

MOGO FINANCE REPORTS UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

Investments in growth pay off as profitability

OPERATIONAL AND STRATEGIC HIGHLIGHTS

- Group loans issued increased strongly by 30.3% equaling EUR 83.4 million (6M 2018: EUR 64.0 million), of which EUR 48.8 million in mature markets (6M 2018: EUR 48.3 million)
- Consolidated number of active customers up significantly by approx. 53.8% to over 100,000 (31 December 2018: approx. 65,000)
- Mid-tier countries Moldova and Romania, as well as Start-up country Belarus, have reached profitability (before FX) on a monthly basis
- Historic milestone reached in financial return: eight out of fifteen countries (31 December 2018: five out of thirteen) became profitable (before FX).

FINANCIAL HIGHLIGHTS AND PROGRESS

- Interest and similar income including income from rent up strongly by 33.8% to EUR 35.2 million (6M 2018: EUR 26.3 million)
- Rapid growth in net interest income of 31.4% to EUR 24.7 million (6M 2018: EUR 18.8 million)
- Significant increase in EBITDA by 66.7% to EUR 15.0 million (6M 2018: EUR 9.0 million)
- Net profit for the period improved notably by 76.2% to EUR 3.7 million (6M 2018: EUR 2.1 million)

Modestas Sudnius, CEO of Mogo Finance, commented:

“In the first six months of 2019, Mogo delivered what it promised to its investors and shareholders. We clearly showed that our investments in growth pay off as profitability with double-digit increases in all financial indicators, received a stable outlook Fitch rating of B- and brought even more markets into the profit zone. Worthy of particular mention are the significant improvements in operating result (EBITDA) and net profit. Mogo Finance is pleased to have reached another milestone. In 2Q 2019 alone, three additional markets became profitable on a monthly basis, which in the bottom line means that the majority of our countries now generates positive returns.

However, we are particularly proud of the fact that investments in portfolio and product growth not only pay off through operational excellence but also make it easier to control risk costs at the same time. Our stable NPL ratios benefit equally from economies of scale and economies of scope and can be further optimized through our comprehensive management procedures.

Mogo Group, with a further improvement in financial performance in the medium and long term, has promising prospects for the future development of the company.”

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CONFERENCE CALL:

A conference call in English with the Group's management team to discuss these results is scheduled for 16 August 2019, at 15:00 CEST.

Please register <http://emea.directeventreg.com/registration/7680644>

ABOUT MOGO FINANCE:

Mogo Finance is one of the largest and fastest-growing secured used car financing companies in Europe. Recognizing the niche in used car financing underserved by traditional lenders, Mogo Finance has expanded its operations to 15 countries issuing over EUR 405 million up to date and running a net loan portfolio over EUR 160 million. Mogo offers secured loans up to EUR 15,000 with maximum tenor of 84 months making used car financing process convenient, both for its customers and partners. Wide geographical presence makes Mogo unique over its rivals and diversifies revenue streams.

Mogo Finance operates through its own branch network, more than 1,500 partner locations and strong online presence. Physical footprint makes Mogo Finance top of mind brand in used car financing. Established in 2012, headquartered in Riga, Latvia Mogo Finance operates in: Latvia, Estonia, Lithuania, Georgia, Poland, Romania, Bulgaria, Moldova, Albania, Belarus, Armenia, Ukraine, Uzbekistan, Kazakhstan and North Macedonia.

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FINANCIAL REVIEW

Income Statement

The table below sets out the condensed consolidated statement of profit and loss for the six months ended 30 June 2019 and 30 June 2018.

(in EUR million)	6M 2018	6M 2019	% change
Interest and similar income	26.3	33.9	28.9
Interest expense and similar expenses	(7.5)	(9.2)	22.7
Net interest income	18.8	24.7	31.4
Income from rent	-	1.3	100.0
Impairment expense	(9.2)	(7.3)	(20.7)
Operating expense	(7.6)	(15.4)	102.6
Profit before tax	2.0	3.3	65.0
Total corporate income tax	0.1	0.4	200.0
Net profit for the period	2.1	3.7	76.2

Interest and similar income

(in EUR million or %)	6M 2018	6M 2019	% change
Interest and similar income	26.3	33.9	28.9
Interest and similar income (mature countries)	22.6	25.7	13.7
Average net portfolio	118.6	150.6	27.0
Average income yield on net portfolio	44.4	45.0	0.7 pp.

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

Interest and similar income for the period was EUR 33.9 million, a 28.9% increase compared to EUR 26.3 million for the six months ended 30 June 2018 reflecting the growth in the average net loan portfolio by 27.0% from EUR 118.6 million to EUR 150.6 million and an increase in income yield from 44.4% to 45.0%.

Interest expense and similar expense

Interest expense for the period was EUR 9.2 million, an increase of 22.7% compared to EUR 7.5 million for the six months ended 30 June 2018. This increase was mainly due to the increase in total borrowings to EUR 184.8 million (6M 2018: EUR 150.4 million).

Income from rent

Income from rent for the period was EUR 1.3 million (6M 2018: Nil).

Impairment expense

Net impairment losses on loans and receivables for the period was EUR 7.3 million, a strong decrease of 20.7%. (6M 2018: 9.2 million). The NPL ratio (Gross NPL / Total gross portfolio) was stable at 15% (35+DPD, Days past due) of the gross portfolio (6M 2018: 15%) with a provision coverage ratio of 83% (6M 2018: 85%).

Operating expense

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

(in EUR million)	6M 2018	6M 2019	% change
Employees' salaries	4.0	8.2	105.0
Marketing expenses	1.2	1.8	50.0
Office and branch maintenance expenses	0.8	0.7	(12.5)
Professional services	0.5	1.1	120.0
Amortization and depreciation	0.4	1.6	300.0
Currency exchange (gain)/loss	(0.9)	0.9	(200.0)
Other operating expenses	1.6	1.1	(31.6)
Total operating expense	7.6	15.4	102.6

Total operating expenses reported for the period were EUR 15.4 million, a 102.6% increase compared to EUR 7.6 million reported for the six months ended 30 June 2018.

Employees' salaries remain stable with comprised 53.2% of total operating expenses compared to 52.6% reported for the six months ended 30 June 2018, thanks to successfully completed investments in HUBs and expansion activities.

Marketing efficiency remains high with effective cost per loan issued being EUR 20. For the first six months of 2019 and 2018, marketing expense accounted for 11.7% and 15.8% of total operating expense, respectively.

Profit before tax

The consolidated profit before tax for the period was EUR 3.3 million, compared to EUR 2.0 million for the six months ended 30 June 2018, representing a significant increase of 65.0%.

Corporate income tax

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

(in EUR million)	6M 2018	6M 2019	% change
Corporate income tax	(0.4)	(0.2)	(50.0)
Deferred tax	0.5	0.6	20.0
Total corporate income tax	0.1	0.4	300.0

Profit for the period

For the reasons stated above, the Group's profit for the period was EUR 3.7 million, up 76.2% compared to EUR 2.1 million for the six months ended 30 June 2018. FX adjusted profit nearly tripled by EUR 3.4 million to EUR 4.6 million (6M 2018: EUR 1.2 million).

Non-IFRS figures – EBITDA

(in EUR million)	6M 2018	6M 2019	% change
Profit for the period	2.1	3.7	76.2
Provisions for taxes	(0.1)	(0.4)	300

Interest expense	7.5	9.2	22.7
Currency exchange (gain)/loss	(0.9)	0.9	(200.0)
Depreciation and amortization	0.4	1.6	300.0
EBITDA reported	9.0	15.0	66.7

Balance sheet

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

Assets (in EUR million)	31 Dec. 2018	30 June 2019
Intangible assets	3.7	5.2
Tangible assets	6.1	15.7
Finance lease receivables	134.6	152.3
Loans and advances to customers	5.3	8.9
Deferred tax asset	0.6	1.2
Inventories	1.7	5.0
Non-current assets held for sale	2.6	1.9
Other receivables	13.2	19.0
Cash and cash equivalents	6.5	5.3
Total assets	174.3	214.5
Equity and liabilities (in EUR million)	31 Dec. 2018	30 June 2019
Share capital and reserves	0.1	0.1
Foreign currency translation reserve	(0.4)	(1.0)
Retained earnings	15.1	18.7
Non-controlling interests	0.5	0.6
Subordinated debt	2.5	2.7
Total equity	17.8	21.1
Borrowings	150.4	184.8
Other liabilities	6.1	8.6
Total liabilities	156.5	193.4
Total equity and liabilities	174.3	214.5

Assets

The Group had total assets of EUR 214.5 million as of 30 June 2019 a 23.1% increase compared to EUR 174.3 million as of 31 December 2018. The increase in assets reflects mainly the net loan and rent portfolio growth.

Tangible assets

Tangible assets increased by 9.6 EUR million to 15.7 EUR million as of 30 June 2019 compared to 6.1 EUR million as of 31 December 2018. The increase in tangible assets was mainly due to growth in long-term used car rent product in Latvia (EUR 9.0 million) and implementation of IFRS 16 (Leases) and CAPEX (EUR 0.6 million combined).

Loan and rent portfolio

As of 30 June 2019, the Group's net loan and rent portfolio equaled EUR 171.6 million, compared to EUR 141.3 million as of 31 December 2018, representing an increase of EUR 30.3 million (21.4%).

(in EUR million)

Net loan and rent portfolio				
	31 Dec. 2018	Total share (in %)	30 June 2019	Total share (in %)
Mature countries*	108.3	77.4	105.6	65.5
Mid-tier countries**	28.7	20.5	38.6	23.9
Start-up countries***	2.9	2.1	17.0	10.5
Total net loan portfolio	139.9	100.0	161.2	100.0
Rent portfolio****	1.4	-	10.4	-
Total net loan and rent portfolio	141.3	100.0	171.6	100.0

* Mature countries are Latvia, Lithuania, Estonia as well as Georgia and Armenia

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

*** Start-up countries are Albania, Belarus, Ukraine, Macedonia, Kazakhstan and Uzbekistan

**** Long term used-car rent portfolio in Latvia

The loan portfolio of mid-tier and startup countries was EUR 38.6 and 17.0 million respectively, an increase of EUR 9.9 million and EUR 14.1 million, compared to 31 December 2018.

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

(in EUR million)				
Net loan portfolio				
	31 Dec. 2018	Total share (in %)	30 June 2019	Total share (in %)
STAGE 1*	119.5	85.4	140.5	87.2
STAGE 2**	11.8	8.4	11.9	7.4
STAGE 3***	8.6	6.1	8.8	5.5
Total net portfolio	139.9	100.0	161.2	100.0
Gross NPL ratio****	15%		15%	
Impairment coverage ratio*****	85%		83%	

* Allowances are recognized based on 12mECLs by first recognition of loans/leases. Leases current or with up to 30 DPD are considered as Stage 1 for mature countries (Latvia, Lithuania, Estonia, Armenia and Georgia). For other countries, 25 DPD is used. Loans up to 30 DPD are considered Stage 1. A healing period of 1 month is applied before an exposure previously classified as Stage 2 can be transferred to Stage 1 and such an exposure must meet the general Stage 1 DPD criteria above. Exposures are classified out of Stage 1 if they no longer meet the criteria above.

** Allowances are recorded for LTECLs by loans/leases showing a significant increase in credit risk since origination. Leases with 31-60 DPD (or 26-30 DPD for immature countries) are considered to be Stage 2 loans. Loans with 30 to 75 DPD are considered Stage 2. Exposures remain in Stage 2 for a healing period of 1 month, even if they otherwise would meet Stage 1 criteria above during this period.

*** Leases and loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Finance lease agreements are considered defaulted and therefore Stage 3 with 60 DPD on contractual payments or terminated lease agreement. For immature a 35 DPD backstop is applied. Loans with 75 DPD are considered defaulted and therefore Stage 3. Exposures remain in Stage 3 for a healing period of 2 months for mature countries. For immature countries, a 1-month healing period is applied to transfer the lease/ loan to Stage 2 due to the lower threshold of DPDs used initially to transfer such exposures in Stage 2.

**** Gross NPL (35+ days overdue) / Total gross portfolio

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

The NPLs in the net loan portfolio have been stable at around EUR 8.8 million or 15% from the total gross loan portfolio. At both country and product level, the expansion of the portfolio by economies of scale as well as economies of scope compensates for effects on the NPL ratio, which can be further optimized through comprehensive management procedures.

Equity

Total equity amounted to EUR 21.1 million, a significant increase of EUR 3.3 million (18.5%) compared to 31 December 2018, due to profits generated by the Group for the period.

The capitalization ratio as of 30 June 2019 increased to 13.1% (31 December 2018: 12.7%), providing good headroom for Eurobond covenants.

Liabilities

The Group had total liabilities of EUR 193.4 million as of 30 June 2019, compared to EUR 156.5 million as of 31 December 2018, representing an increase of EUR 36.9 million (23.6%), primarily driven by the increase in loans and borrowings.

Loans and borrowings

The following table sets out loans and borrowings by type.

(in EUR million)	31 Dec. 2018	30 June 2019
Liabilities for the rights to use assets	2.4	2.6
Loans from banks	8.3	9.8
Latvian Bonds	23.6	26.2
Eurobonds (excl. accrued interest)	68.0	71.6
Bonds acquisition costs and accrued interest	(0.7)	0.1
Financing received from P2P investors	48.7	73.7
Loans from related and non-related parties	0.1	0.8
Total loans and borrowings	150.4	184.8

Loans from banks comprise loans received by Mogo Armenia from a local bank. The loans are denominated in local currency, thus fully eliminating forex risk for the Group, with an interest rate of 12.0% and maturing on November 2020. Loan received by Mogo Georgia in the amount of EUR 1 million with an interest rate of 7.8% is maturing on March 2021.

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

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

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

On 11 July 2018, Mogo Finance successfully issued a 4-year corporate bond (XS1831877755), listed on the Open Market of the Frankfurt Stock Exchange, oversubscribed for EUR 50 million at par with an annual interest rate of 9.5%, followed on 16 November 2018 by a EUR 25 million tap at par. After the tap issue, the total amount outstanding of Mogo Finance's 9.50% corporate bonds 2018/2022 (XS1831877755) amounts to EUR 75 million. On 30 November 2018, the corporate bond 2018/2022 (XS1831877755) was uplisted to the regulated market (General Standard) of the Frankfurt Stock Exchange. The bond will mature in July 2022.

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

(in EUR million)	6M 2018	6M 2019
Cash flows to/from operating activities		
Profit before tax	2.0	3.3
Adjustments for:		
Amortization and depreciation	0.4	1.6
Interest expense	6.6	9.5
Loss/(gain) on disposal of property, plant and equipment	-	0.4
Interest income	(0.1)	(0.3)
Impairment expense	9.2	7.3
(Gain)/loss from fluctuations of currency exchange rates	(0.2)	0.3
Decrease/(Increase) in accrued liabilities	0.2	(0.5)
Operating profit before working capital changes	18.1	21.6
Increase in inventories	(0.3)	(3.3)
Increase/(Decrease) in payables	(1.0)	3.1
Operating cash flow before movements in portfolio	16.8	21.4
Increase in receivables and operational assets	(33.2)	(29.3)
Rental fleet increase	-	(10.2)
Cash generated to/from operating activities	(16.4)	(18.1)
Corporate income tax paid	(1.0)	(0.6)
Net cash flows to/from operating activities	(17.4)	(18.7)
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(1.9)	(3.4)
Loan repayments received	0.1	1.1
Loans issued	(3.9)	(4.7)
Interest received	0.1	0.2
Investment in subsidiaries	-	(0.1)
Net cash flows to/from investing activities	(5.6)	(6.9)
Cash flows to/from financing activities		
Change in borrowings from Mintos P2P platform	24.4	24.9
Change in other borrowings	3.6	9.0
Payments for borrowings acquisition costs	(0.4)	(0.6)
Interest paid	(6.9)	(8.9)
Net cash flows to/from financing activities	20.7	24.4
Change in cash	(2.3)	(1.2)
Cash at the beginning of the year	5.2	6.5
Cash at the end of the period	2.9	5.3

The Group's operating cash flow before movements in the portfolio was EUR 21.4 million compared to EUR 17.9 million in the same period last year. Net cash flows generated by operating activities during the period were EUR (18.7) million compared to EUR (17.4) million in the same period last year. The Group's net cash flows from financing activities of EUR 24.4 million increased by EUR 3.7 million compared to EUR 20.7 million during the same period of the previous year.

Eurobond covenant ratios

Capitalization	31 Dec. 2018	30 June 2019	Change (in % p.)
Equity/Net finance loans and advances to customers	12.7%	13.1%	0.4

Profitability	30 June 2018	30 June 2019	Change (in %)
Interest coverage ratio (ICR)	1.49	1.96	31.4

(in EUR million)

	Mintos loans			Net loan portfolio			
	31 Dec. 2018	30 June 2019	Change (in %)	31 Dec. 2018	Total share (in %)	30 June 2019	Total share (in %)
Armenia	-	4.5	-	10.4	7.4	15.7	9.7
Bulgaria**	4.8	6.7	39.6	9.1	6.5	11.5	7.1
Estonia*	9.4	11.1	18.1	18.9	13.5	18.6	11.5
Georgia*	4.7	8.3	76.6	18.1	12.9	14.5	9.0
Latvia*	13.7	17.9	30.7	36.2	25.9	30.1	18.7
Lithuania*	9.8	14.7	50.0	24.7	17.7	26.7	16.6
Moldova**	1.6	4.2	162.5	6.0	4.3	11.3	7.0
Poland**	1.7	1.2	(29.4)	5.3	3.8	4.0	2.5
Romania**	3.3	5.3	60.6	8.3	5.9	11.8	7.3
Start-up countries***	-	-	-	3.0	2.1	17.0	10.6
Total	49.0	73.9	408.6	139.9	100.0	161.2	100.0

* Mature countries are Latvia, Lithuania, Estonia as well as Georgia and Armenia

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

*** Start-up countries are Albania, Belarus, Ukraine, Kazakhstan, Macedonia and Uzbekistan

RECENT DEVELOPMENTS

Acquisitions and disposals

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

Regulatory Changes

There are no regulatory changes taken place since 30 June 2019.

Events after the balance sheet date

According to the terms and conditions of the 4-year corporate bond (XS1831877755), immediately with the publication of the Consolidated Annual Report 2018 on 21 May 2019, Mogo Finance started the rating process with Fitch Ratings (Fitch).

On 23 July 2019, Mogo Finance received as an indicator of a high return potential with corresponding risk value a B- (Stable Outlook) Long-Term Issuer Default Rating (IDR) and a Senior Secured Debt Rating assigned B- for its 9.50% corporate bond 2018/2022 (XS1831877755) from Fitch. The rating reflects the effective structural subordination to outstanding debt at operating entities as well as the sound profitability, a track record in placing public bonds and adequate experience of the management team. Fitch also values Mogo's position in the competitive niche of financing used cars economy. As Mogo operates in the volatile environment of smaller countries in eastern Europe and central Asia, the Group at the same time benefits from economies of scale and diversification through its presence across 15 countries, while its competitors focus on single countries or a small number of countries. Finally, the rating recognized the client base structure of median earners in Mogo's countries of operations and the country-based FX positions. While Mogo in recent years grew faster than its internal capital generation, Fitch expects the portfolio growth-related operational break-even in various countries and sound profitability to support the capital base.

Directors' Statement

The consolidated half-yearly 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 half-yearly 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 FINANCIAL STATEMENTS

Consolidated Statement of Financial Position – Non-current Assets

(in EUR million)	31 Dec. 2018	30 June 2019
NON-CURRENT ASSETS		
Tangible assets		
Property, plant and equipment and rental fleet	4.8	14.3
Leasehold improvements	0.3	0.5
Advance payments for assets	1.0	0.9
Total tangible assets	6.1	15.7
Intangible assets		
Goodwill	1.7	2.3
Intangible assets	2.0	2.9
Total intangible assets	3.7	5.2
Total tangible and intangible assets	9.8	20.9
Non-current financial assets		
Finance lease receivables	88.2	104.2
Loans and advances to customers	2.2	2.6
Loans to related companies	5.3	8.7
Assets held for sale	2.6	1.9
Total non-current financial assets	98.3	117.4
TOTAL NON-CURRENT ASSETS	108.1	138.3

Consolidated Statement of Financial Position – Current Assets

(in EUR million)	31 Dec. 2018	30 June 2019
CURRENT ASSETS		
Inventories		
Acquired vehicles for purpose of selling them to customers	1.7	5.0
Total Inventories	1.7	5.0
Receivables		
Finance lease receivables	46.4	48.1
Loans and advances to customers	3.1	6.3
Receivables from related companies	0.8	0.5
Other receivables	6.3	8.5
Prepaid expense	0.8	1.3
Deferred tax assets	0.6	1.2
Total receivables	58.0	65.9
Cash and cash equivalents	6.5	5.3
TOTAL CURRENT ASSETS	66.2	76.2
TOTAL ASSETS	174.3	214.5

Consolidated Statement of Financial Position – Equity

(in EUR million)	31 Dec. 2018	30 June 2019
EQUITY		
Share capital		
Retained Earnings:		
brought forward	10.7	15.1
for the period	4.4	3.6
Foreign currency translation reserve	(0.4)	(1.0)
Reserve	0.1	0.1
Total equity attributable to owners of the Company	14.8	17.8
Non-controlling interest	0.5	0.6
Subordinated debt	2.5	2.7
TOTAL EQUITY	17.8	21.1

Consolidated Statement of Financial Position – Liabilities

(in EUR million)	31 Dec. 2018	30 June 2019
LIABILITIES		
Non-current liabilities		
Borrowings:		
Bonds	90.9	97.9
Loans from banks	8.2	9.7
Loans from related parties	-	0.2
Financing received from P2P investors	33.6	36.8
P2P financing acquisition costs	(0.3)	(0.3)
Liabilities for the rights to use assets	2.4	2.6
Other financial liabilities	0.1	-
Total non-current liabilities	134.9	146.9
Current liabilities		
Borrowings:		
Short-term loan from non-related parties	-	0.6
Financing received from P2P investors	15.4	37.1
P2P financing acquisition costs	(0.3)	(0.3)
Accrued interest for loans from banks	0.1	0.1
Accrued interest for loans from non-related parties	0.1	0.0
Accrued interest for financing received from P2P investors	0.3	0.4
Prepayments received from customers	0.1	0.1
Trade payables	1.1	1.3
Other liabilities	0.2	3.3
Accrued liabilities	1.8	2.2
Other provisions	1.5	0.9
Other financial liabilities	0.1	0.1
Corporate income tax liabilities	0.6	0.2
Tax liabilities	0.6	0.5
Total current liabilities	21.6	46.5
TOTAL LIABILITIES	156.5	193.4
TOTAL EQUITY AND LIABILITIES	174.3	214.5

Consolidated Income Statement

(in EUR million)	6M 2018	6M 2019
Interest and similar income	26.3	33.9
Interest expense and similar expenses	(7.5)	(9.2)
Net interest income	18.8	24.7
Income from rent	-	1.3
Impairment expense	(7.6)	(4.9)
Loss arising from cession of financial lease receivables	(1.6)	(2.4)
Selling expense	(1.2)	(1.8)
Administrative expense	(7.5)	(15.0)
Other operating income	1.9	10.3
Other operating expense	(1.7)	(8.0)
Other interest income and similar income	0.9	-
Other interest expense and similar expense	-	(0.9)
Profit before tax	2.0	3.3
Corporate income tax	(0.4)	(0.2)
Deferred corporate income tax	0.5	0.6
Net profit for the period	2.1	3.7
Translation of financial information of foreign operations to presentation currency	0.7	(0.6)
Total comprehensive income for the period	2.8	3.1

Consolidated Cash Flow Statement

(in EUR million)	6M 2018	6M 2019
Cash flows to/from operating activities		
Profit before tax	2.0	3.3
Adjustments for:		
Amortization and depreciation	0.4	1.6
(Gain)/loss from fluctuations of currency exchange rates	(0.2)	0.3
Impairment expense	9.2	7.3
Loss/(gain) on disposal of property, plant and equipment	-	0.4
Interest expense	(0.1)	(0.3)
Interest income	6.6	9.5
Decrease/(Increase) in accrued liabilities	0.2	(0.5)
Operating profit before working capital changes	18.1	21.6
Increase in inventories	(0.3)	(3.3)
Increase in receivables	(33.2)	(29.3)
(Decrease)/Increase in payables	(1.0)	3.1
Rental fleet increase	-	(10.2)
Cash generated to/from operating activities	(16.4)	(18.1)
Corporate income tax paid	(1.0)	(0.6)
Net cash flows to/from operating activities	(17.4)	(18.7)
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(1.9)	(3.4)
Loan repayments received	0.1	1.1
Investment in subsidiaries	-	(0.1)
Loans issued	(3.9)	(4.7)
Interest received	0.1	0.2
Net cash flows to/from investing activities	(5.6)	(6.9)
Cash flows to/from financing activities		
Proceeds from borrowings	28.0	33.9
Payments for borrowings acquisition costs	(0.4)	(0.6)
Interest paid	(6.9)	(8.9)
Net cash flows to/from financing activities	20.7	24.4
Change in cash	(2.3)	(1.2)
Cash at the beginning of the year	5.2	6.5
Cash at the end of the period	2.9	5.3

LATVIAN OPERATIONS ONLY - INTERIM CONDENSED FINANCIAL INFORMATION AS "MOGO" (SINGLE ENTITY)

Statement of Profit or Loss and Other Comprehensive Income

(in EUR million)	6M 2018	6M 2019
Interest and similar income	8.2	7.5
Interest expense and similar expenses	(1.6)	(1.6)
Net interest income	6.6	5.9
Income from rent	-	1.3
Impairment expense	(2.0)	(0.6)
Loss arising from cession of financial lease receivables	(0.4)	(1.3)
Selling expense	(0.5)	(0.2)
Administrative expense	(3.2)	(2.1)
Other operating income	-	0.1
Other interest income and similar income	-	-
Profit before tax	0.5	3.1
Corporate income tax	-	-
Deferred corporate income tax	-	-
Total comprehensive profit for the period	0.5	3.1

Statement of Financial Position – Assets

(in EUR million)	31 Dec. 2018	30 June 2019
NON-CURRENT ASSETS		
Tangible assets		
Property, plant and equipment and rental fleet	1.7	10.6
Total tangible assets	1.7	10.6
Non-current financial assets		
Finance lease receivables	24.9	22.1
Loans and advances to customers	1.3	1.1
Loans to parent company	11.1	16.0
Total non-current financial assets	37.3	39.2
TOTAL NON-CURRENT ASSETS	39.0	49.8
CURRENT ASSETS		
Inventories		
Acquired vehicles for purpose of selling them to customers	-	0.6
Total Inventories	-	0.6
Receivables		
Finance lease receivables	8.6	6.1
Loans and advances to customers	1.4	0.9
Receivables from group companies	2.4	0.7
Non-current assets held for sale	0.1	0.1
Other receivables	0.2	0.1
Prepaid expense	0.2	0.2
Total receivables	12.9	8.1
Cash and cash equivalents	0.7	0.8
TOTAL CURRENT ASSETS	13.6	9.5
TOTAL ASSETS	52.6	59.3

Statement of Financial Position – Equity and Liabilities

(in EUR million)	31 Dec. 2018	30 June 2019
EQUITY		
Share capital	5.0	5.0
Other reserves	(1.1)	(0.5)
Retained Earnings:		
brought forward	0.1	2.9
for the period	2.8	3.1
TOTAL EQUITY	6.8	10.5
LIABILITIES		
Non-current liabilities		
Borrowings	27.8	38.5
Total non-current liabilities	27.8	38.5
Current liabilities		
Borrowings	15.7	9.1
Prepayments received from customers	0.1	-
Trade payables	0.1	0.1
Payables to related companies	-	0.2
Corporate income tax payable	0.1	-
Accrued liabilities	0.6	0.2
Other provisions	1.4	0.7
Total current liabilities	18.0	10.3
TOTAL LIABILITIES	45.8	48.8
TOTAL EQUITY AND LIABILITIES	52.6	59.3

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