

Mogo Finance recent developments

Successful transition through Covid

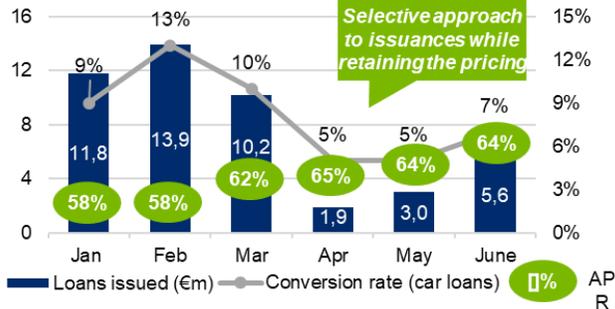


July 2020

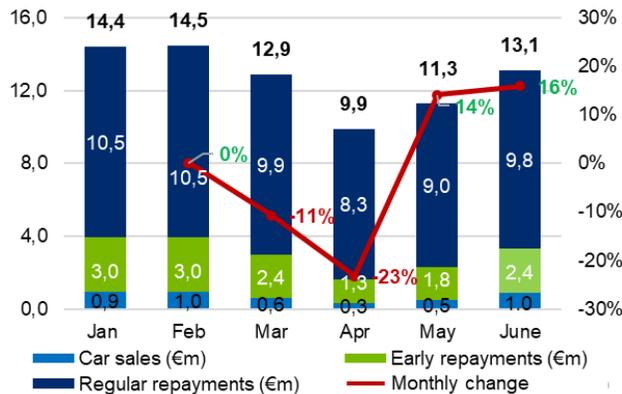
Recent developments: operational update

Strict underwriting and focus on debt collection have resulted in cash accumulation

Decrease in issuances and focus on quality¹



Strong post-Covid cash collection recovery¹

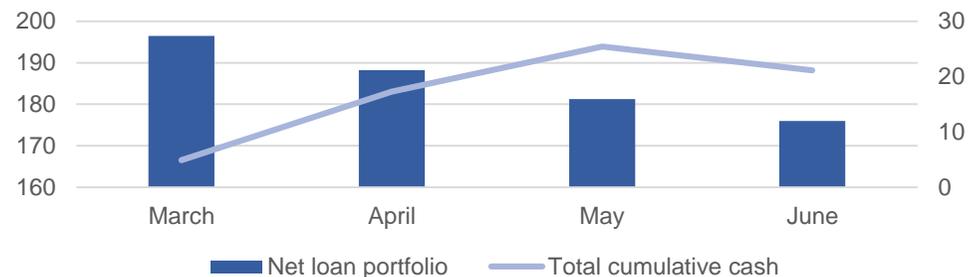


- Constantly growing issuances
 - Gradual increase in sales in May and June, only after evidence of easing of lockdowns and warm up of economies
 - Changes in product offering:
 - Strengthened underwriting through extra checks and Covid impact assessment
 - Increased pricing and focus on most profitable segment
 - Cash collection is close to pre-covid level
 - Gradual increase in cash collection every month since April
 - Strong results achieved in May and June despite
 - Shrinking portfolio
 - Light moratoriums still in place in some markets
- ★ Costs have decreased by 27% in Q2 vs Q1 this year (4.4m vs 6m)
- ✓ Admin expenses have decreased by EUR 1m
 - ✓ Selling and other expenses have decreased by EUR 0.6m

Introduced measures have resulted in robust cash accumulation:

- Cash balance reached historically high €26.5m as at end of May
- Mogo started actively paying back its liabilities in June

Robust cash accumulation (m EUR)



Note 1 Armenian short term loan product is excluded from loan issuances and cash collection numbers as the Company has frozen its issuances of this product since the early April

Recent developments: business update

Targeted acquisition which will significantly strengthen the Mogo Group

Mogo Finance acquired Sebo Credit SRL

- Sebo – well established profitable business operating in consumer lending sector in Moldova:
 - 2nd largest non-banking credit organization in Moldova measured by the Net profit (2019)
 - 5th largest, non-banking credit organization in Moldova by total assets (2019)
 - Consumer credit net loan portfolio of EUR 15.9m (loans maturity up to 48 month)
- Favorable conditions for the transaction
 - Attractive pricing – purchase price close to the book value of the equity
 - Expected profitable operations from the day one within Mogo Group
 - Due diligence and familiar team - more than 50% from the equity investors in Mogo Group and Sebo overlap
- Positive synergies between Mogo in Moldova and Sebo
 - Cross selling and upselling to a large customer base (Sebo has a database of + 200 000 customers)
 - Administrative and operating cost optimizations
 - Instant expansion both companies' physical presence
 - Funding costs optimizations
- Financials of the acquisition
 - Significant Net profit as well as EBITDA posted for the FY 2019
 - Despite Covid headwinds the profitability for 1H 2020 has been protected with still substantial EBITDA result for first six months of 2020
 - The transaction price of EUR 2.9m is below the book value of the Net Assets of the Sebo, which as at the end of first six months of 2020 were equal to EUR 3.3m

Balance Sheet (m EUR)	31.12.2019	30.06.2020
Net portfolio and Cash	21.0	21.5
Other assets	0.9	1.3
TOTAL ASSETS	21.9	22.8
EQUITY	0.0	3.3
Borrowings	17.4	18.7
Other liabilities	4.5	0.8
TOTAL LIABILITIES	21.9	19.5
TOTAL EQUITY AND LIABILITIES	21.9	22.8

Profit and Loss (m EUR)	FY 2019	1H 2020
Revenue	20.3	12.2
Interest expense	(2.0)	(1.5)
Impairment	(7.5)	(6.8)
Operating expense	(5.4)	(2.6)
Net foreign exchange result	0.3	(0.3)
Profit before tax	5.6	1.1
Taxes	(1.4)	(0.5)
Net profit	4.2	0.5
EBITDA	7.5	2.9

Capital market activities: next steps

Keeping close and transparent relations with our Bondholders

- The dynamics of an early pandemic outbreak were clear already in April
 - The outcomes of which have resulted in a substantial pressure on our Eurobond maintenance covenants, particularly on the Interest Coverage Ratio (*EBITDA over Finance charges*)
 - The Capitalization ratio (*Net Worth over Net Loan Portfolio*) is somewhat of a lesser worry due to very recent shareholders capital injection in the amount of EUR 10 million over Q4 2019 and Q1 2020
- As a result a waiver was temporarily granted, increasing the potential financial covenants headroom in exchange of a liquidity undertaking. We aim at organizing a broader Bondholders' meeting in Q3 to
 - Have an open conversation with the Bondholders on the recent developments of the Company
 - Ensure security for the investors and growth and profitability for the Group
 - Align the exact agenda in regards to the Terms and Conditions of the Eurobond in order to navigate better through the economic crisis of Covid
- Earning call on the 1H 2020 performance expected at the end of July / beginning of August
- Keeping up to date communication stream with bondholders mogo developments and news announcements...

**Thank you
for your attention!**