MOGO FINANCE REPORTS UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

First tangible signs of success towards leaner and more profitable organization

OPERATIONAL AND STRATEGIC HIGHLIGHTS

● Performance in mogo markets recovered from initial pandemic shock; progress in focus on most profitable markets

● Issuances and debt collection back to pre-Covid-19 level – portfolio quality recovering

● Admin expenses unchanged y-o-y; adjusted for expansion of business - decreasing

● Integration of acquired consumer lending businesses well on track and contributing to successful results

● Launch of car portal in 13 markets supporting cross-selling potential of re-possessed car sales and car financing

● Increasing share of productive lending through business-linked loans to self-employed customers

FINANCIAL HIGHLIGHTS AND PROGRESS

● Interest and similar income up rapidly 16.3% to EUR 64.9 million (9M 2019: EUR 55.8 million)

● EBITDA sharply up 8.3% to highest level ever at EUR 24.7 million (9M 2019: EUR 22.8 million) reflecting leaner structure and cost base as well as focus on most profitable markets; Q3 biggest contributor to 9M EBITDA

● EBITDA adjusted for mezzanine EUR 1.3 million warrant repayment up 14.0% to EUR 26.0 million

● Net profit before FX decreased to EUR 2.5 million (9M 2019: EUR 4.5 million) due to net impairment losses on loans and receivables; adjusted for mezzanine warrant repayment - decreased to EUR 3.8 million

● Decrease in total equity by 5.9% to EUR 27.1 million (31 December 2019: EUR 28.8 million) attributable to net loss for the period caused by unrealized FX

● Eurobond covenants with good headroom – sufficient profitability despite Covid-19 related impairments

Modestas Sudnius, CEO of Mogo Finance, commented:
“Mogo Finance has successfully mastered the challenge of the Covid-pandemic during the nine-month period, as underlined by the results in Q3. We have made a smooth transition into the “new normal” by building a more effective, productive, and lean organizational structure and thus showing strong results. Historically highest EBITDA, Q3 contribution to which was the most significant, proves that our multi-channel fintech approach is winning and sustainable in long term. We have adapted Mogo Group's corporate strategy, including the optimized regional HUB structures and a reassessment of the cost base in all markets. By consistently focusing on the most profitable and highest-ROI developed markets, Mogo has also optimized its portfolio and left some markets in early stages of development. Cash surplus generated in months of low issuances has been selectively allocated to the business expansion – bold acquisition of developed consumer loan companies, thus contributing to and strengthening revenues of Mogo Finance. The consumer credit activities also contributed to the consolidation of operations and cost optimization of existing car loan financing. Our focus on Mogo Finance's portfolio and investments will continue to be on secured car financing as a technology-oriented, data-driven and innovative lender in disruptive development of both business areas.”

Maris Kreics, CFO of Mogo Finance:
“In an unprecedented situation, Mogo Finance, which was only founded in 2012, has proven sustainably itself with its secured loans and their importance for the customers, as the accumulation in free cash with strong customer repayments even at the peak of the pandemic reveals. We have also made a strategic allocation of capital by freeing up certain cash flows for possible selective Eurobond buybacks at a lower cost recognizing the recent disconnect between the secondary bond prices and Company’s fundamental performance. The bottom line is that our effective costs of funding are still well below 12%. We are in promising progress with investors regarding the refinancing of our local bonds issued by our Latvian subsidiary maturing in March 2021, through conversion into a new bond. The increased non-cash FX expenses due to the pandemic-related devaluations previously reflected corresponding income opportunities. By hedging our USD positions for the current year together with putting certain markets on hold, we expect a stabilization in the short term and are comfortable with the future outlook.”

CRO Julija Lebedinska-Litvinova added:
“It is encouraging to note that, despite the stricter underwriting guidelines we introduced in March, we continued to record strong demand for our products and thus increased emissions month after month. At the same time, since June we have observed a decline in the non-performing portfolio across all operating markets. Our strong successful focus on collection strategies results in steadily growing cash inflows. The flexible reactions of our support teams to the individual situation of our customers in this crisis are paying off in the truest sense of the word with the more regular repayments. In summary, Mogo Finance's proactive operational measures match the smarter approach that governments are now taking to tackle Covid and are contributing to us managing the situation more efficiently than in the first half of the year. Mogo Finance is still and will remain operationally flexible to take action critical to success in the ongoing Covid-environment.”

CONTACT:

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CONFERENCE CALL:

A conference call in English with the Group's management team to discuss these results is scheduled for 12 November 2020, at 15:00 CET.

Please register: http://emea.directeventreg.com/registration/6588847

ABOUT MOGO FINANCE:

Mogo Finance is one of the leading and fastest-growing used car secured financing companies on a global scale. In selective markets, the Company also utilizes consumer lending as a strategic capital allocation vehicle to leverage its performance and customer base. Recognizing the niche underserved by traditional lenders, Mogo Finance provides financial inclusion and disruptively changes the used car and consumer financing industry across 14 countries. Up to date the Company has issued over EUR 585 million secured loans and running a net loan and used car rent portfolio of over EUR 192 million. Mogo offers secured loans up to EUR 15,000 with a maximum tenor of 84 months making used car financing process convenient, both for its customers and partners. Wide geographical presence and diversified revenue streams grant Mogo with unique scale and pace unmatched by its rivals. Mogo Finance operates a multi-channel fintech approach through its own branch network, more than 2,000 partner locations and a strong online presence. Physical footprint enriched with excellent customer journey makes Mogo Finance top of mind brand in its industry. A state-of-the-art car portal supports cross-selling potential from re-possessed cars to leasing and vice versa. Established in 2012, with headquarters in Riga, Latvia, Mogo Finance operates in Baltics and Europe with a strong focus on GDP-dynamic countries in Central, Eastern and South-Eastern Europe. Operating regions also include the Near East, the Caucasus and Central Asia as well as Eastern Africa.
www.mogofinance.com

FINANCIAL REVIEW

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the nine month period ended 30 September 2020 and 30 September 2019.

(in EUR million)	9M 2019	9M 2020	% change
Interest and similar income	53.2	60.5	13.7%
Interest expense and similar expenses	(15.4)	(18.7)	21.4%
Net interest income	**37.8**	**41.8**	**10.6%**
Income from used car rent	2.6	4.4	69%
Impairment expense	(12.1)	(20.9)	72.7%
Operating expense	(23.6)	(23.7)	0.4%
Net foreign exchange result	0.6	(9.3)	-1650.0%
Profit before tax	**5.3**	**(7.7)**	**-245.3%**
Corporate income tax	(0.2)	0.9	-550.0%
Net profit for the period	**5.1**	**(6.8)**	**-233.3%**
Net profit for the period without FX and discontinued operations	**4.5**	**2.5**	**-44.4%**

Interest, similar income and income from car rental

(in EUR million)	9M 2019	9M 2020	% change
Interest and similar income	53.2	60.5	13.7%
Income from used car rent	2.6	4.4	69.2%
Average net loan and used car rent portfolio	162.4	190.8	17.5%
Average income yield on net loan and used car rent portfolio	45.8%	45.4%	-0.5 p.p.

Interest, similar income and income from used car rent for the period increased by 16.3% to EUR 64.9 million (9M 2019: EUR 55.8 million) reflecting the growth in the average net loan and used car rent portfolio by 17.5% to EUR 190.8 million (9M 2019: EUR 162.4 million).

Interest expense and similar expense

Interest expense and similar expense grew by 21.4% to EUR 18.7 million (9M 2019: EUR 15.4 million) related to the increase in total borrowings to EUR 225.3 million (30 September 2019: EUR 195.9 million).

Income from used car rent

The launch of the Mogo Finance Car Portal contributed to boosting income from used car rent that more than doubled to EUR 4.4 million (9M 2019: EUR 2.6 million). The total used car rental fleet in Latvia grew by 11.1% to EUR 14.0 million (30 September 2019: 12.6 EUR million).

Impairment expense for car finance portfolio

Net impairment losses on loans and receivables increased by 51.2% to EUR 18.3 million (9M 2019: 12.1 million). The NPL ratio (Net NPL / Total net portfolio) amounted 9% (conservative 35+DPD, Days past due) of the net portfolio (31 December 2019: 6%), the provision coverage ratio was 87% (31 December 2019: 78%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables consolidated as of 30 September 2020 amounted to EUR 2.6 million. The NPL ratio (Net NPL / Total net portfolio) amounted 9% (90+DPD, Days past due) of the net portfolio, the provision coverage ratio was 132% .

Operating expense

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

(in EUR million)	9M 2019	9M 2020	% change
Employees' salaries	13.1	13.0	-0.8%
Marketing expenses	2.7	1.8	-33.3%
Net income from sale of vehicles	(0.6)	-	-100.0%
Office and branch maintenance expenses	1.1	1.0	-9.1%
Professional services	1.6	1.4	-12.5%
Amortization and depreciation	2.7	4.2	55.6%
Other operating expenses	3.0	2.3	-23.3%
Total operating expense	**23.6**	**23.7**	**0.4%**

Total operating expenses at EUR 23.7 million remained unchanged (9M 2019: EUR 23.6 million), however if adjusted for business expansion there was even a decline.

Salaries at the level of the prior-year period comprised of 54.9% of total operating expenses (9M 2019: 55.5%).

Marketing efficiency increased further with effective costs per loan issued of EUR 12, accounting for 7.6% of total operating expenses (9M 2019: 11.4%).

Profit before tax

As a result of significant devaluations of local currencies, particularly in Georgia, Kazakhstan, Uzbekistan and Belarus, the Group recorded a currency loss of EUR 9.3 million in the 9-month period 2020. Consequently, the consolidated loss before taxes amounted to EUR 7.7 million (9M 2019: profit EUR 5.3 million).

Corporate income tax

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

(in EUR million)	9M 2019	9M 2020	% change
Corporate income tax	(0.9)	(0.9)	0.0%
Deferred tax	0.7	1.8	157.1%
Total corporate income tax	**(0.2)**	**0.9**	**-550.0%**

Profit for the period

Primarily due to the Covid-19 related impairment expenses and the currency devaluations, which are also largely related to the pandemic, the Group's loss for the period was EUR 6.8 million (9M 2019: profit EUR 5.1 million).

Non-IFRS figures – EBITDA

(in EUR million)	9M 2019	9M 2020	% change
Profit/ (loss) for the period	5.1	(6.8)	-233.3%
Provisions for taxes	0.2	(0.9)	-550.0%
Interest expense	15.4	18.7	21.4%
Depreciation and amortization	2.7	4.4	63.0%
Currency exchange loss	(0.6)	9.3	-1650.0%
EBITDA	**22.8**	**24.7**	**8.3%**
EBITDA adjusted for mezzanine warrant repayment	**22.8**	**26.0**	**14.0%**

Condensed consolidated balance sheet

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

Assets (in EUR million)	31 Dec. 2019	30 Sep. 2020
Intangible assets	7.6	14.0
Tangible assets	9.8	8.9
Loans and lease receivables and rental fleet	189.7	191.8
Deferred tax asset	1.7	3.1
Inventories	1.0	0.2
Non-current assets held for sale	3.9	1.7
Other receivables	12.7	13.6
Assets of subsidiary held for sale	-	8.6
Receivables as a result of sale of subsidiaries	16.1	11.2
Cash and cash equivalents	8.6	11.7
Total assets	**251.1**	**264.8**

Equity and liabilities (in EUR million)	31 Dec. 2019	30 Sep. 2020
Share capital and reserves	1.2	1.3
Foreign currency translation reserve	(0.8)	(1.2)
Retained earnings	21.1	14.0
Non-controlling interests	0.5	1.1
Subordinated debt	6.8	11.9
Total equity	**28.8**	**27.1**
Borrowings	214.4	225.3
Other liabilities	7.9	12.4
Total liabilities	**222.3**	**237.7**
Total equity and liabilities	**251.1**	**264.8**

Assets

Total assets of the Group increased by 5.5% to EUR 264.8 million (31 December 2019: EUR 251.1 million), reflecting an increase in the consumer loan portfolio which was mainly offset by a decline in net loan and used car rent portfolio and depreciation.

Tangible assets

Tangible assets decreased by 9.2% to EUR 8.9 million (31 December 2019: EUR 9.8 million) primarily due to reduced rights of use assets following the partial closure of the HQ office.

Net loan and used car rent portfolio

The net loan and used car rental portfolio increased by 1.1% to EUR 191.8 million (31 December 2019: EUR 189.7 million).

(in EUR million)	Net loan and used car rent portfolio			
	31 Dec. 2019	Total share (in %)	30 Sep. 2020	Total share (in %)
Developed countries*	155.0	81.7%	136.1	71.0%
Developing countries**	8.6	4.5%	15.0	7.8%
Consumer loan markets	-	0.0%	27.6	14.4%
Countries on hold***	26.1	13.8%	13.1	6.8%
Total net loan and used car rent portfolio	**189.7**	**100.0%**	**191.8**	**100.0%**

* Developed countries are Latvia (including used car rent portfolio), Lithuania, Estonia, Belarus, Romania, Moldova, Georgia and Armenia

** Developing countries are Uzbekistan, Kenya and Uganda

*** Countries on hold are Kazakhstan, Bosnia and Herzegovina, Poland, Albania, North Macedonia and Bulgaria

In line with the strategy going forward to align Mogo Finance to a leaner and cost base and structure, the management pursues a proactive portfolio optimization with a clear focus on the most profitable markets. Consequently, issuances in Albania, Bosnia and Herzegovina as well as Bulgaria and North Macedonia have been suspended since until the end of the first half year; the focus is on debt collection. As of the end of the third quarter, issuances in Kazakhstan were kept at a minimum level. The best developing countries still showed significant upside potential, with full-fledged operations in Uzbekistan, Kenya and Uganda maintained.

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

(in EUR million)	Net loan and used car rent portfolio			
	31 Dec. 2019	Total share (in %)	30 Sep. 2020	Total share (in %)
STAGE 1*	153.1	86.8%	119.9	79.8%
STAGE 2**	12.1	6.9%	17.0	11.3%
STAGE 3***	11.1	6.3%	13.3	8.9%
Total net loan portfolio	**176.3**	**100%**	**150.2**	**100%**
Used car rent	13.4	7.1%	14.0	8.5%
Total net loan and used car rent portfolio	**189.7**		**164.2**	
Net NPL ratio****	**6%**		**9%**	
Impairment coverage ratio*****	**78%**		**87%**	

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

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

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

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

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

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

NPLs in the net loan portfolio increased to 8.9% of the total net portfolio (31 December 2019: 6.3%), primarily driven by customer delays on payments as a result of Covid-19 curfew restrictions and moratoriums.

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

(in EUR million)	Net consumer loan portfolio			
	31 Dec. 2019	Total share (in %)	30 Sep. 2020	Total share (in %)
STAGE 1*	-	-	24.2	87.7%
STAGE 2**	-	-	0.9	3.3%
STAGE 3***	-	-	2.5	9.1%
Total net loan portfolio	-	**0%**	**27.6**	**100%**
Net NPL ratio******	**-**		**9%**	
Impairment coverage ratio*********	**-**		**132%**	

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

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

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

**** Net NPL (90+ days overdue) / Total net portfolio

***** Total impairment / Gross NPL (90+ days overdue)

Equity

Total equity decreased by 5.9% to EUR 27.1 million (31 December 2019: EUR 28.8 million). The capitalization ratio ended up at 15.2% (31 December 2019: 16.3%), providing headroom for Eurobond covenants.

Liabilities

Total liabilities increased by 6.9% to EUR 237.7 million (31 December 2019: EUR 222.3 million), primarily driven by the expansion of borrowings.

Loans and borrowings

The following table sets out loans and borrowings by type.

(in EUR million)	31 Dec. 2019	30 Sep. 2020
Liabilities for the rights to use assets	7.7	6.9
Loans from banks	16.3	12.4
Latvian Bonds	23.9	25.0
Eurobonds (excl. accrued interest)	96.8	96.6
Bonds acquisition costs and accrued interest	(0.6)	(1.1)
Financing received from P2P investors	70.2	61.7
Borrowings acquired as a result of acquisition of subsidiaries*	-	22.4
Loans from related and non-related parties	0.1	1.4
Total loans and borrowings	**214.4**	**225.3**

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

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

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

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

At the height of the Covid-19 pandemic, investor representatives and Mogo Finance agreed in April 2020 on a technical waiver to temporarily increase the headroom of the covenants in exchange for a liquidity undertaking. This was a purely precautionary measure; the original covenants of the Eurobond were complied with at all times.

* - change in borrowings due to acquisition of subsidiaries

(in EUR million)	At the moment of acquisition	Change	30 Sep. 2020
Liabilities for the rights to use assets	1.5	0.4	1.9
Financing received from P2P investors	27.9	(9.6)	18.3
Loans from other non-related parties	0.1	2.1	2.2
Total loans and borrowings	**29.5**	**(7.1)**	**22.4**

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

(in EUR million)	30 Sep. 2019	30 Sep. 2020
Profit before tax	**5.3**	**(7.9)**
Net cash flows to operating activities	**(26.5)**	**20.1**
Net cash flows to investing activities	**(25.0)**	**(7.0)**
Net cash flows from financing activities	**48.6**	**(10.0)**
Change in cash	**(2.9)**	**3.1**
Cash at the beginning of the year	6.5	8.6
Cash at the end of the year	**3.6**	**11.7**

Net cash inflow from operating activities amounted to EUR 20.4 million (9M 2019: cash outflow EUR 26.5 million) as a result of debt collection successfully returned to Covid-related pre-crisis levels. Furthermore consumer lending leveraged the positive operative cash flow. The Group's net cash flow from investing activities totalled EUR (7.3) million (9M 2019: EUR (25.0) million) with the purchase of a rental fleet - Latvian used car rental - being the main driver, as in the previous year.

Eurobond covenant ratios

Capitalization	31 Dec. 2019	30 Sep. 2020	Change (in % p.)
Equity/Net loan portfolio	16.3%	15.2%	-1.1

Profitability	31 Dec. 2019	30 Sep. 2020	Change (in %)
Interest coverage ratio (ICR)	1.6	1.5	-6%

(in EUR million)	Mintos loans			Net loan and used car rent portfolio			
	31 Dec. 2019	30 Sep. 2020	Change (in %)	31 Dec. 2019	Total share (in %)	30 Sep. 2020	Total share (in %)
Armenia*	7.5	6.2	-17%	18.4	9.7%	13.4	8.2%
Belarus*	3.4	9.3	174%	13.0	6.9%	16.0	9.7%
Estonia*	8.1	8.0	-1%	16.5	8.7%	13.4	8.2%
Georgia*	6.6	5.5	-17%	16.7	8.8%	12.1	7.4%
Kenya**	0.0	0.0	0%	2.5	1.3%	6.5	4.0%
Latvia*	14.3	11.0	-23%	35.4	18.7%	27.2	16.6%
Lithuania*	12.9	9.8	-24%	27.7	14.6%	26.8	16.3%
Moldova*	5.2	5.6	8%	13.2	7.0%	11.7	7.1%
Romania*	5.8	9.2	59%	14.1	7.4%	15.5	9.4%
Uganda**	0.0	0.0	0%	2.6	1.4%	4.2	2.6%
Uzbekistan**	0.0	0.0	0%	3.5	1.8%	4.3	2.6%
Countries on hold***	6.4	1.3	-80%	26.1	13.8%	13.1	8.0%
Total car lease and rent	**70.2**	**65.9**	**-6%**	**189.7**	**100%**	**164.2**	**100%**
Consumer loan markets	0.0	18.2	0%	0.0	0%	27.6	14.4%
Total	**70.2**	**84.1**		**189.7**		**191.8**	

* Developed countries are Latvia (including used car rent portfolio), Lithuania, Estonia, Georgia, Romania, Moldova, Belarus and Armenia

** Developing countries are Uzbekistan, Kenya and Uganda

*** Countries on hold are North Macedonia, Kazakhstan, Bosnia and Herzegovina, Poland, and Albania

RECENT DEVELOPMENTS

No Regulatory Changes

There are no regulatory changes taken place since 30 September 2020.

Events after the balance sheet date

On 5 October 2020, Mogo Finance S.A. successfully repurchased warrant on its shares from Accession Mezzanine Capital III L.P. investment funds in the amount of EUR 1.3 million thus fully closing investment cycle with them. The mezzanine finance was initially provided in 2015 with a principal of EUR 23.3 million.

Directors' Statement

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

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

Consolidated Statements of: Financial Position – Assets, Financial Position - Equity and liabilities, Income Statement and Statement of Cash Flow

Consolidated Statement of Financial Position – Assets

(in EUR million)	31 Dec. 2019	30 Sep. 2020
Goodwill	4.0	8.8
Internally generated intangible assets	3.6	5.0
Other intangible assets	-	0.2
Loans and lease receivables and rental fleet	189.7	191.8
Right-of-use assets	7.6	6.9
Property, plant and equipment	1.9	1.5
Leasehold improvements	0.3	0.5
Receivables as a result of sale of subsidiaries	16.1	11.2
Loans to related parties	6.9	7.3
Other financial assets	1.6	1.4
Deferred tax asset	1.7	3.1
Inventories	1.0	0.2
Prepaid expense	1.2	2.7
Trade receivables	0.3	0.5
CIT paid in advance	0.1	0.4
Other receivables	2.6	1.3
Assets of subsidiary held for sale	-	8.6
Assets held for sale	3.9	1.7
Cash and cash equivalents	8.6	11.7
TOTAL ASSETS	**251.1**	**264.8**

Consolidated Statement of Financial Position – Equity and liabilities

(in EUR million)	31 Dec. 2019	30 Sep. 2020
EQUITY		
Share capital	1.0	1.0
Retained earnings	21.1	14.0
Foreign currency translation reserve	(0.8)	(1.2)
Reserve	0.2	0.3
Total equity attributable to owners of the Company	**21.5**	**14.1**
Non-controlling interests	0.5	1.1
Subordinated debt	6.8	11.9
Total equity	**28.8**	**27.1**
LIABILITIES		
Borrowings	214.4	225.3
Provisions	1.1	0.9
Prepayments and other payments received from customers	0.3	0.3
Trade payables	1.3	1.3
Corporate income tax payable	-	0.8
Taxes payable	0.9	2.0
Other liabilities	1.5	0.8
Liabilities of subsidiary held for sale	-	3.4
Accrued liabilities	2.7	2.7
Other financial liabilities	0.1	0.2
Total liabilities	**222.3**	**237.7**
Total equity and liabilities	**251.1**	**264.8**

Consolidated Income Statement

(in EUR million)	9M 2019	9M 2020
Interest revenue calculated using the effective interest method	53.2	60.5
Interest expense calculated using the effective interest method	(15.4)	(18.7)
Net interest income	**37.8**	**41.8**
Fee and commission income	2.5	2.9
Revenue from rent	2.6	4.4
Total net revenue	**42.9**	**49.1**
Impairment expense	(12.1)	(20.9)
Expenses related to peer-to-peer platform services	(0.6)	(0.7)
Selling expense	(2.7)	(1.8)
Administrative expense	(24.1)	(23.6)
Other operating (expense) / income	1.3	(0.5)
Net foreign exchange result	0.6	(9.3)
Profit before tax	**5.3**	**(7.7)**
Corporate income tax	(0.9)	(0.9)
Deferred corporate income tax	0.7	1.8
Net profit for the period	**5.1**	**(6.8)**
Discontinued operations	-	(0.2)
Translation of financial information of foreign operations to presentation currency	(0.3)	(0.4)
Total comprehensive income for the period	**4.8**	**(7.4)**
Total comprehensive income for the period without FX	**4.5**	**2.3**

Consolidated statement of cash flow

(in EUR million)	30 Sep. 2019	30 Sep. 2020
Cash flows to/from operating activities		
Profit/(loss) before tax	5.3	(7.9)
Adjustments for:		
Amortisation and depreciation	2.7	4.4
Interest expense	15.4	18.7
Interest income	(53.2)	(60.5)
Loss on disposal of property, plant and equipment	1.5	0.6
Impairment expense	12.1	20.9
Negative goodwill	-	(1.1)
Loss from fluctuations of currency exchange rates	(0.3)	8.8
Operating profit before working capital changes	**(16.5)**	**(16.1)**
(Increase)/decrease in inventories	(3.5)	0.4
(Increase)/decrease in receivables	(43.6)	(3.2)
Increase/(decrease) in trade payable, taxes payable and other liabilities	1.2	(1.7)
Cash generated to/from operating activities	**(62.4)**	**(20.6)**
Interest received	53.3	60.2
Interest paid	(16.2)	(19.1)
Corporate income tax paid	(1.2)	(0.4)
Net cash flows to/from operating activities	**(26.5)**	**20.1**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(9.7)	(2.4)
Purchase of rental fleet	(13.8)	(6.8)
Loan repayments received	4.4	6.3
Investments in subsidiaries	-	(3.7)
Loans issued	(5.9)	(0.4)
Net cash flows to/from investing activities	**(25.0)**	**(7.0)**
Cash flows to/from financing activities		
Proceeds from issue of share capital	1.0	-
Proceeds from borrowings	214.8	162.4
Repayments for borrowings	(165.1)	(170.1)
Repayment of liabilities for right-of-use assets	(2.1)	(2.3)
Net cash flows to/from financing activities	**48.6**	**(10.0)**
Change in cash	**(2.9)**	**3.1**
Cash at the beginning of the year	6.5	8.6
Cash at the end of the year	**3.6**	**11.7**

LATVIAN OPERATIONS ONLY

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

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

(in EUR million)	9M 2019	9M 2020
Interest revenue calculated using the effective interest method	11.8	7.9
Interest expense calculated using the effective interest method	(4.1)	(3.5)
Net interest income	**7.7**	**4.4**
Fee and commission income	0.7	0.5
Revenue from rent	2.6	4.4
Total net revenue	**11.0**	**9.3**
Impairment expense	(2.6)	(1.5)
Expenses related to peer-to-peer platforms services	(0.1)	(0.1)
Selling expense	(0.3)	(0.1)
Administrative expense	(3.8)	(5.1)
Other operating (expense) / income	0.1	1.4
Profit before tax	**4.3**	**3.9**
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the period	**4.3**	**3.9**

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

(in EUR million)	31 Dec. 2019	30 Sep. 2020
ASSETS		
Loans and lease receivables and rental fleet	35.3	26.1
Loans to Mogo Finance S.A.	24.3	24.9
Property, plant and equipment	1.6	1.3
Receivables from group companies	-	0.5
Non-current assets held for sale	0.2	0.1
Other receivables	1.1	0.8
Cash and cash equivalents	0.4	1.2
TOTAL ASSETS	**62.9**	**54.9**

(in EUR million)	31 Dec. 2019	30 Sep. 2020
EQUITY		
Share capital	5.0	5.0
Other reserves	(4.8)	(4.7)
Retained earnings		
brought forward	2.9	7.7
for the period	4.9	3.9
TOTAL EQUITY	**8.0**	**11.9**
LIABILITIES		
Borrowings	48.4	38.1
Other provisions	4.8	3.4
Trade payables	0.1	0.2
Payables to related companies	0.2	0.7
Taxes payable	0.1	0.2
Accrued liabilities	1.3	0.4
TOTAL LIABILITIES	**54.9**	**43.0**
TOTAL EQUITY AND LIABILITIES	**62.9**	**54.9**

Consolidated statement of cash flow

(in EUR million)	30 Sep. 2019	30 Sep. 2020
Cash flows to/from operating activities		
Profit/(loss) before tax	4.3	3.9
Adjustments for:		
Amortisation and depreciation	1.0	1.8
Interest expense	3.7	3.2
Interest income	(10.7)	(7.4)
Loss on disposal of property, plant and equipment	0.8	1.4
Impairment expense	2.5	2.9
Financial guarantees	(0.1)	(1.3)
Bonds acquisition expenses decrease	0.3	0.2
Operating profit before working capital changes	**1.8**	**4.7**
(Increase)/decrease in inventories	(0.1)	0.1
(Increase)/decrease in receivables	10.5	4.5
Increase/(decrease) in trade payable, taxes payable and other liabilities	0.2	1.9
Cash generated to/from operating activities	**12.4**	**11.2**
Interest received	10.6	7.5
Interest paid	(3.6)	(3.2)
Corporate income tax paid	-	-
Net cash flows to/from operating activities	**19.4**	**15.5**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(0.6)	-
Purchase of rental fleet	(13.8)	(6.8)
Proceeds from sales of rental fleet	0.8	3.1
Loan repayments received from related parties	14.2	20.5
Loans issued	(25.0)	(21.0)
Net cash flows to/from investing activities	**(24.4)**	**(4.2)**
Cash flows to/from financing activities		
Proceeds from borrowings	40.6	22.2
Repayments for borrowings	(35.7)	(32.3)
Repayment of liabilities for right-of-use assets	(0.5)	(0.4)
Net cash flows to/from financing activities	**4.4**	**(10.5)**
Change in cash	**(0.6)**	**0.8**
Cash at the beginning of the year	0.7	0.4
Cash at the end of the year	**0.1**	**1.2**

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