



# R U L E Y O U R F I N A N C E S

## Investor Presentation

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May 8, 2017

A preliminary short form prospectus containing important information relating to the distribution of up to \$15,000,000 aggregate principal amount of 10% convertible senior secured debentures (the "Debentures") has been filed with the securities regulatory authorities in each of the provinces of Canada except Québec. A copy of the preliminary short form prospectus, and any amendment, is required to be delivered with this document.

The preliminary short form prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the Debentures until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the Debentures. Investors should read the preliminary short form prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the Debentures, before making an investment decision.

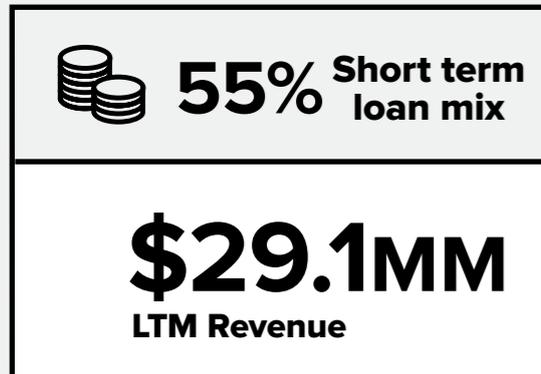




# Mogo transformation since IPO

VS

## Q1 2015



 **99k** Members

Application for general credit

The information you submit will be used to determine eligibility for all credit products Mogo offers.

Where do you live?

Your province

Personal information

First name Last name

Email address

Re-enter email address

Street address Suite

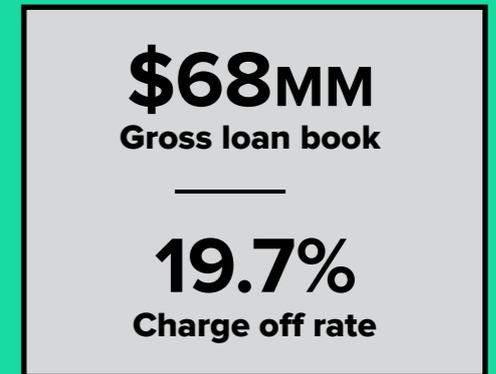
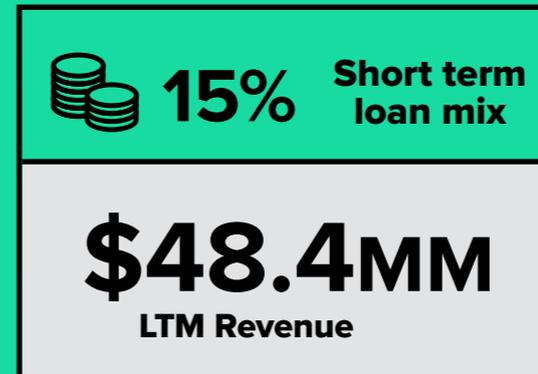
City

Postal code

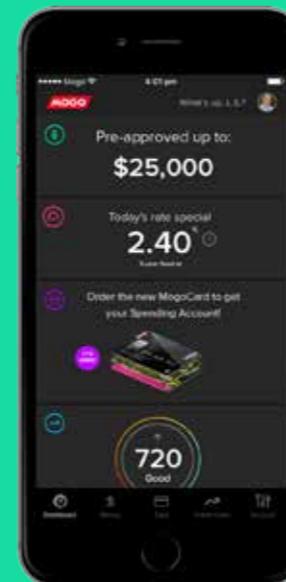
 **1 Product**

Online lender

## Q1 2017



 **396k** Members

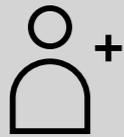


**4 Products**

Digital Finance Platform

# Mogo: positioned to be a leader



400K<sup>1</sup>  
MogoMembers



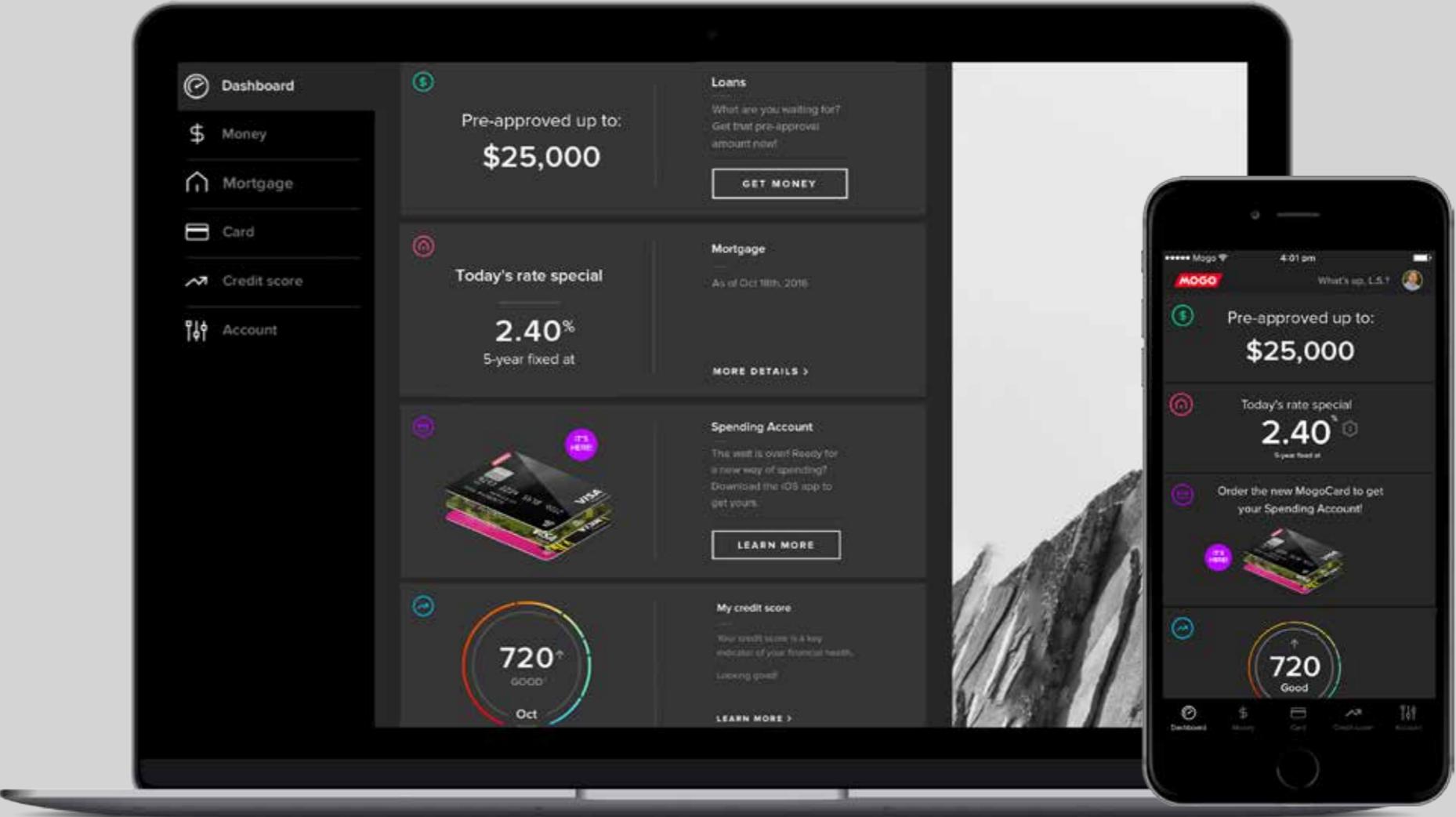
4 Innovative  
products



\$48MM  
LTM Revenue

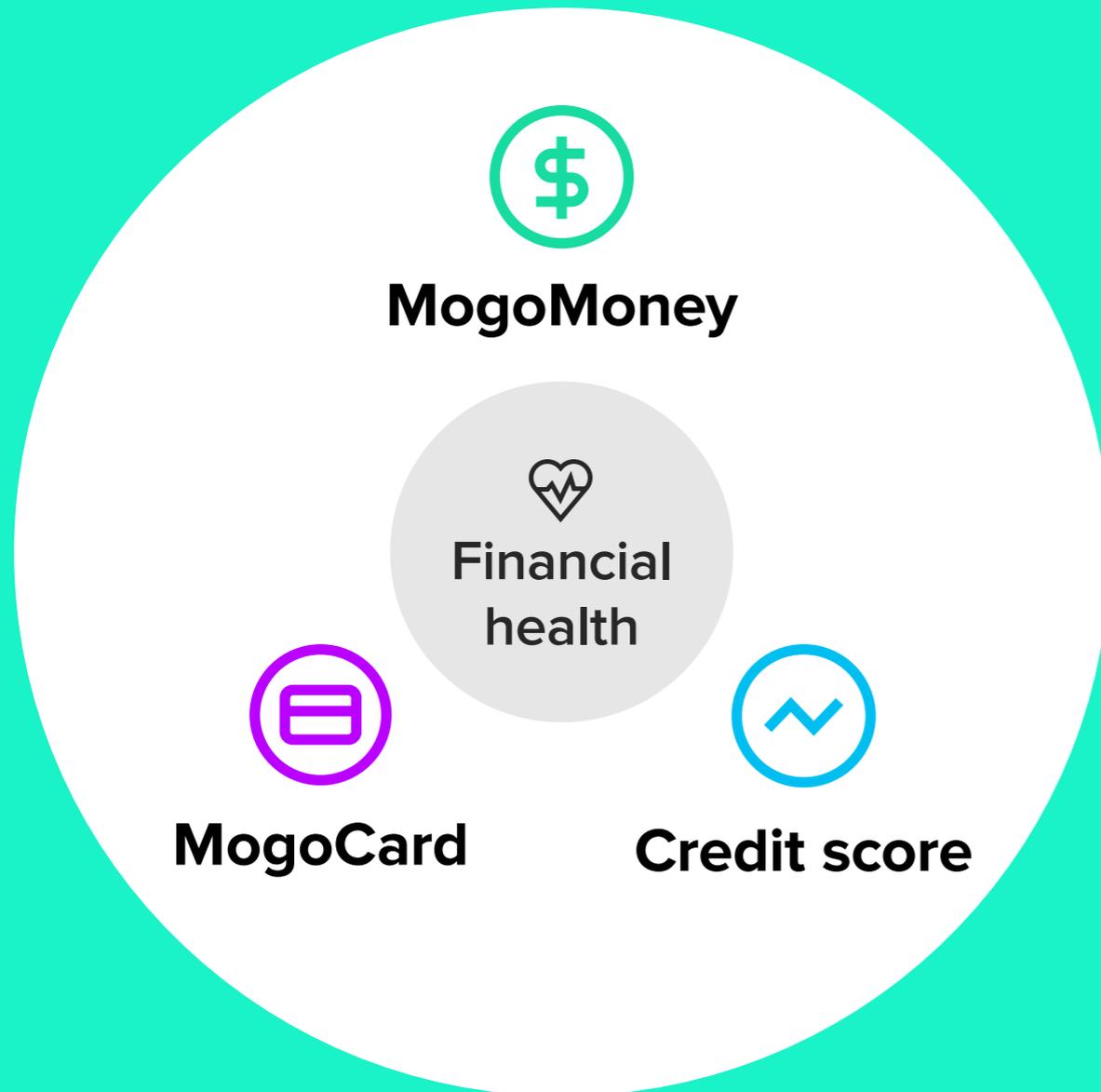


\$50MM+ marketing  
collaboration<sup>2</sup>



<sup>1</sup>Announced April 20, 2017. <sup>2</sup>Subject to certain conditions, see notes to financial statements.

# 💰 MogoMoney: compelling value prop in massive market



**\$560B+ consumer credit market<sup>1</sup>**

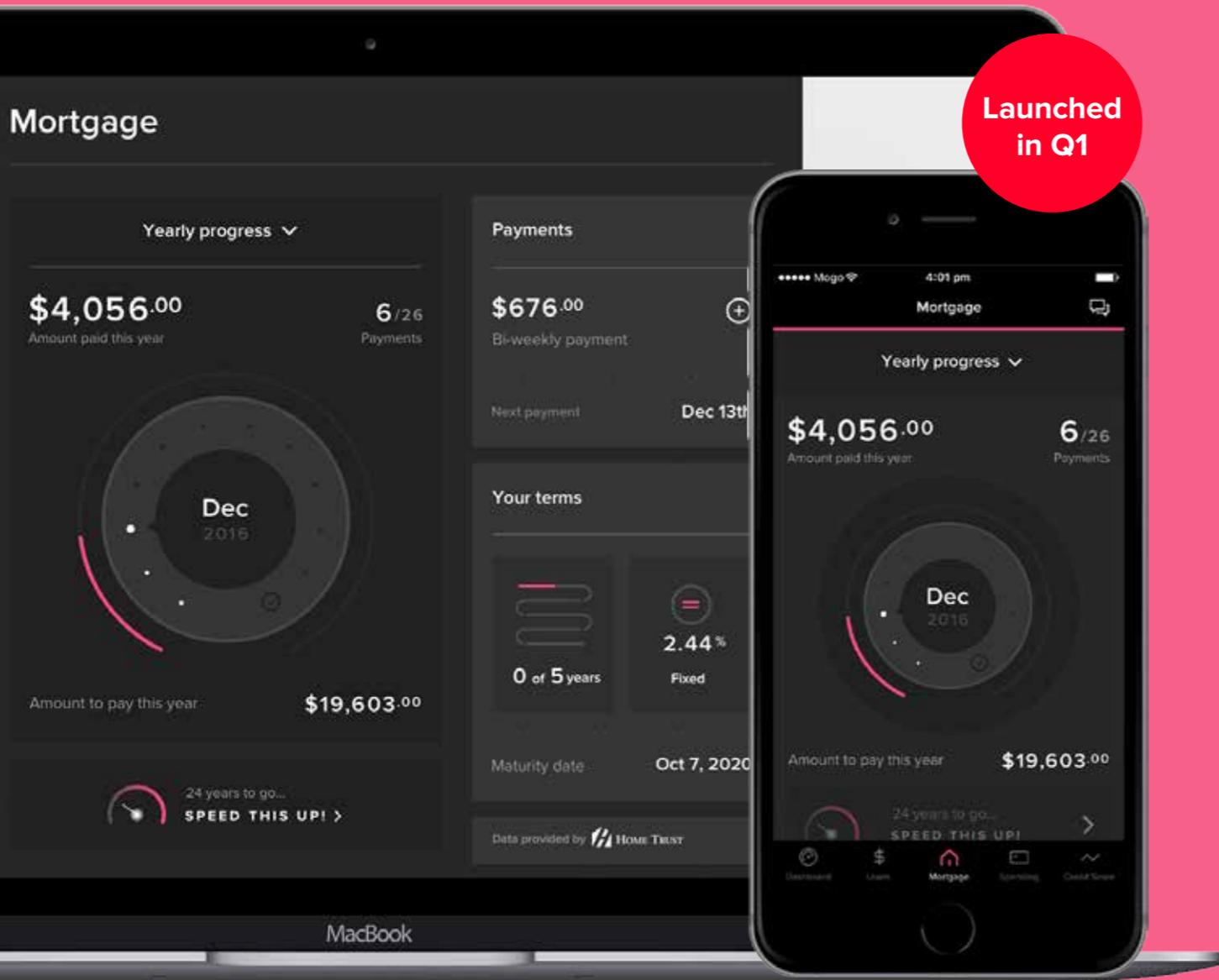
- Convenient digital experience
- Full spectrum loans up to \$35K
- Unique Level Up<sup>2</sup> program
- Access to free spending account and credit score



**Mogo earns % yield**

<sup>1</sup>Bank of Canada: Household Credit (<http://credit.bankofcanada.ca/householdcredit>) <sup>2</sup>We offer a unique Level Up Program on our loans which gives members an opportunity to lower their rates through good payment history.

# MogoMortgage: disruptive value proposition



**\$1.4T<sup>1</sup> mortgage market**

- **Convenient experience**
- **Digital dashboard & app**
- **Broker model with multiple lenders**
- **Broader product suite adds to value prop**

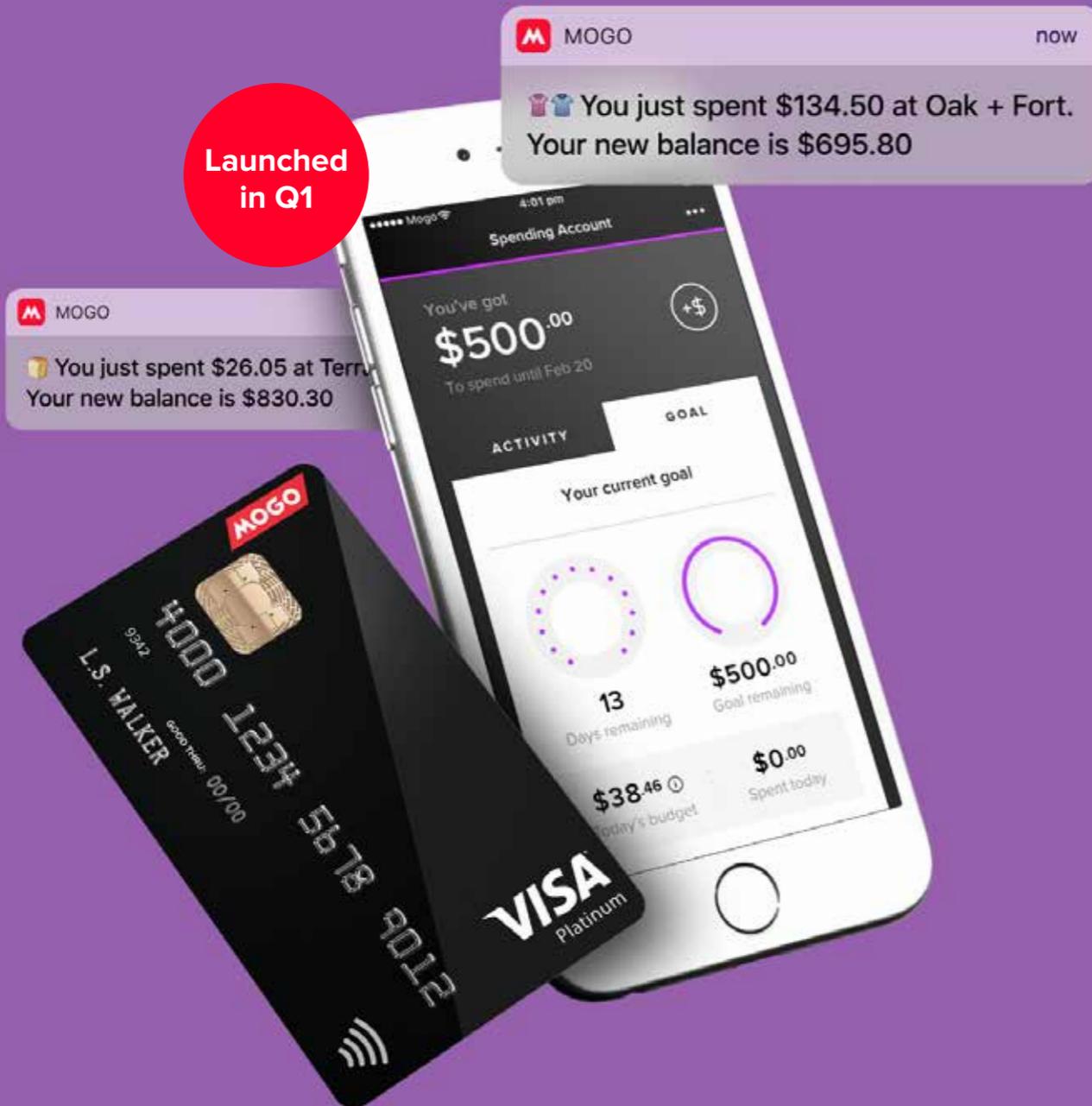


**Mogo earns broker fee**

<sup>1</sup>Bank of Canada: Household Credit (<http://credit.bankofcanada.ca/householdcredit>)

# Free MogoCard and Spending Account

Launched  
in Q1



**\$800B+ payments market<sup>1</sup>**

- Differentiated solution with unique set of features
- Real time data helps manage and control spending



Mogo earns interchange revenue

<sup>1</sup>"Canadian Payment Methods and Trends: 2016", Payments Canada, November 2016, 10

# Free monthly credit score monitoring



- Key element of our value prop
- Helps manage financial health

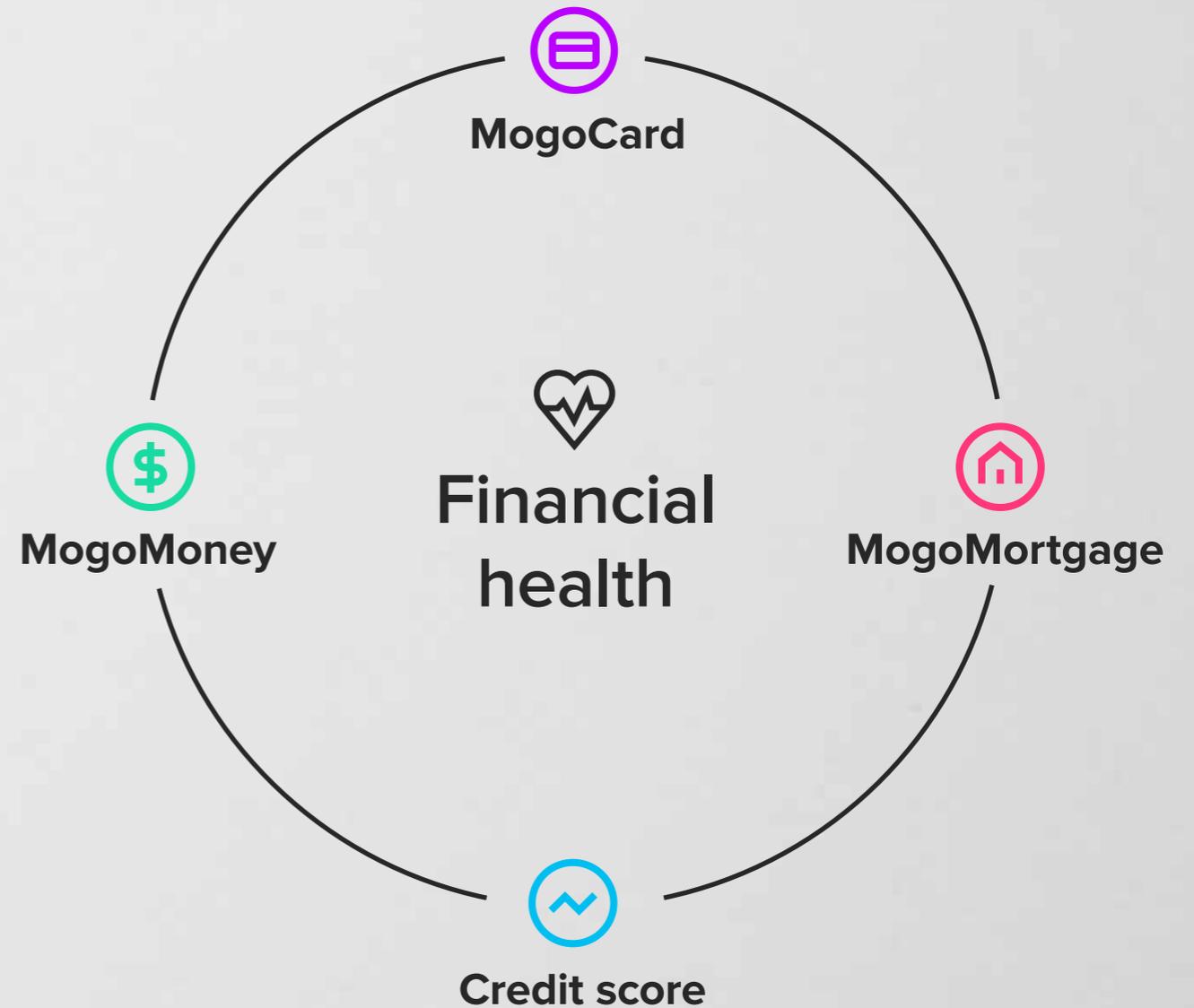


Drives monthly engagement in MogoAccount

<sup>1</sup>Equifax: Canadian Consumer Credit Trends Q1 2016



# Holistic approach to financial health



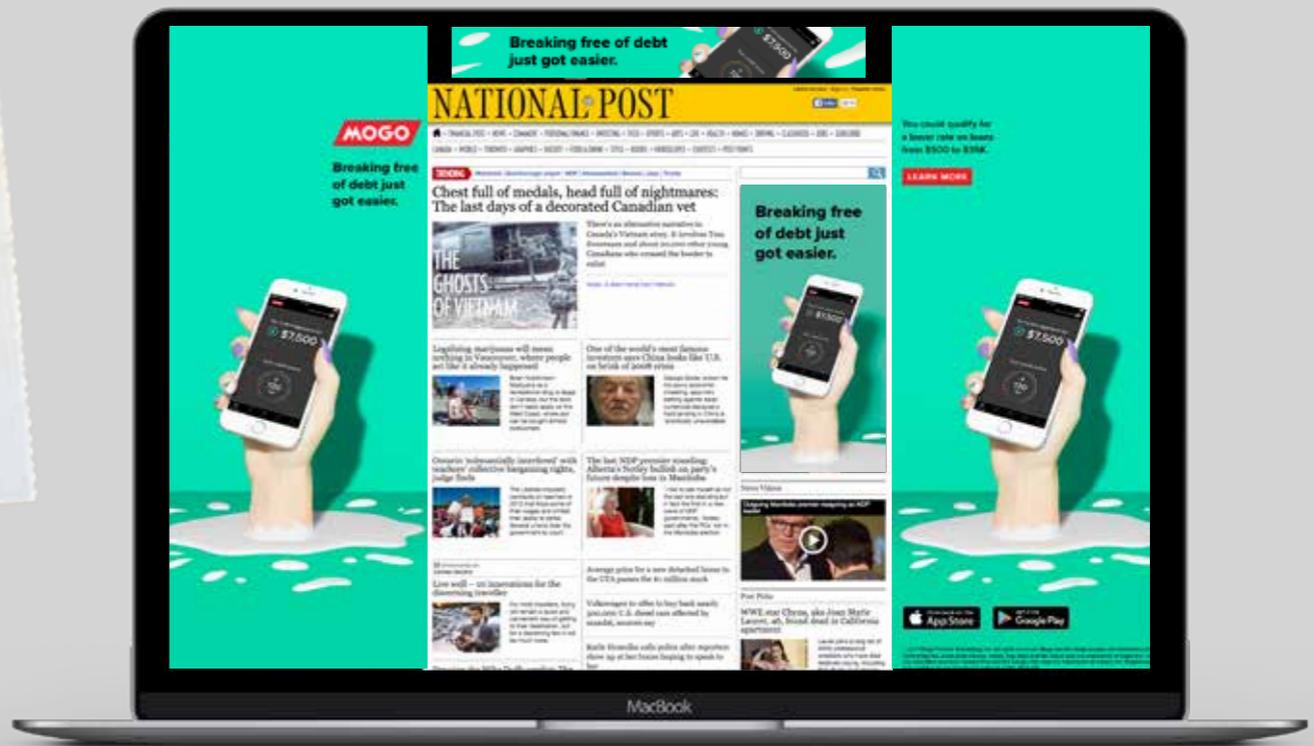
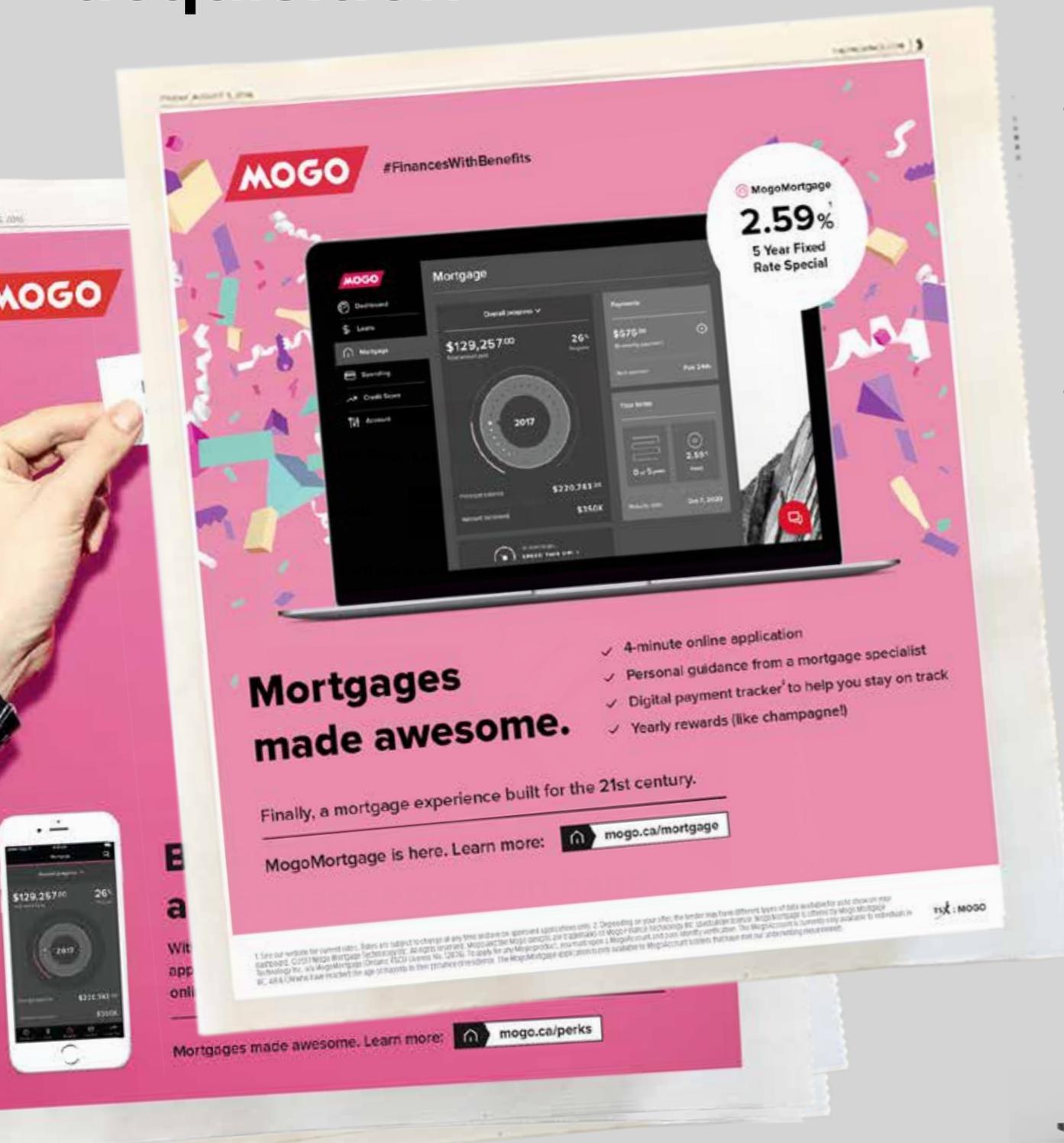
# Proprietary technology platform

- Modern architecture
- Speed & agility
- Multi-product platform
- Mobile first



# Innovative marketing partnership drives customer acquisition

- Marketing partnership<sup>1</sup> with Canada's leading newspaper group, Postmedia
  - provides significant leverage and de-risks marketing spend
- Over 1/2 billion digital impressions served and 10k print ads ran in 2016



<sup>1</sup>Subject to certain conditions, see notes to financial statements.

# Competitive differentiators



Multi-product digital platform



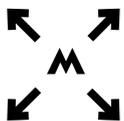
13 years of Data



Innovative products



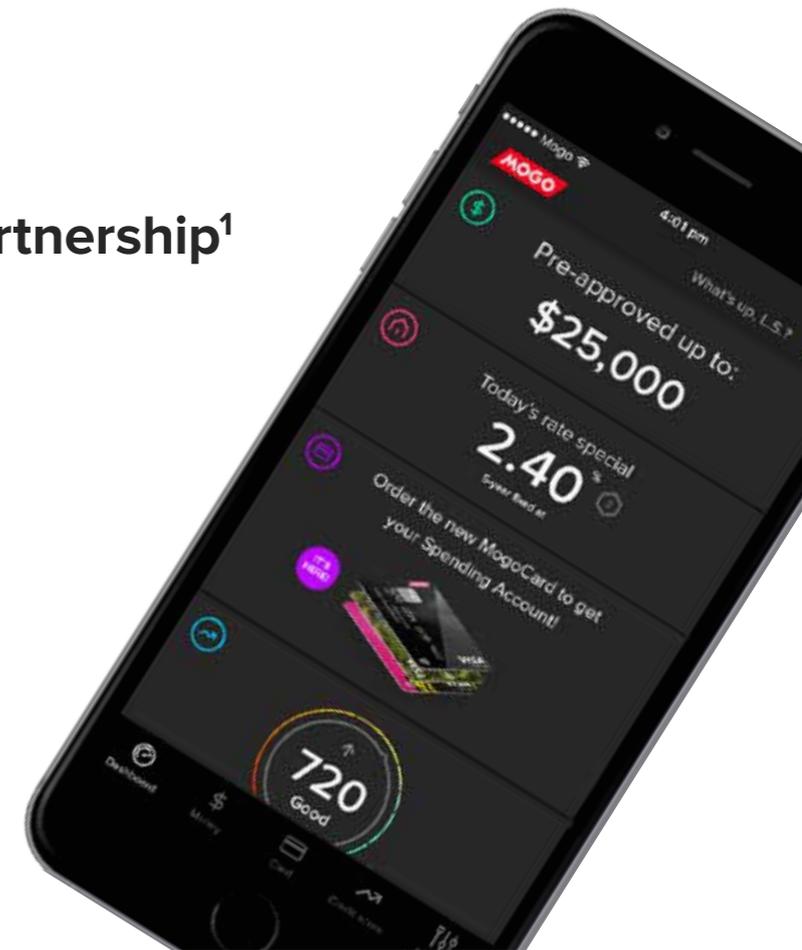
Strong brand



Scale of team and platform



\$50MM+ Postmedia partnership<sup>1</sup>



<sup>1</sup>Subject to certain conditions, see notes to financial statements.

# Financial Results



# Q1 2017 financial highlights



Grew active member base to approximately

**396K**

increase of 94% over Q1 2016



Strong liquidity position with

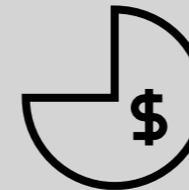
**\$16MM**

in cash and cash equivalents at end of Q1 2017



Q1 Revenue of

**\$11.3MM**



Long-term loan receivables<sup>1</sup> increased to

**85%**

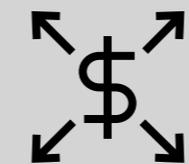
of \$67.6MM portfolio



Adjusted EBITDA<sup>1</sup> of

**\$257K**

third consecutive positive quarter



Total expandable credit facilities<sup>2</sup> up to

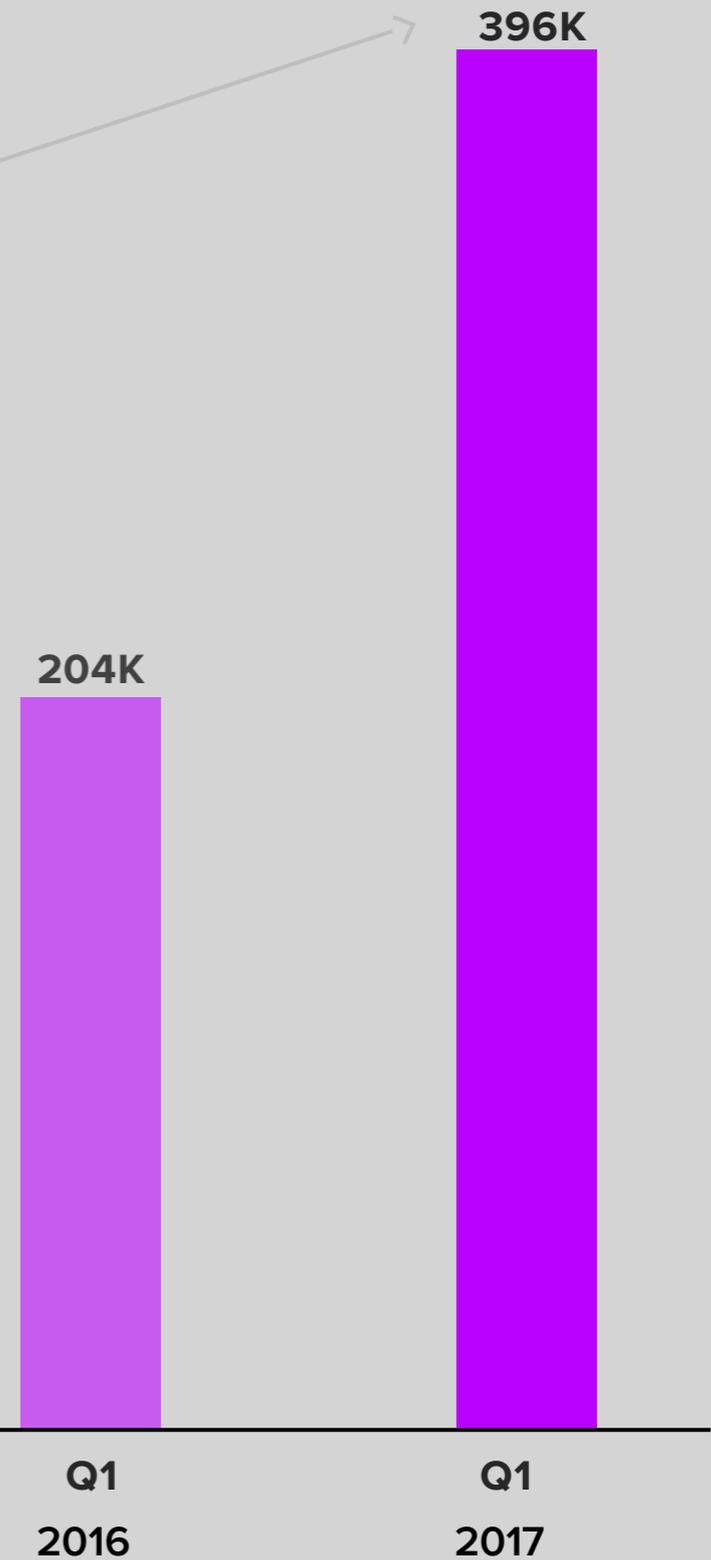
**\$250MM**

<sup>1</sup>Long-term loan receivables and Adjusted EBITDA are non-IFRS measures. See appendix for a reconciliation of these non-IFRS measures. <sup>2</sup>Subject to certain conditions, see notes to financial statements and AIF.

# Accelerating growth in member base

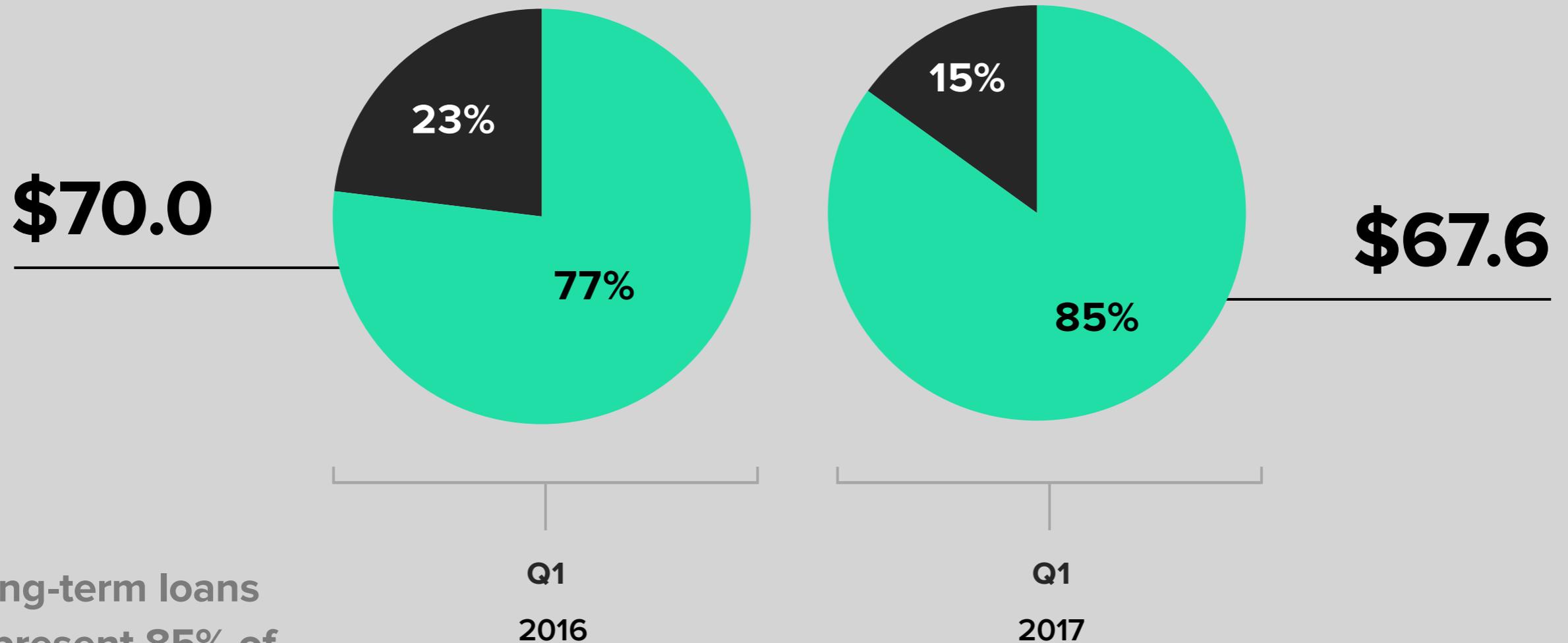
Quarterly MogoMembers  
(in thousands)

**94%  
growth**



# Continued shift to long-term loans

Gross loans receivable  
(\$ in millions)



Long-term loans represent 85% of gross loans receivable

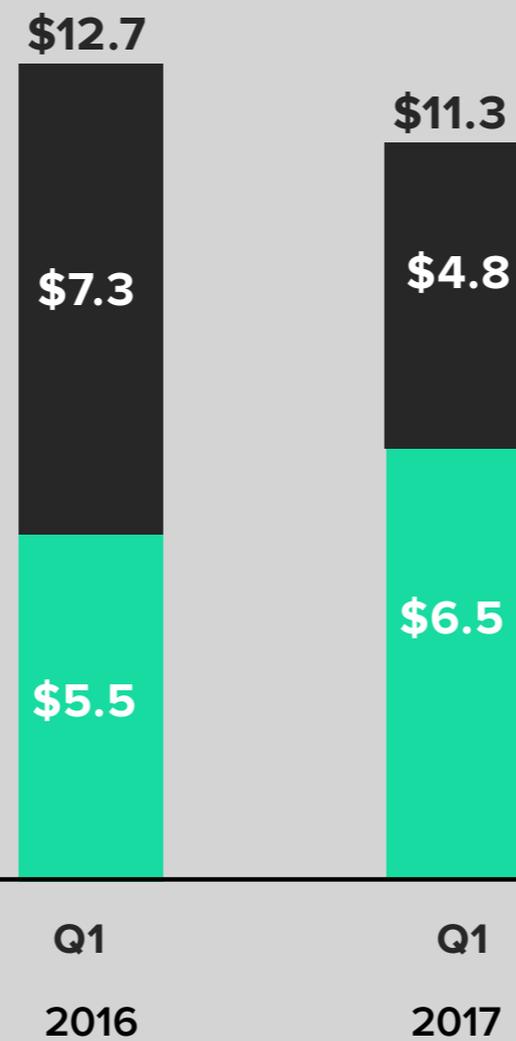
Gross loans receivable – short term and gross loans receivable – long term are non-IRFS measures. See Appendix for a reconciliation of these non-IRFS measures.

■ Gross loans receivable – Short term ■ Gross loans receivable – Long term

# Driving change in revenue mix

Quarterly Revenue  
(\$ in millions)

Revenue reflects continued strategic shift away from short term loans

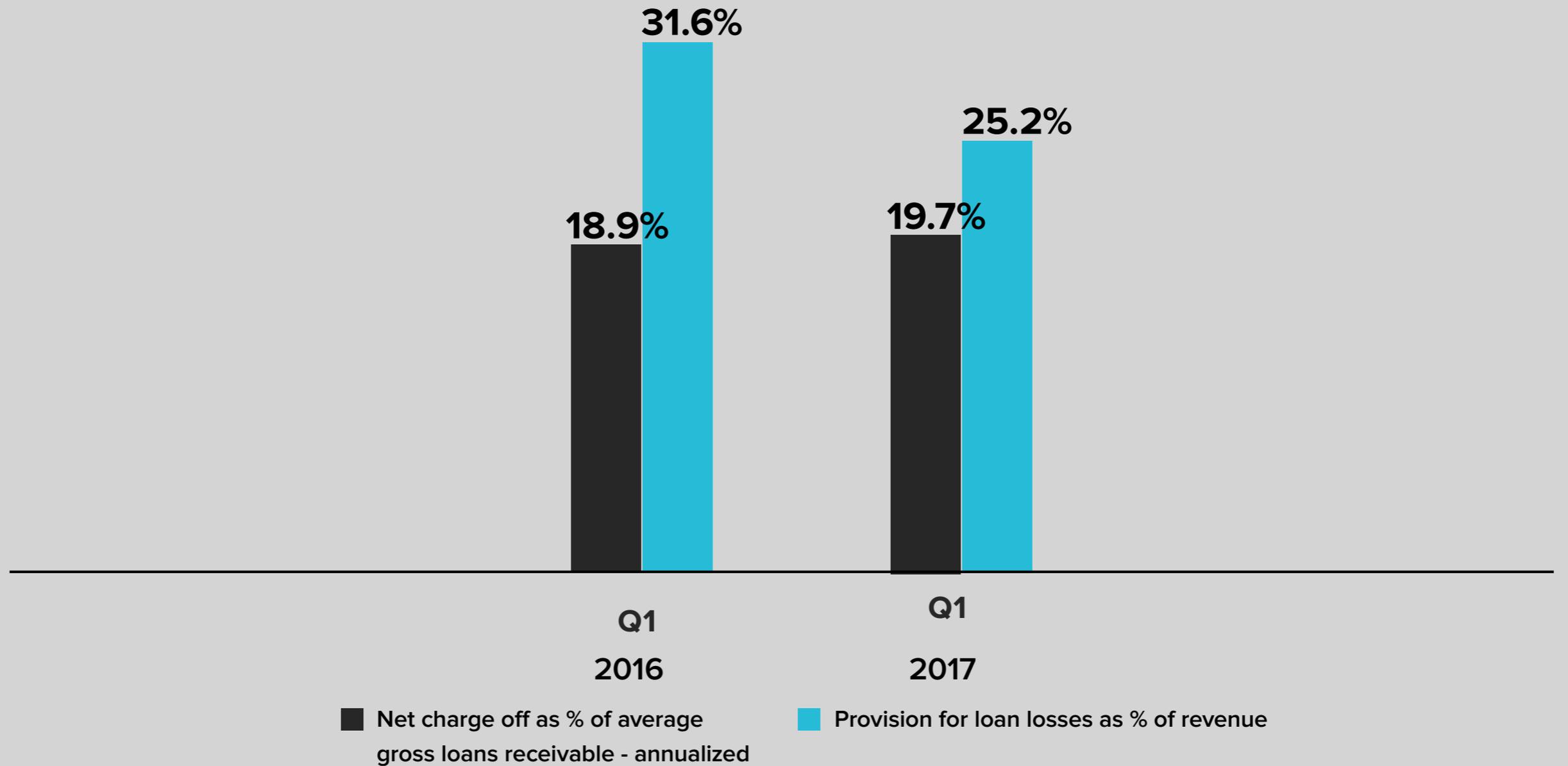


■ Loan Interest + Other Revenue

■ Loan Fees

# Solid credit performance

## Quarterly



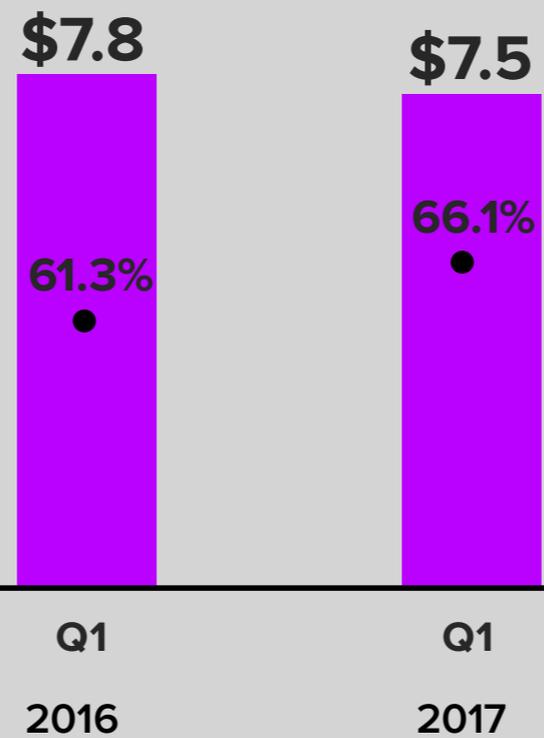
Charge off rate is a non-IFRS measure. See appendix for a reconciliation of this non-IFRS measure.

# Driving improved gross margin

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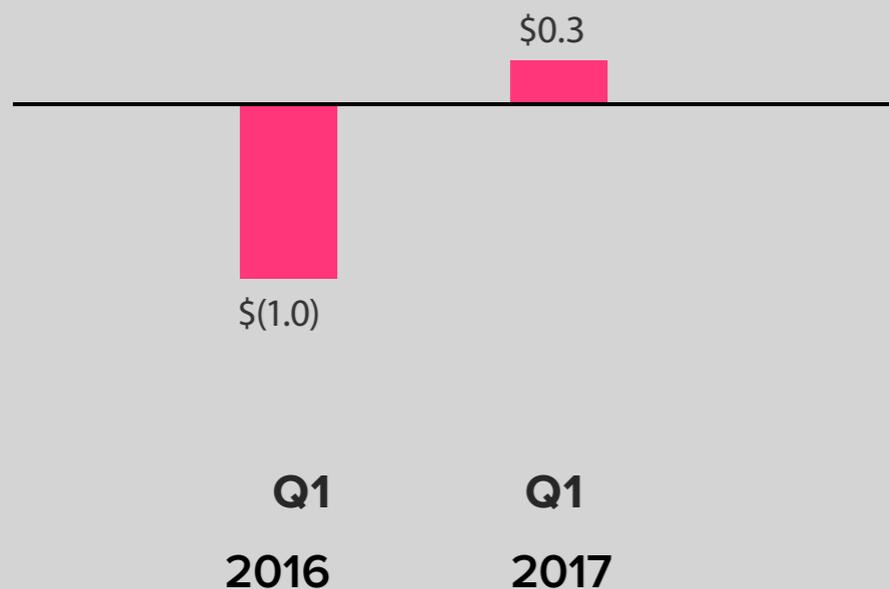
## Quarterly Gross Profit & % Gross Margin

(\$ in millions)

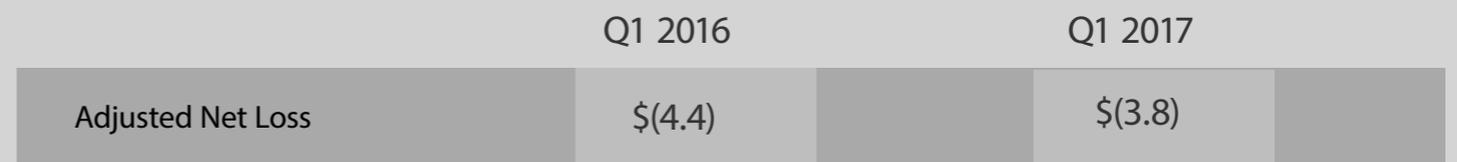
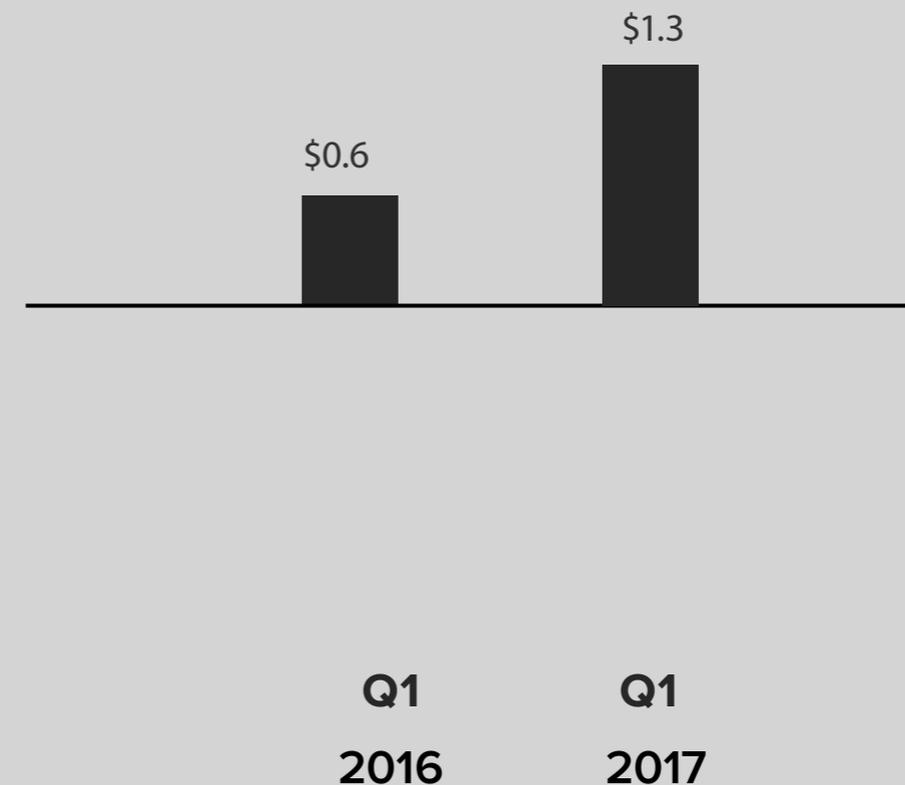


# Delivering positive Adjusted EBITDA

**Quarterly Adjusted EBITDA**  
(\$ in millions)

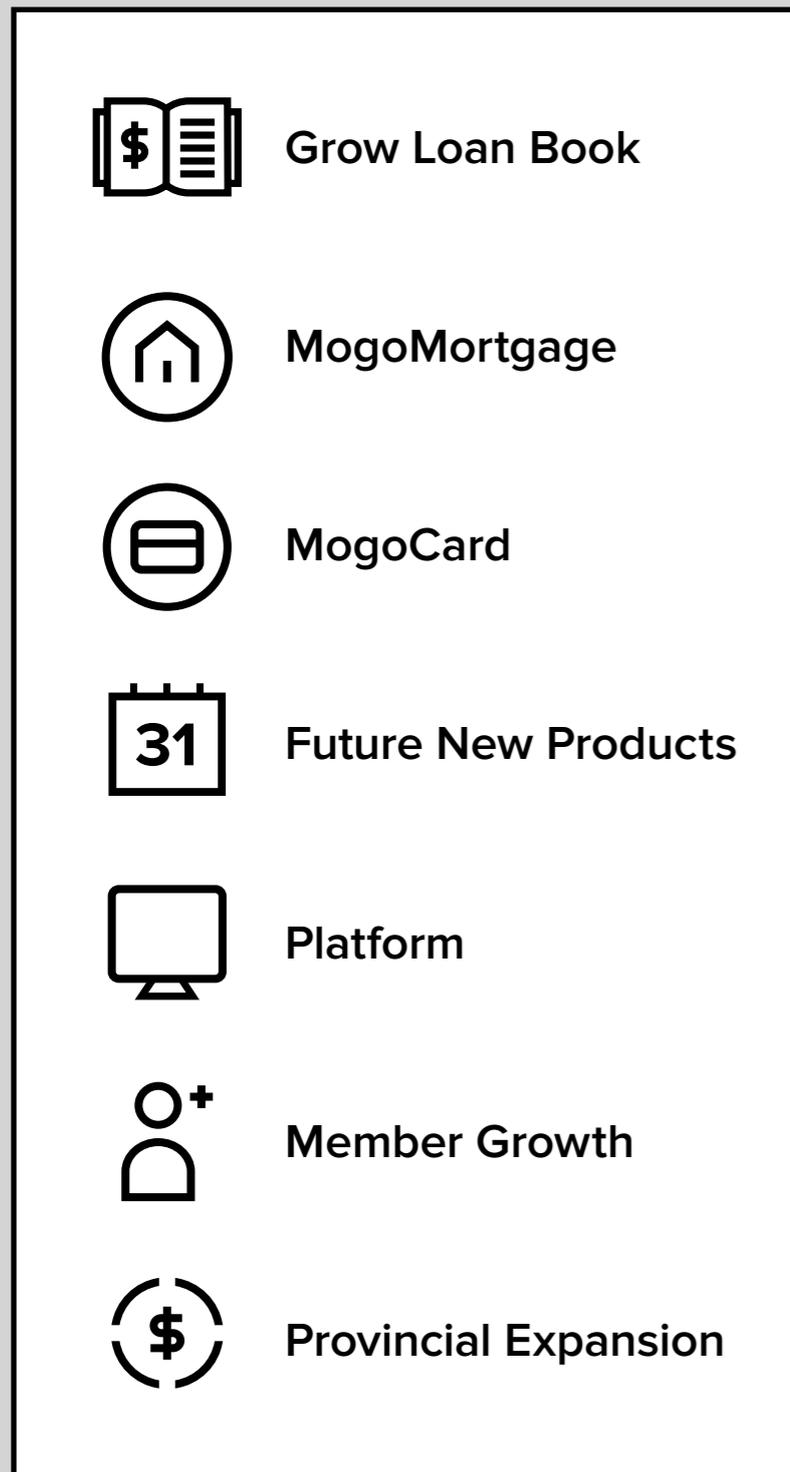


**Operating CF before Investment in Receivables**  
(\$ in millions)



Adjusted EBITDA, Operating cash flow before receivables and Adjusted Net Loss are non-IFRS measures. See appendix for reconciliations of these non-IFRS measures.

# Strategic objectives



**Targeting Accelerated  
Revenue Growth & improved  
Adjusted EBITDA in H2 2017**



# Rule Your Finances

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Thank you



# Appendix



# Reconciliation of loss before income taxes to Adjusted EBITDA

(in \$000s)	Q1 2016	Q1 2017
Loss before income taxes	\$(5,653)	\$(4,581)
Depreciation and amortization	445	875
Stock-based compensation	265	246
Funding interest	1,439	1,606
Corporate interest expense	1,583	1,569
Unrealized foreign exchange loss (gain)	(443)	(58)
One-time expenses	1,464	118
Unrealized loss (gain) on derivative liability	(62)	482
<b>Adjusted EBITDA</b>	<b>(963)</b>	<b>\$257</b>

# Reconciliation of Gross Loans Receivable

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(in \$000s)	Q1 2016	Q1 2017
Gross loans receivable – short-term	\$15,922	\$10,162
Gross loans receivable – long-term	54,088	57,387
Gross loans receivable	70,010	67,549

# Reconciliation of Cash provided by (used in) operating activities before investment in gross loans receivable

(in \$000s)	Q1 2016	Q1 2017
Net cash used in operating activities	\$(4,635)	\$(937)
Increase in loans receivable	(5,225)	(2,197)
Cash provided by (used in) operations before investment in loans receivable	590	1,260

# Reconciliation of Adjusted Net Loss

(in \$000s)	Q1 2016	Q1 2017
Loss before income taxes	\$(5,653)	\$(4,581)
Stock-based compensation	265	246
Unrealized foreign exchange loss (gain)	(443)	(58)
Unrealized loss (gain) on derivative liability	(62)	482
One-time expenses	1,464	118
<b>Adjusted Net Loss</b>	<b>(4,430)</b>	<b>\$(3,793)</b>

# Reconciliation of charge-off net of recoveries to charge-off rate

(in \$000s)	Q1 2016	Q1 2017
Charge-off net of recoveries	\$3,274	\$3,374
Gross loans receivable - opening balance	\$68,335	\$69,186
Gross loans receivable - ending balance	\$69,984	\$67,549
Simple average of the Gross loans receivable - opening/ending balance	69,160	68,368
Charge-off rate (annualized)	18.9%	19.7%