



MOGO Universal Credit Organization LLC

Unaudited interim financial statements

prepared in accordance with IFRS, as adopted by
the EU (Regulation (EC) No 1606/2002) and IAS34

for the period ended 30 September 2023

Consolidated Statement of Changes in Equity

	Share capital AMD	Foreign currency translation reserve AMD	Retained earnings/ (Accumulated loss) AMD	Reserve AMD	Total equity attributable to Equity holders of the Parent Company AMD	Non controlling interest AMD	Total AMD
Balance at 01.01.2022.	2,250,000,000	-	461,171,012	-	2,711,171,012	-	2,711,171,012
Profit for the period	-	-	982,669,571	-	982,669,571	-	982,669,571
Reserve	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	-	-
Balance at 30.09.2022.	2,250,000,000	-	1,443,840,583	-	3,693,840,583	-	3,693,840,583
Balance at 01.01.2023.	2,250,000,000	-	461,171,012	-	2,711,171,012	-	2,711,171,012
Profit for the reporting year	-	-	570,172,849	-	570,172,849	-	570,172,849
Share capital increase/(decrease)	420,000,000	-	-	-	420,000,000	-	420,000,000
Reserve	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	-	-
Balance at 30.09.2023.	2,670,000,000	-	1,031,343,861	-	3,701,343,861	-	3,701,343,861

Statement of Cash Flows

Cash flows to/from operating activities	01.01.2023. - 30.09.2023. AMD	01.01.2022. - 30.09.2022. AMD
Profit before tax	742,770,709	1,177,225,140
Adjustments for:		
Amortization and depreciation	26,297,159	35,335,976
Interest expense	226,541,436	331,728,485
Interest income	(1,947,129,483)	(1,874,478,154)
Loss on disposal of property, plant and equipment	-	(570,876)
Impairment expense	(46,187,375)	(54,445,273)
Loss from fluctuations of currency exchange rates	(11,162,757)	(651,224,799)
Operating profit before working capital changes	(1,008,870,311)	(1,036,429,501)
Decrease/(increase) in inventories	-	-
Increase in finance lease receivables, loans and advances to customers and other current assets	(64,691,445)	319,538,565
Increase in accrued liabilities	15,209,309	(20,950,043)
Increase/(decrease) in trade payable, taxes payable and other liabilities	10,021,496	392,019,368
Cash generated to/from operations	(1,048,330,952)	(345,821,611)
Interest received	1,947,129,483	1,874,478,154
Interest paid	(168,308,806)	(281,320,961)
Corporate income tax paid	-	-
Net cash flows to/from operating activities	730,489,725	1,247,335,582
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(4,215,590)	(6,803,462)
Purchase of rental fleet	(39,635,806)	(286,300)
Loan repayments received	-	-
Loans issued	-	-
Net cash flows to/from investing activities	(43,851,396)	(7,089,762)
Cash flows to/from financing activities		
Proceeds from borrowings	1,358,121,885	1,579,705,785
Repayments for borrowings	(2,398,284,999)	(2,781,335,865)
Payments made for loan acquisition costs	(4,113,764)	(70,243)
Dividends paid	-	-
Paid in share capital	420,000,000	-
Net cash flows to/from financing activities	(624,276,878)	(1,201,700,323)
Effect of exchange rates on cash and cash equivalents	(13,779,615)	7,086,017
Change in cash	48,581,836	45,631,513
Cash at the beginning of the year	51,329,204	70,660,740
Cash at the end of the year	99,911,040	116,292,253

Notes to the Financial Statements

1. Corporate information

MOGO Universal Credit Organization LLC (hereinafter "the Company") is an Armenian limited liability company. The company is governed by the civil legislation of the Republic of Armenia, RA laws "On Credit organizations" and "On Limited Liability Companies", is registered with the Central Bank of The Republic of Armenia under unified registration number 266 on 23.06.2017.

2. Summary of significant accounting policies

Basis of preparation

The 9 months 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.

These interim financial statements for the period ended 30.09.2023 are prepared in accordance with IFRS, as adopted by EU (Regulation (EC) No 1606/2002) and IAS34.

The Company's annual financial statements and its financial result are affected by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

The financial statements are prepared on a historical cost basis as modified by the recognition of financial instruments measured at fair value, except for inventory which is accounted in net realizable value and contingent consideration that has been measured at fair value.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

The Company's presentation currency is Armenia drams (AMD). The financial statements cover the period from 1 January 2023 till 30 September 2023. Accounting policies and methods are consistent with those applied in the previous years.

3. Interest revenue

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Interest income from loans and advances to customers	1,947,129,483	1,874,471,622
Other interest income	-	6,532
TOTAL:	1,947,129,483	1,874,478,154

4. Interest expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Interest expenses for loans from P2P platform investors	50,148,811	44,029,112
Interest expenses for bank liabilities and related parties	166,643,592	281,150,876
Interest expenses for lease liabilities	9,749,033	6,548,497
TOTAL:	226,541,436	331,728,485

5. Fee and commission income related to finance lease activities

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Revenue from contracts with customers recognized point in time:		
Income from penalties received	45,164,396	50,866,048
Income from commissions	-	-
TOTAL:	45,164,396	50,866,048
Revenue from contracts with customers recognized point in time where the Group acted as an agent:		
Gross income from debt collection activities	19,704,816	9,331,818
Gross expenses from debt collection activities	(124,232,680)	(186,724,748)
TOTAL:	(104,527,864)	(177,392,930)
Total fees and commissions income:	(59,363,468)	(126,526,882)

6. Impairment expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Change in impairment	(46,187,375)	(54,445,273)
TOTAL:	(46,187,375)	(54,445,273)

7. Expenses related to peer-to-peer platform services

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Service fee for using P2P platform	5,821,253	7,210,277
TOTAL:	5,821,253	7,210,277

8. Selling expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Online marketing expenses	29,147,952	23,908,887
TV advertising	1,068,800	950,000
Radio advertising	10,031,008	9,511,063
Other marketing expenses	9,005,905	15,666,500
Total marketing expenses	49,253,665	50,036,450
Other selling expenses	528,000	-
TOTAL:	49,781,665	50,036,450

9. Administrative expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Employees' salaries	338,229,512	296,912,858
Amortization and depreciation	26,297,159	35,335,976
Professional services	14,161,760	12,496,400
Office and branches' maintenance expenses	49,326,209	29,869,965
IT services	45,761,761	29,240,963
Bank commissions	2,768,030	9,590,512
Communication expenses	20,251,682	21,636,596
Credit database expenses	21,210,004	21,210,004
Business trip expenses	3,751,816	5,958,403
Insurance expenses	3,893,792	4,439,834
Transportation expenses	6,464,000	7,153,950
Other personnel expenses	3,695,588	2,077,970
Low value equipment expenses	213,780	1,975,205
Employee recruitment expenses	248,400	372,817
Other administration expenses	24,649,857	25,418,983
TOTAL:	561,161,683	503,905,416

10. Other operating income

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Other operating income	1,659,603	2,062,501
TOTAL:	1,659,603	2,062,501

11. Other operating expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Management services	284,173,168	289,851,978
Non-deductible VAT from management services	58,372,393	56,083,116
Provision expenses for possible withholding tax liabilities	11,597,396	4,487,261
Other operating expenses	6,556,047	35,155,723
TOTAL:	360,699,004	385,578,078

12. Net foreign exchange result

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Currency exchange gain	(14,598,642)	(655,773,697)
Currency exchange loss	3,435,885	4,548,898
TOTAL:	(11,162,757)	(651,224,799)

13. Corporate income tax

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	AMD	AMD
Deferred corporate income tax due to changes in temporary differences	172,597,860	194,555,568
Corporate income tax charged to the income statement:	172,597,860	194,555,568

14. Intangible assets

	Internally generated intangible assets	Other intangible assets	TOTAL
Cost	-	9,369,670	9,369,670
Accumulated amortization	-	(5,997,355)	(5,997,355)
As at 1 January 2022	-	3,372,315	3,372,315
2022			
Additions	-	541,300	541,300
Disposals (cost)	-	-	-
Amortization charge	-	(1,015,421)	(1,015,421)
Disposals (amortization)	-	-	-
Cost	-	9,910,970	9,910,970
Accumulated amortization	-	(7,012,776)	(7,012,776)
As at 31 December 2022	-	2,898,194	2,898,194
Cost	3,867,021	6,043,949	9,910,970
Accumulated amortization	(1,932,145)	(5,080,631)	(7,012,776)
As at 1 January 2023	1,934,876	963,318	2,898,194
9 months 2023			
Additions	35,994,406	3,641,400	39,635,806
Disposals (cost)	-	-	-
Amortization charge	(563,138)	(209,105)	(772,243)
Disposals (amortization)	-	-	-
Cost	39,861,427	9,685,349	49,546,776
Accumulated amortization	(2,495,283)	(5,289,736)	(7,785,019)
As at 30 September 2023	37,366,144	4,395,613	41,761,757

15. Property, plant and equipment and Right-of-use assets

	Right-of-use premises	Right-of-use motor vehicles	Total Right-of-use assets	Rental fleet	Other property, plant and equipment	TOTAL
Cost	1,924,061	-	1,924,061	-	1,143,118	3,067,179
Accumulated depreciation	(335,058)	-	(335,058)	-	(1,058,869)	(1,393,927)
As at 1 January 2022	1,589,004	-	1,589,004	-	84,249	1,673,253
2022						
Additions	390,110	-	390,110	-	8,379	398,489
Disposals (cost)	(157,619)	-	(157,619)	-	(9,619)	(167,238)
Depreciation charge	760,533	-	760,533	-	53,926	814,460
Disposals (depreciation)	(149,005)	-	(149,005)	-	(9,138)	(158,143)
Impairment	-	-	-	-	-	-
Cost	2,156,552	-	2,156,552	-	1,141,878	3,298,431
Accumulated depreciation	(946,586)	-	(946,586)	-	(1,103,657)	(2,050,243)
As at 31 December 2022	1,209,966	-	1,209,966	-	38,221	1,248,188
Cost	239,226,867	-	239,226,867	-	104,743,606	343,970,473
Accumulated depreciation	(148,299,480)	-	(148,299,480)	-	(96,479,789)	(244,779,269)
As at 1 January 2023	90,927,387	-	90,927,387	-	8,263,817	99,191,204
9 months 2023						
Additions	-	-	-	-	4,215,590	4,215,590
Disposals (cost)	-	-	-	-	(1,206,600)	(1,206,600)
Depreciation charge	(20,312,102)	-	(20,312,102)	-	(5,212,814)	(25,524,916)
Disposals (depreciation)	-	-	-	-	1,206,600	1,206,600
Impairment	-	-	-	-	-	-
Cost	239,226,867	-	239,226,867	-	107,752,597	346,979,464
Accumulated depreciation	(168,611,583)	-	(168,611,583)	-	(100,486,003)	(269,097,586)
As at 30 September 2023	70,615,284	-	70,615,284	-	7,266,594	77,881,878

16. Loans and advances to customers

	Non-Current 30.09.2023. AMD	Current 30.09.2023. AMD	Non-Current 31.12.2022. AMD	Current 31.12.2022. AMD
<i>Loans and advances to customers, net</i>				
Loans and advances to customers	4,152,454,847	5,381,632,902	4,022,797,759	5,605,818,421
Accrued interest	-	535,274,889	-	537,178,649
Fees paid and received upon loan disbursement	(22,312,922)	(28,917,824)	(25,294,589)	(35,248,322)
Impairment allowance	(207,963,297)	(4,469,245,051)	(271,145,541)	(4,531,901,215)
	3,922,178,628	1,418,744,916	3,726,357,629	1,575,847,533

17. Other receivables

	30.09.2023. AMD	31.12.2022. AMD
Receivables for payments received from customers through online payment systems	40,619,782	26,151,032
CIT paid in advance	19,521,925	23,042,934
Receivable for attracted funding through P2P platform	11,641,900	5,334,762
Advances to employees	1,062,918	921,086
Other debtors	6,973,105	160,800
TOTAL:	79,819,630	55,610,614

All receivables are expected to be paid within the following year.

18. Cash and cash equivalents

	30.09.2023. AMD	31.12.2022. AMD
Cash at bank	99,911,040	51,329,204
TOTAL:	99,911,040	51,329,204

The Company has not created an ECL allowances for cash and cash equivalents on the basis that placements with banks are of short term nature and the lifetime of these assets under IFRS 9 is so short that the low probability of default would result in immaterial ECL amounts (2022: GEL 0).

19. Assets held for sale

	30.09.2023. AMD	31.12.2022. AMD
Other non-current assets held for sale		
Repossessed collateral	60,905,916	28,024,163
	60,905,916	28,024,163

Repossessed collaterals are vehicles taken over by the Company in case of default by the Company's clients on the related lease agreements. After the default of the client, the Company has the right to repossess the vehicle and sell it to third party. The Company does not have the right to repossess, sell or pledge the vehicle in the absence of default by Company's clients. The Company usually sells the repossessed vehicles within 90 days after repossession.

20. Borrowings

Non-current			30.09.2023.	31.12.2022.
	Interest rate per annum (%)	Maturity	AMD	AMD
Loans from related parties				
Loan from related parties	12%	December 2025	827,566,759	1,021,867,663
TOTAL:			827,566,759	1,021,867,663
Other borrowings			30.09.2023.	31.12.2022.
	Interest rate per annum (%)	Maturity	AMD	AMD
Long term loans from banks	12.75%	February 2024	-	235,000,000
Lease liabilities for rent of premises			74,434,311	74,434,311
Financing received from P2P investors	7%-9.5%		448,924,054	277,258,548
TOTAL:			523,358,365	586,692,859
TOTAL NON CURRENT BORROWINGS:			1,350,925,124	1,608,560,522
Current			30.09.2023.	31.12.2022.
	Interest rate per annum (%)		AMD	AMD
Other borrowings				
Financing received from P2P investors	7%-9.5%		175,433,705	184,020,517
Short term loans from banks			230,000,000	1,000,000,000
Lease liabilities for rent of premises			2,607,158	22,855,383
Accrued interest for financing received from P2P investors			2,651,620	1,869,285
Accrued interest for loans from related parties			229,458,521	156,861,559
Accrued interest for loan from bank			4,116,164	14,753,425
TOTAL:			644,267,168	1,380,360,169

21. Related party disclosures

The income and expense items with related parties for 2023 were as follows:

Related party	Shareholder controlled companies	Other related parties
	AMD	AMD
Interest expenses	(75,856,463)	-
Management services received from related parties	(284,173,168)	-

The income and expense items with related parties for 2022 were as follows:

Related party	Shareholder controlled companies	Other related parties
	AMD	AMD
Interest expenses	(98,024,643)	-
Management services received from related parties	(289,851,978)	-

The receivables and liabilities with related parties as at 30.09.2023. and 31.12.2022. were as follows:

	30.09.2023.	31.12.2022.
	AMD	AMD
Amounts owed by related parties		
Loans to related parties	-	-
Trade receivables	1,619,500	-
Amounts owed to related parties		
Subordinated loans from shareholders of the Parent Company	827,566,759	1,021,867,663
Payables to related parties	282,735,511	186,852,519

Movement in amounts owed by related parties		Amounts owed by related parties
Amounts owed by related parties as of 01 01.01.2022 2022		-
Receivables covered in period		-
Amounts owed by related parties as of 31 31.12.2022 2022		-
Amounts owed by related parties as of 01 01.01.2023 2023		-
Receivables covered in period		1,619,500
Amounts owed by related parties as of 30 30.09.2023 2023		1,619,500
Movement in amounts owed to related parties		Amounts owed to related parties
Amounts owed to related parties as of 01 01.01.2022 2022		1,622,619,982
Loans received in period		538,000,156
Loans repaid/settled in period		(1,028,750,503)
Interest calculated in period		98,024,643
Interest repaid/settled in period		(10,663,258)
Management services received in period		289,851,978
Management services paid in period		(300,362,817)
Amounts owed to related parties as of 31 31.12.2022 2022		1,208,720,182
Amounts owed to related parties as of 01 01.01.2023 2023		1,208,720,182
Loans received in period		69,144,233
Loans repaid/settled in period		(263,445,137)
Interest calculated in period		75,856,463
Interest repaid/settled in period		(3,259,501)
Management services received in period		284,173,168
Management services paid in period		(260,925,018)
Change in other payables		37,879
Amounts owed to related parties as of 30 30.09.2023 2023		1,110,302,270

22. Events after balance sheet date

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