AS mogo

(UNIFIED REGISTRATION NUMBER 50103541751)

INTERIM CONDENSED UNAUDITED FINANCIAL STATEMENTS

FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2014

PREPARED IN ACCORDANCE WITH

INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED IN EU

Riga, 2015

CONTENTS

General information

Name of the company	mogo
Legal status of the company	joint stock company
Unified registration number, place and date of registration	50103541751 Latvia, Riga, 3 May 2012
Registered office	15A Matrozu, Riga, LV-1048, Latvia
Major shareholders	Since 1 July 2014 Mogo Finance S.A. (100%) 2-4, street Eugene Ruppert,L-2453 Luxembourg Till 30 June 2014: AS Skillion Ventures (61.34%) Dzirnavu 60A-32 Riga, Latvia, LV-1050 SIA MM investiciju risinajumi (30.66%) Kuldigas 51, Riga, Latvia, LV-1046
Board Members	Jekabs Endzins, Chairman of the Board from 07 September 2012 Marcis Grinis, Member of the Board from 25 September 2012 Girts Ledins, Member of the Board from 13 October 2014 till 05 February 2015
Council Members	Ramona Miglāne from 5 August 2014 Uldis Judinskis from 5 August 2014 Ieva Judinska-Bandeniece from 5 August 2014 Martins Bandenieks from 24 October 2014 Agris Evertovskis til 5 August 2014 Didzis Admidins til 5 August 2014 Agris Amolins til 5 August 2014
Financial reporting period	1 January – 31 December 2014
Previous financial reporting period	1 January – 31 December 2013

Management report

27 February 2015

General information

AS "mogo" (hereinafter referred to as – the Company) is a market leading sale and leaseback and finance lease solutions Company in Latvia. 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 sale and leaseback transactions for amounts up to 50 000 euro with duration up to six years. Funding is being offered online, using the Company's website and mobile homepage, at the customer service centres, as well as at the sales centres of car dealerships.

Objective of the Company is to offer its customers easily available, convenient and affordable sale and leaseback and finance lease solutions. In order to reach this objective the Company offers to its customers various solutions adjusted to their needs, as well as high level service and accessibility. The Company directly cooperates 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

Mission of the Company is to offer easily available and as easily repayable loans to the customers, who need a quick way to obtain additional funds or who want to buy a vehicle.

Vision

Vision of the Company is to become the market leading sale and leaseback and finance lease solutions company in Latvia, highly rated for customer friendliness and accessibility.

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

2014 was a period of very rapid growth for the Company. Total assets of the Company grew up to 28 million euro, turnover reached 5.8 million euro, EBITDA 2.4 million euro, and net profit of the Company reached 0.54 million euro. In September 2014 the Company increased its share capital up to 5 million euro to strengthen financial and long-term value of the Company. At the end of December 2014 gross value of the lease portfolio reached 22.5 million euro (204% growth in comparison with the year end result of 2013).

In March 2014 the Company registered emission of bonds for a total amount of 20 million euro at Latvian Central Depository for the attraction of investments, and on 11 November 2014 the Company included these bonds in Nasdaq Baltic Stock Exchange Debt Security listing, where they are available for public trade. By 27 February 2015 the Company has emitted the maximum number of securities 20 000 at nominal value EUR 1 000 for the total amount of emission EUR 20 000 000.

Rapid growth of the Company and the stable position in the market in 2014 was promoted by its strategy and purposeful activity, oriented at improvement of customer service quality, as well as professionalism and effort of employees to reach the set objectives. The Company has continued to develop provision of its services and has become more accessible to its customers by opening six new customer service centres located in Jekabpils, Riga, Talsi, Valmiera, Jelgava and Tukums, thus providing availability of services in total at 10 (ten) customer service centres located in various districts of Latvia and Riga. The Company plans to continue expansion of its activity and to open several new customer service centres also in other districts of Latvia.

In order to make the Company's services more available and more attractive to its customers, a "three-month grace period" was introduced in 2014. Whereas, in order to promote more successful application of financing for the installation of autogas equipment, the Company in 2014 decreased interest rates for this service.

At the end of 2014 the Company performed change of the Company's logotype design according to the developed guidelines and introduction of a joint design in all countries, where the Company and its sister companies are operating. Also, transition to a new homepage was provided, as well as change of design of customer service centres was performed in order to provide the best customer service experience according to the set objectives.

2014 was a successful year also in terms of cooperation with the car dealerships. Contracts on commencement of cooperation were concluded with 41 new partners, and thus towards the end of 2014 number of partners within the cooperation network exceeded 190. This network has significantly contributed to the growth of the vehicle finance lease volume. For the establishment of tighter cooperation with the partners in the field of vehicle trade the Company offers various partnership solutions and individual approach to effective processing of client applications, as well as provides various marketing materials and conduct of joint marketing campaigns.

In 2014 the Company continued implementation of various marketing activities on TV, radio and internet advertisements and outdoor ads thus helping to promote recognisability of the brand and to strengthen the Company's positions in terms of brand recognition (*top of mind* brand) in the sale and leaseback and finance lease solutions sector.

Financial risk management is disclosed in note 15 and events after statement of financial position date are described in note 18 to these interim condensed unaudited financial statements.

Jekabs Endzins	Marcis Grinis
Chairman of the Board	Member of the Board

Interim Condensed Unaudited Statement of Profit or Loss and other Comprehensive Income

for the period ended 31 December 2014

	Notes	2014 EUR	2013 EUR
Interest and similar income		5 765 419	2 369 884
Interest expense		(1 516 912)	(739 063)
Impairment		(1 044 495)	(167 290)
Cost of goods sold		-	(5 265)
Selling expense		(585 251)	(702 978)
Administrative expense		(1 838 919)	(976 345)
Other operating income		97 324	82 161
Other operating expense		(170 185)	(89 987)
Other interest receivable and similar income		93 071	15 946
Interest payable and similar expense		(20)	(26 263)
Profit/(loss) before Income Tax		**800 032**	**(239 200)**
Corporate Income tax	4	(404 382)	(44 153)
Deferred Income tax	4	142 545	(6 055)
Profit/(loss) for the period		**538 195**	**(289 408)**
Other comprehensive income		-	-
Total comprehensive profit/ (loss) for the period		**538 195**	**(289 408)**

The accompanying notes on pages 10 to 24 are an integral part of these interim condensed unaudited financial statements.

Jekabs Endzins Chairman of the Board	Marcis Grinis Member of the Board

Interim Condensed Unaudited Statement of Financial Position
for the period ended 31 December 2014

ASSETS

	Notes	31.12.2014 EUR	31.12.2013 EUR
NON-CURRENT ASSETS			
Intangible Assets	5	210 266	107 808
Equipment	6	147 831	74 364
Deferred Tax Asset	4	167 795	25 251
Other Non-current Financial Assets	8	5 013 000	-
Non-current Net Finance Lease Receivables	7	15 232 089	4 844 515
TOTAL NON-CURRENT ASSETS		**20 770 981**	**5 051 938**
CURRENT ASSETS			
Inventory		60 255	-
Current Net Finance Lease Receivables	7	6 004 007	2 342 855
Other Receivables		184 092	23 598
Deferred Expense		248 870	19 923
Cash and Cash Equivalents	9	768 619	306 097
TOTAL CURRENT ASSETS		**7 265 843**	**2 692 473**
TOTAL ASSETS		**28 036 824**	**7 744 411**

EQUITY AND LIABILITIES

	Notes	31.12.2014 EUR	31.12.2013 EUR
EQUITY			
Issued Share Capital	10	5 000 000	426 862
Retained earnings/(accumulated loss)		62 853	(475 342)
TOTAL EQUITY		**5 062 853**	**(48 480)**
LIABILITIES			
Non-current liabilities			
Borrowings	11	19 562 000	5 657 390
TOTAL NON-CURRENT LIABILITIES		**19 562 000**	**5 657 390**
Current liabilities			
Borrowings	11	2 381 801	1 854 427
Trade Payables		82 945	62 235
Current Tax Liabilities		405 459	85 300
Deferred Revenue		348 733	48 846
Other Liabilities	12	193 033	84 693
TOTAL CURRENT LIABILITIES		**3 411 971**	**2 135 501**
TOTAL EQUITY AND LIABILITIES		**28 036 824**	**7 744 411**

The accompanying notes on pages 10 to 24 are an integral part of these interim condensed unaudited financial statements.

Jekabs Endzins
Chairman of the Board

Marcis Grinis
Member of the Board

Interim Condensed Unaudited Statement of Cash Flows

	Notes	2014 EUR	2013 EUR
Cash flows to/ from operating activities			
Profit/(loss) before tax		800 032	(239 200)
Adjustments for:			
Amortisation and depreciation		90 710	70 934
Carrying value of disposed equipment		12 484	-
Vacation pay reserve		30 149	30 634
Interest income		(213 917)	(15 946)
Impairment		1 044 495	217 707
Interest expense		1 630 948	739 063
Operating profit before working capital changes		***3 394 901***	***803 192***
Increase in receivables		(15 482 724)	(5 755 720)
Increase in inventory		(60 255)	-
Increase in payables		414 947	126 409
Cash generated from operations		***(11 733 131)***	***(4 826 119)***
Corporate Income tax paid		(100 381)	(390)
Net cash flows to/ from operating activities		**(11 833 512)**	**(4 826 509)**
Cash flows to/ from investing activities			
Purchase of equipment and intangible assets		(279 119)	(185 240)
Investments in subsidiaries		(96)	(2 500)
Increase of subsidiaries\` share capital		-	(100 084)
Purchase of bonds		(4 483 000)	-
Disposal of subsidiaries		96	302 717
Loans issued		(2 590 000)	(603 354)
Loan repayments received		2 060 000	406 268
Interest received		213 917	15 946
Net cash flows to/ from investing activities		**(5 078 202)**	**(166 247)**
Cash flows to/ from financing activities			
Proceeds from issue of share capital		4 573 139	-
Proceeds from borrowings		29 992 926	8 204 067
Repayment of borrowings		(15 496 949)	(2 232 869)
Interest paid		(1 694 880)	(717 763)
Net cash flows to/ from financing activities		**17 374 236**	**5 253 435**
Change in cash		462 522	260 679
Cash at the beginning of the period		306 097	45 418
Cash at the end of the period	9	**768 619**	**306 097**

The accompanying notes on pages 10 to 24 are an integral part of these interim condensed unaudited financial statements.

Jekabs Endzins Chairman of the Board	Marcis Grinis Member of the Board

Interim Condensed Unaudited Statement of Changes in Equity

	Share capital EUR	Retained earnigs/ (accumulated loss) EUR	Total EUR
Balance as at 1 January 2013	**426 862**	**(185 934)**	**240 928**
Loss for the reporting period	-	(289 408)	(289 408)
Balance as at 31 December 2013	**426 862**	**(475 342)**	**(48 480)**
Increase of share capital	4 573 138	-	4 573 138
Profit for the reporting period	-	538 195	538 195
Balance as at 31 December 2014	**5 000 000**	**62 853**	**5 062 853**

The accompanying notes on pages 10 to 24 are an integral part of these interim condensed unaudited financial statements.

Jekabs Endzins
Chairman of the Board

Marcis Grinis
Member of the Board

Notes to the Interim Condensed Unaudited Financial Statements

1. Corporate information

AS mogo (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 3 May 2012. The registered office of the Company is at 15A Matrozu, LV-1048, Riga, Latvia. The Company is owned by Mogo Finance S.A. (registered in Luxembourg), which acquired 100% equity of the Company on 1 July 2014.

The core business activity of the Company comprises of providing finance lease and sale and leaseback services.

2. Significant accounting judgments, estimates and assumptions

The Company's interim condensed unaudited financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the interim condensed unaudited financial statements. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgments 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 Company'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 unaudited financial statements, when determinable.

Impairment allowance

a) Assets carried at amortized cost

The Company assesses at each reporting date whether there is objective evidence that a group of financial assets is impaired. A group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

(a) adverse changes in the payment status of borrowers in the portfolio of financial assets, i.e. financial assets whose interest and principal payments are past due;
(b) termination of agreement due to a breach of contract by the borrower, such as a default or delinquency in interest, principal and/or penalty payments.

The Company assesses whether objective evidence of impairment exists collectively for a group of financial assets with similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Company and historical loss experience for assets with credit risk characteristics similar to those in the Company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

2. Significant accounting judgments, estimates and assumptions (cont'd)

Impairment allowance (cont'd)
Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, levels of arrears, collateral recoverability, or other factors indicative of changes in the probability of losses in the Company and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

When a receivable is uncollectible, it is written off against the related allowance for receivable impairment. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the accounts receivable aging), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

b) Renegotiated financial assets
Financial assets that are subject to collective impairment assessment and whose terms have been renegotiated are no longer considered to be past due but are treated as new assets. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

Going concern
The Compnay's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the interim condensed unaudited financial statements continue to be prepared on the going concern basis.

The going concern is disclosed in more detail in Note 17.

Deferred tax assets
Deferred tax asset is recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profits. Tax losses can be used indefinitely.

3. Summary of significant accounting policies

Basis of preparation
The interim condensed unaudited financial statements of AS mogo for the twelve months ended 31 December 2014 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed unaudited financial statements do not include all the information and disclosures required in the annual unaudited financial statements, and should be read in conjunction with the annual financial statements for the period ended 31 December 2013, which have been prepared in accordance with IFRS.

Data for the comparable interim periods of the immediately preceding financial year for the condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity cover the period from 1 January 2013 to 31 December 2013.

The interim condensed unaudited financial statements are prepared on a historical cost basis. The Company's functional and presentation currency is euro (EUR). At 1 January 2014 the official currency in the Republic of Latvia was changed from Latvian Lats to euro (EUR). All assets and liabilities for the comparable interim period of the immediately preceding financial year are translated into EUR at official exchange rate established by the Bank of Latvia, which during the period was fixed at 0.702804 lats per 1 euro. The unaudited financial statements cover the period of 1 January 2014 through 31 December 2014.

Intangible assets
Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

3. Summary of significant accounting policies (cont'd)

Intangible assets (cont'd)
Amortization is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Licence	- over 1 year
Other intangible assets	- over 2, 3 and 5 years

Equipment
Equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

PCs	- over 3 years
Furniture	- over 5 years
Vehicles	- over 5 years
Other equipment	- over 2 years

Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity. The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement in the impairment caption.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

Finance lease
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. A sale and leaseback transaction involves the purchase of an asset by the Company and the leasing back of the same asset to the same customer.

Situations that would normally lead to a lease being classified as a finance lease and for a sale and leaseback transaction that results in a finance lease include the following:

- the lease transfers ownership of the asset to the lessee by the end of the lease term
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised
- the lease term is for the major part of the economic life of the asset, even if title is not transferred
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- the lease assets are of a specialized nature such that only the lessee can use them without major modifications being made

Finance lease receivables are recognized at present value of minimum lease payments receivable at the balance sheet date. Difference between gross and net finance lease receivables is unearned finance income and impairment allowance.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

3. Summary of significant accounting policies (cont'd)

Impairment allowance
The amount of allowance is determined by a loss of value in finance lease receivables.

The allowance is made for homogeneous small positions, which are based on a portfolio basis, at a time when the probability of collecting amounts owed to the Company is doubtful.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank.

Vacation pay reserve
Vacation pay reserve is calculated by multiplying the average daily salary of an employee for the last six months with the number of unused vacation days as at the end of the financial reporting period.

Loans and borrowings
All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in the income statement as interest income/ expense when the liabilities are derecognized through the amortization process.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies
Contingent liabilities are not recognized in the unaudited financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Income
Income for the Company is comprised of finance lease interest income, penalties earned, agreement signing commission and amendment fees.

Finance lease interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. Interest income is recognized based on an accrual basis. Income from penalties is recognized at time of receipt. Income from agreement signing commissions is recognized proportionally to the term of the signed agreements.

Corporate Income tax
Corporate Income tax includes current and deferred taxes. Current Corporate Income tax is applied at the rate of 15% on taxable income generated by the Company during the taxation period.

Deferred Corporate Income tax arising from temporary differences in the timing of the recognition of items in the tax returns and these interim condensed unaudited financial statements is calculated using the liability method. The Deferred Corporate Income tax asset and liability are determined on the basis of the tax rates that are expected to apply when the timing differences reverse. The principal temporary timing differences arise from differing rates of accounting and tax amortization and depreciation on the Company's non-current assets, the treatment of temporary provisions and accruals, as well as tax losses carried forward.

3. Summary of significant accounting policies (cont'd)

Subsequent events

Post-year-end events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the interim condensed unaudited financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

Standards and Interpretations effective in the current period

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period:

- IFRS 10 "Consolidated Financial Statements", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IFRS 11 "Joint Arrangements", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IFRS 12 "Disclosures of Interests in Other Entities", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IAS 27 (revised in 2011) "Separate Financial Statements", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" – Transition Guidance, adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 (revised in 2011) "Separate Financial Statements" – Investment Entities, adopted by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 32 "Financial instruments: presentation" – Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 36 "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"
  Novation of Derivatives and Continuation of Hedge Accounting, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

The adoption of these amendments to the existing standards has not led to any changes in the Company's accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these interim condensed unaudited financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- IFRIC 21 "Levies" (effective for annual periods beginning on or after 17 June 2014).

Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards, amendments to the existing standards and interpretations, which were not endorsed for use in EU as at 30 June 2014 (the effective dates stated below is for IFRS in full):

- FRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018),
- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016),

3. Summary of significant accounting policies (cont'd)

Standards and Interpretations issued by IASB but not yet adopted by the EU (cont'd)

- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017),
- Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),
- Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014),
- Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014).

The Company anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Company in the period of initial application.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the Company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement", would not impact the financial statements, if applied as at the balance sheet date.

4. Corporate Income Tax

	2014 EUR	2013 EUR
Current Corporate Income tax charge for the reporting period	404 382	44 153
Deferred Corporate Income tax due to temporary differences	(142 545)	6 055
CIT charged to the statement of profit or loss and other comprehensive income:	**261 837**	**50 208**

	Statement of Financial Position		Statement of Profit or Loss and Other Comprehensive Income	
	31.12.2014 EUR	31.12.2013 EUR	2014 EUR	2013 EUR
Deferred Corporate Income tax liabilities				
Accelerated tax depreciation	34 204	14 171	20 033	13 161
Gross Deferred Corporate Income tax liabilities	**34 204**	**14 171**	**20 033**	**13 161**
Deferred Corporate Income tax asset				
Tax loss carried forward	-	-	-	(24 068)
Vacation pay reserve	9 713	5 191	4 522	4 595
Impairment allowance	189 330	32 656	156 674	25 093
Other	2956	1 575	1 381	1 486
Gross Deferred Corporate Income tax asset	**201 999**	**39 422**	**162 578**	**8 116**
Net Deferred Corporate Income tax asset	**167 795**	**25 251**	**142 454**	**(6 055)**

Actual Corporate Income tax charge, if compared with theoretical calculations:

	2014 EUR	2013 EUR
Profit/(Loss) before tax	**800 032**	**(239 200)**
Tax at the applicable tax rate of 15%	120 005	(35 880)
Tax effect of permanent differences		
Other	209 472	97 127
Donation relief	(67 640)	(11 039)
Actual Corporate Income tax for the reporting period:	**261 837**	**50 208**

5. Intangible Assets

	Licence EUR	Other intangible assets EUR	Advances for intangible assets EUR	TOTAL EUR
Carrying amount as at 31 December 2013	8 300	90 557	8 951	107 808
Additions	14 225	143 187	(5 521)	151 891
Reclassification	-	118	-	118
Amortization charge	(14 227)	(35 324)	-	(49 551)
Carrying amount as at 31 December 2014	**8 298**	**198 538**	**3 430**	**210 266**
Carrying amount as at 31 December 2012	38 823	10 734	-	49 557
Additions	14 229	89 400	8 951	112 580
Amortization charge	(44 752)	(9 577)	-	(54 329)
Carrying amount as at 31 December 2013	**8 300**	**90 557**	**8 951**	**107 808**

Amortization

The total amortization costs are included in the following statement of profit or loss and other comprehensive income captions:

	2014 EUR	2013 EUR
Administrative expense	49 551	54 329
TOTAL:	**49 551**	**54 329**

6. Equipment

	Leasehold improvements EUR	Equipment EUR	Total EUR
Carrying amount as at 31 December 2013	5 771	68 593	74 364
Additions	-	127 228	127 228
Cost of disposals	-	(13 533)	(13 533)
Accumulated depreciation of disposals	-	1 049	1 049
Reclassification	-	(118)	(118)
Depreciation charge	(1 731)	(39 428)	(41 159)
Carrying amount as at 31 December 2014	**4 040**	**143 791**	**147 831**
Carrying amount as at 31 December 2012	-	18 310	18 310
Additions	6 925	65 735	72 660
Depreciation charge	(1 154)	(15 452)	(16 606)
Carrying amount as at 31 December 2013	**5 771**	**68 593**	**74 364**

Depreciation

The total depreciation costs are included in the following statement of profit or loss and other comprehensive income captions:

	2014 EUR	2013 EUR
Administrative expense	41 159	16 606
TOTAL:	**41 159**	**16 606**

7. Finance Lease Receivables

Finance lease receivables	Minimum lease payments 31.12.2014 EUR	Present value of minimum lease payments 31.12.2014 EUR	Minimum lease payments 31.12.2013 EUR	Present value of minimum lease payments 31.12.2013 EUR
Up to one year	12 467 831	6 004 007	4 952 833	2 342 855
Years 2 through 5 combined	29 589 734	15 955 011	8 538 198	5 062 222
More than 5 years	662 497	537 108	-	-
TOTAL:	**42 720 062**	**22 496 126**	**13 491 031**	**7 405 077**

Unearned finance income	31.12.2014 EUR	31.12.2013 EUR
Up to one year	6 463 824	2 609 978
Years 2 through 5 combined	13 634 723	3 475 976
More than 5 years	125 389	-
TOTAL:	**20 223 936**	**6 085 954**

Finance lease receivables	31.12.2014 EUR	31.12.2013 EUR
Non-current finance lease receivables	16 492 119	5 062 222
Current finance lease receivables	6 004 007	2 342 855
TOTAL:	**22 496 126**	**7 405 077**

Movement in impairment allowance	Impairment allowance
Impairment allowance as at 31.12.2013	217 707
Change	1 042 323
Impairment allowance as at 31.12.2014	**1 260 030**
Impairment allowance as at 31.12.2012	50 417
Change	167 290
Impairment allowance as at 31.12.2013	**217 707**

Finance lease receivables and trade receivables are stated net of impairment allowance.

7. Finance Lease Receivables (cont'd)

	Non-current EUR	Current EUR	Non-current EUR	Current EUR
Finance lease receivables, net	**31.12.2014**	**31.12.2014**	**31.12.2013**	**31.12.2013**
Finance lease receivables	16 492 119	6 004 007	5 062 222	2 342 855
Impairment allowance*	(1 260 030)	-	(217 707)	-
TOTAL:	**15 232 089**	**6 004 007**	**4 844 515**	**2 342 855**

*Impairment allowance is attributed only to non-current part, although it applies to both non-current and current.

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at EUR 28 568 908. The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 43% per annum. All leases are denominated in euros. The average term of finance lease entered into is 42 months.

Ageing of overdue finance lease receivables:

	31.12.2014 EUR	31.12.2013 EUR
1-30 days	1 856 404	629 756
31-60 days	612 340	191 507
61-90 days	391 681	46 270
90+ days	1 201 003	355 614
TOTAL:	**4 061 428**	**1 223 147**

8. Other Non-current Financial Assets

	31.12.2014 EUR	31.12.2013 EUR
Loan to a related party *	530 000	-
Available for sale financial asset **	4 483 000	-
TOTAL:	**5 013 000**	**-**

*A long term loan to a related party for EUR 530 000 at 10% interest rate per annum and maturity at 15 May 2016.

**AS mogo bonds which are listed on NASDAQ OMX Riga Baltic bond list and are held for sale. They bear a 10% annual coupon and mature at 31 March 2021.

9. Cash and Cash Equivalents

	31.12.2014 EUR	31.12.2013 EUR
Cash at bank	768 619	306 097
TOTAL:	**768 619**	**306 097**

10. The Share Capital

The share capital of the Company as at 31 December 2014 is EUR 5 000 000 and it consists of 5 000 000 shares. The par value of each share is 1 EUR. All shares are fully paid.

The share capital of the Company as at 31 December 2013 was EUR 426 862 and it consisted of 300 000 shares. The par value of each share was 1.422871 EUR (equivalent to LVL 1). All shares were fully paid.

11. Borrowings

Borrowings as at 31.12.2014

Non-current:	*Interest rate per annum (%)*	*Maturity*	**31.12.2014 EUR**
Bonds	10	31.03.2021	19 062 000
Loan from a non-related party	14	01.03.2017	100 000
Loan from a non-related party	14	01.04.2017	100 000
Loan from a non-related party	14	01.05.2017	100 000
Loan from a non-related party	14	01.06.2017	100 000
Loan from a non-related party	14	01.07.2017	100 000
		TOTAL non-current borrowings:	**19 562 000**

Current:	*Interest rate per annum (%)*	*Maturity*	**31.12.2014 EUR**
Loan from a non-related party	10	01.03.2015	171 753
Loan from a bank	7 + 6m EURIBOR	31.12.2015	2 200 000
Interest accrued on borrowings from non – related parties			10 049
		TOTAL current borrowings:	**2 381 801**

On 17 March 2014 the Company registered with the Latvian Central Depository a bond facility through which it can raise up to EUR 20 million. The Company has raised a total of EUR 19 062 000 as at 31 December 2014. This bond issue is unsecured. The notes are issued at par, mature at 31 March 2021 and carry a fixed coupon of 10% per annum, paid monthly in arrears. On 11 November 2014 the bonds were listed on the regulated market of NASDAQ OMX Riga.

11. Borrowings (cont` d)

Borrowings as at 31.12.2013

Non-current:	*Interest rate per annum (%)*	*Maturity*	**31.12.2013 EUR**
Loan from a related party	15	13.02.2016	1 406 390
Loan from a related party	15	14.04.2016	2 066 000
Loan from a related party	15	04.07.2016	1 685 000
Loan from a non-related party	14	01.03.2015	100 000
Loan from a non-related party	14	01.04.2015	100 000
Loan from a non-related party	14	01.05.2015	100 000
Loan from a non-related party	14	01.06.2015	100 000
Loan from a non-related party	14	01.07.2015	100 000
	TOTAL non-current borrowings:		**5 657 390**

Current:	*Interest rate per annum (%)*	*Maturity*	**31.12.2013 EUR**
Loans from a related parties	15	01.10.2014	1 569 671
Loan from a non-related party	15	19.12.2014	157 085
Loan from a non-related party	15	01.02.2014	100 000
Interest accrued on borrowings from related parties			26 398
Interest accrued on borrowings from non-related parties			1 273
	TOTAL current borrowings:		**1 854 427**

12. Other Liabilities

	31.12.2014 EUR	**31.12.2013 EUR**
Vacation pay reserve	64 756	34 607
Accounts payable to a related party	2 303	32 477
Accounts payable to employees	66 341	655
Other	59 633	16 954
TOTAL:	**193 033**	**84 693**

13. Related party disclosures

As at 30 June 2014 the Company was controlled by AS Skillion Ventures (incorporated in Latvia), with 61.34% of the Company's shares. As from 1 July 2014 the Company is controlled by Mogo Finance S.A. (registered in Luxembourg) which owns 100% equity.

Related party		Sales to related parties, EUR	Purchases from related parties, EUR	Amounts owed by related parties, EUR	Amounts owed to related parties, EUR
Entities with significant influence over the Company:					
Parent company	2014	-	-	562 903	-
Other related companies	2014	42 599	15 847	83 010	2 303
	TOTAL:	**42 599**	**15 847**	**645 913**	**2 303**

Related party		Sales to related parties, EUR	Purchases from related parties, EUR	Amounts owed by related parties, EUR	Amounts owed to related parties, EUR
Entities with significant influence over the Company:					
Major shareholders	2013	-	-	47	1 570 313
Other related companies	2013	373 801	24 619	3 961	5 183 801
	TOTAL:	**373 801**	**24 619**	**4 008**	**6 754 114**

14. Commitments and contingencies

Capital commitments at 31 December 2014 amount to EUR 7 560, which are for signed finance lease agreements where money has not yet been transferred.

15. Financial risk management

The Company's principal financial instruments comprise bond issues borrowings from related and non-related parties, finance lease receivables, and cash. The main purpose of these financial instruments is to ensure financing for the Company's operations. The Company has other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its operations.

Financial risks

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

Foreign currency risk

The Company's financial assets and liabilities are not exposed to foreign currency risk. All transactions are concluded in euros.

Interest rate risk

The Company is not exposed to interest rate risk because its current and non-current borrowings and finance lease receivables are at a fixed rate. The average interest rate payable on the Company's borrowings is disclosed in Note 11 and the average interest rate receivable from finance lease receivables is disclosed in Note 7.

15. Financial risk management (cont'd)

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

The table below presents the cash flows payable by the Company and to the Company under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flow. Cash flow payable for borrowings includes estimated interest payments assuming principal is paid in full at maturity date.

		Contractual cash flows, EUR				
As at 31 December 2014	**Carrying value EUR**	**On demand**	**Up to 1 year**	**1-5 years**	**More than 5 years**	**Total**
Assets						
Cash at bank	768 619	768 619	-	-	-	**768 619**
Other non-current financial assets	5 013 000	-	501 300	6 419 803	574 384	**7 495 488**
Finance lease receivables	21 236 096	-	12 467 831	29 589 734	662 497	**42 720 062**
Total undiscounted financial assets	**27 017 715**	**768 619**	**12 969 131**	**36 009 537**	**1 236 881**	**50 984 169**
Liabilities						
Borrowings	(21 943 801)	-	(4 650 451)	(26 582 623)	(2 442 319)	**(33 675 392)**
Current liabilities	(1 030 170)	-	(1 030 170)	-	-	**(1 030 170)**
Total undiscounted financial liabilities	**(22 973 971)**	**-**	**(5 680 621)**	**(26 582 623)**	**(2 442 319)**	**(34 705 562)**
Net undiscounted financial assets/(liabilities)	**4 043 744**	**768 619**	**7 288 510**	**9 426 914**	**(1 205 437)**	**16 278 606**

Credit risk
The Company 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 solvability check of the lease), monitoring methods, as well as decision making principles.

The Company 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 Company takes into consideration both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Company sets the credit limit for each and every customer.

When the lease agreement has been signed, the Company monitors the lease object and customer's solvency. The Company 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 Company's exposure to bad debts is minimized, and, where appropriate, provisions are being made.

The Company does not have a significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Capital risk management
The Company manages its capital to ensure that it will be able to continue as going concern. The Company is not subject to any externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may attract new credit facilities or increase its share capital.

16. Fair value of financial assets and liabilities not measured at fair value

The table below summaries the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair value:

As at 31 December 2014	Carrying value, EUR	Fair value, EUR
Financial assets		
Other non-current financial assets	5 013 000	5 013 000
Finance lease receivables – non current	15 232 089	15 232 089
Finance lease receivables – current	6 004 007	6 004 007
Total assets	**26 249 096**	**26 249 096**
Financial liabilities		
Borrowings – non current	19 562 000	19 562 000
Borrowings – current	2 381 801	2 381 801
Total liabilities	**21 943 801**	**21 943 801**

The fair value of finance lease receivables is equal to the carrying value, which is present value of minimum lease payments discounted using effective agreement interest rate and adjusted for impairment allowance, which is attributed only to non-current part, although it applies to both non-current and current.

The fair value of current and non-current borrowings is based on cash flows discounted using effective agreement interest rate which represents current market rate.

17. Going concern

The Company closed the reporting period with a profit of EUR 538 195. As at 31 December 2014, the Company's current assets exceeded its current liabilities by EUR 3 853 872. Total available credit line facility as at 31 December 2014 amounts to EUR 48.3 million. The Company's management believes that the loan facilities and profitable operations in the recent months will be sufficient to ensure adequate financing for the Company to continue operating as a going concern.

18. Events after statement of financial position date

On 24 February 2015 the Company issued additional 938 bonds for a total nominal value of EUR 938 000. As at 24 February 2015 there are 20 000 bonds listed on NASDAQ OMX Riga Baltic bond list for a total nominal value of EUR 20 million.

Apart from events mentioned earlier there have been no other significant events after the statement of financial position date which requires a disclosure in the interim condensed unaudited financial statements.