Société Anonyme Mogo Finance

(UNIFIED REGISTRATION NUMBER B 174.457)

Unaudited interim condensed consolidated financial statements

for the period ended 30 June 2019

PREPARED IN ACCORDANCE WITH IAS34

Luxembourg, 2019

CONTENTS

General information

Name of the Parent Company	Mogo Finance	
Legal status of the Parent Company	Société Anonyme	
Unified registration number, place and date of registration	Luxembourg, 18 December 2012	
Registered office	8-10, Avenue de la Gare, L-1610 Luxembourg	
		30.06.2019.
Major shareholders	Modo Investments Limited (Malta)	31.75%
	AutoInvest Inernational (Malta)	31.75%
	Centillion Holding Limited (Malta)	10.58%
	LVS Limited (Malta)	10.58%
	AS Obelo Capital (Latvia)	10.58%
	Other shareholders	4.76%
	TOTAL	**100.00%**
Directors	Modestas Sudnius (type A), from 09.03.2019 Māris Kreics (type A), from 25.07.2018 Sebastian Koller (type B), from 25.07.2018 Delphine Glessinger (type B), from 14.09.2018	

Consolidated subsidiaries

Mogo AS, Latvia (98%)	HUB1 AS, Latvia (100%)
Mogo LT UAB, Lithuania (100%)	HUB2 AS, Latvia (100%)
Mogo OU, Estonia (100%)	HUB3 SIA, Latvia (100%)
Mogo LLC, Georgia (98%)	HUB4 AS, Latvia (100%)
Mogo Sp. z o.o., Poland (100%)	HUB5 AS, Latvia (100%)
Mogo Bulgaria EOOD, Bulgaria (100%)	Mogo UCO LLC (100%)
Mogo IFN SA, Romania (100%)	Mogo Lend LTD (100%)
MOGO IBERIA SL, Spain (100%)	Mogo Kazakhstan TOO (100%)
Mogo Albania SHA, Albania (100%)	Longo Estonia OU (100%)
Risk Management Services, Estonia (100%)	Longo Latvia AS (100%)
Mogo Loans SRL, Moldova (100%)	Longo LT UAB (100%)
Mogo Ukraine LLC, Ukraine (100%)	Longo Georgia LLC (100%)
MOGO Kredit LLC, Belarus (100%)	Longo LLC (100%)
Longo Group AS, Latvia (100%)	Longo Netherlands B.V. (100%)
LoanGo AS (100%)	Longo Belgium B.V.B.A (100%)
Renti AS (100%)	Maxxus GmbH (100%)
Mogo DOOEL Skopje, Macedonia (100%)	
Mogo krediti DOOEL Skopje, Macedonia (100%)	

Financial period: 1 January - 30 June 2019

DIRECTORS` REPORT

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:

To the best of our knowledge, the condensed set of financial statements which has been prepared in accordance with the applicable set of accounting standards gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by the Laws and that the interim management report includes a fair review of the information required under paragraph (4).

“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.”

Consolidated Interim Financial Statements

Consolidated Statement of Comprehensive Income

		6 months 2019 EUR	6 months 2018 EUR
Interest revenue calculated using the effective interest method	3	33 901 316	24 790 202
Interest expense calculated using the effective interest method	4	(9 151 275)	(6 686 567)
Net interest income		**24 750 041**	**18 103 635**
Fee and commission income	5	1 655 538	1 715 333
Impairment expense	6	(6 036 151)	(7 586 697)
Net gain/(loss) from de-recognition of financial assets measured at amortized cost	7	(1 323 008)	(1 562 111)
Expenses related to peer-to-peer platform services	8	(314 106)	(801 212)
Revenue from leases	9	1 324 834	-
Revenue from car sales	10	6 312 824	1 646 234
Expenses from car sales	10	(6 194 743)	(1 567 363)
Selling expense	11	(1 782 599)	(1 238 774)
Administrative expense	12	(14 398 386)	(7 458 909)
Other operating income	13	1 159 813	100 653
Other operating expense	14	(1 002 566)	(335 679)
Net foreign exchange result	15	(1 013 495)	916 623
Profit before tax		**3 137 996**	**1 931 733**
Corporate income tax	16	(431 542)	(369 841)
Deferred corporate income tax	16	594 203	503 491
Net profit for the period		**3 300 657**	**2 065 383**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Translation of financial information of foreign operations to presentation currency		(584 127)	722 041
Other comprehensive income/(loss)		**(584 127)**	**722 041**
Total comprehensive income for the year		**2 716 530**	**2 787 424**
Profit is attributable to:			
Equity holders of the Parent Company		3 204 717	1 963 785
Non-controlling interests		95 940	101 598
Net profit for the year		**3 300 657**	**2 065 383**
Other comprehensive income/(loss) is attributable to:			
Equity holders of the Parent Company		(574 687)	709 990
Non-controlling interests		(9 440)	12 051
Other comprehensive income/(loss) for the year		**(584 127)**	**722 041**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 31 October 2019 by:

Māris Kreics
Type A director

Sebastian Koller
Type B director

Consolidated Statement of Financial Position

ASSETS

NON-CURRENT ASSETS		30.06.2019. EUR	31.12.2018. EUR
Intangible assets			
Goodwill		2 155 458	1 658 773
Internally generated intangible assets		2 801 543	1 915 093
Other intangible assets		66 401	75 962
Total intangible assets	**18**	**5 023 402**	**3 649 828**
Tangible assets			
Right-of-use assets		2 497 469	2 378 996
Rental fleet		10 057 138	1 430 490
Property, plant and equipment		1 779 526	977 906
Leasehold improvements		541 279	285 141
Advance payments for assets		232 188	204 648
Total tangible assets	**19**	**15 107 600**	**5 277 181**
Non-current financial assets			
Finance lease receivables	**20**	108 096 513	88 205 664
Loans and advances to customers	**21**	2 567 463	2 183 929
Loans to related parties	**22, 33**	8 737 320	5 257 221
Other non-current financial assets	**23**	779 892	983 479
Deferred tax asset		1 229 368	598 362
Total non-current financial assets		**121 410 556**	**97 228 655**
TOTAL NON-CURRENT ASSETS		**141 541 558**	**106 155 664**
CURRENT ASSETS			
Inventories			
Finished goods and goods for resale	**24**	4 996 909	1 696 167
Total inventories		**4 996 909**	**1 696 167**
Receivables and other current assets			
Finance lease receivables	**20**	44 489 524	46 379 266
Loans and advances to customers	**21**	6 252 287	3 092 551
Loans to related parties	**22, 33**	148 574	133 485
Other loans and receivables	**25**	3 951 514	4 666 488
Prepaid expense	**26**	1 288 539	832 571
Trade receivables	**27**	242 324	804 927
Corporate income tax receivable		516 584	-
Other short term receivables from related parties		-	42 367
Other receivables	**28**	3 599 906	1 343 990
Cash and cash equivalents	**29**	5 271 778	6 522 838
Total receivables and other current assets		**65 761 030**	**63 818 483**
Assets held for sale	**30**	1 548 878	2 633 743
Total assets held for sale		**1 548 878**	**2 633 743**
TOTAL CURRENT ASSETS		**72 306 817**	**68 148 393**
TOTAL ASSETS		**213 848 375**	**174 304 057**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 31 October 2019 by:

Māris Kreics
Type A director

Sebastian Koller
Type B director

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES

EQUITY		30.06.2019. EUR	31.12.2018. EUR
Share capital	31	31 036	31 036
Share premium		-	-
Reserve		88 334	86 568
Foreign currency translation reserve		(1 013 185)	(438 498)
Retained earnings/(losses)		18 471 508	15 113 700
brought forward		15 266 791	10 655 924
for the period		3 204 717	4 457 776
Total equity attributable to equity holders of the Parent Company		**17 577 693**	**14 792 806**
Non-controlling interests		352 739	498 440
TOTAL EQUITY		**17 930 432**	**15 291 246**
LIABILITIES			
Non-current liabilities			
Borrowings	32	154 607 689	122 605 986
Other non-current financial liabilities		-	74 418
Total non-current liabilities		**154 607 689**	**122 680 404**
Provisions		618 773	1 091 479
Total provisions for liabilities and charges		**618 773**	**1 091 479**
Current liabilities			
Borrowings	32	32 369 374	30 298 310
Prepayments and other payments received from customers		142 545	109 758
Trade payable		1 329 701	1 168 462
Corporate income tax payable		187 433	601 986
Taxes payable		504 463	649 806
Other liabilities		3 272 768	223 994
Accrued liabilities		2 155 991	1 773 301
Other current financial liabilities		127 018	52 600
Total current liabilities		**40 089 293**	**34 878 217**
Provisions		602 188	362 711
Total provisions for liabilities and charges		**602 188**	**362 711**
TOTAL LIABILITIES		**195 917 943**	**159 012 811**
TOTAL EQUITY AND LIABILITIES		**213 848 375**	**174 304 057**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 31 October 2019 by:

Māris Kreics
Type A director

Sebastian Koller
Type B director

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings/ (Accumulated loss)	Reserve	**Total equity attributable to Equity holders of the Parent Company**	Non controlling interest	**Total**
Balance at 01.01.2018.	**31 036**	**-**	**(492 867)**	**11 481 795**	**86 568**	**11 106 532**	**406 493**	**11 513 025**
Effect of adoption of IFRS9 standards	-	-	-	(825 871)	-	(825 871)	(2 564)	(828 435)
Balance at 01.01.2018. (restated)*	**31 036**	**-**	**(492 867)**	**10 655 924**	**86 568**	**10 280 661**	**403 929**	**10 684 590**
Profit for the period	-	-	-	1 963 785	-	1 963 785	101 598	2 065 383
Other comprehensive income	-	-	709 990	-	-	709 990	12 051	722 041
Total comprehensive income	-	-	709 990	1 963 785	-	2 673 775	113 649	2 787 424
Balance at 30.06.2018.	**31 036**	**-**	**217 123**	**12 619 709**	**86 568**	**12 954 436**	**517 578**	**13 472 014**
Balance at 01.01.2019.	**31 036**		**(438 498)**	**15 113 700**	**86 568**	**14 792 806**	**498 440**	**15 291 246**
Profit for the reporting year	-	-	-	3 204 717	-	3 204 717	95 940	3 300 657
Purchase of minority interest shares	-	-	-	154 857	-	154 857	(232 201)	(77 344)
Other comprehensive income	-	-	(574 687)	-	-	(574 687)	(9 440)	(584 127)
Total comprehensive income	-	-	(574 687)	3 359 574	-	2 784 887	(145 701)	2 639 186
Balance at 30.06.2019.	**31 036**	**-**	**(1 013 185)**	**18 471 508**	**88 334**	**17 577 693**	**352 739**	**17 930 432**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 31 October 2019 by:

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Type A director

Sebastian Koller
Type B director

Consolidated Statement of Cash Flows

Cash flows to/from operating activities	6 months 2019 EUR	6 months 2018 EUR
Profit before tax	3 137 996	1 931 733
Adjustments for:		
Amortization and depreciation	1 580 071	372 422
Interest expense	9 151 275	6 686 567
Interest income	(33 601 316)	(24 790 202)
Loss/(gain) on disposal of property, plant and equipment	350 503	(32 095)
Impairment expense	7 349 159	9 148 808
(Gain)/loss from fluctuations of currency exchange rates	429 368	1 638 664
Operating profit before working capital changes	**(11 602 944)**	**(5 044 103)**
Increase in inventories	(3 300 774)	(305 078)
Increase in finance lease receivables, loans and advances to customers and other current assets	(28 637 703)	(34 285 020)
Increase in accrued liabilities	(202 050)	139 178
Increase/(decrease) in trade payable, taxes payable and other liabilities	2 787 986	(707 934)
Cash generated to/from operations	**(40 955 485)**	**(40 202 957)**
Interest received	33 415 176	24 790 202
Interest paid	(8 872 896)	(6 884 889)
Corporate income tax paid	(600 733)	(938 555)
Net cash flows to/from operating activities	**(17 013 938)**	**(23 236 199)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(3 518 482)	(1 871 347)
Purchase of rental fleet	(10 242 434)	-
Acquisition of a subsidiary, net of cash acquired	(73 398)	-
Loan repayments received	1 097 730	100 000
Loans issued	(4 680 179)	(3 831 608)
Net cash flows to/from investing activities	**(17 416 763)**	**(5 602 955)**
Cash flows to/from financing activities		
Proceeds from borrowings	103 480 195	131 275 107
Repayments for borrowings	(68 830 594)	(104 784 817)
Repayment of liabilities for right-of-use assets	(1 469 960)	-
Net cash flows to/from financing activities	**33 179 641**	**26 490 290**
Change in cash	**(1 251 060)**	**(2 348 864)**
Cash at the beginning of the year	6 522 838	5 234 064
Cash at the end of the year	**5 271 778**	**2 885 200**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 31 October 2019 by:

Māris Kreics
Type A director

Sebastian Koller
Type B director

Notes to the Consolidated Financial Statements

1. Corporate information

Mogo Finance S.A. (hereinafter “the Parent Company”) is a Luxembourg company incorporated on December 18, 2012 as a Société Anonyme for an unlimited duration, subject to general company law.

The consolidated financial statements of the Group include:

Subsidiary name	Registration number	Country of incorporation	Principal activities	% equity interest 30.06.2019.	31.12.2018.
Mogo AS	50103541751	Latvia	Financing	98%	98%
Mogo LT UAB	302943102	Lithuania	Financing	98%	98%
Mogo OU	12401448	Estonia	Financing	100%	100%
Mogo LLC	404468688	Georgia	Financing	98%	98%
Mogo Sp. z o.o.	7010514253	Poland	Financing	100%	100%
Mogo Bulgaria EOOD	204009205	Bulgaria	Financing	100%	100%
Mogo IFN SA	35917970	Romania	Financing	100%	100%
Mogo LT SIA	40103964830	Latvia	Financing	100%	100%
Mogo Albania SHA	NUIS L71528013A	Albania	Financing	100%	100%
Risk Management Services	14176671	Estonia	Financing	100%	100%
Mogo Loans SRL	10086 000260223	Moldova	Financing	100%	100%
Mogo Ukraine LLC	41738122	Ukraine	Financing	100%	100%
MOGO Kredit LLC	192981714	Belarus	Financing	100%	100%
Renti AS	40203174147	Latvia	Rent services	100%	100%
Mogo UCO LLC	42	Armenia	Financing	100%	100%
HUB1 AS	40203145805	Latvia	Management services	100%	100%
HUB2 AS	40203150045	Latvia	Management services	100%	100%
HUB3 AS	40103964830	Latvia	Management services	100%	100%
HUB4 AS	40203150030	Latvia	Management services	100%	100%
AS "Mogo Africa"	40203182962	Latvia	Management services	100%	100%
Longo Group AS	42103081417	Latvia	Management services	100%	100%
Mogo Lend LTD	305723654	Uzbekistan	Financing	100%	100%
Mogo Kazakhstan TOO	180940010094	Kazakhstan	Financing	100%	100%
LoanGo AS	40203148375	Latvia	Financing	100%	100%
Longo Estonia OU	14554950	Estonia	Retail of motor vehicles	100%	100%
Longo Latvia AS	40203147079	Latvia	Retail of motor vehicles	100%	100%
Longo LT UAB	304837699	Lithuania	Retail of motor vehicles	100%	100%
Longo Georgia LLC	402095166	Georgia	Retail of motor vehicles	100%	100%
Longo LLC	286.110.1015848	Armenia	Retail of motor vehicles	100%	100%
Longo Netherlands B.V.	71706267	Netherlands	Wholesale of motor vehicles	100%	100%
Longo Belgium B.V.B.A	0881.764.642	Belgium	Wholesale of motor vehicles	100%	100%
Mogo DOOEL Skopje	7273614	Macedonia	Financing	100%	0%
Mogo krediti DOOEL Skopje	7342683	Macedonia	Financing	100%	0%
Maxxus GmbH	201/5977/4414	Germany	Wholesale of motor vehicles	100%	0%
Mogo Africa UAB	304991028	Lithuania	Management services	100%	0%
Mogo Loans SMS Limited	1014543294	Uganda	Financing	100%	0%
LONGO CARS LIMITED	80020001522601	Kenya	Financing	100%	0%
Mogo Kenya Ltd	P051151641I	Kenya	Financing	100%	0%

2. Summary of significant accounting policies

Basis of preparation

The consolidated half-yearly report of the Group 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 Group and the undertakings included in the consolidation taken as a whole.

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

These interim consolidated annual financial statements for the period ended 30 June 2019 are prepared in accordance with IAS34.

The Group's consolidated 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 annual consolidated financial statements.

The Group 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 Group'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 consolidated 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. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

The Group's presentation currency is euro (EUR). The financial statements cover the period from 1 January 2019 till 30 June 2019. Accounting policies and methods are consistent with those applied in the previous years.

Going concern

These interim condensed consolidated financial statements are prepared on the going concern basis.

3. Interest revenue calculated using the effective interest method

	6 months 2019	6 months 2018
	EUR	EUR
Interest income from finance lease receivables	31 532 564	24 098 403
Interest income from loans and advances to customers	1 714 545	590 569
Other interest income	654 207	101 230
TOTAL:	**33 901 316**	**24 790 202**

4. Interest expense calculated using the effective interest method

	6 months 2019	6 months 2018
	EUR	EUR
Interest expenses for loans from P2P platform investors	3 453 748	3 917 393
Interest expense on issued bonds	4 978 364	2 051 503
Interest expenses for bank liabilities and related parties	644 691	717 671
Interest expenses for lease liabilities	74 472	-
TOTAL:	**9 151 275**	**6 686 567**

5. Fee and commission income

Revenue from contracts with customers recognized point in time:	6 months 2019 EUR	6 months 2018 EUR
Income from penalties received	1 548 681	1 049 599
Income from commissions	211 830	246 462
Income from providing registration services	100 009	75 549
TOTAL:	**1 860 520**	**1 371 610**

Revenue from contracts with customers recognized point in time where the Group acted as an agent:	6 months 2019 EUR	6 months 2018 EUR
Gross income from debt collection activities	1 113 649	1 098 580
Gross expenses from debt collection activities	(1 318 631)	(754 857)
TOTAL:	**(204 982)**	**343 723**
Total fees and commissions income:	**1 655 538**	**1 715 333**

6. Impairment expense

		6 months 2019	6 months 2018
		EUR	EUR
Change in impairment		5 686 364	7 458 610
Written off debts		349 787	128 087
	TOTAL:	**6 036 151**	**7 586 697**

7. Net gain/(loss) from de-recognition of financial assets measured at amortized cost

		6 months 2019	6 months 2018
Financial lease		EUR	EUR
Net (gain)/loss arising from cession of receivables to non related parties		1 097 018	1 562 111
Loans and advances to customers			
Net (gain)/loss arising from cession of receivables to non related parties		225 990	-
	TOTAL:	**1 323 008**	**1 562 111**

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

		6 months 2019	6 months 2018
		EUR	EUR
Service fee for using P2P platform		314 106	801 212
	TOTAL:	**314 106**	**801 212**

9. Revenue from leases

		6 months 2019	6 months 2018
		EUR	EUR
Revenue from operating lease		1 324 834	-
	TOTAL:	**1 324 834**	**-**

10. Revenue from car sales

		6 months 2019	6 months 2018
Revenue from contracts with customers recognized point in time:		EUR	EUR
Income from sale of vehicles		6 312 824	1 646 234
	TOTAL:	**6 312 824**	**1 646 234**

		6 months 2019	6 months 2018
Expenses from contracts with customers recognized point in time:		EUR	EUR
Expenses from sale of vehicles		(6 194 743)	(1 567 363)
	TOTAL:	**(6 194 743)**	**(1 567 363)**
Total Net revenue from contracts with customers recognized point in time		**118 081**	**78 871**

11. Selling expense

		6 months 2019	6 months 2018
		EUR	EUR
Online marketing expenses		591 992	363 959
TV advertising		306 085	409 118
Radio advertising		108 664	119 501
Other marketing expenses		372 053	209 311
Total marketing expenses		*1 378 794*	*1 101 889*
Other selling expenses		403 805	136 885
	TOTAL:	**1 782 599**	**1 238 774**

12. Administrative expense

	6 months 2019	6 months 2018
	EUR	EUR
Employees' salaries	8 199 868	4 009 792
Amortization and depreciation	1 580 071	372 422
Professional services	1 066 706	541 856
Office and branches' maintenance expenses	692 301	784 578
Costs of sold lease vehicles	38 133	-
IT services	527 234	260 569
Credit database expenses	308 522	247 428
Business trip expenses	221 865	91 594
Car registration expenses	221 564	106 908
Communication expenses	217 146	111 106
Bank commissions	211 584	64 329
Employee recruitment expenses	143 322	191 087
Real estate tax	124 390	132 130
Transportation expenses	66 659	27 704
Low value equipment expenses	66 031	51 059
Other personnel expenses	43 996	42 489
Donations	42 500	178 500
Insurance expenses	17 801	5 964
Other administration expenses	608 693	239 394
TOTAL:	**14 398 386**	**7 458 909**

13. Other operating income

	6 months 2019	6 months 2018
	EUR	EUR
Income from refunded nature resource tax	639 029	-
Revenue from sold lease vehicles	119 537	-
Income from management services	357 396	-
Other operating income	43 851	100 653
TOTAL:	**1 159 813**	**100 653**

14. Other operating expense

	6 months 2019	6 months 2018
	EUR	EUR
Non-deductible VAT from management services	498 595	-
Loss from disposal of fixed assets	113 776	-
Provision expenses for possible withholding tax liabilities	76 051	-
Provision expenses for possible VAT liabilities	-	92 258
Other operating expenses	314 144	243 421
TOTAL:	**1 002 566**	**335 679**

15. Net foreign exchange result

	6 months 2019	6 months 2018
	EUR	EUR
Currency exchange gain	(395 383)	(984 612)
Currency exchange loss	1 408 878	67 989
TOTAL:	**1 013 495**	**(916 623)**

16. Corporate income tax

	6 months 2019	6 months 2018
	EUR	EUR
Current corporate income tax charge for the reporting year	431 542	369 841
Deferred corporate income tax due to changes in temporary differences	(594 203)	(503 491)
Corporate income tax charged to the income statement:	**(162 661)**	**(133 650)**

17. Business combinations and acquisition of non-controlling interest

Acquisition of Mogo DOOEL Skopje (Macedonia)

On 19 February 2019, the Group acquired 100% of the shares of Mogo DOOEL Skopje, a non-listed company based in North Macedonia and specialising in financial services, in exchange for the cash consideration. The Group acquired Mogo DOOEL Skopje because it enlarges the range of geographies in its core business of providing financing services.

The Group measures the interests in the acquiree at fair value. Business combination accounting is incomplete and the below amounts are provisional.

Assets	**Fair value recognized on acquisition**
Property, plant and equipment	34 646
Finance lease receivables - long term	780 238
Finance lease receivables - short term	7 803
Prepaid expense	626
Other receivables	7 795
Cash and cash equivalents	46 602
Total assets	**877 710**
Liabilities	
Borrowings - long term	1 036 627
Prepayments received from customers	3 205
Trade payables	21 046
Accrued liabilities	255 929
Total liabilities	**1 316 807**
Total identifiable net assets at fair value	**(439 097)**
Purchase consideration transferred	**95 001**
Goodwill arising on acquisition	**534 098**

	6 months 2019
Analysis of cash flows on acquisition:	EUR
Purchase consideration	(95 001)
Net cash acquired with the subsidiary	46 602
Net cash flow on acquisition	(48 399)

18. Intangible assets

	Goodwill	Internally generated intangible asets	Other intangible assets	TOTAL
Cost	1 476 745	1 912 633	138 444	**3 527 822**
Accumulated amortization	-	(726 320)	(78 540)	**(804 860)**
As at 1 January 2018	**1 476 745**	**1 186 313**	**59 904**	**2 722 962**
2018				
Additions	-	1 132 458	133 297	**1 265 755**
Acquisition of a subsidiary	182 028	-	9 256	**191 284**
Disposals (cost)	-	(75 541)	(93 518)	**(169 059)**
Exchange difference, net	-	528	93	**621**
Amortization charge	-	(397 998)	(38 925)	**(436 923)**
Acquisition of a subsidiary	-	-	(1 429)	**(1 429)**
Disposals (amortization)	-	69 375	7 250	**76 625**
Exchange difference, net	-	(42)	34	**(8)**
Cost	1 658 773	2 970 078	187 572	**4 816 423**
Accumulated amortization	-	(1 054 985)	(111 610)	**(1 166 595)**
As at 31 December 2018	**1 658 773**	**1 915 093**	**75 962**	**3 649 828**
6 months 2019				
Additions	-	1 059 677	16 045	**1 075 722**
Acquisition of a subsidiary	496 685	-	-	**496 685**
Disposals (cost)	-	-	-	**-**
Exchange difference, net	-	(1 923)	(892)	**(2 815)**
Amortization charge	-	(177 587)	(25 256)	**(202 843)**
Acquisition of a subsidiary	-	-	-	**-**
Disposals (amortization)	-	5 321	-	**5 321**
Exchange difference, net	-	962	542	**1 504**
Cost	2 155 458	4 027 832	202 725	**6 386 015**
Accumulated amortization	-	(1 226 289)	(136 324)	**(1 362 613)**
As at 30 June 2019	**2 155 458**	**2 801 543**	**66 401**	**5 023 402**

Split of goodwill per cash generating unit:	30.06.2019.	31.12.2018.
Name	EUR	EUR
AS mogo (Latvia)	298 738	298 738
UAB mogo (Lithuania)	646 063	646 063
Mogo UCO (Armenia)	182 028	182 028
Mogo DOOEL Skopje (North Macedonia)	496 685	-
OU mogo (Estonia)	451 894	451 894
Mogo LLC (Georgia)	80 050	80 050
	2 155 458	**1 658 773**

Each cash generating unit represents a subsidiary of the Group.

Goodwill impairment test

As at 30 June 2019, goodwill was tested for impairment.

The goodwill impairment test was performed for each cash generating unit separately.

The recoverable amounts for each unit was calculated based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing activities of the units. No impairment losses were recognized because the recoverable amounts of these units including the goodwill allocated were determined to be higher than their carrying amounts. The calculations of value-in-use were based on free cash flow to equity approach to each unit respectively, discounted by estimated cost of equity. The value-in-use calculations are most sensitive to projected operating cash-flow, terminal growth rates used to extrapolate cash flows beyond the budget period, and discount rates. Projected operating cash-flow figures were based on detailed financial models.

6 months actual figures were used as a starting point in these models, and took into account management's expectations of the future performance of each unit.

Four years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity was determined to be 1%. The rate was estimated by management based on historical trends observed in existing markets, and expected Group and industry developments.

Discount rates reflect the current market assessment of the risk specific to each unit.

Sensitivity analysis was performed to assess changes to key assumptions that could influence whether the carrying value of the units exceeded their recoverable amounts. The results of this analysis indicate that for all units, the recoverable amount would not be below the carrying amount including goodwill (i.e. goodwill would not become impaired), if terminal growth rates decreased by 0.5% and discount rates increased by 10%.

19. 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	-	-	-	-	1 127 958	**1 127 958**
Accumulated depreciation	-	-	-	-	(698 277)	**(698 277)**
As at 31 December 2017	**-**	**-**	**-**	**-**	**429 681**	**429 681**
Change in reporting standards	610 241	87 356	**697 597**	-	-	**697 597**
As at 1 January 2018	**610 241**	**87 356**	**697 597**	**-**	**429 681**	**1 127 278**
2018						
Additions	3 306 854	117 962	3 424 816	1 437 196	1 452 547	**6 314 559**
Acquisition of a subsidiary	-	-	-	-	100 748	**100 748**
Disposals (cost)	(9 193)	(6 000)	(15 193)	-	(348 674)	**(363 867)**
Exchange difference, net	(4 606)	341	(4 265)	-	3 998	**(267)**
Depreciation charge	(999 789)	(44 708)	(1 044 497)	(6 771)	(356 091)	**(1 407 359)**
Acquisition of a subsidiary	-	-	-	-	(15 648)	**(15 648)**
Disposals (depreciation)	9 193	6 000	15 193	65	202 384	**217 642**
Exchange difference, net	3 068	(126)	2 942	-	(1 250)	**1 692**
Cost	3 293 055	112 303	3 405 358	1 437 196	2 336 577	**7 179 131**
Accumulated depreciation	(987 528)	(38 834)	(1 026 362)	(6 706)	(868 882)	**(1 901 950)**
As at 31 December 2018	**2 305 527**	**73 469**	**2 378 996**	**1 430 490**	**1 467 695**	**5 277 181**
6 months 2019						
Additions	1 166 306	25 121	1 191 427	9 689 164	1 654 174	**12 534 765**
Acquisition of a subsidiary	-	-	-	-	40 429	**40 429**
Disposals (cost)	(491 604)	-	(491 604)	(651 996)	(376 587)	**(1 520 187)**
Exchange difference, net	(31 597)	(2 536)	(34 133)	-	(20 904)	**(55 037)**
Depreciation charge	(760 069)	(23 674)	(783 743)	(426 926)	(249 537)	**(1 460 206)**
Acquisition of a subsidiary	-	-	-	-	(5 783)	**(5 783)**
Disposals (depreciation)	215 268	-	215 268	16 406	20 763	**252 437**
Exchange difference, net	20 360	898	21 258	-	22 743	**44 001**
Cost	3 936 160	134 888	4 071 048	10 474 364	3 633 689	**18 179 101**
Accumulated depreciation	(1 511 969)	(61 610)	(1 573 579)	(417 226)	(1 080 696)	**(3 071 501)**
As at 30 June 2019	**2 424 191**	**73 278**	**2 497 469**	**10 057 138**	**2 552 993**	**15 107 600**

20. Finance Lease Receivables

Finance lease receivables, net	**Non-Current** 30.06.2019. EUR	**Current** 30.06.2019. EUR	**Non-Current** 31.12.2018. EUR	**Current** 31.12.2018. EUR
Finance lease receivables	114 957 480	58 064 470	95 313 913	58 124 440
Accrued interest and handling fee	-	5 764 605	-	5 150 268
Fees paid and received upon lease disbursement	(1 990 291)	(1 058 063)	(2 201 339)	(1 342 424)
Impairment allowance	(4 870 676)	(18 281 488)	(4 906 910)	(15 553 018)
	108 096 513	**44 489 524**	**88 205 664**	**46 379 266**

Transactions with peer-to-peer platforms

From year 2016 Group started placing lease agreement receivables on peer-to-peer lending platform. Agreements were offered with buy back guarantee, which means that all risks of such agreements remain with the Group and in case of client default the Group has the liability to repay the whole remaining principal and accrued interest to P2P investor. By using the same platform Group also offered loans without buy back guarantee, which means that all risks related to client default were transferred to P2P investor. Portions of agreements purchased by investors therefore are considered as financial assets eligible for derecognition from Group statement of financial position.

Total gross portfolio and associated liabilities for the portfolio derecognized from Group financial assets were:

		30.06.2019.	31.12.2018.
Non-current		EUR	EUR
Finance lease receivable		99 672	180 458
Associated liabilities		(99 672)	(180 458)
	NET POSITION:	**-**	**-**
Current		EUR	EUR
Finance lease receivable		50 344	119 798
Associated liabilities		(50 344)	(119 798)
	NET POSITION:	**-**	**-**
Total gross portfolio derecognized from Group's financial assets		150 016	300 256
Total associated liabilities		(150 016)	(300 256)
	TOTAL NET POSITION:	**-**	**-**

As at end of reporting period 0.1% of all gross portfolio was purchased by P2P investors without buyback guarantee (0.2% in 2018).

21. Loans and advances to customers

Loans and advances to customers, net	**Non-Current** 30.06.2019. EUR	**Current** 30.06.2019. EUR	**Non-Current** 31.12.2018. EUR	**Current** 31.12.2018. EUR
Loans and advances to customers	2 940 189	7 109 689	2 354 695	3 077 776
Accrued interest	-	228 842	-	162 916
Fees paid and received upon loan disbursement	(10 264)	(29 911)	(13 978)	(18 268)
Impairment allowance	(362 462)	(1 056 333)	(156 788)	(129 873)
	2 567 463	**6 252 287**	**2 183 929**	**3 092 551**

22. Loans to related parties

Non current *Loans to related parties*	*Interest rate per annum (%)*	*Maturity*	30.06.2019. EUR	31.12.2018. EUR
Loans to related parties	10,5-12,5%	April-September 2023	8 737 320	5 257 221
	TOTAL:		**8 737 320**	**5 257 221**

Current *Loans to related parties*		30.06.2019. EUR	31.12.2018. EUR
Accrued interest		148 574	133 485
	TOTAL:	**148 574**	**133 485**

23. Other non-current financial assets

		30.06.2019.	31.12.2018.
		EUR	EUR
Purchase price paid for acquisition of shares in acquired companies		779 892	983 479
	TOTAL:	**779 892**	**983 479**

During previous reporting year the Group has signed share acquisition agreement in company registered in Bosnia and Hercegovina. As at reporting date of these interim condensed consolidated financial statements, the Group had paid purchase price of this entity while formal process of registering change of shareholders was not yet finished. The Group is still in the extensive process of obtaining an approval from local regulator in Bosnia and Hercegovina. Control over the entity is still not obtained.

Purchase price paid for acquisition of shares in acquired companies:		30.06.2019.
Company in Bosnia and Hercegovina		779 892
	TOTAL:	**779 892**

24. Finished goods and goods for resale

		30.06.2019.	31.12.2018.
		EUR	EUR
Acquired vehicles for purpose of selling them to customers		4 996 909	1 696 167
	TOTAL:	**4 996 909**	**1 696 167**

This non-financial asset is not impaired as of 30.06.2019. (31.12.2018.: 0 EUR).

25. Other loans and receivables

	Interest rate per annum (%)	*Maturity*	30.06.2019. EUR	31.12.2018. EUR
Deposit in bank in Armenia	10.15%	November 2019	3 681 953	4 515 488
Loans to non-related parties	24%	November 2019	130 000	150 000
Accrued interest			139 561	1 000
		TOTAL:	**3 951 514**	**4 666 488**

ECL was assessed for these receivables and concluded insignificant therefore it is not recognized (31.12.2018.: EUR 0)

26. Prepaid expense

		30.06.2019.	31.12.2018.
		EUR	EUR
Prepaid Mintos service fee		176 277	234 416
Advances paid for services		468 755	178 809
Other prepaid expenses		643 507	419 346
	TOTAL:	**1 288 539**	**832 571**

27. Trade receivables

		30.06.2019.	31.12.2018.
		EUR	EUR
Receivables for provided management services		242 324	581 848
Receivables for ceased financial assets		-	173 474
Receivables for sold motor vehicles		-	49 605
	TOTAL:	**242 324**	**804 927**

No ECLs are recognized for these receivables (31.12.2018.: EUR 0)

The Group does not have contract assets and contract liabilities at 30.06.2019 (EUR 0 at 31.12.2018).

28. Other receivables

	30.06.2019. EUR	31.12.2018. EUR
Other receivables		
Overpaid VAT from subsidiary in Latvia	562 146	482 287
Impairment allowance for overpaid VAT	(562 146)	(482 287)
Net overpaid VAT*	-	-
Receivable for attracted funding through P2P platform	878 829	262 256
Taxes paid in advance	69 765	-
Receivables for refundable nature resource tax	334 144	104 829
Receivables for payments received from customers through online payment systems	200 558	46 623
Advances to employees	176 483	146 133
Overpaid VAT in other subsidiaries	62 901	358 402
Security deposit for office lease	-	96 601
Other debtors	1 877 226	329 146
TOTAL:	**3 599 906**	**1 343 990**

All receivables are expected to be paid within the following year, except VAT overpayment where uncertainty of date of settlement is unclear due to ongoing litigation process in Latvia.
This resulted in full settlement of payable VAT and recognition of VAT overpayment. Considering the uncertainty the Group has decided to recognize the impairment provision in full amount for VAT receivable in the statement of financial position and additional provisions in amount of VAT payable settled by VAT return adjustment and related penalties.

29. Cash and cash equivalents

	30.06.2019. EUR	31.12.2018. EUR
Cash at bank	5 072 583	6 400 304
Cash on hand	199 195	122 534
TOTAL:	**5 271 778**	**6 522 838**

The Group 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 (2018: EUR 0).

30. Assets held for sale

Other non-current assets held for sale	30.06.2019. EUR	31.12.2018. EUR
Repossessed collateral	1 548 878	2 633 743
	1 548 878	**2 633 743**

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

31. Share capital

The subscribed share capital of the Group amounts to EUR 31 036 and is divided into 3 103 600 shares fully paid up.
The movements on the Share capital caption during the year are as follows:

	Share capital EUR	Number of class A Shares	Number of class B Shares	Total number of Shares
Opening balance as at 1 January 2018	**31 036**	**3 103 600**	**-**	**3 103 600**
Subscriptions	-	-	-	-
Redemptions	-	-	-	-
Closing balance as at 31 December 2018	**31 036**	**3 103 600**	**-**	**3 103 600**
Opening balance as at 1 January 2019	**31 036**	**3 103 600**	**-**	**3 103 600**
Subscriptions	-	-	-	-
Redemptions	-	-	-	-
Closing balance as at 30 June 2019	**31 036**	**3 103 600**	**-**	**3 103 600**

32. Borrowings

Non-current			EUR	EUR
Subordinated loans	*Interest rate per annum (%)*	*Maturity*	30.06.2019.	31.12.2018.
Loan from related parties	10%	10.07.2022	2 682 009	2 500 000
		TOTAL:	**2 682 009**	**2 500 000**

Subordinated loans comprise a loan received by the Parent company from its shareholders. The subordinated loan was acquired as one of the conditions to obtain financing from Eurobonds described further below. The loans are denominated in EUR with an interest rate of 10% and maturing on July 2022.

Loans from related parties				
Loan from related parties	10%	May 2023	200 000	-
		TOTAL:	**200 000**	**-**
Bonds				
Mogo Finance S.A. bonds nominal value	9.5%	July 2022	71 574 347	68 034 250
Mogo AS 20m bonds nominal value	10%	31.03.2021	16 190 000	9 616 218
Mogo AS 10m bonds nominal value	10%	31.03.2021	10 000 000	2 588 782
Bond additional interest accrual	10%	31.03.2021	224 810	182 493
Bonds acquisition costs			(3 709 560)	(2 765 347)
		TOTAL:	**94 279 597**	**77 656 396**
Other borrowings				
Long term loan from banks	7.8%-12%	Nov 2020 - March 2021	9 726 305	8 224 781
Lease liabilities for rent of premises	2%-12%	up to 10 years	1 642 120	1 288 265
Lease liabilities for rent of vehicles	2%-12%	up to 3 years	47 393	34 685
Financing received from P2P investors	8% - 14%	29.12.2024.	46 616 347	33 486 997
Loan acquisition costs			(586 082)	(585 138)
		TOTAL:	**57 446 083**	**42 449 590**
		TOTAL NON CURRENT BORROWINGS:	**154 607 689**	**122 605 986**

Current				
Other borrowings	*Interest rate per annum (%)*	*Maturity*	30.06.2019. EUR	31.12.2018. EUR
Financing received from P2P investors	8% - 14%	29.12.2024.	26 910 348	15 442 105
Mogo AS 20m bonds nominal value	10%	31.03.2021	-	8 863 782
Mogo AS 10m bonds nominal value	10%	31.03.2021	-	2 386 218
Accrued interest for bonds			3 385 360	3 186 292
Lease liabilities for rent of premises	2%-12%	up to 10 years	873 720	1 081 209
Accrued interest for financing received from P2P investors			428 163	274 961
Lease liabilities for rent of vehicles	2%-12%	up to 3 years	24 475	40 273
Long term loan from non-related parties	9%	27.12.2019	626 312	-
Accrued interest for loans from non related parties			51 150	58 708
Accrued interest for loan from bank			69 846	70 901
Bonds acquisition costs			-	(1 106 139)
		TOTAL:	**32 369 374**	**30 298 310**

33. Related party disclosures

The income and expense items with related parties for 6 months 2019 were as follows:

Related party	Shareholder controlled companies EUR	Other related parties EUR
Interest income	-	235 885
Interest expenses	(129 926)	-

The income and expense items with related parties for 2018 were as follows:

Related party	Shareholder controlled companies EUR	Other related parties EUR
Interest income	-	274 965
Interest expenses	(1 360 834)	-

The receivables and liabilities with related parties as at 30.06.2019. and 31.12.2018. were as follows:

	30.06.2019. EUR	31.12.2018. EUR
Amounts owed by related parties		
Receivables from minority shareholders of the Group	-	42 367
Loans to related parties	8 885 894	5 390 706
Trade receivables	516 584	-
Amounts owed to related parties		
Subordinated loans from shareholders of the Parent Company	2 682 009	2 500 000
Unpaid dividends	-	21 800
Accrued interest	44 739	52 083

Movement in amounts owed by related parties	**Amounts owed by related parties**
Amounts owed by related parties as of 01 January 2018	110 567
Receivables covered in period	(68 200)
Amounts owed by related parties as of 31 December 2018	42 367
Amounts owed by related parties as of 01 January 2019	42 367
Receivables acquired in period	474 217
Amounts owed by related parties as of 30 June 2019	516 584

Movement in amounts owed to related parties	**Amounts owed to related parties**
Amounts owed to related parties as of 01 January 2018	4 014 577
Loans received in period	7 500 000
Loans repaid/settled in period	(8 916 564)
Interest calculated in period	345 761
Interest repaid in period	(391 691)
Dividends calculated for minority shareholders	90 000
Dividends paid to minority shareholders	(68 200)
Amounts owed to related parties as of 31 December 2018	2 573 883
Amounts owed to related parties as of 01 January 2019	2 573 883
Loans received in period	182 009
Loans repaid/settled in period	-
Interest calculated in period	190 820
Interest repaid in period	(198 164)
Dividends calculated for minority shareholders	-
Dividends paid to minority shareholders	(21 800)
Amounts owed to related parties as of 30 June 2019	2 726 748

34. Commitments and contingencies

Cooperation agreement with P2P platforms

Cooperation agreements with P2P platforms require to maintain positive amount of equity at all times in Estonia, Georgia, Lithuania, Moldova, Poland, Romania and Bulgaria. Management of the Group monitors and increases the share capital if needed to satisfy this requirement.

The Group is subject to additional financial covenants relating to its attracted funding through P2P platform. Group is regularly monitoring respective indicators and ensures that covenants are satisfied. The Group is in compliance with these covenants at 30 June 2019 and 31 December 2018.

Mogo Finance S.A. bonds

There are restrictions in the prospectus for bonds issued in Frankfurt Stock exchange (ISIN (XS1831877755)). Financial covenants are following:
1) Interest coverage ratio (EBITDA) is at least 1.25 x at any time
2) Capitalization ratio is at least:
   a. 8% starting from 31.12.2018
   b. 10% starting from 31.12.2019
   c. 15% starting from 31.12.2020 until full repayment of the Bonds

There are other limitations regarding additional and permitted debt, restricted and permitted payments, permitted loans and securities.

Mogo AS bonds

There are restrictions in prospectus for bonds issued in Nasdaq Baltic (ISIN: LV0000801363 and LV0000880029):
1) to maintain positive amount of equity at all times;
2) to maintain Net Debt/Equity (total liabilities minus cash against equity) indicator at certain level.

During the reporting period the Group complied with all externally imposed capital requirements to which it was subjected to.

Commitments for received services

In 2017 the Group signed a service agreement with tax advisory company. Agreement conditions assume partial remuneration for these services based on success fee principle. Estimated maximal amount payable for these services is assumed 70 000 EUR.

Other possible contingent liabilities

1) Starting from 9 July 2018 and during 2019 Mogo Finance S.A. and its subsidiaries entered into several pledge agreements with Greenmarck 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.

2) 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, on 31 January 2019 and on 31 May 2019 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.

3) On 5 May 2015 Bonriki Holdings Limited entered into a mezzanine facility agreement with the Group, 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 Group. 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 Group whereby Bonriki may acquire 2.5% shares of the Group 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 Group. According to the shareholders agreement signed by Bonriki as a Warrant holder, shareholders and Mogo Finance S.A. as amended on 19 July 2019 and on 25 September 2019, 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 and this option can only be exercised till 31 December 2020.

4) In 2019 the Group has signed Guarantee Agreements with P2P platform companies AS Mintos Marketplace and Mintos OU according to which in order to secure P2P platform's claims towards the subsidiaries if certain subsidiaries cooperating with P2P platform fail to perform their obligations. The claims are limited by amounts borrowed by each subsidiary.

5) On 29 September 2017 the subsidiary in Armenia - Mogo UCO LLC entered into a pledge agreement over deposit and right of claim with Ardshinbank CJSC, establishing a pledge over the funds in the bank accounts of Mogo UCO LLC in favour of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 29 September 2017.

6) On 2 November 2017 the subsidiary in Armenia Mogo UCO LLC entered into a pledge agreement over deposit and right of claim with Ardshinbank CJSC, establishing a pledge over the funds in the bank accounts of Mogo UCO LLC in favour of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

34. Commitments and contingencies (continued)

7) On 27 November 2018 the subsidiary in Armenia Mogo UCO LLC entered into an agreement on pledge of right of claim and funds with Ardshinbank CJSC, pledging Mogo UCO LLC right of claim and funds, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

8) On 26 February 2018 the subsidiary in Latvia mogo AS entered into a surety agreement with Ardshinbank CJSC and Mogo LLC, in order to secure Mogo LLC obligations towards Ardshinbank CJSC deriving from loan agreement concluded between Ardshinbank CJSC and Mogo LLC on 26 February 2018, with a maximum liability not exceeding the principal amount EUR 1 000 000.

9) On 26 February 2018 the subsidiary in Georgia - Mogo LLC entered into an account pledge agreement with Ardshinbank CJSC, in order to secure Mogo LLC obligations towards Ardshinbank CJSC deriving from the loan agreement concluded between Ardshinbank CJSC and Mogo LLC on 26 February 2018.

10) According to the non-binding opinion of the Bank of Lithuania, released in third quarter of 2018 regarding the interest charged on a commission fee, the subsidiary in Lithuania - mogo LT UAB at the respective clients` request should compensate interest charged on its commission fee. Since in accordance with the recommendations of the Bank of Lithuania mogo LT UAB has made the necessary amendments and is not adding commission fee to the loan amount starting from the end of 2017, and has not received any requests by affected consumers. However, for the purpose of transparency, the grand total material adverse effect could be up to EUR 479 414.

11) On 11 December 2018 the subsidiary in Latvia - mogo AS issued a payment guarantee No.2018.12.05 for the benefit of third party with a maximum liability not exceeding EUR 200 000, where the liability of mogo AS is limited to the performance of other subsidiary's HUB1 AS obligations from the secured agreement with this party.

12) On 12 December 2018 mogo AS issued guarantee letters for the benefit of a third party to secure other subsidiaries HUB 4 AS and Longo Group AS obligations from the secured office space lease agreements concluded on 12 December 2018. According to the guarantee letters mogo AS undertook to fulfil HUB 4 AS and Longo Group AS obligations towards the third party if they are overdue on liabilities under the agreements terms. The guarantees expire if the lease agreements are amended, renewed without prior written approval by mogo AS and is effective for the entire duration of the respective lease agreements.

13) On 15 April 2019 Mogo Finance S.A. entered into a surety agreement with Ardshinbank CJSC in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC under facility agreement of 2 November 2017.

14) On 31 July 2019 mogo AS concluded a commercial pledge agreement on certain receivables with AS “Citadele banka” in order to secure debtor liabilities under Credit line agreement No.659-08/19-51 concluded in 8 July 2019.

15) On 9 August 2019 mogo OU concluded a claims pledge agreement on certain receivables with AS “Citadele banka” in order to secure debtor liabilities under Credit line agreement No.659-08/19-51 concluded in 8 July 2019.

16) On 9 September 2019 mogo LT UAB concluded a contractual pledge agreement on certain receivables with AS “Citadele banka” in order to secure debtor liabilities under Credit line agreement No.659-08/19-51 concluded in 8 July 2019.

17) On 26 September 2019 the subsidiary in Armenia - Mogo UCO LLC entered into a pledge over Mogo UCO LLC receivables in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC under facility agreement of 2 November 2017.

35. Financial risk management

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

Operational risks

The Group takes on exposure to certain operational risks, which result from general and specific market and industry requirements.

Compliance risk

Compliance risk refers to the risk of losses or business process disruption resulting from inadequate or failed internal processes systems, that have resulted in a breach of applicable law or other regulation currently in place.

Regulatory risks

Group’s operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing . Formal licences issued by respective regulators are required in all countries where the Group operates in, except for Lithuania, Georgia, Belarus, Moldova, Uzbekistan, Kazakhstan and Poland. The Group closely monitors all the changes in regulatory framework for each of the countries it operates in. The Group employs both in-house as well as outsourced legal specialists to assist in addressing any current or future regulatory developments that might have an impact on Group’s business activities.

Anti-money laundering and Know Your Customer laws compliance risk

The Group is subject to anti-money laundering laws and related compliance obligations in most of the jurisdictions in which it does business. The Group has put in place local anti-money laundering policies in those jurisdictions where it is required under local law to do so and in certain other jurisdictions. As a financial institution, the Group is required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks.

As a result, the Group often relies on anti-money laundering and know your customer checks performed by our customers’ banks when such customers open new bank accounts, however Group has implemented further internal policies to minimise these risks. Group has put in place internal control framework to identify and report all suspicious transactions with a combination of IT based solutions and human involvement. Internal policies of the Group typically include customers’ background check against sanctioned lists and other public sources as required by each local law.

35. Financial risk management (continued)

Privacy, data protection compliance risk

The Group's business is subject to a variety of laws and regulations internationally that involve user privacy, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The Group has put in place an internal control framework consisting from a combination of IT based solutions and business procedures that are designed to capture any potential non-compliance matter before it has occurred and to ensure compliance with these requirements.

Market risks

The Group takes on exposure to market risks, which are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility or market rates or prices such as interest rates and foreign exchange rates.

Financial risks

The main financial risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk, and credit risk.

Foreign currency risk

The Group accepts the currency risk by issuing loans in local currencies and funding local operations mostly with EUR. Further currency risk is managed transaction wise by avoiding unnecessary conversions back and forth to settle payments and invoices in EUR. Also Group is constantly looking for ways to fund local country operations with local currency funds.

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The most significant foreign currency exposure comes from Armenia, Georgia and Poland, where Group has evaluated potential hedging options, but due to the costs associated with it, has decided not to pursue hedging strategy for now and assume potential short to mid-term currency fluctuations with retaining potential upside from strengthening in those currencies.

The Group is not exposed to currency risk in Bulgaria since it's currency rate is fixed by national bank of Bulgaria.

Interest rate risk

The Group is not exposed to interest rate risk because all of its liabilities are interest bearing borrowings with a fixed interest rate.

Financial risks

Capital risk management

The Group considers both equity capital as well as borrowings a part of overall capital risk management strategy.
The Group manages its capital to ensure that it will be able to continue as going concern. In order to maintain or adjust the capital structure, the Group may attract new credit facilities or increase its share capital. The Group fulfils externally imposed equity capital requirements.

The Group monitors equity capital on the basis of the capitalization ratio as defined in Eurobond prospectus. This ratio is calculated as Net worth (the sum of paid in capital, retained earnings, reserves and shareholder loan) divided by Net Loan portfolio.
In order to maintain or adjust the overall capital structure, the Group may issue new bonds, borrow in P2P platform or sell assets to reduce debt.
The management of the borrowings is driven by monitoring and complying the lender imposed covenants as well as planning the further borrowing needs to ensure business development of the Group.

Liquidity risk

The Group manages its liquidity risk by arranging an adequate amount of committed credit facilities with related parties and by issuing bonds.

Credit risk

The Group is exposed to credit risk through its finance lease receivables, as well as cash and cash equivalents.
The key areas of credit risk policy cover lease granting process (including solvency check of the lease), monitoring methods, as well as decision making principles.

The Group operates by applying a clear set of finance lease granting criteria. This criteria includes assessing the credit history of customer, means of lease repayment and understanding the lease object. The Group takes into consideration both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Group sets the credit limit for each and every customer.

When the lease agreement has been signed, the Group monitors the lease object and customer's solvency. The Group has developed lease monitoring process so that it helps to quickly spot any possible non-compliance with the provisions of the agreement. The receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimized, and, where appropriate, provisions are being made.

The Group does not have a significant credit risk exposure to any single counterparty, but has risk to group of counterparties having similar characteristics.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.
In order to avoid excessive concentrations of risk, the Group is maintaining a diversified portfolio. It's main product is subprime lease, however it is offering also near prime lease, as well as instalment loan and long-term rent products.

36. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's statement of financial position at their fair value:	Carrying value	Fair value	Carrying value	Fair value
	30.06.2019.	30.06.2019.	31.12.2018.	31.12.2018.
Assets for which fair value is disclosed	**EUR**	**EUR**	**EUR**	**EUR**
Loans to related parties	8 885 894	8 885 894	5 390 706	5 390 706
Other loans and receivables	3 951 514	3 951 514	4 666 488	4 666 488
Trade receivables	516 584	516 584	-	-
Other short term receivables from related parties	-	-	42 367	42 367
Other receivables	3 599 906	3 599 906	1 343 990	1 343 990
Cash and cash equivalents	5 271 778	5 271 778	6 522 838	6 522 838
Total assets for which fair value is disclosed	**22 225 676**	**22 225 676**	**17 966 389**	**17 966 389**
Liabilities for which fair value is disclosed				
Borrowings				
Loan from related parties	2 882 009	2 882 009	2 500 000	2 500 000
Mogo Finance S.A. bonds	71 576 477	73 417 391	67 675 386	69 516 300
Mogo AS bonds	26 088 480	26 190 000	23 311 163	23 455 000
Lease liabilities for right-of-use assets	2 587 708	2 587 708	2 444 432	2 444 432
Other borrowings	9 887 531	9 887 531	7 769 252	7 769 252
Trade payables	1 329 701	1 329 701	1 168 462	1 168 462
Other liabilities	3 272 768	3 272 768	223 994	223 994
Total liabilities for which fair value is disclosed	**117 624 674**	**119 567 108**	**105 092 689**	**107 077 440**
Liabilities measured at fair value				
Other financial liabilities	127 018	127 018	127 018	127 018
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**117 751 692**	**119 694 126**	**105 219 707**	**107 204 458**

37. Share-based payments

General Employee Share Option Plan

The Group may grant share options of Subsidiaries to its employees. Share options are generally awarded on the first day of employment. The share options vest within four years time with front loaded vesting of 25% of the granted shares after one year of employment.

Senior Executive Share Option Plan

The Group, at its discretion, may grant share options of the Parent Company or a subsidiary to its senior executives. Vesting of the share options is dependent on the profitability of the Group or the respective subsidiary. Employees must remain in service for a period of one year from the date of grant.

Fair value of the respective share options

The fair value of share options granted is estimated at the date of grant. Group's management has assessed that the fair value of the respective share options, due to reasons described in Note 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 Finanace S.A. or any listing process initiated, then cash settlement is considered not to be probable. The Group does not have a past practice of cash settlement for these awards.

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.

38. Segment information

For management purposes, the Group is organized into business units based on its geographical locations and on internal management structure, which is the basis for reporting system. These financial statements provide information, including comparative information of previous period, on the following five operating segments:

- HUB 1. This is the major segment of the Group representing entities performing financing activities in Baltic countries, Georgia and Armenia.
- HUB 2. This is the major segment of the Group representing entities performing financing activities in Bulgaria, North Macedonia and Albania.
- HUB 3. This is the major segment of the Group representing entities performing financing activities in Romania, Moldova, Ukraine and Belarus.
- HUB 4. This is the major segment of the Group representing entities performing financing activities in Kazakhstan and Uzbekistan.
- HUB 5. This is the major segment of the Group representing entities performing financing activities in Kenya and Uganda.
- Entities performing sales of motor vehicles. This is the major segment of the Group representing entities performing sales activities of motor vehicles in Baltics, Armenia and Georgia.
- Other segments. This segment comprises Group's business lines with aggregate unconsolidated revenue below 10% of the total unconsolidated revenue of all operating segments.
- Other. The Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments hence these are presented in "Other".

Management monitors mainly the following indicators of operating segments for the purpose of making decisions about resource allocation and performance assessment: net revenue, profit before tax, gross portfolio and impairment. Other segment is not monitored on segment level but on comprising subsidiaries level.

In 2018 Parent Company's debt instruments in the form of bonds became traded in a public market, accordingly the Group applies IFRS 8 in its financial statements. HUB structure described above was also introduced in 2018. From 2018 management evaluates the performance of the Group on a HUB level instead of individual subsidiary level. Segment information for prior year that is reported as comparative information for the initial year of application is presented in such a manner to conform to the requirements of this IFRS and both years are comparable.

The Group`s Chief operating decision maker is Group`s CEO.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2018 or 2019.

Segment information below shows main income and expense items of comprehensive income statement. Other smaller income and expense items are summarized and shown under 'Other income/(expense)' column.

Segment information for the period ended on 30 June 2019 is presented below:

Operating segment	Interest income	Interest expenses	Impairment expense	Other operating income/ (expense)	Corporate income tax	Segment profit/(loss) for the period	Total assets	Total liabilities
HUB 1	24 539 785	(6 083 558)	(6 426 587)	(3 905 626)	(440 158)	7 683 856	168 651 995	128 470 142
HUB 2	2 615 396	(735 472)	34 016	(2 122 951)	181 232	(27 779)	21 331 566	16 922 012
HUB 3	6 087 251	(1 717 772)	(766 135)	(3 814 883)	6 255	(205 284)	40 262 180	41 288 588
HUB 4	340 973	(213 423)	(176 909)	(1 001 027)	137 828	(912 558)	6 731 242	7 953 214
HUB 5	51 685	(33 964)	(32 697)	(826 495)	260 960	(580 511)	2 066 958	2 618 609
Entities performing sales of motor vehicles	25 854	(318 950)	9 153	(853 372)	18 149	(1 119 166)	7 463 582	9 138 565
Other segments	-	-	-	-	-	-	38 000	-
Total segments	33 660 944	(9 103 139)	(7 359 159)	(12 524 354)	164 266	4 838 558	246 545 523	206 391 130
Other	3 635 383	(4 353 917)	-	(411 199)	(1 605)	(1 131 338)	70 896 569	92 662 854
Adjustments and eliminations	(3 395 011)	4 305 781	-	(1 317 333)	-	(406 563)	(103 593 717)	(103 360 851)
Consolidated	33 901 316	(9 151 275)	(7 359 159)	(14 252 886)	162 661	3 300 657	213 848 375	195 693 133

38. Segment information (continued)

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Revenue		6 months 2019 EUR
External customers (interest income and other income)		28 948 600
Inter-segment (interest income and other income)		4 712 344
	TOTAL:	**33 660 944**

Reconciliation of profit	30.06.2019. EUR
Segment profit	4 838 558
Profit from other	*(1 131 338)*
Elimination of inter-segment revenue	*(4 712 344)*
Elimination of intragroup other income/(expenses)	(1 317 333)
Elimination of intragroup income from dealership commissions	(3 395 011)
Elimination of inter-segment expenses	*4 305 781*
Elimination of intragroup interest expenses	4 305 781
Consolidated profit for the period	3 300 657

Reconciliation of assets	
Segment operating assets	246 545 523
Loans to subsidiaries	60 048 307
Loans to non related parties	5 019 580
Other short term receivables	5 828 682
Elimination of intragroup loans	(102 973 044)
Elimination of other intragroup receivables	(620 673)
Total assets	213 848 375

Reconciliation of liabilities	
Segment operating liabilities	206 391 130
Borrowings	91 799 471
Other liabilities	863 383
Elimination of intragroup borrowings	(85 889 793)
Elimination of other intragroup accounts payable	(17 471 058)
Total liabilities	195 693 133

Segment information for the period ended on 30 June 2019 is presented below:

	Interest income	Interest expenses	Impairment expense	Other operating expense	Corporate income tax	Segment profit for the period	Total assets	Total liabilities
HUB 1	44 881 793	(12 917 411)	(13 249 617)	(5 108 140)	(1 308 649)	12 297 976	141 737 029	109 718 154
HUB 2	2 623 787	(877 396)	(1 309 267)	(2 386 081)	183 111	(1 765 846)	12 886 893	11 518 520
HUB 3	6 925 931	(2 527 982)	(3 878 428)	(5 136 248)	78 291	(4 538 436)	24 823 718	25 459 925
Entities performing sales of motor vehicles	439	(135 081)	(9 153)	(820 211)	5 839	(958 167)	7 040 185	7 734 203
Other segments	250	(30 939)	-	(99 598)	(5 596)	(135 883)	2 476 397	2 107 795
Total segments	54 432 200	(16 488 809)	(18 446 465)	(13 550 278)	(1 047 004)	4 899 644	188 964 222	156 538 597
Other	335 495	(4 011 214)	-	8 149 277	(3 210)	4 470 348	56 962 528	75 550 271
Adjustments and eliminations	(390 079)	7 878 777	177 643	(12 393 590)	-	(4 727 246)	(71 622 693)	(73 076 057)
Consolidated	54 377 616	(12 621 246)	(18 268 822)	(17 794 591)	(1 050 214)	4 642 746	174 304 057	159 012 811

38. Segment information (continued)

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Revenue		2018 EUR
External customers (interest income and other income)		41 648 531
Inter-segment (interest income and other income)		12 783 669
	TOTAL:	**54 432 200**

Reconciliation of profit	31.12.2018. EUR
Segment profit	4 899 644
Profit from other	*4 470 348*
Elimination of inter-segment revenue	*(12 783 669)*
Elimination of intragroup income from dividends	(4 413 500)
Elimination of intragroup interest income	(7 795 234)
Elimination of intragroup other income/(expenses)	(184 853)
Elimination of intragroup income from dealership commissions	(390 082)
Elimination of inter-segment expenses	*8 056 423*
Elimination of intragroup interest expenses	7 878 777
Elimination of intragroup other income/(expenses)	177 646
Consolidated profit for the period	4 642 746

Reconciliation of assets	
Segment operating assets	188 964 222
Loans to subsidiaries	48 316 950
Loans to non related parties	4 375 563
Other short term receivables	4 270 015
Elimination of intragroup loans	(69 570 480)
Elimination of other intragroup receivables	(2 052 213)
Total assets	174 304 057

Reconciliation of liabilities	
Segment operating liabilities	156 538 597
Borrowings	74 854 780
Other liabilities	695 491
Elimination of intragroup borrowings	(69 570 480)
Elimination of other intragroup accounts payable	(3 505 577)
Total liabilities	159 012 811

39. Events after balance sheet date

Since the last day of the reporting period several significant events took place:
1) The Group conluded a creditline agreement with Citadele bank by Mogo entities in Latvia, Lithuania and Estonia in amount of 10% of net portfolio in each of the entities.
2) The Group repaid funding attracted through P2P platform in amount of EUR 4 569 000 by 29 October 2019.
3) The Parent Company has issued additional loans to related parties - Mogo entities in Balkans - that are in the process to be incorporated within Mogo Group in amount of EUR 1 217 000.
4) The Parent Company's current shareholders have agreed to provide up to EUR 10,000,000 of additional capital. As of the date of signing of these financial statements share capital of the Parent Company has been increased by EUR 964,000. Furthermore, EUR 1,000,000 has been received by the Parent Company under a subordinated loan agreement.

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.

Signed on behalf of the Group on 31 October 2019 by:

Māris Kreics
Type A director

Sebastian Koller
Type B director