

Mogo Finance S.A.
Société anonyme

Unaudited interim financial statements for the period ended June 30, 2020

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

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Statement of Financial Position

ASSETS	Notes	30.06.2020 EUR	31.12.2019 EUR
Financial assets			
Shares in affiliated undertakings	4	34 773 979	30 882 543
Loans to affiliated undertakings	5	71 749 363	73 856 248
Other loans	6	19 172 685	18 607 368
		125 696 027	123 346 159
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings			
<i>becoming due and payable within one year</i>	5	4 343 442	2 454 701
<i>becoming due and payable after more than one year</i>		-	-
Other debtors			
<i>becoming due and payable within one year</i>	7	4 649 474	3 642 600
<i>becoming due and payable after more than one year</i>		-	-
		8 992 916	6 097 301
Cash at bank and in hand		2 391 400	4 134 977
PREPAYMENTS	8	3 815 733	4 777 987
TOTAL ASSETS		140 896 076	138 356 424
CAPITAL, RESERVES AND LIABILITIES			
CAPITAL AND RESERVES			
Subscribed capital	9	1 000 000	1 000 000
Reserves			
Legal reserve		3 104	3 104
Profit or loss brought forward		(305 779)	912 742
Profit or loss for the financial year		670 949	(1 218 521)
		1 368 274	697 325
PROVISIONS			
Provisions for taxation		15 873	17 534
Other provisions	10	245 928	62 940
		261 801	80 474
CREDITORS			
Debenture loans			
- Non convertible loans			
<i>becoming due and payable within one year</i>	11	4 482 349	4 426 550
<i>becoming due and payable after more than one year</i>	11	99 000 000	97 549 000
Trade creditors			
<i>becoming due and payable within one year</i>		88 530	77 050
<i>becoming due and payable after more than one year</i>		-	-
Amounts owed to affiliated undertakings			
<i>becoming due and payable within one year</i>	12	13 630	4 355 965
<i>becoming due and payable after more than one year</i>	12	23 653 047	24 298 800
Others creditors			
Other creditors			
<i>becoming due and payable within one year</i>	13	86 377	89 200
<i>becoming due and payable after more than one year</i>	13	11 942 068	6 782 060
		139 266 001	137 578 625
TOTAL CAPITAL, RESERVES AND LIABILITIES		140 896 076	138 356 424

Statement of Comprehensive Income

	Notes	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Net turnover		-	-
Variation in stocks of finished goods and in work in progress		-	-
Work performed by the undertaking for its own purposes and capitalised		-	-
Other operating income		-	-
Raw materials and consumables and other external expenses	14	(1 563 207)	(937 020)
Staff costs		-	-
Value adjustments		-	-
Other operating expenses		-	-
Income from other investments and loans forming part of the fixed assets	15	4 333 792	3 301 645
Income from participating interests	15	3 943 217	7 000
Other interest receivable and similar income	16	811 384	598 119
Share of profit or loss of undertakings accounted for under the equity method		-	-
Value adjustment in respect of financial assets and of investment held as current assets		-	-
Interest payable and similar expenses	17	(6 768 378)	(4 063 595)
Tax on profit or loss		(85 859)	(49 263)
Profit or loss after taxation		670 949	(1 143 114)
Other taxes not shown under items 1 to 16		-	-
Profit or loss for the financial year		670 949	(1 143 114)

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 interim accounts have been drawn up on a standalone basis and subject to approval of the Company's Annual General Meeting scheduled for 10 June 2020. 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 – 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.

Note 2 - Summary of significant accounting policies

Basis of preparation

These interim 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 interim 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 interim accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the interim 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 interim accounts are prepared on a going concern basis.

The Company's standalone financial results directly depend from its investment strategy. Its investments in subsidiaries through share capital 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 Company's future operations depend on the performance of its subsidiaries.

The wider economic impacts of these events include:

- 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 may 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, management started to implement the measures, which notably include:

- Formation of crisis management team, to ensure 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 starting application process for any reliefs and support mechanisms provided by the governments in operating markets, to which the Group could qualify, including discussions with tax authorities to renegotiate the tax payment schedules;
- Reviewing and renegotiating payment terms with suppliers.

In management's view measures taken support the assertion that the Company 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 Company's and on the Group'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 30 June 2020, the Group's capitalization ratio and interest coverage ratio were accordingly 18.5% and 1.4 (31.12.2019: 16.3% and 1.6), indicating stable liquidity shape of the Group. The Group has maintained strong funding and liquidity position with its robust diversified funding base. As at 30 of June 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 as a minimum for 12 months. The Group maintains stable cash position, as at 30 June 2020 the Group's quick ratio (cash and cash equivalents vs current liabilities) was 48.8% (31.12.2019: 20.2%).

The Group management expected that in the second quarter of 2020 the main liquidity source would arise from positive net cash flow balances resulting from strengthened liquidity risk management activities such as limited issuance of new loans, focus on sound debt collection process and Group's planned savings of administrative costs by more than 50% due to applied cost optimization actions. The results of second quarter show that managements expectations were accurate.

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.

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.

Contingencies

Contingent liabilities are recognized in the interim 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 interim 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 associates.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Note 3 - Significant accounting judgments, estimates and assumptions

The preparation of the interim 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 interim 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 interim 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 2019.

Fair value of employee share options

Employees of Company's subsidiaries have entered a share option agreements with the Company or 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 Company's interim accounts. Company's management has estimated that fair 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 fair value for the share option 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 fair value of the employee options would not be materially different than zero.

Fair value measurement of contingent consideration

The Company acquired an additional 2% interest in the shares of Mogo OU (Estonia), increasing its ownership interest to 100%. In accordance with the share purchase agreement an additional cash payments to the previous non-controlling interest holder will be made on the basis of Mogo OU net profit for 2017 – 2020.

The Company has also acquired an additional 2% interest in the shares of Mogo LLC (Georgia), increasing its ownership interest to 100%. In accordance with the share purchase agreement an additional cash payments to the previous non-controlling interest holder will be made on the basis of Mogo LLC net profit for 2019 – 2021.

The Company has determined that it has a contractual obligation to deliver cash to the sellers and therefore it has assessed it to be a financial liability. Consequently, the Company is required to remeasure that liability at fair value at each reporting date with changes in fair value recognized in profit or loss statement.

The fair value is based on management approved budgets of Mogo OU and Mogo LLC and determined using probability-weighted cash flow under DCF method, based on the expected probable outcome. The fair value of the contingent consideration determined at 30 June 2020 reflects management best estimate.

However, the calculation of the fair value among other is sensitive to the assumptions of discount rate which is estimated as 12% and the precision of budgets approved by the Company's management.

Note 4 - Shares in affiliated undertakings

a) The movements for the year are as follows:

	Shares in affiliated undertakings / Participating interests EUR	Total 2020 EUR
Gross book value - opening balance	30 882 543	30 882 543
Additions for the year*	3 891 436	3 891 436
Gross book value - closing balance	34 773 979	34 773 979
Value adjustments	-	-
Net book value - closing balance	34 773 979	34 773 979
Net book value - opening balance	30 882 543	30 882 543

* Additions for the year consisted of new investments in following subsidiaries:

Name of undertaking (legal form)	Percentage of investment in shares	2020
Mogo LLC	100%	8 102
Mogo Albania SHA	100%	1 255 000
Mogo Bulgaria EOOD	100%	128 334
Mogo Central Asia AS	100%	2 500 000
Total		3 891 436

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)	Registered office	Ownership as at 30 June 2020; %	Last balance sheet date	Net equity at the balance sheet date of the company concerned		Profit or loss for the last financial year EUR	Net book value 2020 (EUR)	Net book value 2019 (EUR)
				EUR	EUR			
Mogo Balkans and Central Asia AS	Republic of Latvia	100%	31.12.2019	7 990 848	177 786	-	7 804 480	7 804 480
Mogo Baltics and Caucasus AS	Republic of Latvia	100%	31.12.2019	6 466 021	-	37 149	6 511 465	6 511 465
Mogo IFN	Republic of Romania	99.99%	31.12.2019	4 676 922	-	119 422	6 379 980	6 379 980
Mogo Albania SHA	Republic of Albania	100%	31.12.2019	-	775 066	-	1 295 123	2 775 153
Mogo LT UAB	Republic of Lithuania	100%	31.12.2019	10 889 402	-	4 118 552	2 499 827	2 499 827
Mogo LLC	Republic of Georgia	98%	31.12.2019	10 779 155	-	3 121 526	2 005 100	1 996 998
Mogo Eastern Europe AS	Republic of Latvia	100%	31.12.2019	8 104 112	-	14 445	1 716 350	1 716 350
Mogo Bulgaria EOOD	Republic of Bulgaria	25.1%	31.12.2019	701 789	-	289 378	774 844	646 510
Mogo DOOEL Skopje	Republic of North Macedonia	100%	31.12.2019	-	191 980	-	220 000	220 000
Mogo Polska Sp. zoo	Republic of Poland	100%	31.12.2019	-	4 360 740	-	117 780	117 780
Mogo Loans DOOEL Skopje	Republic of North Macedonia	100%	31.12.2019	-	39 606	-	100 000	100 000
Mogo Central Asia AS	Republic of Latvia	100%	31.12.2019	232 233	-	169 866	2 538 500	38 500
Mogo Africa AS	Republic of Latvia	100%	31.12.2019	3 224 883	-	3 189 887	35 000	35 000
Mogo Group AS	Republic of Latvia	100%	31.12.2019	4 697	-	30 303	35 000	35 000
Mogo Finance S.L.	Kingdom of Spain	100%	31.12.2019	3 000	-	-	3 000	3 000
Risk Management services OU	Republic of Estonia	100%	31.12.2019	-	2 228 678	-	2 500	2 500
Mogo OU	Republic of Estonia	0%	31.12.2019	-	-	-	-	-
Mogo AS	Republic of Latvia	0%	31.12.2019	-	-	-	-	-
Longo Group AS	Republic of Latvia	0%	31.12.2019	-	-	-	-	-
Mogo Ukraine LLC	Republic of Ukraine	0%	31.12.2019	-	-	-	-	-
Mogo Loans Srl	Republic of Moldova	0%	31.12.2019	-	-	-	-	-
Total							34 773 979	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 2019.

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

Note 5 - Loans to affiliated undertakings

Amounts owed by affiliated undertakings are detailed as follows:

Name	Maturity	Net book value	Net book value
		2020	2019
		EUR	EUR
Mogo Kredit OOO - loan	19.03.2023	9 349 000	9 339 000
Mogo Poland Sp. z o.o. - loan	27.04.2023	7 260 507	7 360 508
Mogo LT UAB - loan	27.04.2023	6 493 217	2 250 000
Mogo IFN - loan	27.04.2023	6 150 000	5 020 000
Mogo Lend OOO - loan	05.09.2023	5 935 000	4 375 000
Mogo Kazakhstan - loan	21.09.2023	4 825 000	7 175 700
Mogo Loans SMC Limited	15.02.2024	4 572 000	3 209 000
Mogo Balkans and Central Asia AS - loan	31.07.2023	4 334 341	-
Mogo loans SRL - loan	27.04.2023	3 269 000	6 619 000
Mogo Kenya Limited - loan	29.03.2024	3 152 000	2 730 000
Mogo Bulgaria EOOD - loan	27.04.2023	3 136 486	4 919 486
Mogo Baltics and Caucasus AS - loan	31.07.2023	2 651 000	2 111 000
Mogo DOOEL Skopje - loan	19.07.2023	2 010 453	1 587 000
Mogo UCO - loan	22.11.2023	1 885 555	3 001 555
Mogo Eastern Europe AS - loan	27.04.2023	1 348 873	1 027 873
Mogo D.o.o. Sarajevo - loan	03.09.2023	1 224 000	2 304 000
Longo cars Limited - loan	15.02.2024	1 093 500	165 500
Mogo Africa AS - loan	29.01.2024	1 052 331	602 331
Mogo Africa UAB - loan	15.02.2024	940 500	597 500
Mogo Loans DOOEL Skopje - loan	19.08.2024	733 600	728 000
Funderly Group AS - loan	08.06.2025	200 000	-
Longo LLC - loan	27.11.2023	95 000	90 000
Mogo Eastern Europe LT UAB - loan	19.02.2024	38 000	38 000
Mogo Albania SHA - loan	27.04.2023	-	3 459 848
Mogo AS - bonds*	31.03.2021	-	3 212 000
Mogo Central Asia AS - loan	31.07.2023	-	1 158 641
Mogo Group AS - loan	24.09.2024	-	385 000
Renti AS - loan	27.11.2023	-	290 306
Mogo LLC - loan	27.04.2023	-	100 000
Mogo Kazakhstan - accrued interest		823 645	441 382
Mogo Lend OOO - accrued interest		607 574	276 007
Mogo Kredit OOO - accrued interest		401 360	90 472
MOGO LOANS SMC LIMITED - accrued interest		387 389	-
Mogo DOOEL Skopje - accrued interest		309 071	184 374
Mogo Kenya Limited - accrued interest		296 871	111 609
Mogo IFN - accrued interest		266 861	51 360
Mogo UCO - accrued interest		244 717	35 232
Mogo Balkans and Central Asia AS - accrued interest		183 417	-
Mogo Baltics and Caucasus AS - accrued interest		163 131	-
Mogo D.o.o. Sarajevo - accrued interest		118 156	68 781
Mogo Africa AS - accrued interest		82 713	26 164
Mogo Eastern Europe AS - accrued interest		81 164	9 382
Mogo Africa UAB - accrued interest		80 122	30 275
Mogo LT UAB - accrued interest		64 932	-
Longo Cars Limited - accrued interest		53 512	15 433
Mogo Poland Sp. z o.o. - accrued interest		51 429	161 112
Mogo Loans SRL - accrued interest		51 215	-
Mogo Loans DOOEL Skopje - accrued interest		33 106	16 017
Mogo Bulgaria EOOD - accrued interest		31 365	51 114
Longo LLC - accrued interest		11 625	6 106
Funderly Group AS - accrued interest		67	-
Mogo Albania SHA - accrued interest		-	317 596
Mogo Loans DOOEL Skopje - accrued interest		-	131 200
Renti AS - accrued interest		-	7 403
Mogo LLC - accrued interest		-	229
Mogo DOOEL Skopje - receivables	31.03.2020	-	423 453
<i>Becoming due and payable after more than one year</i>		71 749 363	73 856 248
<i>Becoming due and payable within one year</i>		4 343 442	2 454 701
Total		76 092 805	76 310 949

Note 6 - Other loans

Name	Type	Maturity	Net book value	Net book value
			2020	2019
			(EUR)	(EUR)
100x Treasury SIA	Loan	27.04.2023	-	2 823 724
100x Treasury SIA	Loan	27.04.2023	-	1 731 715
AK Family Investments SIA	Loan	15.01.2021	1 620 518	1 620 518
KM Invest AS	Loan	15.01.2021	541 266	541 266
Obelo Capital AS	Loan	15.01.2021	541 266	541 266
Nevia Finance SIA	Loan	15.01.2021	541 266	541 266
BCAP Holding AS	Loan	15.01.2021	32 804	32 804
AK Family Treasury SIA	Loan	15.01.2021	3 280	3 280
AK Family Treasury SIA	Loan	15.01.2021	9 437 389	4 616 633
KM Invest AS	Loan	15.01.2021	1 538 878	1 538 878
Novo Holding AS	Loan	15.01.2021	1 108 989	1 108 989
Avole Holdings AS	Loan	15.01.2021	1 108 989	1 108 989
Obelo Capital AS	Loan	15.01.2021	429 889	429 889
Nevia Finance SIA	Loan	15.01.2021	429 889	429 889
BCAP Holding AS	Loan	15.01.2021	93 262	93 262
Mogo SH.P.K - loan	Loan	15.03.2023	1 745 000	1 445 000
Total			19 172 685	18 607 368

Note 7 - Other debtors

Name	Type	Maturity	Net book value	Net book value
			2020 (EUR)	2019 (EUR)
AK Family Investments SIA	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	988 000	988 000
AK Family Treasury SIA	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	750 463	750 463
KM Invest AS	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	579 487	579 487
Obelo Capital AS	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	400 111	400 111
Nevia Finance SIA	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	400 111	400 111
Avole Holdings AS	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	179 376	179 376
Novo Holding AS	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	179 376	179 376
BCAP Holding AS	Short-term balance of loan (Note 6 - Other loans)	15.07.2020/15.10.2020	35 124	35 124
Other debtors	Accrued interest on other loans (Note 6 - Other loans)		270 319	62 548
Other debtors	VAT overpayment		46 982	46 982
Other debtors	Other debtors		820 125	21 022
Total			4 649 474	3 642 600

Note 8 - Prepayments

Name	Type	Net book value	Net book value
		2020 (EUR)	2019 (EUR)
Prepaid expenses	Deferred bonds acquisition costs	3 799 737	4 772 934
Prepaid expenses	Prepaid expenses other	15 996	5 053
Total		3 815 733	4 777 987

Note 9 - 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 period ended 30 June 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 10 - Other provisions

Name	Type	Nominal value as	Nominal value as
		at 30.06.2020 EUR	at 31.12.2019 EUR
Eerik Oja	Non-current contingent consideration liability	-	-
Eerik Oja	Current contingent consideration liability	32 940	62 940
George Makaridze	Non-current contingent consideration liability	159 813	-
George Makaridze	Current contingent consideration liability	53 175	-
Total		245 928	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
- 5) During 2020 amount of EUR 30 000 were paid out.

On 16 January 2020, the Company 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.

- 1) 2% of the net profit earned by Mogo LLC for the years 2019 through 2021;
- 2) 82 836.29 GEL annual additional amount.

Note 11 - Debenture loans

Name	Maturity date	Interest rate	Borrowing/ (reimbursement)	Nominal value as at 30.06.2020 EUR	Nominal value as at 31.12.2019 EUR
<i>Non-current</i>					
Bond holders	10.07.2022	9.5%	1 451 000	99 000 000	97 549 000
<i>Current</i>					
Accrued interest			55 799	4 482 349	4 426 550

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 Greenmark 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 2019 Company has pledged its shares in subsidiaries, all intercompany receivables as well as receivables from 100x Treasury SIA and Novo Holding AS in favor of the bond liabilities.

On 13 November 2018 the Group as Issuer and its subsidiaries as Guarantors signed a guarantee agreement dated 9 July 2018 as amended and restated on 13 November 2018 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.

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.

Note 12 - Amounts owed to affiliated undertakings

Name	Maturity date	Interest rate	Borrowing/ (reimbursement)	Nominal value as at 30.06.2020 EUR	Nominal value as at 31.12.2019 EUR
<i>Non-current</i>					
Mogo AS	27.04.2023	12.50%	(645 753)	23 653 047	24 298 800
<i>Current</i>					
Mogo OU	11.09.2021	13.50%	(2 950 000)	-	2 950 000
Mogo Balkans and Central Asia AS	22.07.2020	11.25%	(919 000)	-	919 000
Other payables to related parties			(473 335)	13 630	486 965
			(4 342 335)	13 630	4 355 965

During 2019 Mogo Finance S.A. entered into loan agreement with its subsidiaries Mogo OU (Estonia) and HUB2 AS (Latvia) EUR 3 869 000. As at the end 31 December 2019 outstanding debt towards Mogo OU reached EUR 2 950 000, and towards HUB2 AS, outstanding borrowing reached EUR 919 000.

Note 13 - Other creditors

Name	Maturity date	Interest rate	Borrowing/ (reimbursement)	Nominal value as at 30.06.2020 EUR	Nominal value as at 31.12.2019 EUR
<i>Non-current</i>					
<i>Subordinated loans*</i>					
AK Family Treasury SIA	11.07.2022	3%	2 602 590	7 379 384	4 776 794,00
Novo Holdings AS	11.07.2022	3%	853 180	1 521 612	668 432,00
Avole Holdings AS	11.07.2022	3%	853 177	1 521 578	668 401,00
KM Invest SIA	11.07.2022	3%	(500 208)	-	500 208,00
ZS Invest Holdings AS	11.07.2022	3%	1 351 269	1 519 493	168 224,00
<i>Other creditors</i>					
Warrant - Bonriki Holdings Ltd**			-	1	1
			5 160 008	11 942 068	6 782 060
<i>Current</i>					
Other payables			(2 823)	86 377	89 200
			(2 823)	86 377	89 200

* During 2020 Mogo Finance has attracted 5 160 008 EUR in subordinated loans with the interest rate of 3% yearly and maturity at 11 July 2022.

** On 5 May 2015 Bonriki Holdings Limited entered into a mezzanine facility agreement with the Company, 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 stipulates that the warrant holder has the right to exercise warrant within three year period after full repayment of the Mezzanine loan and other accrued amounts. As the full repayment of Mezzanine loan and other accrued amounts was made on 13 July 2018, the warrant's exercise period ends on 13 July 2021. Upon the exercise of the warrant the warrant holder may also elect to have the warrant redeemed at fair market value of the shares of Company. According to the shareholders agreement signed by Bonriki as a Warrant holder, shareholders and Mogo Finance S.A., the warrant holder does have the option to sell to the shareholders or the Mogo Finance S.A. (selected at the entire discretion of the warrant holder) shares owned by the warrant holder, this option can only be exercised only within one year after the full repayment of the loan and other amounts accrued (i.e. 31 December 2020).

Note 14 - Other external expenses

	2020 EUR	2019 EUR
Brokerage fees	1 036 160	566 479
Professional services	266 655	306 958
Subsidiary acquisition expenses	212 988	-
Bank fees	28 310	61 656
Other administrative expenses	19 094	1 927
Total	1 563 207	937 020

Note 15 - Income from participating interests and loans forming part of the fixed assets

	2020 EUR	2019 EUR
<i>Income from participating interests</i>		
Dividends income	3 943 217	7 000
Total	3 943 217	7 000
<i>Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings</i>		
Interest income on loans issued to related parties	4 333 792	3 301 645
Total	4 333 792	3 301 645

Note 16 - Other interest receivable and similar income

	2020 EUR	2019 EUR
Interest income on loans issued to non related parties	676 471	321 962
Income from transactions with bonds	126 149	276 157
Refundable VAT from previous years	8 764	-
Total	811 384	598 119

Note 17 - Interest payable and similar expenses

	2020 EUR	2019 EUR
<i>Interest payable and similar expenses concerning affiliated undertakings</i>		
Interest expenses on loans from related parties	1 754 509	1 031 653
Total	1 754 509	1 031 653
<i>Other interest and similar expenses</i>		
Interest expenses on bonds	4 832 732	3 014 886
Interest expenses on loans from non related parties	181 137	17 056
Total	5 013 869	3 031 942

Note 18 - 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 notes 4, 5, 6, 7, 11, 14 and 15 for more details on transactions with related parties.

Note 19 - Staff costs and number of employees

The Company did not employ any personnel in 2019. All economic activities were performed by outsourced personnel authorized to represent the Company. Board and Council Members did not receive any remuneration for financial year 2019 and no loans and commitments were granted to the Board and Council Members.

From 2020 the Company employs one person.

Personnel compensation

	2020 EUR	2019 EUR
Members of the Management		
Remuneration	2 500	-

Note 20 - Share-based payments

The fair value of share options granted is estimated at the date of the grant. 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 till 2025 for Senior Executive Plan, till 2023 for General Employee Share Option Plan and there are cash settlement alternatives. Given absence of an ongoing sale of subsidiaries or Mogo Finance S.A. or any listing process initiated, then 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 Senior Executive Plan share options:

	2020 Weighted average exercise price, EUR	2019 Weighted average exercise price, EUR
	Number	Number
Outstanding at 1 January	-	4
Granted during the year	-	-
Exercised during the year	-	-2
Terminated during the year	-	-2
Outstanding at 30 June/31 December	-	-
Exercisable at the end of the period	-	-

The following table illustrates the number and weighted average exercise prices of General Employee share option plan:

	2020 Weighted average exercise price, EUR	2019 Weighted average exercise price, EUR
	Number	Number
Outstanding at 1 January	63	47
Granted during the year	-	34
Terminated during the year	-	-18
Outstanding at 30 June/31 December	63	63
Exercisable at the end of the period	-	-

The Company's subsidiaries launched this share option plan in 2018 and it involves shares in certain Company's subsidiaries. 81 employees were added to this plan since then. 18 employees exited the plan due to leaving the Company. None of the employees have been granted any shares by end of reporting year. The plan involves granting of option on shares in Company's subsidiaries.

There have been no forfeited, exercised 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 30 June 2020 is 2.5 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.

Note 21 - 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 75 million EUR.

Note 22 - Subsequent events

On 3 July 2020, Mogo Finance S.A. received affirmation of its Long-Term Issuer Default Rating (IDR) at 'B-' with a Negative Outlook from Fitch Ratings. The Negative Outlook reflects according to Fitch risks in the credit profile due to the adverse economic effect of the coronavirus pandemic. Fitch values that while rating headroom has improved by a recent shareholder loan injection and management actions, Mogo's financial metrics, notably capitalization and leverage, remain sensitive to further asset quality and earnings deterioration in the current environment.

On 16 July 2020, Mogo Group acquired the 5th largest non-banking credit organizations by total assets in Moldova – Sebo Credit SRL. The targeted acquisition will significantly strengthen the Mogo Group with profitable operations from day one. With an attractive purchase price close to the book value of the equity, Mogo Finance achieved favourable transaction conditions. Mogo Finance expects positive synergy effects from the acquisition on administrative, operating and financing costs as well as cross- and up-selling potential through the large customer base of Sebo + 200 000 customers.

Subsequent events and their impact on the Company's ability to continue as a going concern

On 11 March 2020 the World Health Organization declared the coronavirus (Covid-19) outbreak a pandemic, due to which many countries, including those the Company and Group operates in, declared the state of emergency. Under these circumstances, governments of the Group's operating countries have enforced various measures, which include mainly imposed social or physical distancing restrictions and curfews. Responding to the serious threat that the COVID-19 presents to public health, all governments of countries in which the Group operates have taken similar measures to contain the outbreak, including suspension of international passenger transport through airports, ports, by bus and rail and the 'lock-down' of certain industries. In particular, airlines, sea carriers and railways suspended international transport of people. Schools, universities, restaurants, cinemas, theatres, museums and sport facilities were closed or restricted their activities. Many businesses have also instructed employees to remain at home and some have curtailed or temporarily suspended their business operations. Details about the impacts on the Group and the management's plans have been provided in note 2 and 3 respectively.

When preparing these interim accounts, Management has considered that the COVID-19 outbreak and its related impacts are non-adjusting events.

It is the responsibility of the directors to make estimates about recoverability of shares in affiliated undertakings, loans to affiliated undertakings, other loans, amounts owed by affiliated undertakings and other debtors and the appropriateness of the related disclosures and of the going concern basis of preparation of the interim accounts.

The valuation of the shares in affiliated undertakings, loans to affiliated undertakings, other loans, amounts owed by affiliated undertakings and other debtors as at 30 June 2020 as disclosed in the interim accounts reflects the economic conditions in existence at that date.

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



Māris Kreics
Director type A

10.09.2020



Delphine Glessinger
Director type B