Earnings Call Presentation
FY 2020

mogo FINANCE

February 2021

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Presenters

Modestas Sudnius
Chief Executive Officer

Maris Kreics
Chief Financial Officer

Julia Lebedinska-Litvinova
Chief Risk Officer

- Modestas has been at Mogo Finance since 2013
- He started as country manager for Lithuania, where he established successful operations and subsequently in January 2018 was promoted to regional CEO for core markets of Mogo Finance in Latvia, Lithuania, Estonia, Georgia and Armenia
- In November 2018, he joined the Mogo Finance management team as CEO
- Prior to Mogo Finance, Modestas worked at international organizations, such as EY and EPS LT, UAB
- Modestas is a graduate of the Management program from ISM University of Management and Economics and also holds a Master's degree from the Stockholm School of Economics

- Maris has been at Mogo Finance since 2015
- Before joining Mogo Finance he spent two years in a corporate finance role working for the largest telecommunications service company in Latvia – Tet (prev. Lattelecom). Before that, he spent seven years at PwC with two of them in New York, working exclusively on one of the largest S&P 500 Tech company's lead audit team, which was responsible for managing other audit teams globally
- Maris holds a Master's degree in Finance from BA School of Business and Finance
- Maris is a CFA Charterholder and a member of ACCA since 2011 (Fellow since 2016)

- Julija has been at Mogo Finance since 2019
- She brings more than 15 years of risk management experience to the company
- Prior to Mogo Finance, Julija took senior risk management positions in such companies as 4Finance, Home Credit, Klarna Bank and GE Capital. Before starting career in risk management Julija spend three years in Data Science field doing real estate mass appraisal for the government company
- Julija holds a PhD degree in natural science (mathematics) from the University of Latvia

Mogo Finance's – Successful strategic transition

To build business resilience and strong footing for 2021

Covid-19 challenges have been mastered

Q2 2020

- Prompt measures to mitigate Covid-19-impact on business
- Cost and cash flow optimization
- Focus on debt collection
- Underwriting strategy reviewed

Q3 2020

- Swift recovery after the first Covid-19 wave
- Excellent sales and cash collection results

Q4 2020

- Operations unaffected by the second Covid-19 wave
- Achieved company milestones

Key take-aways from 2020

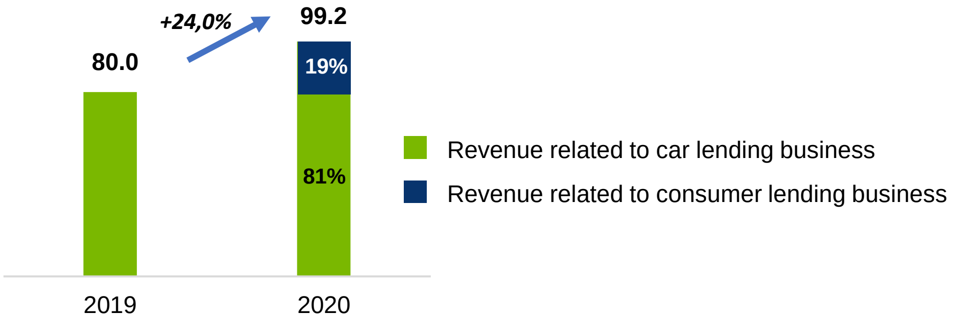
- Mogo Finance proved its cash generation capabilities during most turbulent economic times (€ 34M vs. 43M in cash collections in Q2 2020 vs Q4 2020)
- Gathered momentum by consolidation and optimization of the business and operations that boosted the company's profitability and returns:
  - 6 markets put on-hold/for sale
  - Acquisition of 3 consumer lending companies
- Refined underwriting policy across Q2 to Q4 2020 resulting in historically highest-quality portfolio issuances and improvement in overall portfolio quality
- Covid-19 impacted competition in most markets, with local players facing liquidity problems and banks struggling to adapt to mobility restrictions
- Strong demand for Mogo Finance products across geographies during in H2, despite lower marketing expenses
- In the developing markets, growth through productive lending ensured stable portfolio quality, attractive unit economics, and growing demand

- Continuous investments in digitalization and automation helped to improve company's overall performance
  - Launch of own car-selling site contributed to record car sales in Q3 and Q4 (> € 3M worth of cars sold in each quarter)
  - Implementation of automated risk management tools contributed to more flexible portfolio quality review and boosted portfolio quality in Q3 and Q4 against the backdrop of COVID-19
  - Continuous process digitalization allowed to decrease admin costs and ensured that remote work does not affect the company's core processes
- Net exposure to high Forex volatility markets had major effect on mogo overall profitability and company took actions to address it through purchase of currency forward instruments (USD/EUR), optimization of high FX volatility portfolios and introduction of products linked and of FX in multiple countries. These actions helped to mitigated FX exposure

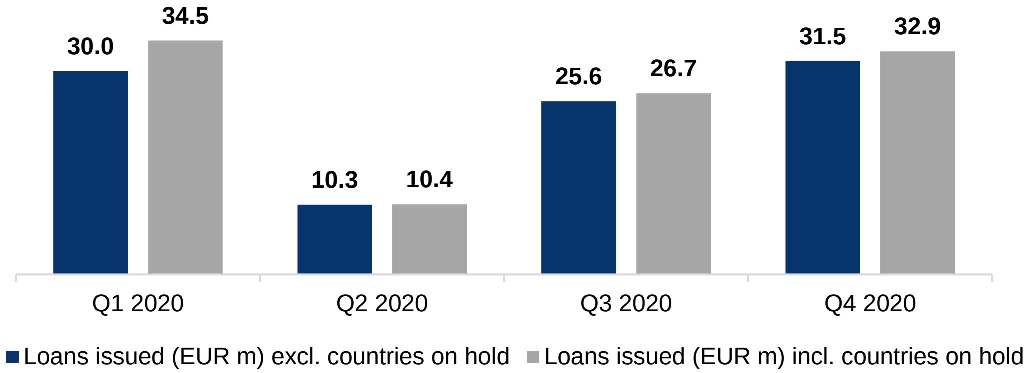
Operational highlights

Speedy recovery, strong business performance

Strong growth in revenue with rising contribution of consumer lending, €m



Car loan issuances fully recovered



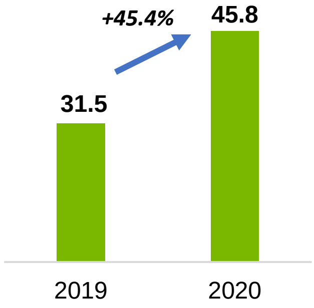
- With swift recovery from the first Covid-19 wave and no impact from the second, in 2020 Mogo Finance achieved impressive operational and financial milestones
- Revenues up 24.0% to € 99.2M (12M 2019: € 80.0M) driven by effective capital allocation and focus on the markets and products with the best unit economics
- Strong recovery of issuances in Q3 and Q4 despite stricter restrictions and more stringent internal underwriting policy; share of productive lending to self-employed businesses continues to grow
- Continued investments and developments of proprietary technology, which further strengthened automated debt collection and underwriting processes, leading to portfolio quality improvement
- Successful divestment of the North Macedonia operations, which have been on hold since the beginning of the pandemic
- Successful launch of fully online consumer loan product in Albania.

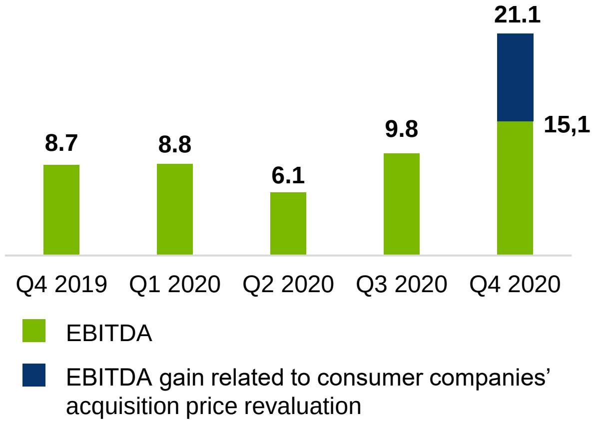
Note: Operating countries (car financing): Latvia, Lithuania, Belarus, Romania, Estonia, Armenia, Georgia, Moldova, Kenya, Uzbekistan, Uganda
Countries on hold (car financing): Poland, Albania, Bosnia and Herzegovina, Bulgaria, Kazakhstan

Financial highlights

Despite macro-economic turmoil – Mogo Finance ended financial results for 2020 on a strong note

Group EBITDA at all time high, €m





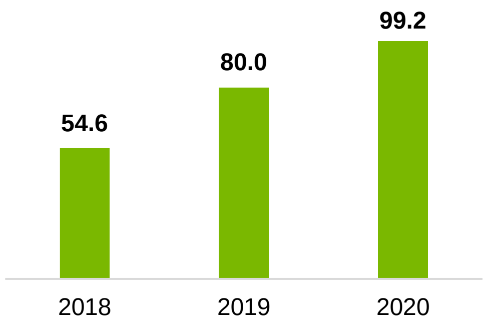
Admin expenses for the car lending business remained on the previous year level

- All time high EBITDA of € 45.8M (12M 2019: € 31.5M)achieved; mainly driven by leaner and more cost-effective group structure, as well as Mogo´s focus on most profitable markets; Q4 remains to be second consecutive quarter with record EBITDA
- Net profit before FX increased to € 15.5M (12M 2019: € 6.3M) with net impairment losses on loans and receivables as main cost driver
- Increase in total equity by 22.9% to € 35.4M (12M 2019: € 28.8M) attributable to successful business results as well as shareholders´ equity contribution during Q1 2020
- The above results of Q4 have been positively impacted by the purchase price adjustment of the acquired companies' resulting in approximately € 6M higher fair value of their portfolio as at the end of year 2020
- Notably admin expenses apart from slight increase driven by consumer companies' acquisitions have remained largely intact compared to previous year
- During 2020 we have started to proactively hedge our portfolios, especially ones denominated in USD or linked to USD (e.g. African business). The result of which had allowed us to somewhat amortize the overall FX cost for 2020

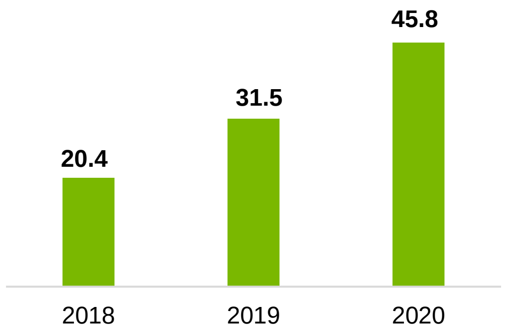
Financial highlights

Group’s financial results at all-time high

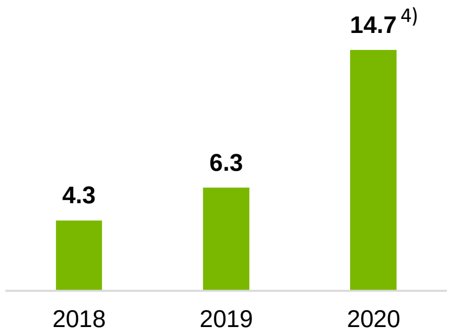
Revenue, €m



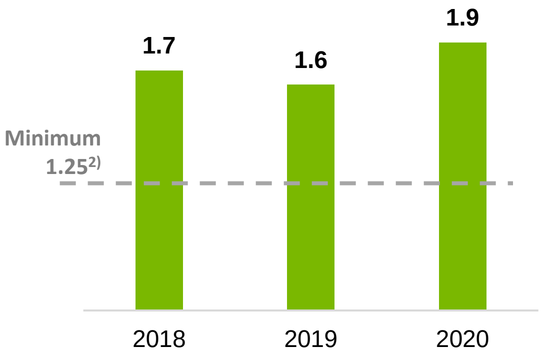
EBITDA, €m



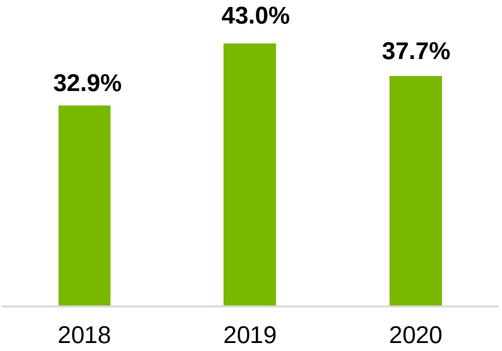
Net profit before FX, €m



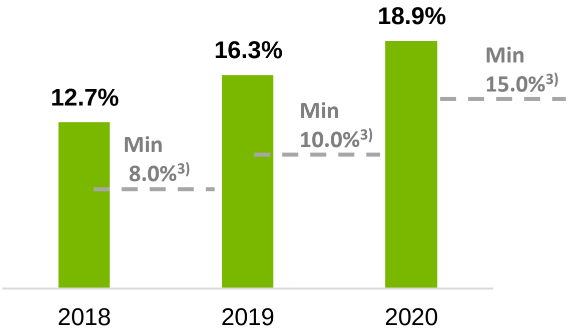
Interest coverage ratio



Cost to income ratio 1)



Capitalization ratio

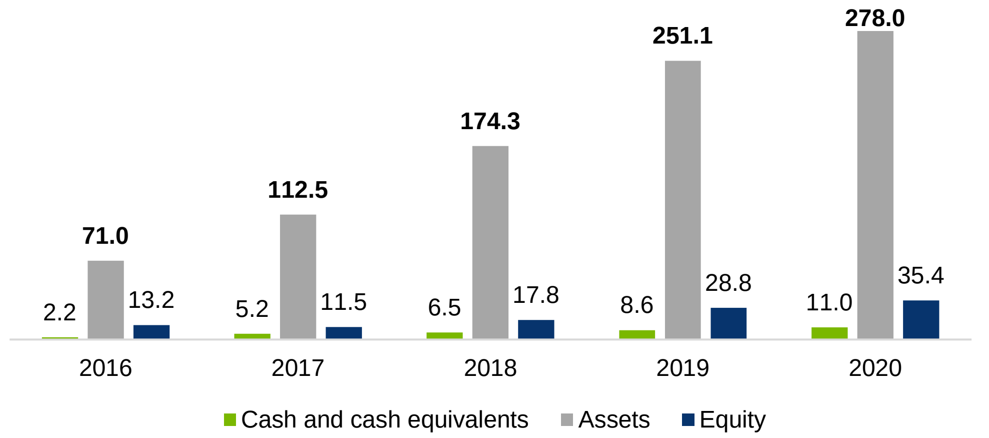


1) Cost to income ratio reduced due to the almost unchanged operational expenses compared to the previous period
2) Financial covenant - Interest coverage ratio of at least 1.25, if not cash at least € 5.0M until interest coverage ratio reaches 1.25
3) Financial covenant - Capitalization ratio of at least 12.5% until 31 March 2021; 13.5% until 30 June 2021 and 15% until 30 September 2021 until full repayment of the Bonds
4) Adjusted for discontinued operations in Bulgaria

Assets & Liabilities

Continued assets growth

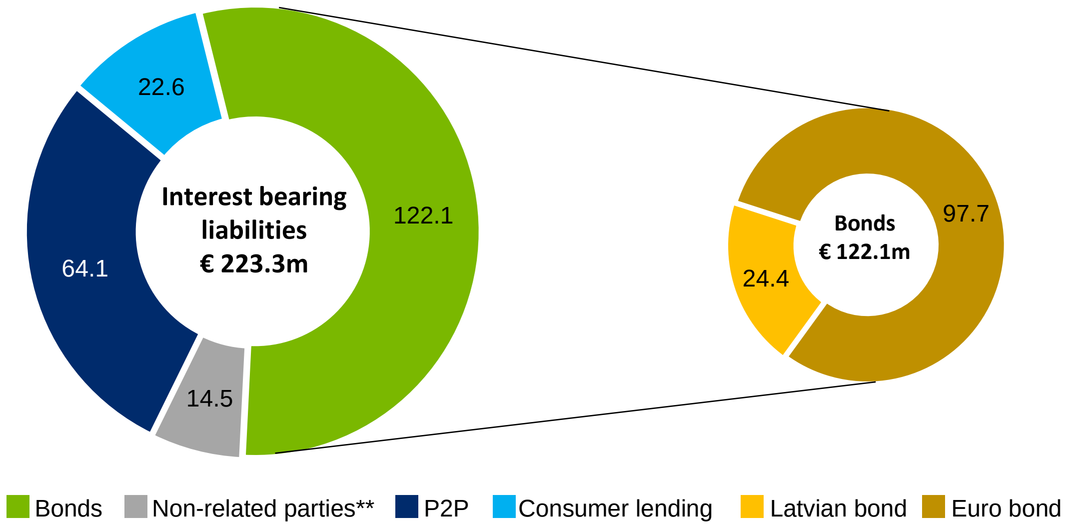
Assets and Equity, € *m*



	2017	2018	2019	2020
Capitalization ratio*	11.8%	12.7%	16.3%	18.9%

- Majority of total assets consist of net loan portfolio, used car rent portfolio and cash
- Increase of total assets in 2020 was driven by acquisition and growth of consumer loan companies, however car loan portfolio was slightly effected by stopped issuances in countries on hold***
- Capitalization ratio above the Eurobond covenant level

Liabilities, € *m*



- Successful amendments to the T&Cs of Mogo Finance EUR 2022 - securing greater financial flexibility in the future thanks to overwhelming Eurobond holders' support
- Refinancing of two Latvian bonds totalling € 30M in process; public offering period will last until February 25th, 2021

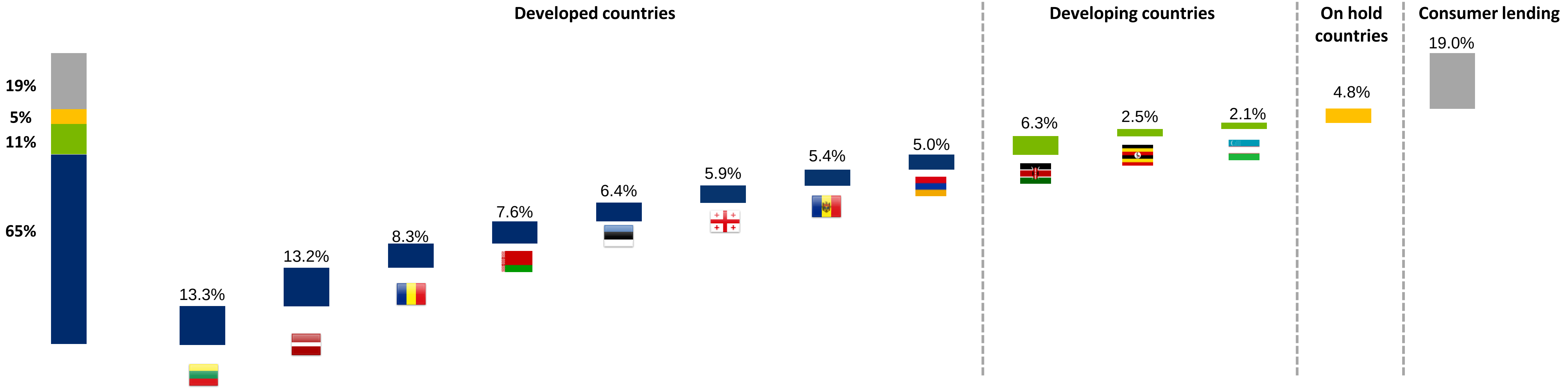
*Capitalisation ratio: (Shareholders´ equity + shareholders´ loans) / Net loan portfolio
**This consists of € 11.6m of loans from local banks and € 2.9m of other interest-bearing liabilities
***Countries on hold (car financing): Kazakhstan, Bosnia and Herzegovina, Poland, Albania and Bulgaria

Diversified loan portfolio

Product diversification as well as optimization of the loan portfolio

Net loan and used car rent portfolio by country

As at 31.12.2020



- Mogo finance is proactively optimizing its portfolio and has focused only on high yielding markets with greatest potential for profitable growth. North Macedonia was fully divested in Q4 2020 since previously been on hold. Five countries have been currently marked as markets on hold, thus stopping further loan issuances and focusing solely on debt collection
- Net car loan portfolio of developed and developing countries was € 131.8M and € 22.2M respectively. Net loan portfolio of countries on hold stood at € 9.8M
- With €38.5M, portfolio of consumer lending business represents 19.0% of total net loan portfolio

Note: Developed countries: Latvia (including used car rent portfolio), Lithuania, Belarus, Romania, Estonia, Armenia, Georgia, Moldova
Developing countries: Kenya, Uganda, Uzbekistan
Countries on hold (car financing): Albania, Bosnia and Herzegovina, Kazakhstan, Poland and Bulgaria

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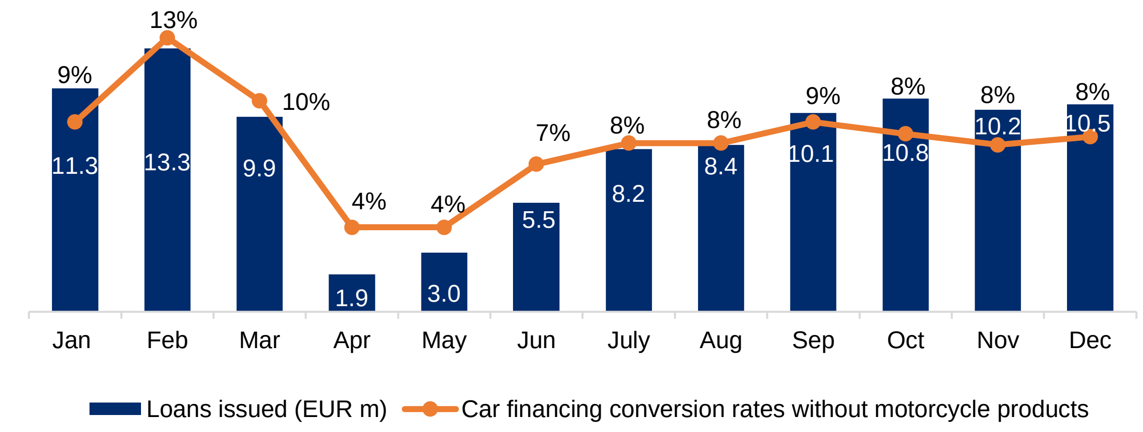
Issuances and cash collections

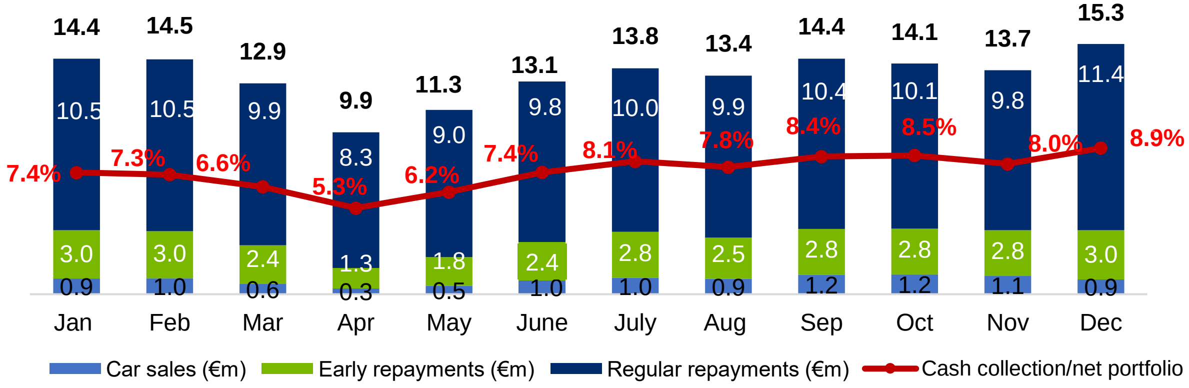
Focus on debt collection and continued investments in underwriting technology rendered improved portfolio quality

Car issuances recovered; focus back on growth



- Mogo continued to record strong car loan demand, hence issuances increased month after month in Q3 and Q4
- Despite stricter underwriting policy, conversion rate increased back to pre-Covid level, indicating better quality loan applications
- Optimized pricing strategy resulted in higher APR, which will protect company's profitability
- Continued investment into underwriting technology and development of the team's expertise

Cash collection in Car financing business fully recovered



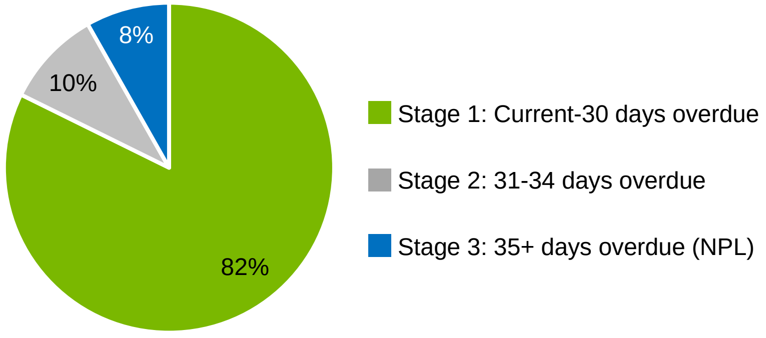
- Pre-Covid cash collection level has been achieved
- Further improvement of portfolio quality driven by effective debt collection processes as well as stricter underwriting policies in the past nine months
- Cash collections vs net portfolio all time high at the end of Q4 2020. This is achieved due to strengthened DC activities, robust quality portfolio, higher portfolio yield and still recovering clients which went into default during first Covid wave
- Car sales reached pre-Covid level

Non-performing loans and provisioning

€ 13M q-on-q increase of stage 1 net portfolio

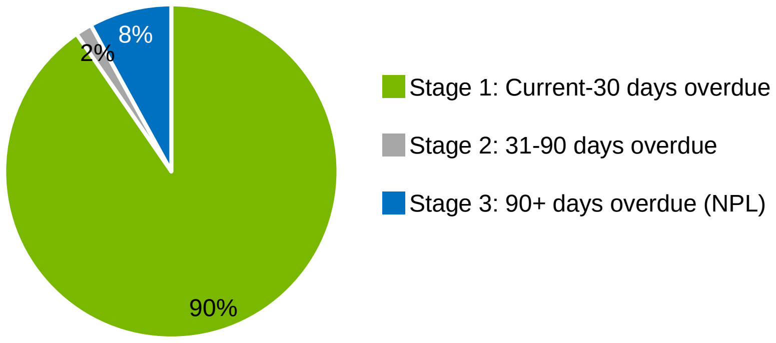
Net car loan portfolio quality analysis

As at 31.12.2020

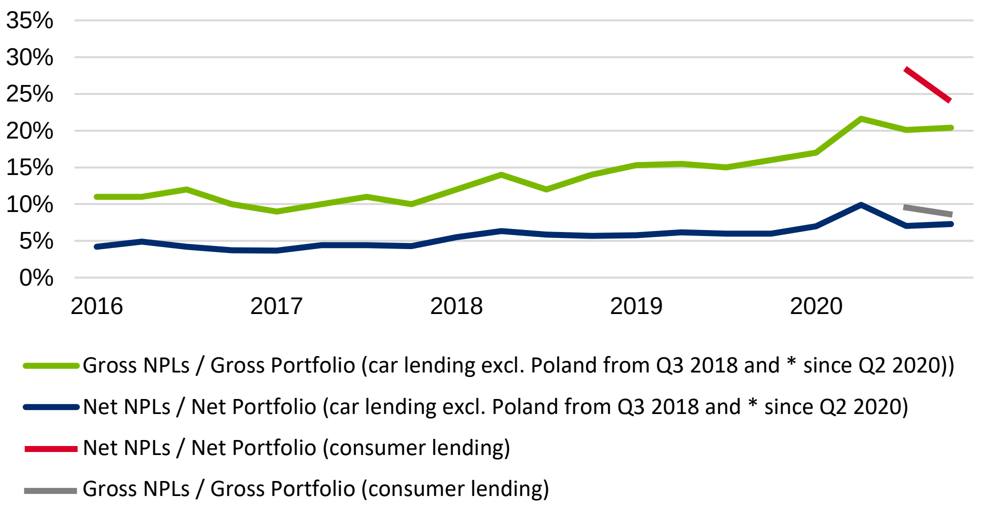


Net consumer lending portfolio quality analysis

As at 31.12.2020



Gross and net NPL portfolio [1)]



- Both gross and net NPL remained at the similar level as in Q3 for car lending and demonstrated improvement in consumer lending
- Performance of NPL ratios is a response of the portfolio to flexible DC strategies applied since Q2 and more cautious underwriting in 2020
- Both car and consumer lending net portfolios demonstrate healthy split by stages; difference in the split between product groups is driven by stage 2 which is less provisioned for car portfolio given secure nature of the product
- Prudent provisioning approach followed also during Covid period ensures that only 8% of net portfolio (both for cars and consumer loans) is in stage 3

1) Net loan portfolio (including accrued interest) = Gross loan portfolio – provisions; NPL is defined as 35+ DPD for car and 90+ DPD for consumer portfolios

* Countries on hold (car financing): Albania, Bosnia and Herzegovina, Bulgaria, Kazakhstan

Recap and future outlook

Finishing strong in 2020, maintaining momentum in 2021

Response to Covid-19 2nd wave with strong results and continues improvements in income and profitability:

- 2021 January results show continues strong revenue and profitability development

Income statement	2021-01-31	Trend
Interest and similar income, EUR	12 863 325	Increasing
EBITDA before unrealized forex, EUR	5 783 533	Increasing
Net profit after tax	**2 192 192**	Increasing

Balance sheet	2021-01-31	Trend
Net loan and rent portfolio	204 505 247	Stable
Total Equity, EUR	37 553 271	Increasing
Borrowings	220 495 464	Stable

Continuous profitable growth under current business model

- Focus on profitable growth in existing geographies
- Increased focus on ESG initiative

Constant monitoring of market conditions

- Maintain stricter client underwriting policy in place until significant changes in pandemic spread are recorded
- Ensure lean cost base and structure

Focus on most profitable markets and smart capital allocation

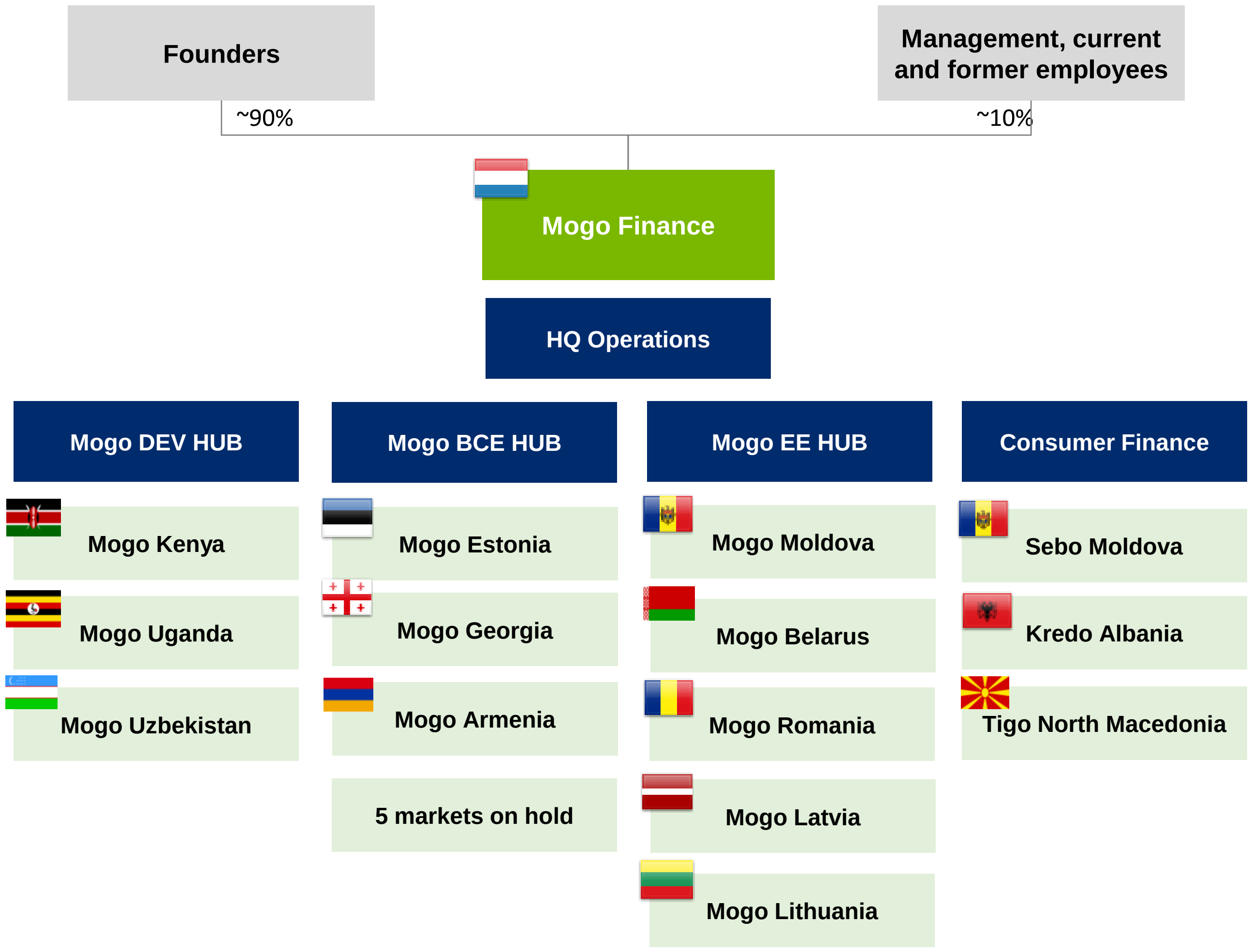
- Focus on best unit economic products
- Continuous divestment of markets put on hold
- Cautious evaluation of debt level development

Improve balance sheet position and funding structure

- € 30M Latvian bond refinancing process in progress
- Continuous improvement of company’s leverage position
- Explore avenues to attract 3rd party equity investors
- Start preparation for the 2022 refinancing of the Eurobonds

Appendix

Operational structure



Income statement

Group financials, €m	2018	2019	2020
Interest revenue calculated using the effective interest method	54.4	72.7	88.2
Interest expense calculated using the effective interest method	(12.6)	(21.0)	(26.2)
Net interest income	**41.8**	**51.7**	**62.0**
Fee and commission income	3.6	3.3	4.8
Revenue from rent	0.2	4.0	6.2
Total net revenue	**45.6**	**59.0**	**73.0**
Impairment expense	(18.3)	(18.7)	(26.8)
Expenses related to peer-to-peer platform services	(0.7)	(0.7)	(1.0)
Profit from car sales	0.1	-	-
Selling expense	(2.4)	(3.4)	(2.9)
Administrative expense	(17.9)	(30.8)	(34.5)
Other operating (expense) / income	(0.4)	1.3	6.0
Net foreign exchange result	(0.3)	(0.1)	(13.0)
Profit or loss before taxes	**5.7**	**6.6**	**0.8**
Corporate income tax	(1.4)	(1.3)	(0.9)
Deferred corporate income tax	0.3	0.9	1.8
Net profit for the period	**4.6**	**6.2**	**1.7**
Discontinued operations	-	-	0.8
Translation of financial information of foreign operations to presentation currency	0.1	(0.4)	(1.5)
Total comprehensive income for the year	**4.7**	**5.8**	**1.0**
Net profit before FX and discontinued operations	**4.9**	**6.3**	**14.7**
EBITDA	**20.4**	**31.5**	**45.8**

Balance sheet

Assets, €m	2018	2019	2020
ASSETS			
Goodwill	1.7	4.0	6.7
Internally generated intangible assets	1.9	3.6	5.9
Other intangible assets	-	-	1.9
Loans and lease receivables and rental fleet	141.3	189.7	202.3
Right-of-use assets	2.4	7.6	6.5
Property, plant and equipment	1.0	1.9	2.2
Leasehold improvements	0.3	0.3	0.4
Advance payments for assets	0.2	-	-
Receivables as a result of sale of subsidiaries	-	16.1	9.4
Loans to related parties	10.1	6.9	6.8
Other financial assets	1.0	1.6	1.1
Deferred tax asset	0.6	1.7	3.0
Inventories	1.7	1.0	1.6
Prepaid expense	0.8	1.2	2.3
Trade receivables	0.8	0.3	0.5
CIT paid in advance	-	0.1	0.7
Other receivables	1.4	2.6	3.9
Assets of subsidiary held for sale	-	-	9.8
Assets held for sale	2.6	3.9	2.0
Cash and cash equivalents	6.5	8.6	11.0
TOTAL ASSETS	**174.3**	**251.1**	**278.0**

Equity & Liabilities, EUR m	2018	2019	2020
EQUITY			
Share capital	0.0	1.0	1.0
Share premium	-	-	-
Retained earnings	15.1	21.1	23.8
Foreign currency translation reserve	(0.4)	(0.8)	(2.3)
Reserve	0.1	0.2	0.3
Equity attributable to equity holders of the Company	**14.8**	**21.5**	**22.8**
Non-controlling interests	0.5	0.5	0.5
Subordinated debt	2.5	6.8	12.1
TOTAL EQUITY	**17.8**	**28.8**	**35.4**
LIABILITIES			
Borrowings	150.4	206.7	223.3
Provisions	1.5	1.1	0.4
Prepayments and other payments received from customers	0.1	0.3	0.5
Trade payable	1.1	1.3	1.4
Corporate income tax payable	0.6	-	0.6
Taxes payable	0.6	0.9	1.4
Other liabilities	0.2	9.2	7.4
Liability of subsidiary held for sale	-	-	4.0
Accrued liabilities	1.8	2.7	3.4
Other non-current financial liabilities	0.2	0.1	0.2
TOTAL EQUITY + LIABILITIES	**174.3**	**251.1**	**278.0**

Statement of Cash Flow

€m	2018	2019	2020
Cash flows to/from operating activities			
Profit/(loss) before tax	5.7	6.6	1.6
Adjustments for:			
Amortization and depreciation	1.8	4.7	5.8
Interest expense	12.6	21.6	26.2
Interest income	(54.3)	(72.7)	(88.2)
Loss/(gain) on disposal of property, plant and equipment	0.2	2.9	0.7
Impairment expense	18.3	18.7	26.8
Negative goodwill	-	-	(5.3)
(Gain)/loss from fluctuations of currency exchange rates	0.3	0.5	11.5
Operating profit before working capital changes	**(15.4)**	**(17.7)**	**(20.9)**
(Increase)/decrease in inventories	(0.9)	0.7	(1.0)
Increase in receivables	(53.5)	(53.8)	(29.3)
Increase in trade payable, taxes payable and other liabilities	1.4	(2.7)	(1.5)
Cash generated to/from operating activities	**(68.4)**	**(73.5)**	**(52.7)**
Interest received	54.3	72.8	88.0
Interest paid	(12.4)	(19.4)	(22.6)
Corporate income tax paid	(1.2)	(2.0)	(1.1)
Net cash flows to/from operating activities	**(27.7)**	**(22.1)**	**11.6**

€m	2018	2019	2020
Cash flows to/from investing activities			
Purchase of property, plant and equipment and intangible assets	(1.9)	(4.9)	(3.9)
Purchase of rental fleet	(1.4)	(16.5)	(9.1)
Loan repayments received	1.5	4.7	8.6
Advance payments for acquisition of a subsidiaries	(1.0)	-	-
Acquisition of a subsidiary, net of cash acquired	(0.9)	(0.8)	(4.0)
Loans issued	(10.7)	(6.9)	(0.4)
Net cash flows to/from investing activities	**(14.4)**	**(24.4)**	**(8.8)**
Cash flows to/from financing activities			
Proceeds from issue/(repayment) of share premium	-	1.0	-
Proceeds from borrowings	304.7	278.6	214.2
Repayments for borrowings	(259.5)	(231.0)	(214.6)
Repayment of liabilities for right-of-use assets	(1.8)	-	-
Dividends paid to non-controlling shareholders	(0.1)	-	-
Net cash flows to/from financing activities	**43.3**	**48.6**	**(0.4)**
Effect of exchange rates on cash and cash equivalents	(0.2)	-	-
Change in cash	**1.3**	**2.1**	**2.4**
Cash at the beginning of the year	5.2	6.5	8.6
Cash at the end of the year	**6.5**	**8.6**	**11.0**

Thank you for your attention!

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