

JOINT STOCK COMPANY "MOGO"
(UNIFIED REGISTRATION NUMBER LV50103541751)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

(4th financial year)

**PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED IN EU,
TOGETHER WITH INDEPENDENT AUDITORS' REPORT***

Riga, 2016

* This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.

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General information

Name of the company	mogo
Legal status of the company	JOINT STOCK COMPANY
Unified registration number, place and date of registration	LV50103541751 Riga, 3 May 2012
Registered office	Matrozu street 15A Riga, LV-1048, Latvia
Major shareholders	Since 01.07.2014: Mogo Finance S.A. (100%) Eugene Ruppert street 2-4, L-2453 Luxembourg
Board Members	Aleksandrs Čerņagins, Chairman of the Board from 17 July 2015 Jēkabs Endziņš, Chairman of the Board from 7 September 2012 till 17 July 2015 Mārcis Grīnis, Member of the Board from 25 September 2012 till 17 July 2015 Ģirts Lediņš, Member of the Board from 13 October 2014 till 5 February 2015
Council Members	Ramona Miglāne, from 5 August 2014 Uldis Judinskis, from 5 August 2014 Ieva Judinska-Bandeniece, from 5 August 2014 Mārtiņš Bandenieks, from 24 October 2014
Financial year	1 January – 31 December 2015
Previous financial year	1 January – 31 December 2014
Auditors	Elīna Sedliņa Latvian Certified Auditor Certificate No. 179 SIA „Deloitte Audits Latvia” Grēdu street 4A, Riga Latvia, LV – 1019 License no. 43

Management report

6 April, 2016

General information

JSC mogo (hereinafter – the Company) is a market leading leaseback and finance lease solutions Company measured by the number of leased items. The Company provides quick and convenient services for both individuals and legal entities in Latvia offering vehicle finance lease transactions for amounts up to 15 000 euro and leaseback transactions for amounts up to 50 000 euro with duration up to six years. Funding is being offered online through the Company's branded website and mobile homepage and onsite at customer service centers, as well as at the sales centres of car dealerships.

Company's main goal is to offer its customers easily available, quickly executable, convenient and transparent leaseback and finance lease solutions. In order to achieve this the Company offers to its customers various solutions adjusted to their needs, as well as highest quality service and accessibility. The Company directly operates with a wide network of car dealerships, where the customers can buy a vehicle by obtaining funding from the Company.

Mission, vision and values

Mission

The Company's mission is to offer accessible and affordable leasing services to clients who need quick and simple way of getting financing or would like to purchase a vehicle.

Vision

The Company's vision is to be the market leading, customer friendly and accessible leaseback and finance lease solutions Company in Latvia.

Values

- Quick assistance without unnecessary formalities - the Company will provide the required funding within a couple of hours.
- Open communication and adaptation – the core value of the Company is an open communication and an adaptive approach to each and every customer, which results in a mutually beneficial outcome in every situation.
- Long term relationship – the Company values and creates mutually beneficial long term relationship with all its customers, it welcomes feedback and suggestions for improvement.

Operations and Financial Results

2015 was a period of very rapid growth and profitability for the Company. Turnover amounted to EUR 9,1 million (58% increase, compared to the same period in 2014), EBITDA reached EUR 3,19 million (41% increase, compared to the same period in 2014) and net profit was EUR 0,87 million (116% increase, compared to the same period in 2014). At the end of December 2015 gross value of the lease portfolio reached 27,3 million euro (22% increase, compared to the same period in 2014).

The results of 2015 have proven that the Company's services are favored among the customers. The Company has increased its interest rates as well as increased the total number of employees, at the same time reviewing and optimizing the operations of customer service and debt collection, all geared towards very rapid growth of its market share. As a result the Company's net profit increase was lower than initially forecasted although still very significant.