

MOGO FINANCE REPORTS UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

Increase in issuances continue to drive strong results

OPERATIONAL AND STRATEGIC HIGHLIGHTS

- Group loans issued increased strongly by 40.2% equaling EUR 132.6 million (9M 2018: EUR 94.6 million), of which EUR 76.3 million in mature markets (9M 2018: EUR 69.1 million)
- Number of active customers in mid-tier markets up significantly by approx. 100.0% to over 17,000 (31 December 2018: approx. 8,500)
- Near-prime product launched in Latvia in cooperation local Latvian bank
- After testing phase Mogo Finance decided to temporarily stop operations in the Ukraine market

FINANCIAL HIGHLIGHTS AND PROGRESS

- Interest and similar income including income from used car rent up strongly by 42.0% to EUR 55.8 million (9M 2018: EUR 39.3 million)
- Rapid growth in net interest income of 35.5% to EUR 37.8 million (9M 2018: EUR 27.9 million)
- Significant increase in EBITDA by 55.1% to EUR 22.8 million (9M 2018: EUR 14.7 million)
- Net profit for the period improved notably by 82.1% to EUR 5.1 million (9M 2018: EUR 2.8 million)

Modestas Sudnius, CEO of Mogo Finance, commented:

“In the first nine months of 2019, growth of portfolio was supported by significant increase in key financial figures – net profit and EBITDA notably. Mid-tier markets are developing according to our strategy and increasingly contributing to the Group’s profitability. Mogo growth and success in 2019 so far is a result of consistent strategy, great and dedicated team work within the headquarters as well as all countries where Mogo has gathered all the best talent from the industry.”

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CONFERENCE CALL:

A conference call in English with the Group's management team to discuss these results is scheduled for 20 November 2019, at 15:00 CET.

[Please register: http://emea.directeventreg.com/registration/4819519](http://emea.directeventreg.com/registration/4819519)

ABOUT MOGO FINANCE:

Mogo Finance is one of the largest and fastest-growing secured used car financing companies in Europe. Recognizing the niche in used car financing underserved by traditional lenders, Mogo Finance has expanded its operations to 14 countries issuing over EUR 450 million up to date and running a net loan and used car rent portfolio over EUR 180 million. Mogo offers secured loans up to EUR 15,000 with maximum tenor of 84 months making used car financing process convenient, both for its customers and partners. Wide geographical presence makes Mogo unique over its rivals and diversifies revenue streams.

Mogo Finance operates through its own branch network, more than 1,800 partner locations and strong online presence. Physical footprint makes Mogo Finance top of mind brand in used car financing. Established in 2012, headquartered in Riga, Latvia Mogo Finance operates in: Latvia, Estonia, Lithuania, Georgia, Poland, Romania, Bulgaria, Moldova, Albania, Belarus, Armenia, Uzbekistan, Kazakhstan and North Macedonia.

www.mogofinance.com

FINANCIAL REVIEW

Condensed consolidated income statement

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

(in EUR million)	9M 2018	9M 2019	% change
Interest and similar income	39.3	53.2	35.4%
Interest expense and similar expenses	(11.4)	(15.4)	35.1%
Net interest income	27.9	37.8	35.5%
Income from used car rent	-	2.6	100%
Impairment expense	(13.5)	(12.1)	-10.4%
Other operating expense	(11.6)	(23.0)	98.3%
Profit before tax	2.8	5.3	89.3%
Corporate income tax	-	(0.2)	0.0%
Net profit for the period	2.8	5.1	82.1%

Interest and similar income

(in EUR million)	9M 2018	9M 2019	% change
Interest and similar income	39.3	53.2	35.4%
Interest and similar income (mature countries)	35.2	38.6	9.7%
Average net portfolio	118.6	155.4	31.0%
Average Income yield on net portfolio	44.2%	45.7%	1.5 p.p.

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

Interest and similar income for the period was EUR 53.2 million, a 35.4% increase compared to EUR 39.3 million for the nine months ended 30 September 2018 reflecting the growth in the average net loan portfolio by 31.0% from EUR 118.6 million to EUR 155.4 million and an increase in income yield from 44.2% to 45.7%.

Interest expense and similar expense

Interest expense and similar expense for the period was EUR 15.4 million, an increase of 35.1% compared to EUR 11.4 million for the nine months ended 30 September 2018. This increase was mainly due to the increase in total borrowings to EUR 195.9 million (31 December 2018: EUR 150.4 million).

Income from used car rent

Income from used car rent for the period was EUR 2.6 million (9M 2018: Nil).

Impairment expense

Net impairment losses on loans and receivables for the period was EUR 12.1 million, a strong decrease of 10.4%. (9M 2018: 13.5 million). The NPL ratio (Gross NPL / Total gross portfolio) was stable at 16% (35+DPD, Days past due) of the gross portfolio (31 December 2018: 15%) with a provision coverage ratio of 83% (31 December 2018: 85%).

Operating expense

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

(in EUR million)	9M 2018	9M 2019	% change
Employees' salaries	6.7	13.1	95.5%
Marketing expenses	1.6	2.7	68.8%
Net income from sale of vehicles	-	(0.6)	0.0%
Office and branch maintenance expenses	1.3	1.1	-15.4%
Professional services	0.8	1.6	100.0%
Amortization and depreciation	0.5	2.7	440.0%
Currency exchange gain	(0.1)	(0.6)	500.0%
Other operating expenses	0.8	3.0	275.0%
Total operating expense	11.6	23.0	98.3%

Total operating expenses reported for the period were EUR 23.0 million, a 98.3% increase compared to EUR 11.6 million reported for the nine months ended 30 September 2018.

Employees' salaries remain stable with comprised 57.0% of total operating expenses compared to 57.8% reported for the nine months ended 30 September 2018, thanks to successfully completed investments in HUBs and expansion activities.

Marketing efficiency remains high with effective cost per loan issued being EUR 24. For the first nine months of 2019 and 2018, marketing expense accounted for 11.7% and 13.8% of total operating expense, respectively.

Profit before tax

The consolidated profit before tax for the period was EUR 5.3 million, compared to EUR 2.8 million for the nine months ended 30 September 2018, representing a significant increase of 89.3%.

Corporate income tax

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

(in EUR million)	9M 2018	9M 2019	% change
Corporate income tax	(0.6)	(0.9)	50.0%
Deferred tax	0.6	0.7	16.7%
Total corporate income tax	-	(0.2)	0.0%

Profit for the period

For the reasons stated above, the Group's profit for the period was EUR 5.1 million, up 82.1% compared to EUR 2.8 million for the nine months ended 30 September 2018.

Non-IFRS figures – EBITDA

(in EUR million)	9M 2018	9M 2019	% change
Profit for the period	2.8	5.1	82.1%
Provisions for taxes	-	0.2	0.0%
Interest expense	11.4	15.4	35.1%
Depreciation and amortization	0.5	2.7	440.0%
Currency exchange loss/(gain)	-	(0.6)	0.0%
EBITDA	14.7	22.8	55.1%

Condensed consolidated balance sheet

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

Assets (in EUR million)	31 Dec. 2018	30 Sep. 2019
Intangible assets	3.7	5.4
Tangible assets	6.1	22.5
Finance lease receivables	134.6	161.1
Loans and advances to customers	5.3	9.7
Deferred tax asset	0.6	1.4
Inventories	1.7	5.2
Non-current assets held for sale	2.6	2.0
Other receivables	13.2	17.6
Cash and cash equivalents	6.5	3.6
Total assets	174.3	228.5
Equity and liabilities (in EUR million)	31 Dec. 2018	30 Sep. 2019
Share capital and reserves	0.1	1.2
Foreign currency translation reserve	(0.4)	(0.7)
Retained earnings	15.1	20.1
Non-controlling interests	0.5	0.4
Subordinated debt	2.5	3.8
Total equity	17.8	24.8
Borrowings	150.4	195.9
Other liabilities	6.1	7.8
Total liabilities	156.5	203.7
Total equity and liabilities	174.3	228.5

Assets

The Group had total assets of EUR 228.5 million as of 30 September 2019. An increase of 31.1% compared to EUR 174.3 million as of 31 December 2018. The increase in assets reflects mainly the net loan and used car rent portfolio growth.

Tangible assets

Tangible assets increased by 16.4 EUR million to 22.5 EUR million as of 30 September 2019 compared to 6.1 EUR million as of 31 December 2018. The increase in tangible assets was mainly due to growth in used car rent product in Latvia (EUR 11.2 million) and implementation of IFRS 16 (Leases) and capex (EUR 5.2 million combined).

Net loan and used car rent portfolio

As of 30 September 2019, the Group's net loan and used car rent portfolio equaled EUR 183.4 million, compared to EUR 141.3 million as of 31 December 2018, representing an increase of EUR 42.1 million (29.8%).

(in EUR million)				
Net loan and used car rent portfolio				
	31 Dec. 2018	Total share (in %)	30 Sep. 2019	Total share (in %)
Mature countries*	109.70	77.6%	115.80	63.1%
Mid-tier countries**	28.70	20.3%	55.90	30.5%
Start-up countries***	2.90	2.1%	11.70	6.4%
Total net loan and used car rent portfolio	141.30	100.0%	183.40	100.0%

* Mature countries are Latvia (including used car rent portfolio), Lithuania, Estonia, Georgia and Armenia

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

*** Start-up countries are North Macedonia, Kazakhstan and Uzbekistan

The loan portfolio of mid-tier and startup countries was EUR 55.9 and 11.7 million respectively, an increase of EUR 27.2 million and EUR 8.8 million, compared to 31 December 2018.

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

(in EUR million)				
Net loan and used car rent portfolio				
	31 Dec. 2018	Total share (in %)	30 Sep. 2019	Total share (in %)
STAGE 1*	119.50	85.4%	146.80	85.9%
STAGE 2**	11.80	8.4%	13.60	8.0%
STAGE 3***	8.60	6.1%	10.40	6.1%
Total net loan portfolio	139.90	100%	170.80	100%
Used car rent	1.40	1.0%	12.60	6.9%
Total net loan and used car rent portfolio	141.30		183.40	
Gross NLP ratio****	15%		16%	
Impairment coverage ratio*****	85%		83%	

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

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

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

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

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

The NPLs in the net loan portfolio have been stable at around EUR 10.4 million or 16% from the total gross portfolio. At both country and product level, the expansion of the portfolio by economies of scale as well as economies of scope compensates for effects on the NPL ratio, which can be further optimized through comprehensive management procedures.

Equity

Total equity amounted to EUR 24.8 million, a significant increase of EUR 7.0 million (39.3%) compared to 31 December 2018. The increase was due to profits generated by the Group for the period as well as increase in share capital and subordinated debt by 1.0 EUR each - representing an increase to EUR 1.0 million (31 December 2018: EUR 0.0) and EUR 3.8 million (31 December 2018: EUR 2.5 million) accordingly. The Group expects to draw down subordinated loan from the current shareholders in the amount of eight million Euro (EUR 8.0 million) in increments by end of Q1 2020 to strengthen the Group's equity. The capitalization ratio as of 30 September 2019 increased to 14.5% (31 December 2018: 12.7%), providing good

Liabilities

The Group had total liabilities of EUR 203.7 million as of 30 September 2019, compared to EUR 156.5 million as of 31 December 2018, representing an increase of EUR 47.2 million (30.2%), primarily driven by the increase in loans and borrowings.

Loans and borrowings

The following table sets out loans and borrowings by type.

(in EUR million)	31 Dec. 2018	30 Sep. 2019
Liabilities for the rights to use assets	2.4	7.2
Loans from banks	8.3	17.3
Latvian Bonds	23.6	26.8
Eurobonds (excl. accrued interest)	68.0	71.9
Bonds acquisition costs and accrued interest	(0.7)	(1.4)
Financing received from P2P investors	48.7	73.3
Loans from related and non-related parties	0.1	0.8
Total loans and borrowings	150.4	195.9

Loans from banks comprise further loans received by:

- Mogo Armenia from a local bank. The loans are denominated in local currency, thus eliminating forex risk for the Group in Armenia, with an interest rate of 12.0% and maturing on November 2020.
- Loan received by Mogo Georgia in the amount of EUR 1.0 million with an interest rate of 7.8% is maturing on March 2021.
- Credit line received by Mogo Latvia, Mogo Lithuania and Mogo Estonia in the amount up to EUR 10.0 million with an interest rate of 8% is maturing on July 2021.
- Loan received by Mogo Belarus in the amount of USD 1.0 million with an interest rate of 10% is maturing on September 2021.

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

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

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

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

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

(in EUR million)	30 Sep. 2018	30 Sep. 2019
Profit before tax	2.8	5.3
Net cash flows to operating activities	(36.2)	(26.5)
Net cash flows to investing activities	(1.5)	(25.0)
Net cash flows from financing activities	39.0	48.6
Change in cash	1.3	(2.9)
Cash at the beginning of the year	5.2	6.5
Cash at the end of the year	6.5	3.6

The Group's net cash flows generated by operating activities during the period were EUR (26.5) million compared to EUR (36.2) million in the same period last year. The Group's net cash flows from investing activities of EUR 48.6 million increased by EUR 9.6 million compared to EUR 39.0 million during the same period of the previous year.

Eurobond covenant ratios

Capitalization	31 Dec. 2018	30 Sep. 2019	Change (in % p.)
Equity/Net finance loans and advances to customers	12.7%	14.5%	1.8

Profitability	30 Sep. 2018	30 Sep. 2019	Change (in %)
Interest coverage ratio (ICR)	1.41	1.84	30.5%

(in EUR million)							
	Mintos loans			Net loan and used car rent portfolio			
	31 Dec. 2018	30 Sep. 2019	Change (in %)	31 Dec. 2018	Total share (in %)	30 Sep. 2019	Total share (in %)
Armenia*	0.0	7.9	0%	10.4	7.4%	18.4	10.0%
Bulgaria**	4.8	5.9	23%	9.1	6.4%	11.2	6.1%
Estonia*	9.4	9.0	-4%	18.9	13.4%	17.4	9.5%
Georgia*	4.7	8.6	83%	18.1	12.8%	14.7	8.0%
Latvia*	13.7	14.8	8%	37.6	26.6%	38.3	20.9%
Lithuania*	9.8	13.4	37%	24.7	17.5%	27.0	14.7%
Albania**	0.0	0.0	0%	0.8	0.6%	4.8	2.6%
Belarus**	0.0	0.5	0%	2.0	1.4%	10.4	5.7%
Moldova**	1.6	6.7	319%	6.0	4.2%	12.8	7.0%
Poland**	1.7	1.0	-41%	5.3	3.8%	3.4	1.9%
Romania**	3.3	5.6	70%	8.3	5.9%	13.3	7.3%
Start-up countries***	0.0	0.0	0%	0.1	0.1%	11.7	6.4%
Total	49.0	73.4	494%	141.3	100%	183.4	100%

* Mature countries are Latvia (including used car rent portfolio), Lithuania, Estonia, Georgia and Armenia

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

*** Start-up countries are Kazakhstan, North Macedonia and Uzbekistan

RECENT DEVELOPMENTS

Acquisitions and disposals

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

No Regulatory Changes

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

Events after the balance sheet date

On 17 October 2019, Mogo Finance S.A. has signed a binding commitment with its current shareholders to provide up to ten million Euro (EUR 10.0 million) of capital. Two million Euro (EUR 2.0 million) already have been injected and the company intends to draw down eight million Euro (EUR 8.0 million) in increments by end of Q1 2020.

On 7 November 2019, Mogo Finance and its group companies, specialized in used car financing, is pleased to announce the successful placement of a EUR 25 million tap issue of its 9.50% corporate bond 2018/2022 (XS1831877755) at 95%. Settlement took place on 13 November 2019. The listing on Frankfurt Stock Exchange's regulated market (General Standard) is based on the securities prospectus approved by the CSSF (Luxembourg supervisory authority) on 13 November 2019. After the tap issue, the total outstanding amount of Mogo Finance's 9.50% corporate bonds 2018/2022 (XS1831877755) amounts to EUR 100 million.

Directors' Statement

The consolidated nine-month report of the Company is, to the best of the Directors' knowledge, prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.

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

Consolidated Statements of: Financial Position – Assets, Financial Position - Equity and liabilities, Income Statement and Statement of cash flow

Consolidated Statement of Financial Position – Assets

(in EUR million)	31 Dec. 2018	30 Sep. 2019
NON-CURRENT ASSETS		
Goodwill	1.7	2.1
Internally generated intangible assets	1.9	3.2
Other intangible assets	-	0.1
Right-of-use assets	2.4	7.1
Rental fleet	1.4	12.6
Property, plant and equipment	1.0	1.9
Leasehold improvements	0.3	0.6
Advance payments for assets	0.2	0.3
Non-current finance lease receivables	88.2	107.8
Non-current loans and advances to customers	2.2	2.1
Loans to related parties	5.3	9.7
Other non-current financial assets	1.0	1.5
Deferred tax asset	0.6	1.4
TOTAL NON-CURRENT ASSETS	106.2	150.4
Inventories	1.7	5.2
Finance lease receivables	46.4	53.3
Loans and advances to customers	3.1	7.6
Loans to related parties	0.1	-
Other loans and receivables	4.7	0.9
Prepaid expense	0.8	1.7
Trade receivables	0.8	0.4
CIT paid in advance	-	0.4
Other receivables	1.4	3.0
Cash and cash equivalents	6.5	3.6
Assets held for sale	2.6	2.0
TOTAL CURRENT ASSETS	68.1	78.1
TOTAL ASSETS	174.3	228.5

Consolidated Statement of Financial Position – Equity and liabilities

(in EUR million)	31 Dec. 2018	30 Sep. 2019
EQUITY		
Share capital	0.0	1.0
Retained earnings	15.1	20.1
Foreign currency translation reserve	(0.4)	(0.7)
Reserve	0.1	0.2
Total equity attributable to owners of the Company	14.8	20.6
Non-controlling interests	0.5	0.4
Subordinated debt	2.5	3.8
Total equity	17.8	24.8
LIABILITIES		
Provisions for liabilities and charges		
Provisions	1.1	0.6
Total provisions for liabilities and charges	1.1	0.6
Non-current liabilities		
Borrowings	120.1	162.3
Other non-current financial liabilities	0.1	-
Total non-current liabilities	120.2	162.3
Current liabilities		
Borrowings	30.3	33.6
Prepayments and other payments received from customers	0.1	0.2
Trade payables	1.1	1.3
Corporate income tax payable	0.6	0.3
Taxes payable	0.6	0.8
Other liabilities	0.2	1.5
Accrued liabilities	1.8	2.4
Other current financial liabilities	0.1	0.1
Total current liabilities	34.8	40.2
Provisions	0.4	0.6
Total provisions for liabilities and charges	0.4	0.6
Total liabilities	156.5	203.7
Total equity and liabilities	174.3	228.5

Consolidated Income Statement

(in EUR million)	9M 2018	9M 2019
Interest revenue calculated using the effective interest method	39.3	53.2
Interest expense calculated using the effective interest method	(11.4)	(15.4)
Net interest income	27.9	37.8
Fee and commission income	2.7	2.5
Impairment expense	(8.9)	(9.3)
Loss arising from cession of financial lease receivables	(4.6)	(2.8)
Expenses related to peer-to-peer platform services	(0.7)	(0.6)
Revenue from leases	-	2.6
Revenue from car sales	3.8	9.8
Expenses from car sales	(3.7)	(9.2)
Selling expense	(1.7)	(2.7)
Administrative expense	(11.9)	(24.1)
Other operating income	0.4	4.9
Other operating expense	(0.6)	(4.2)
Net foreign exchange result	0.1	0.6
Profit before tax	2.8	5.3
Corporate income tax	(0.6)	(0.9)
Deferred corporate income tax	0.6	0.7
Net profit for the period	2.8	5.1
Translation of financial information of foreign operations to presentation currency	0.1	(0.3)
Total comprehensive income for the period	2.9	4.8

Consolidated statement of cash flow

(in EUR million)	30 Sep. 2018	30 Sep. 2019
Cash flows to/from operating activities		
Profit before tax	2.8	5.3
Adjustments for:		
Amortisation and depreciation	0.6	2.7
Interest expense	13.8	15.4
Interest income	(41.7)	(53.2)
Loss/(gain) on disposal of property, plant and equipment	-	1.5
Impairment expense	13.3	12.1
(Gain)/loss from fluctuations of currency exchange rates	-	(0.3)
Operating profit before working capital changes	(11.2)	(16.5)
Increase in inventories	(1.1)	(3.5)
Increase in receivables	(55.4)	(43.6)
Increase/(decrease) in trade payable, taxes payable and other liabilities	0.7	1.2
Cash generated to/from operating activities	(67.0)	(62.4)
Interest received	41.7	53.3
Interest paid	(9.8)	(16.2)
Corporate income tax paid	(1.1)	(1.2)
Net cash flows to/from operating activities	(36.2)	(26.5)
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(1.5)	(9.7)
Purchase of rental fleet	-	(13.8)
Loan repayments received	-	4.4
Loans issued	-	(5.9)
Net cash flows to/from investing activities	(1.5)	(25.0)
Cash flows to/from financing activities		
Proceeds from issue/(repayment) of share capital	-	1.0
Proceeds from borrowings	239.2	214.8
Repayments for borrowings	(200.2)	(165.1)
Repayment of liabilities for right-of-use assets	-	(2.1)
Net cash flows to/from financing activities	39.0	48.6
Change in cash	1.3	(2.9)
Cash at the beginning of the year	5.2	6.5
Cash at the end of the year	6.5	3.6

LATVIAN OPERATIONS ONLY

INTERIM CONDENSED FINANCIAL INFORMATION AS "MOGO" (consolidated)

Statement of Profit or Loss and Other Comprehensive Income (AS "mogo" (consolidated))

(in EUR million)	9M 2018	9M 2019
Interest revenue calculated using the effective interest method	14.2	11.8
Interest expense calculated using the effective interest method	(4.7)	(4.1)
Net interest income	9.5	7.7
Fee and commission income	0.8	0.6
Impairment expense	(2.5)	(1.6)
Loss arising from cession of financial lease receivables	(1.5)	(1.0)
Expenses related to peer-to-peer platforms services	(0.3)	(0.1)
Revenue from leases	-	2.6
Revenue from car sales	1.2	-
Expenses from car sales	(1.1)	-
Selling expense	(0.5)	(0.3)
Administrative expense	(3.6)	(3.7)
Other operating income	-	0.2
Other operating expense	(0.3)	(0.1)
Profit before tax	1.7	4.3
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the period	1.7	4.3

Consolidated Statement of Financial Position – Assets (AS "mogo" (consolidated))

(in EUR million)	31 Dec. 2018	30 Sep. 2019
NON-CURRENT ASSETS		
Tangible assets		
Property, plant and equipment and rental fleet	1.7	13.1
Total tangible assets	1.7	13.1
Non-current financial assets		
Finance lease receivables	24.9	17.2
Loans and advances to customers	1.3	0.9
Loans to parent company	11.1	21.9
Total non-current financial assets	37.3	40.0
TOTAL NON-CURRENT ASSETS	39.0	53.1
CURRENT ASSETS		
Receivables		
Finance lease receivables	8.6	6.5
Loans and advances to customers	1.4	1.3
Receivables from group companies	2.4	0.4
Non-current assets held for sale	0.1	0.2
Other receivables	0.2	0.3
Prepaid expense	0.2	0.1
CIT receivables	-	-
Total receivables	12.9	8.8
Cash and cash equivalents	0.7	0.1
Total current assets	13.6	8.9
TOTAL ASSETS	52.6	62.0

Consolidated Statement of Financial Position – Equity and liabilities (AS "mogo" (consolidated))

(in EUR million)	31 Dec. 2018	30 Sep. 2019
EQUITY		
Share capital	5.0	5.0
Other reserves	(1.1)	(0.5)
Retained earnings		
brought forward	0.1	2.8
for the period	2.8	4.3
TOTAL EQUITY	6.8	11.6
NON-CURRENT LIABILITIES		
Borrowings	27.8	41.8
TOTAL NON-CURRENT LIABILITIES	27.8	41.8
CURRENT LIABILITIES		
Borrowings	15.7	6.6
Prepayments received from customers	0.1	-
Trade payables	0.1	0.1
Payables to related companies	-	0.1
Corporate income tax payable	0.1	-
Taxes payable	-	0.1
Accrued liabilities	0.6	0.9
Other provisions	1.4	0.8
TOTAL CURRENT LIABILITIES	18.0	8.6
TOTAL LIABILITIES	45.8	50.4
TOTAL EQUITY AND LIABILITIES	52.6	62.0

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