, EUR | Number | Weighted average exercise price, EUR |
| **Outstanding at 1 January** | **63** | **0,1** | **47** | **0,1** |
| Granted during the year | 43 | 0,1 | 34 | 0,1 |
| Terminated during the year | -40 | - | -18 | - |
| **Outstanding at 31 December** | **66** | **0,1** | **63** | **0,1** |
| Exercisable at the end of the period | - | - | - | - |

There have been no forfeited or expired share options during the year.

The exercise price for options outstanding at the end of the year was 0.1 EUR (2019: 0.1 EUR). The weighted average remaining contractual life for the share options outstanding as at 31 December 2020 is 3 years (2019: 3).

The main purpose of both share option plans is to attract and retain highly experienced employees for extensive period of time and build strong management team.

Historically the Group also had a senior executive share option plan involving Company's shares, as at 1 January 2019 there were 4 share options granted as part of this plan 2 of which were exercised in 2019 and with 2 participants exiting the share option plan, as at 31 December 2019 there were no more outstanding share options. Company has no obligations regarding this concluded share option plan.

**Note 26 - Off-balance sheet items**

Off-balance sheet items comprise notional amounts payable or receivable from transactions with foreign exchange contracts and other derivative financial instruments.

The table below presents the revaluation amount of Company's forex derivative deals, using currency rate at the year end. The notional amounts are the gross amount of a derivative's underlying assets. The notional amounts indicate the volume of transactions outstanding at the year end.

| **Name** | **Maturity date** | **Fair-value assets 2020 (EUR)** | **Fair-value liabilities 2020 (EUR)** | **Notional amount 2020 (EUR)** | **Notional amount 2020 (USD)** |
|---|---|---|---|---|---|
| Foreign exhange contract - Forward USD/EUR* | 19.01.2021 | 137 298 | - | 4 211 945 | 5 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 19.01.2021 | 129 506 | - | 4 204 154 | 5 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 11.01.2021 | 126 382 | - | 3 386 100 | 4 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 04.01.2021 | 81 283 | - | 4 155 931 | 5 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 04.01.2021 | 75 074 | - | 4 149 722 | 5 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 04.01.2021 | 54 493 | - | 1 684 352 | 2 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 04.01.2021 | 50 813 | - | 1 680 672 | 2 000 000 |
| Foreign exhange contract - Forward USD/EUR* | 04.01.2021 | 49 261 | - | 1 679 120 | 2 000 000 |
| **Total** | | **704 110** | **-** | **25 151 996** | **30 000 000** |

**Note 27 - Guarantees**

The Company has issued guarantees to peer-to-peer lending platform Mintos in respect of the credit facilities of subsidiaries of the Company. The maximum amount the Company is exposed to is EUR 75 million.

**Note 28 - Subsequent events**

Since the last day of the reporting year several significant events took place:

1) The Company's subsidiary has completed the sale of its Macedonian subsidiaries Mogo DOOEL Skopje and Mogo Loans DOOEL Skopj . An approval from regulator has been received on 1 February 2021. Consideration received for the sale by the date of approval of these annual accounts was 400 001 EUR with further amounts payable in the future.

2) On March 1, 2021, through public offering AS “mogo” (Group company - Latvian operational entity) successfully issued secured 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, are issued at par, have a maturity of 3 years and carry 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. The public offering consisted of two parts – subscription by new investors and an exchange offer to existing bondholders, which has been comfortably oversubscribed with more than 840 investors participating in the offering.

Due to existing bondholders’ exchange to newly issued bonds, the LV0000801363 issue size was decreased to EUR 5,979,000 and LV0000880029
decreased to EUR 2,602,000 and both bond issues were repaid in full on maturity date – 31 March 2021.

Allocation results are as follows:

| Investors | Nominal amount (% of issue size) | Number of investors |
|---|---|---|
| Existing bondholders | 71% | 181 |
| New investors | 29% | 662 |
| TOTAL: | 100% | 843 |

Geographic breakdown:

| Country | Nominal amount (% of issue size) |
|---|---|
| Latvia | 73,4% |
| Estonia | 17,7% |
| Lithuania | 0,3% |
| Other | 8,6% |
| TOTAL: | 100,0% |

3) The Group has signed a sale agreement for its subsidiaries in Kazakhstan on 17 March 2021. Closing of the transaction is subject to the parties satisfying the conditions set out in the sales agreement. The transaction involves the disposal of 100% equity stake and repayment of Group loans by the end of Q1, 2022. Change of ownership has been completed on 5 May, 2021. It is anticipated that following the transfer of ownership TOO "Mogo Kazakhstan" will continue providing the same core services in Kazakhstan.

4) Until 30 April 2021 the Company has attracted funding of EUR 9,749,000 as borrowings.

5) Until 30 April 2021 the Company has issued loans to related parties EUR 18 806 500 and received loan repayments from related parties EUR 11 500 000.

6) On 19 March 2021 in order to hedge against the currency drop impact on the Group's assets, denominated in BYN, Group entity Mogo Belarus has obtained 4 420 000 BYN loan from the Belarus Bank Reshenie, holding a 12.9 % borrowing rate and maturing on 16 September, 2021. The loan has been pledged by 1.9 million USD cash deposit.

7) On 15 March 2021 a local regulatory approval was received for the change of shareholder with regards to the aquisition of TIGO FINANCE DOOEL Skopje, a North Macedonian entity acquired by the Group.

8) On 17 February 2021 a local regulatory approval was received for change of shareholder regrads to aquisition of KREDO FINANCE SH.P.K., an Albanian entity acquired by the Group.

9) The Citadele bank loan in Baltics provided to 3 of the Group's Baltic entities operating in each of the Baltic countries increased by 3,3 million EUR and prolonged maturity until 30 September 2021.

10) On 27 January 2021 Mogo Finance received board approval from bondholders to amend the terms and conditions of its EUR 2022 bonds (ISIN: 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).

As of the last day of the reporting year until the date of signing these annual accounts there have been no other events requiring adjustment of or disclosure in the annual accounts or Notes thereto.

Glessinger

Māris Kreics
Director type A

Delphine Glessinger
Director type B