



Rule Your Finances

Q1 2019 Investor Presentation
May 2019



Safe Harbour Statement

Forward-Looking Statements: This presentation contains forward-looking statements or forward looking information that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements or forward-looking information can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to the Company’s expectations regarding its revenue (including loan interest), expenses and operations, key performance indicators, provision for loan losses (net of recoveries), delinquencies ratios, anticipated cash needs and the need for additional financing, funding costs, ability to extend or refinance any outstanding amounts under the Company’s credit facilities, ability to protect, maintain and enforce its intellectual property, plans for and timing of expansion of its products and services, future growth plans, ability to attract new members and develop and maintain existing members, ability to attract and retain personnel, expectations with respect to advancement of its product offering, competitive position and the regulatory environment in which the Company operates, anticipated trends and challenges in the Company’s business and the markets in which it operates, third-party claims of infringement or violation of, or other conflicts with, intellectual property rights, the resolution of any legal matters, and the acceptance by consumers and the marketplace of new technologies and solutions.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors that are discussed in greater detail in the “Risk Factors” section of the Company’s current annual information form for the year ended December 31, 2018, available at www.sedar.com and at www.sec.gov, which risk factors are incorporated herein by reference, including but not limited to risks related to: our history of losses and our recent, rapid growth; our negative operating cash flow; disruptions in the credit markets may affect our ability to access additional capital through issuances of equity and debt securities; our new products and platform enhances do not achieve sufficient market acceptance; changes in the regulatory environment or in the way regulations are interpreted; security breaches of members’ confidential information; changes in economic conditions may increase member default rates; material changes to the interest rate charged to our members and paid to our lenders; the concentration of our debt funding sources and our ability to access additional capital from those sources; the early payment triggers and covenants under our credit facilities; factors affecting the development, acceptance and widespread use of cryptocurrency; the loss of banking and/or insurance services as a result of our cryptocurrency-related services; the price of our publicly traded securities becoming subject to wide price swings since the value of cryptocurrencies may be subject to pricing risk and wide swings in value; collection, processing, storage, use and disclosure of personal data and its related privacy considerations; protecting our intellectual property rights; claims by third parties for alleged infringement of their intellectual property rights; the use of open source software and any failure to comply with the terms of open source licenses; serious errors or defects in our software and cybersecurity risks; the adequacy of our allowance for loan losses; the reliability of our credit scoring model; access to reliable third party data; our risk management efforts; our operating risk and insurance coverage; our levels of indebtedness; our efforts to expand our market reach and product portfolio; our marketing efforts and ability to increase brand awareness; member complaints and negative publicity; misconduct and/or errors by our employees and third party service providers; our ability to collect payment and service the products we make available to our members; our reliance on data centers to deliver our services and any disruption thereof; competition in our industry; the reliability of information provided by members; our reliance on key personnel; competition for employees; preserving our corporate culture; risks related to litigation; earthquakes, fire, power outages, flood, and other catastrophic events, and interruption by man-made problems such as terrorism; volatility in the market price for our publicly traded securities; future sales of our securities by existing shareholders causing the market price for our publicly traded securities to fall; no cash dividends for the foreseeable future; our trading price and volume declining if analysts publish inaccurate or unfavourable research about us or our business; risks related to operating in the cryptocurrency industry. Although the forward-looking statements contained in this presentation are based upon what our management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this presentation relate only to events or information as of the date of this presentation and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this presentation, including the occurrence of unanticipated events.

An investor should read this presentation with the understanding that our actual future results may be materially different from what we expect.

This presentation may contain Future Oriented Financial Information (“FOFI”) within the meaning of applicable securities laws. The FOFI has been prepared by our management to provide an outlook of our activities and results and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions including the assumptions discussed under the heading “Forward-Looking Statements”. The actual results of our operations and the resulting financial results may vary from the amounts set forth herein, and such variation may be material. Our management believes that the FOFI has been prepared on a reasonable basis, reflecting management’s best estimates and judgments.

This presentation should be read together with our financial statements for the financial quarter ended March 31, 2019 and the notes thereto as well as our management’s discussion and analysis for the financial quarter ended March 31, 2019, all of which are available at www.SEDAR.com and www.sec.gov.

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All figures are expressed in Canadian \$'s.

The problem

The majority of Canadians are struggling to be financially healthy while relying on the banks as their primary financial provider.

\$95B

made by banks in
pre-tax profits in 2017.

42%

of Canadians carry a balance
on their credit card.¹

45%

of Canadians are worried about
having enough for retirement.²

81%

of Gen Z adults are
stressed about money.³

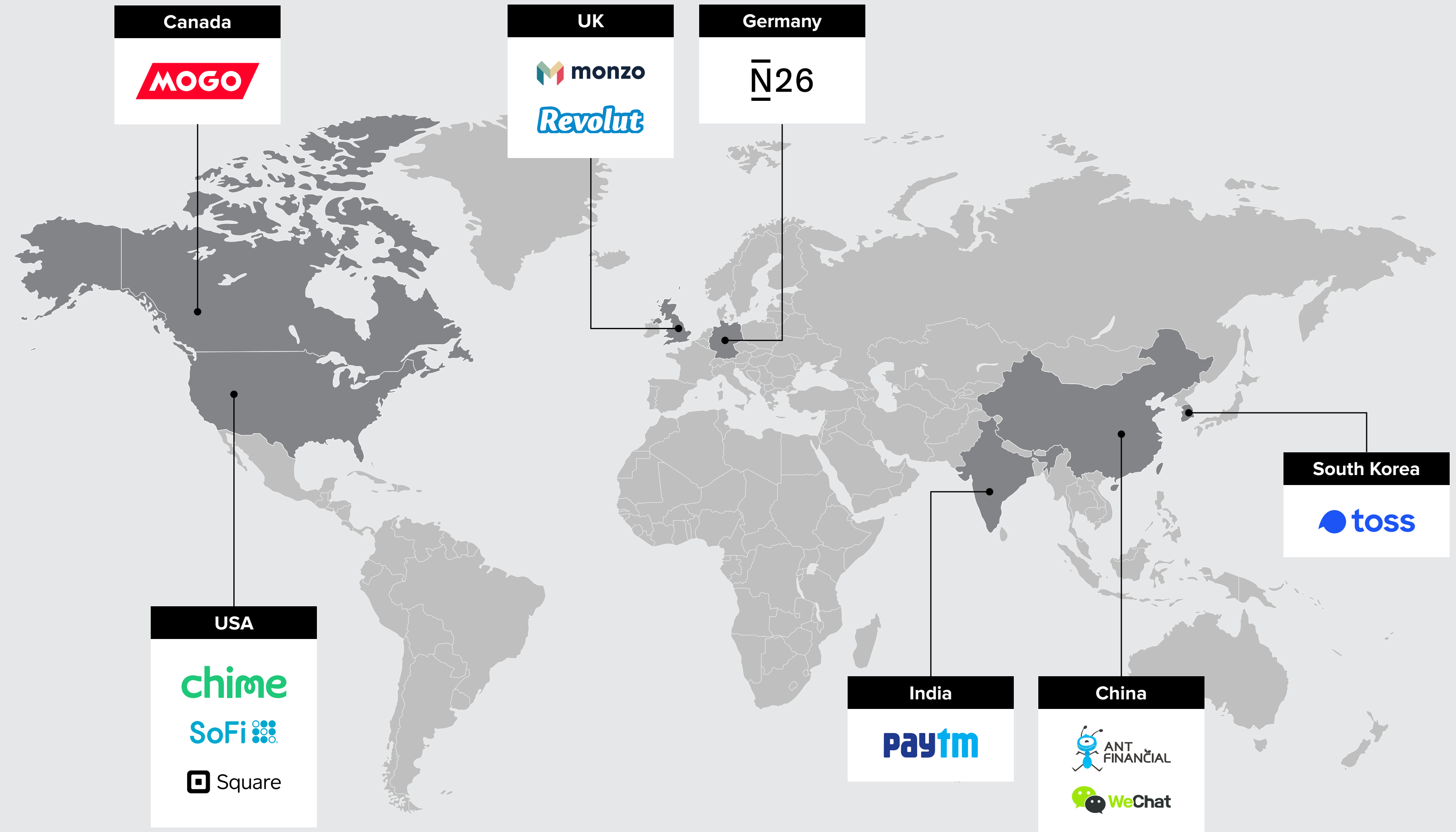
65%

of Canadians want to improve
their financial health in 2019.⁴

¹<https://www.creditcards.com/credit-card-news/canada-credit-card-debit-card-stats-international-1276.php>. ²<https://home.kpmg/content/dam/kpmg/ca/pdf/2018/12/me-mycanadianlife-mywallet-2018.pdf> ³<https://www.apa.org/news/press/releases/stress/2018/stress-gen-z.pdf>

Rise of the Digital Challenger Banking Platforms

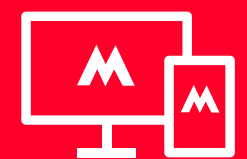
Challengers to the banks are innovating and offering more convenient, mobile first solutions that are designed to make it easier to be financially healthy.



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Mogo: a finance app that makes it easy and engaging to get financially fit

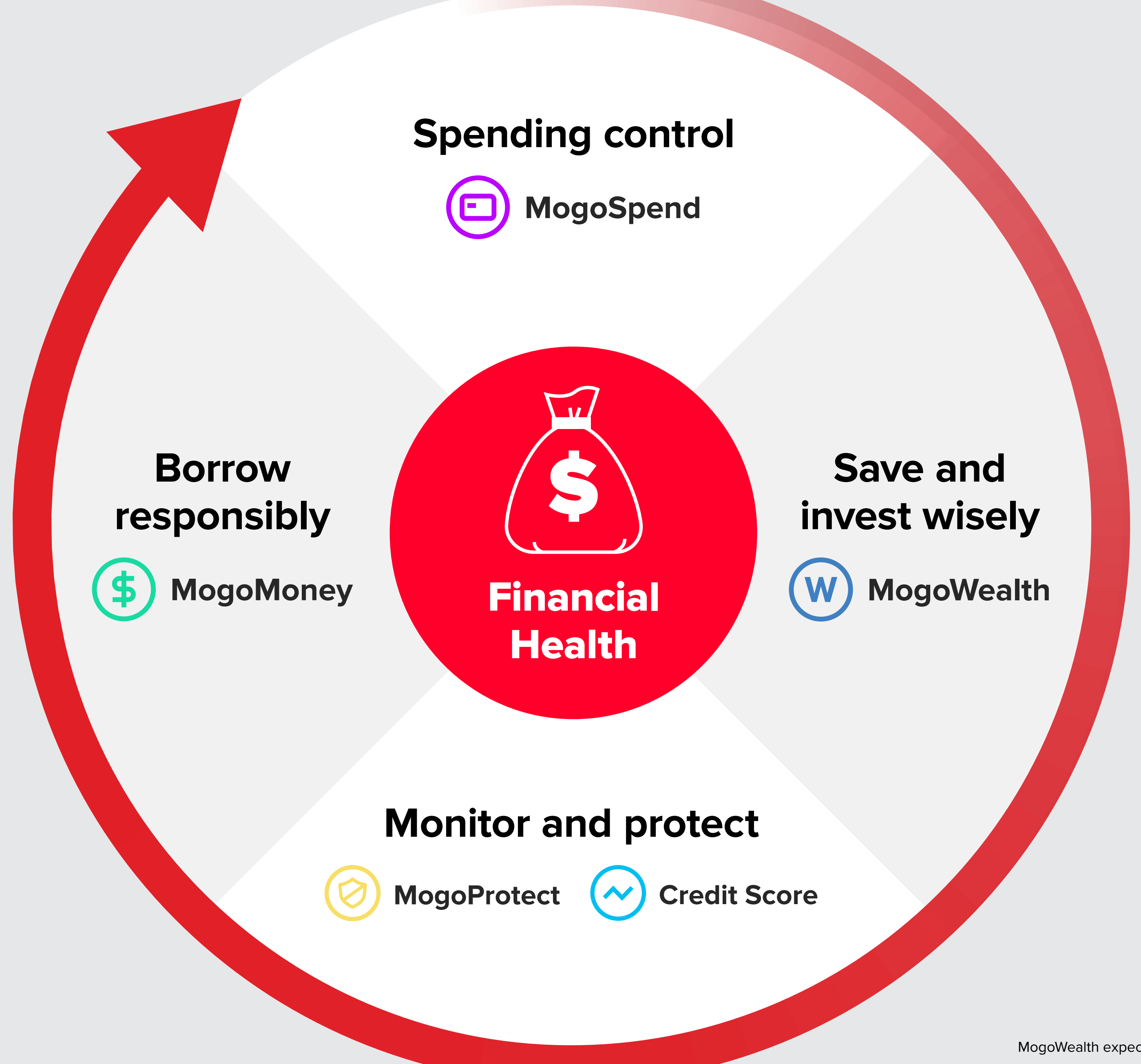
Mogo is leading the charge on moving beyond innovative single product solutions towards a holistic financial health solution.



Best in class products



Best in class user experience



MogoWealth expected launch: 2019

Mogo's Financial Health Program

01

Control your spending

02

Save and invest wisely

03

Protect and monitor

04

Borrow responsibly

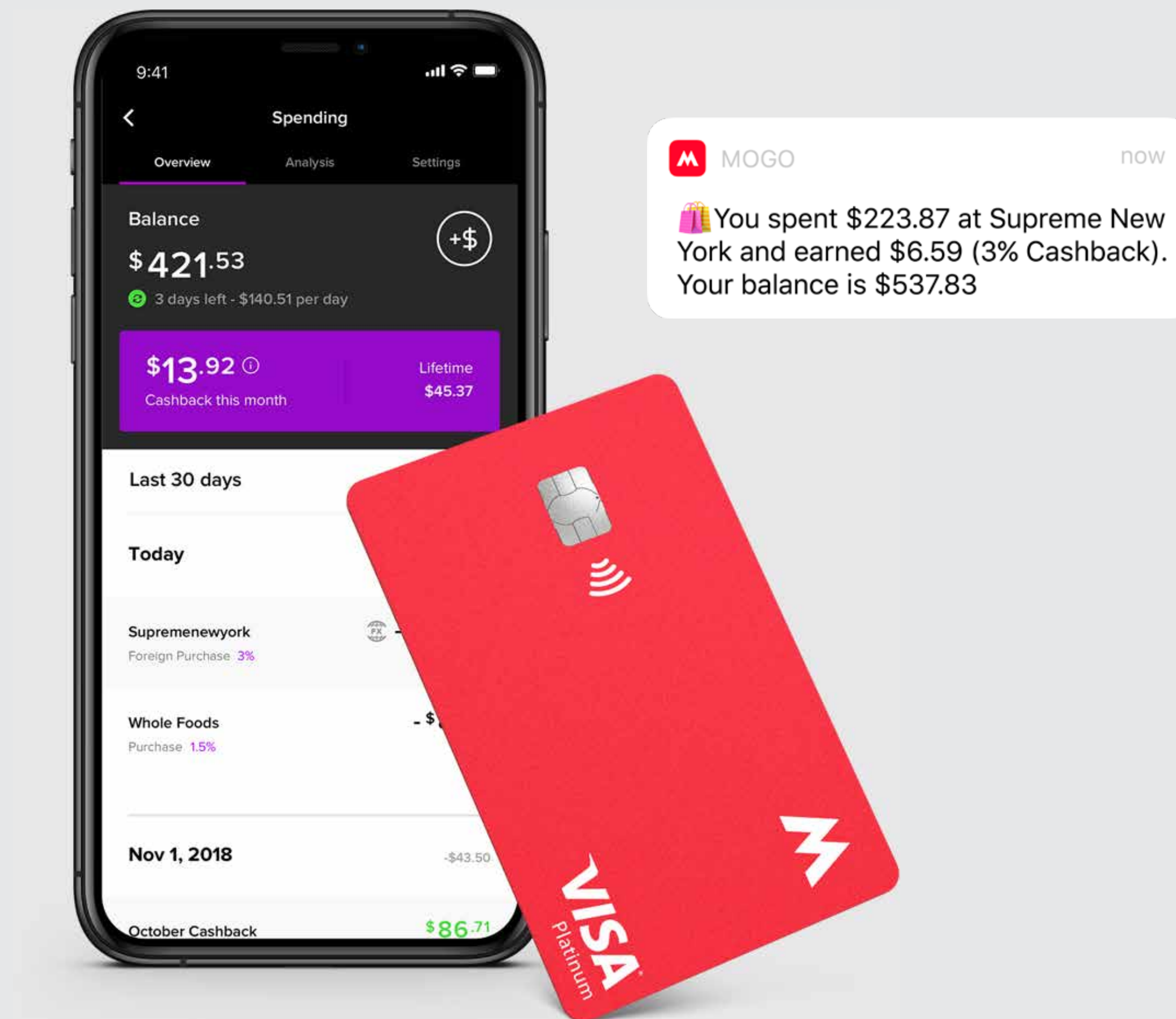
01 MogoSpend

Control your spending

The key to building wealth is controlling your spending — the less you spend, the more you have to save and invest. MogoSpend helps you control your spending in ways that debit and credit cards can't.

Mogo Economics

Interchange revenue, daily active user engagement, valuable transaction data.



Mogo's Financial Health Program

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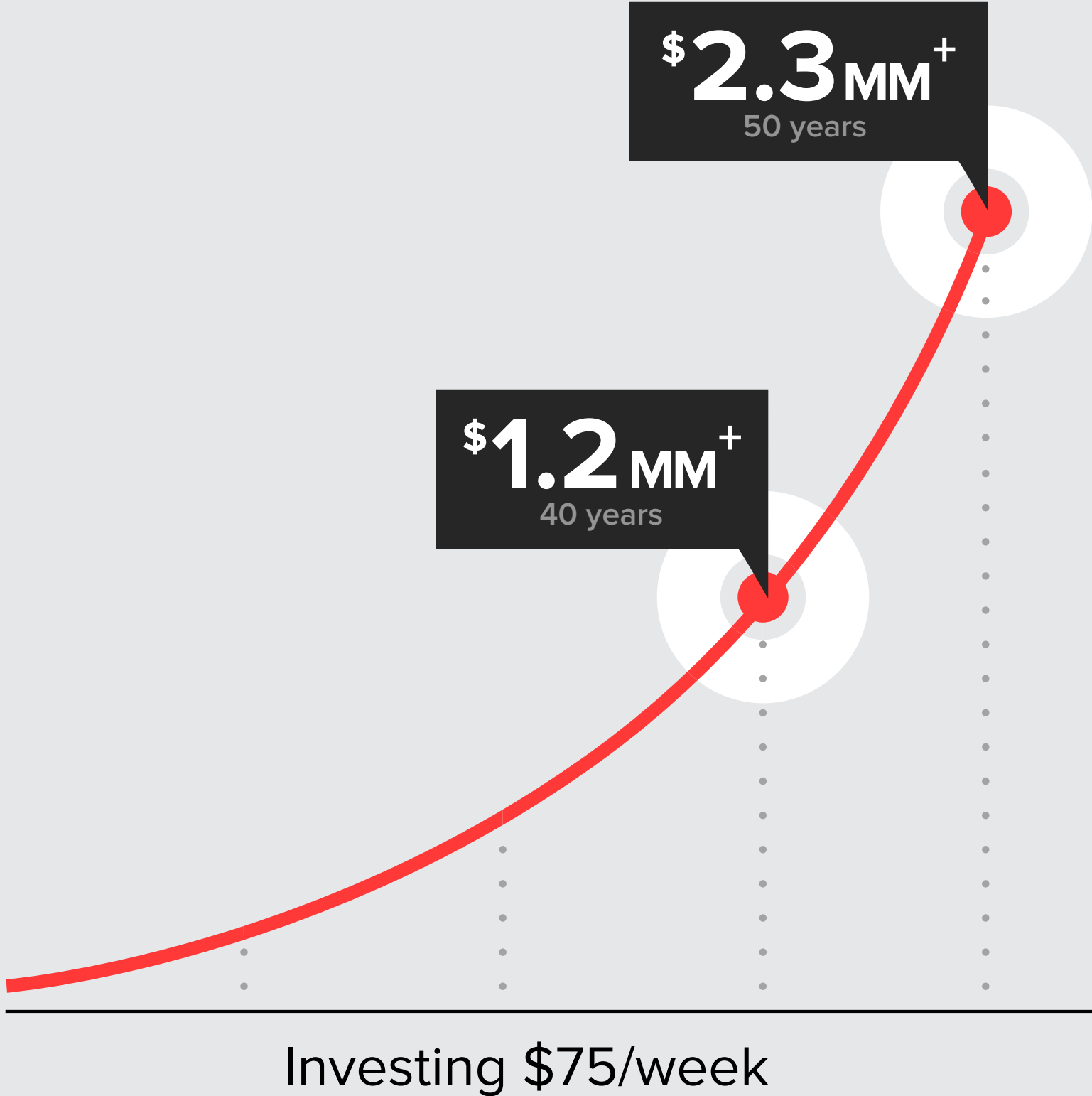
W

MogoWealth

Save and invest wisely

Building wealth is simple: spend less than you make to have more money to save and invest. Did you know that consistently investing \$75 a week in the stock market could turn into over \$2M? But to reach long-term wealth, you need to have the right strategy in place.

Mogo Economics
% AUM Recurring Revenue



Mogo's Financial Health Program

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Borrow responsibly

Assumes a long term average annualized rate of return of 8%.

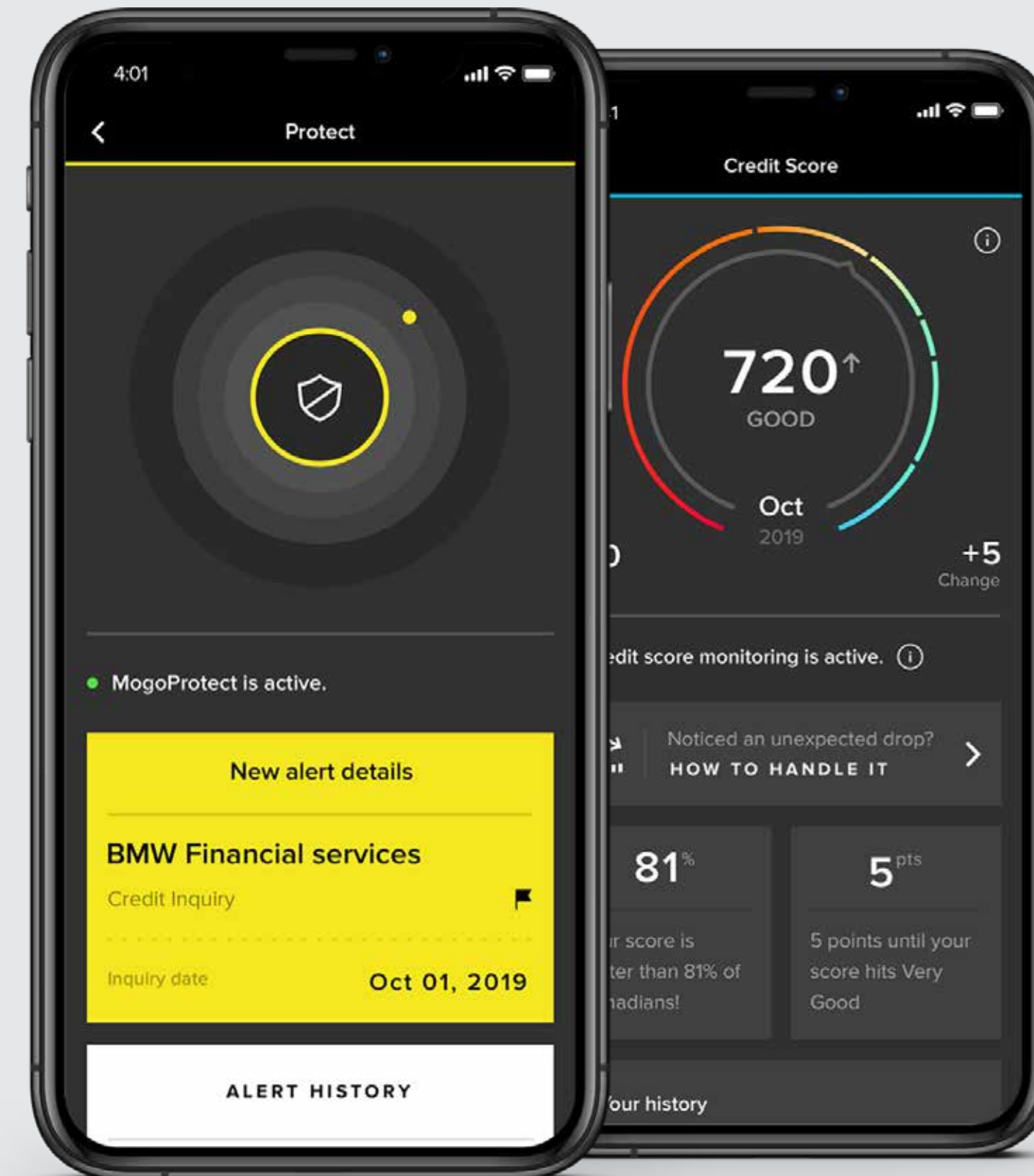
03 MogoProtect

Protect and monitor

Don't let identity fraud or a poor credit score derail your financial dreams. With data hacks happening almost daily, it's important to ensure no one gets credit in your name as the consequences can be devastating. Your financial health is 100% your responsibility, so help keep it monitored and protected.

Mogo Economics

\$8.99 monthly subscription fee



Mogo's Financial Health Program

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04 MogoMoney

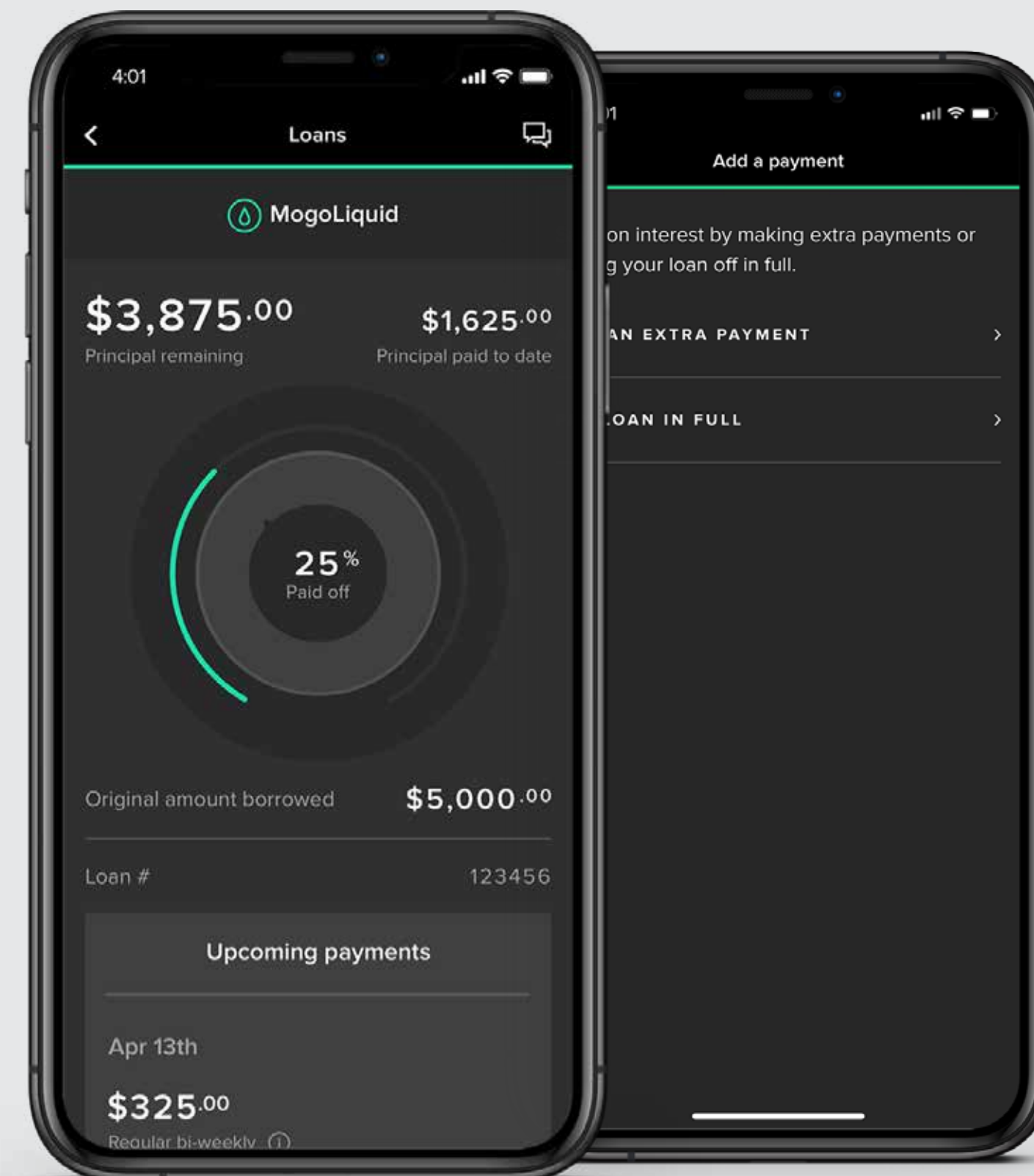
Borrow responsibly

Sometimes we need a little credit. The key is to not make it a habit, and if you do need to borrow, remember that the sooner you pay it back the sooner you'll get back to saving and building wealth.

Mogo Economics

Recurring Interest Revenue; Origination & Recurring platform fees¹

1. Origination & platform fees are based on planned future launch in 2019 of third party lending solutions.



Mogo's Financial Health Program

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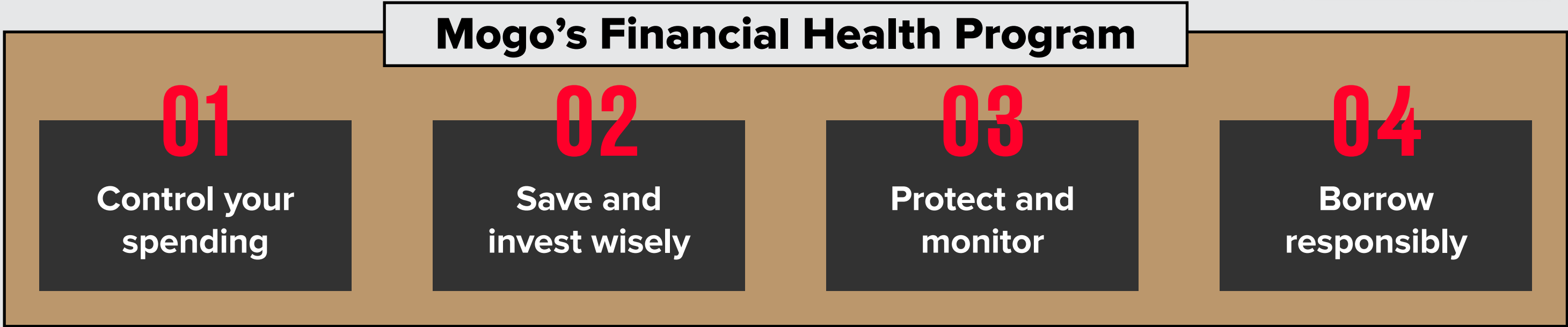
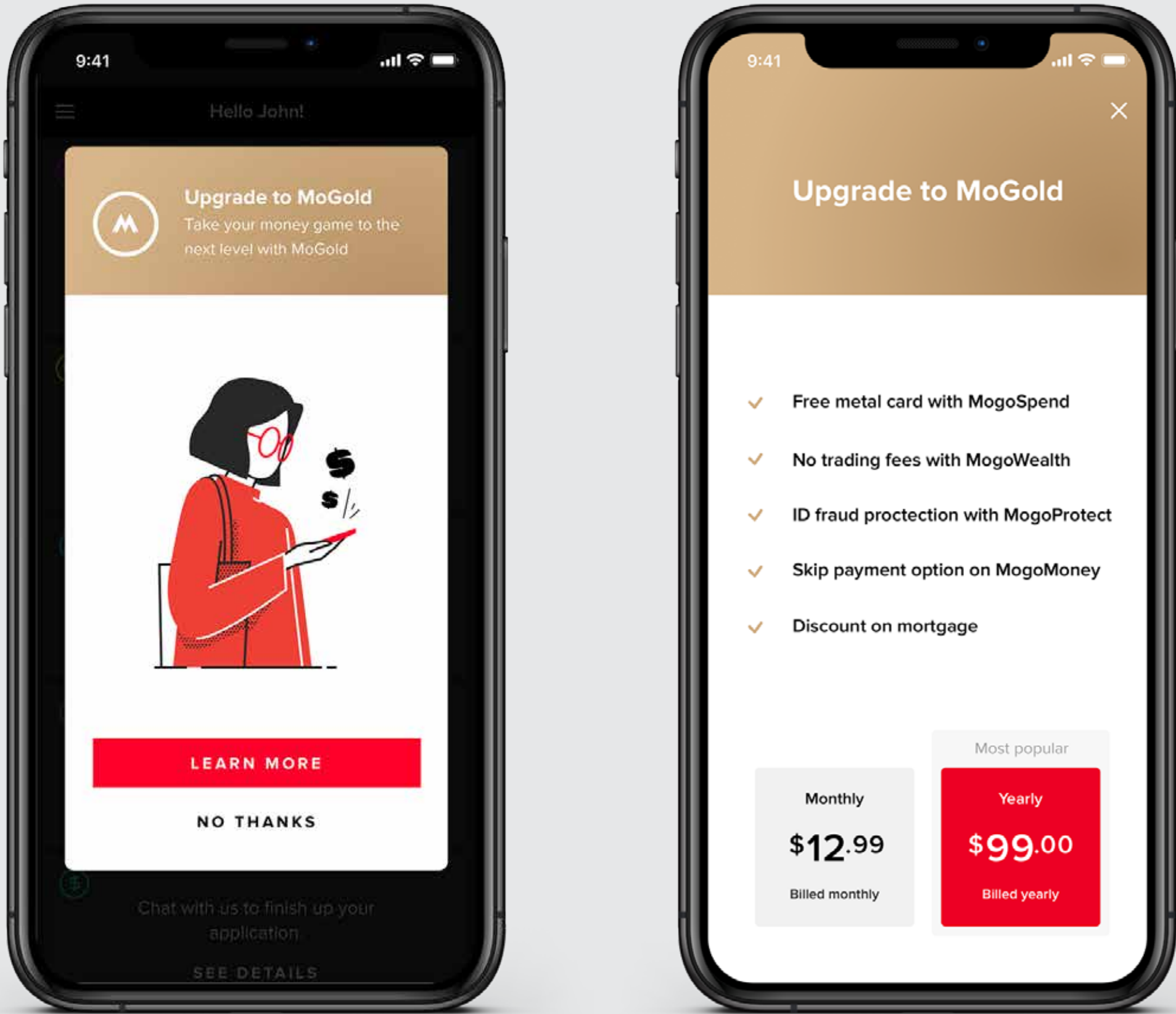
MoGold: Premium subscription

Take your money game to the next level with MoGold.

Mogo Economics

Subscription revenue

Future product snapshot



This is an illustrative example of a future product and pricing/features are subject to change.

Mogo brand: financial health




With consumer spending on the rise worldwide, financial health and the reduction of overspending, will play a key role in the overall health of society and the planet.

The trend towards mindful consumerism



If the global population reaches

9.6B BY 2050

we would need 3   
to sustain our current lifestyles.¹

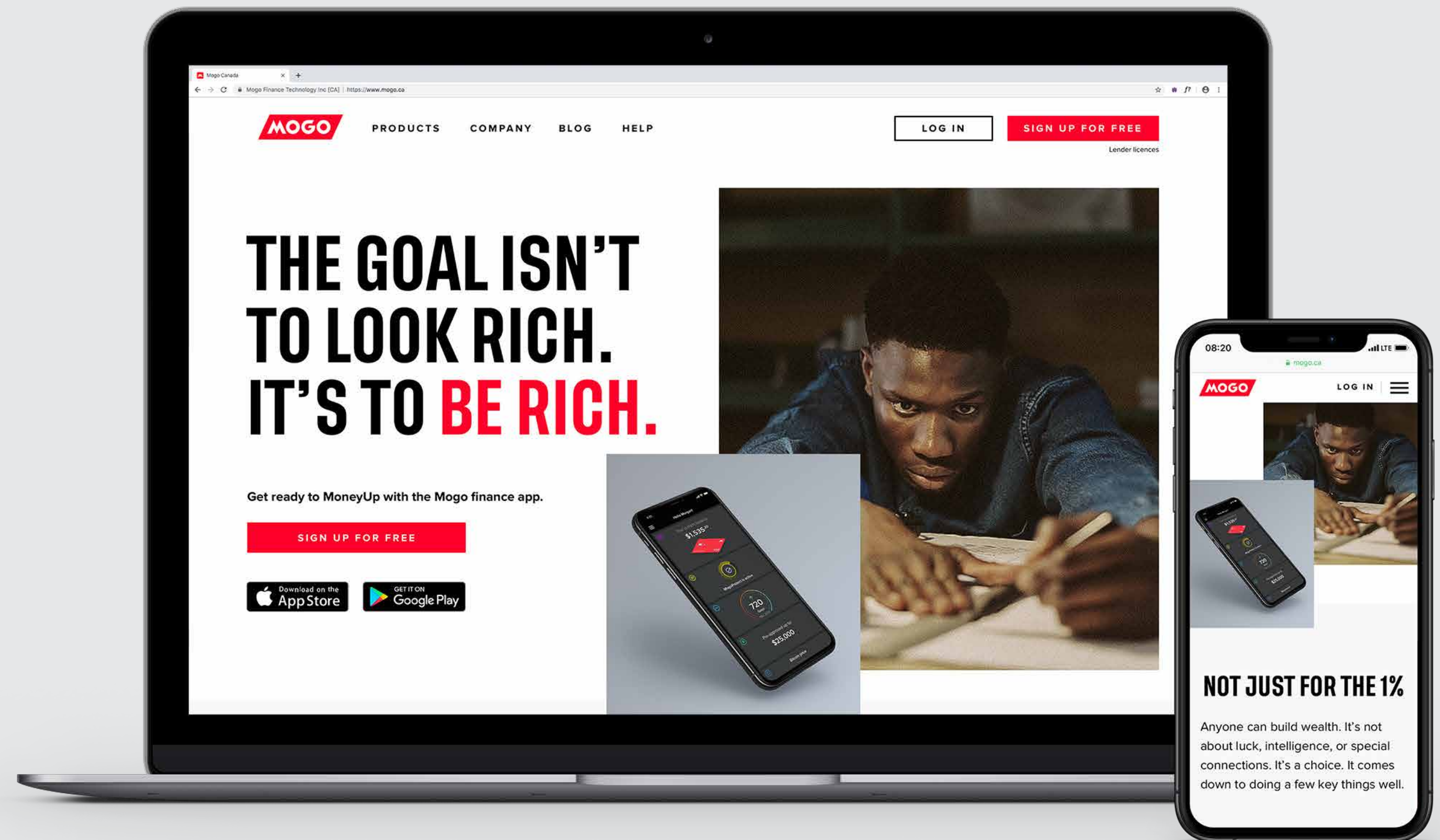


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New marketing campaign: **MONEYUP**

New marketing campaign launching soon focusing on:

- Financial health
- Democratizing wealth
- Mindful Consumerism



01

Control your spending

02

Save and invest wisely

03

Protect and monitor

04

Borrow responsibly

Innovative marketing partnership with Canada's leading newsmedia company

- 5 year deal
- \$60MM/year marketing spend
- \$2MM/year cash cost to Mogo
- Issued 1.2MM warrants to Postmedia

¹For 5 year term of agreement with start date January 2016.

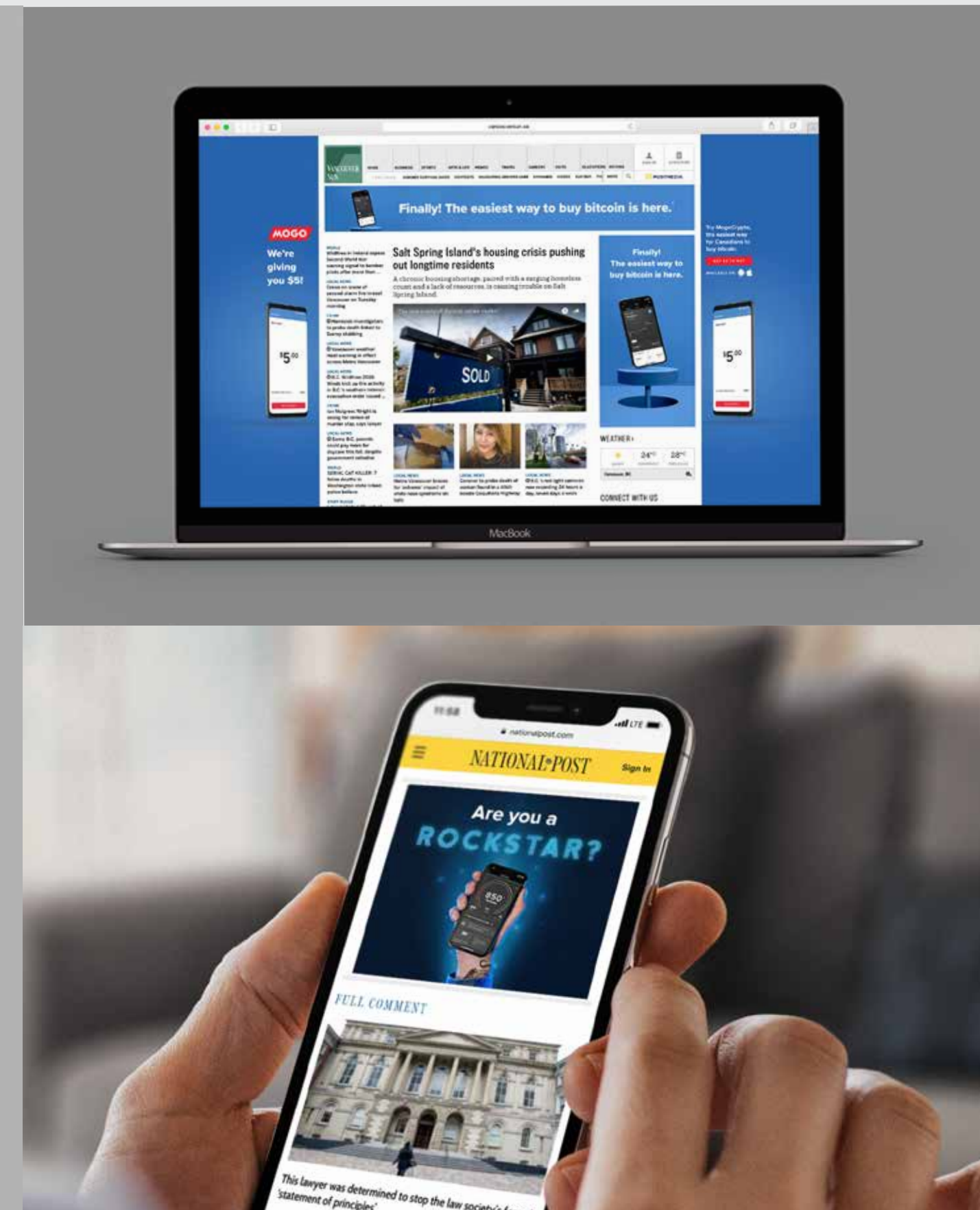
\$300MM

Media Value over 5 years¹

Reaching

\$18.7MM

Canadians per month



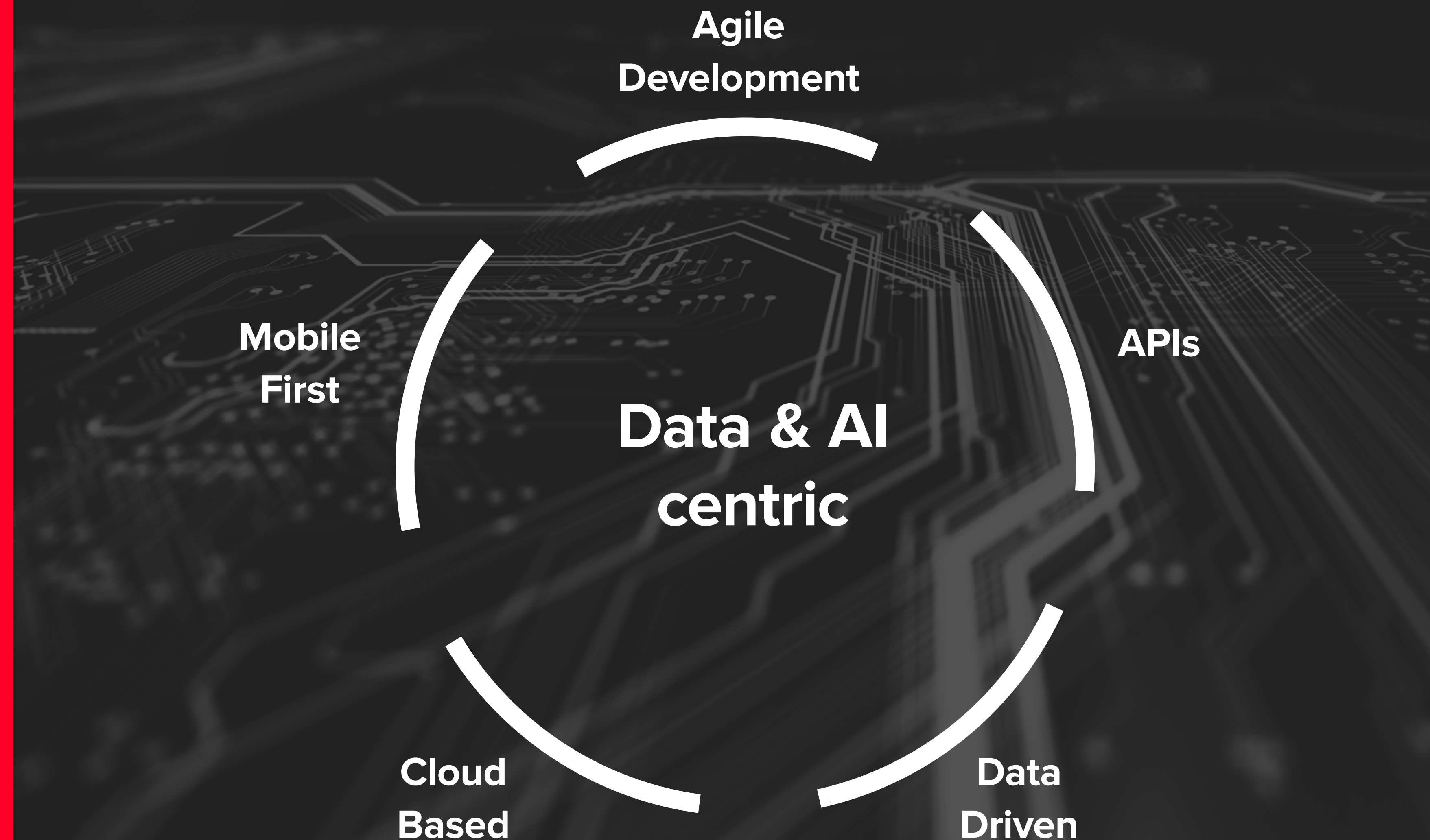
Our technology platform



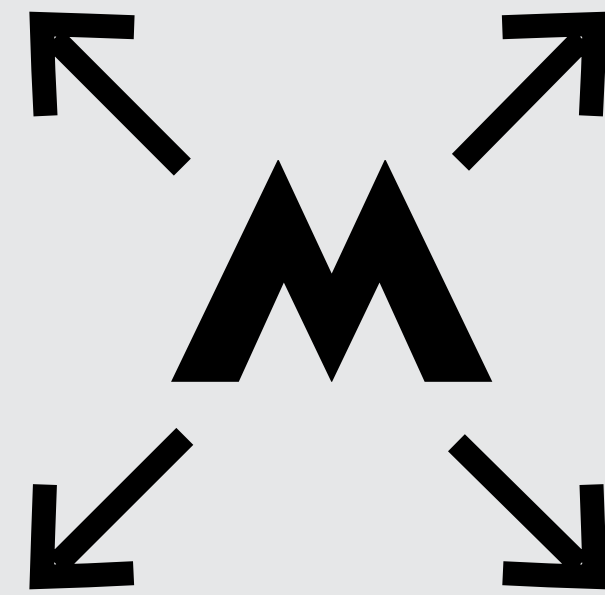
\$200MM+ Invested to Date in Mogo platform



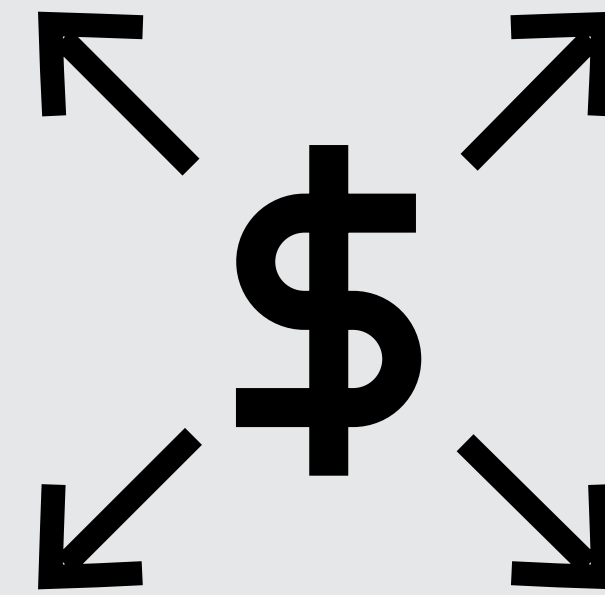
270+ fintech team including 90+ Tech & Dev team



2019 strategic priorities



Expand product offering

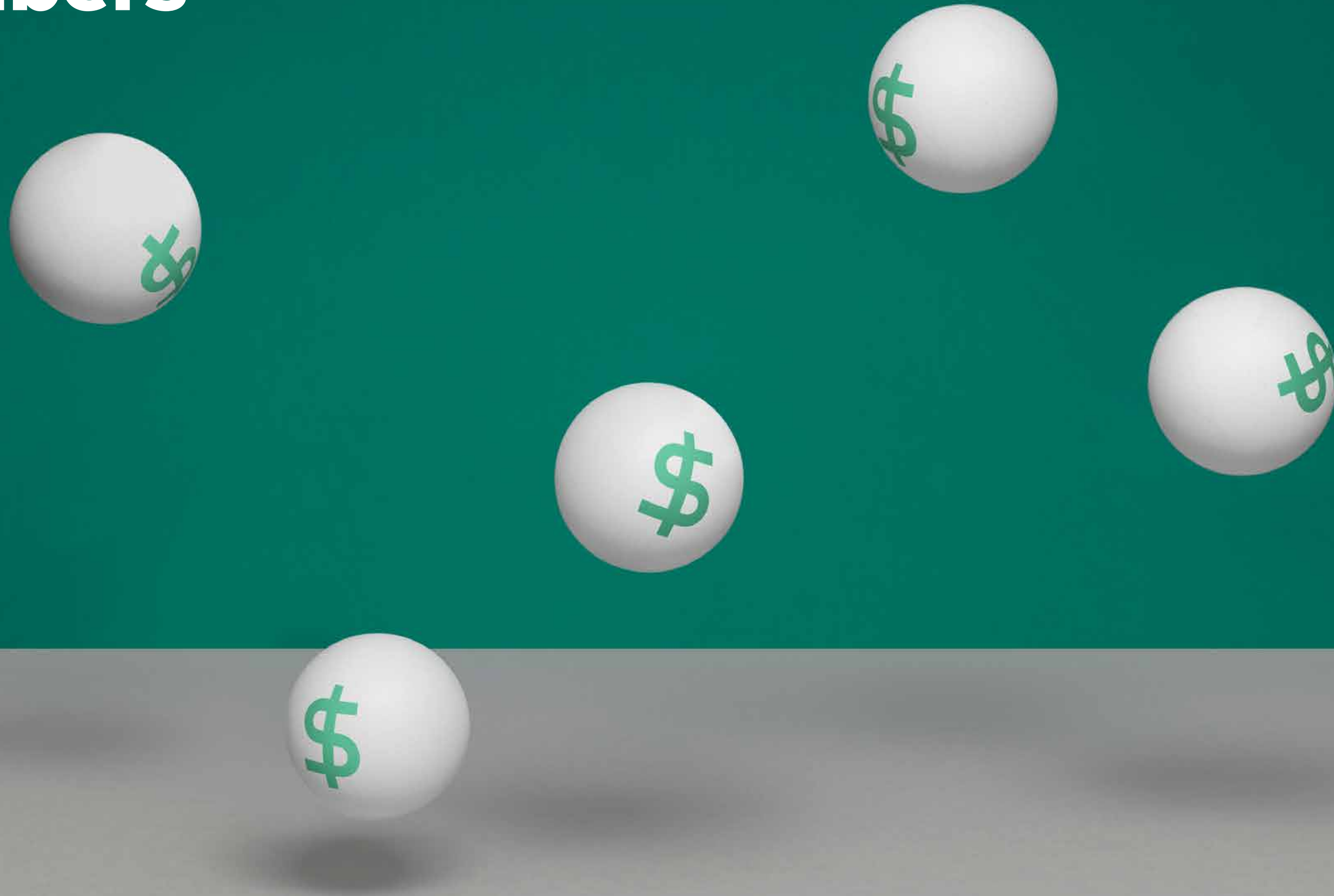


Grow revenue

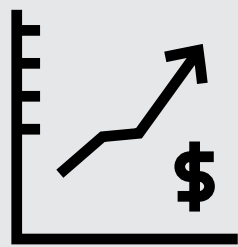


Expand partner ecosystem

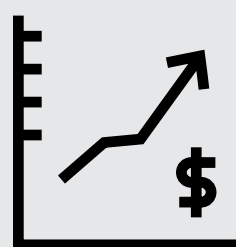
The Numbers



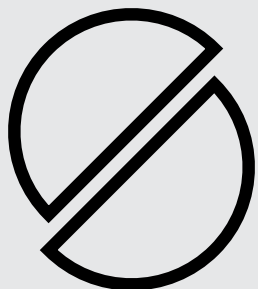
Q1 2019 Financial Highlights



Core Revenue up
57% yr/yr
to \$16.4MM



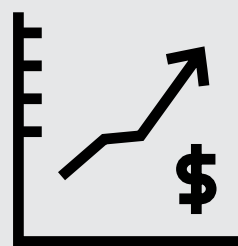
Subscription and Services
Revenue up
68% yr/yr



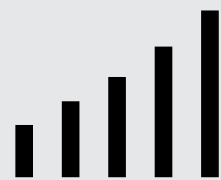
Subscription and Services Revenue
accounts for
51%
of Core Revenue



Grew active member
base to over
808K
an increase of 34% yr/yr



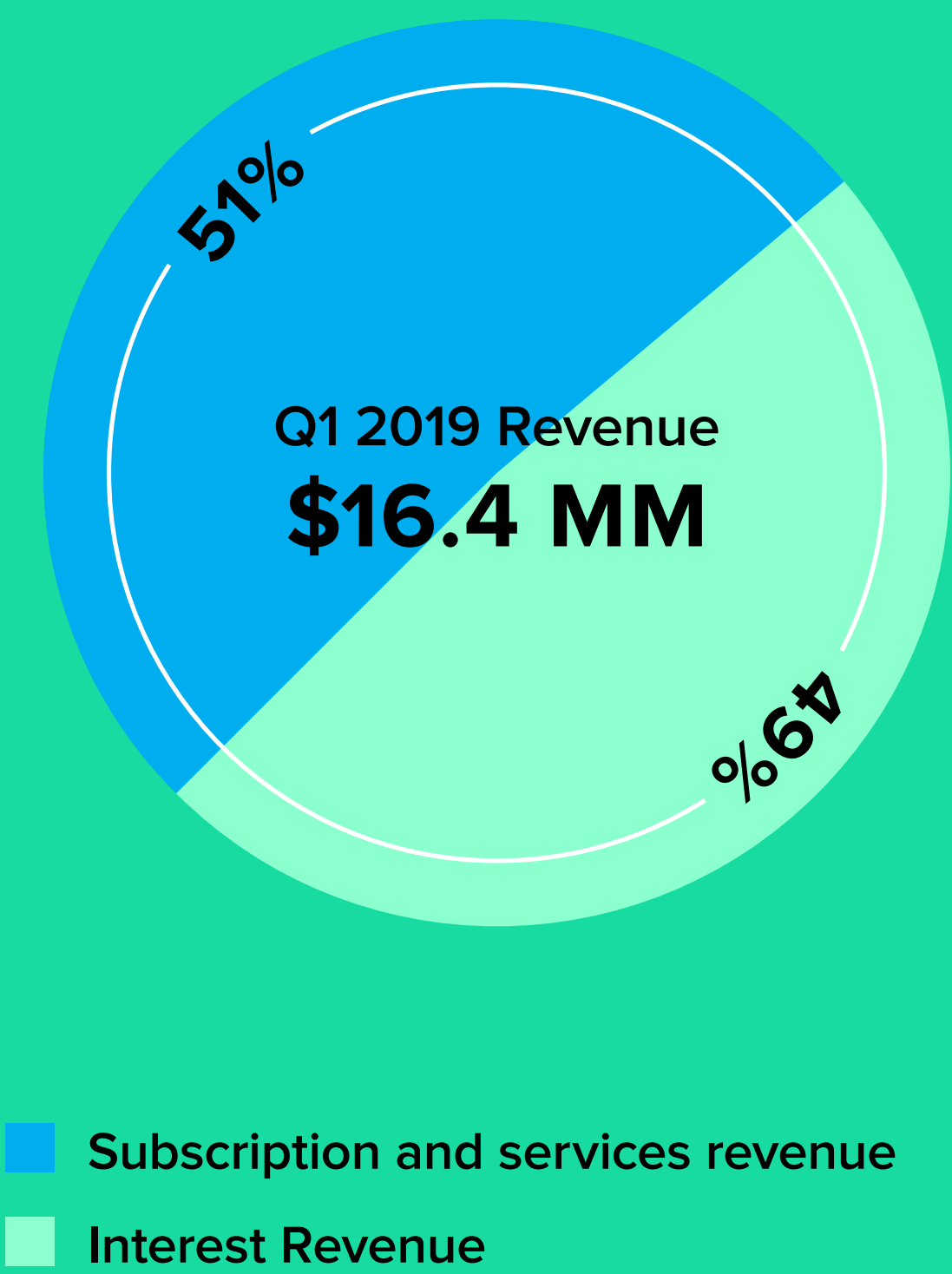
Contribution of
\$6.0MM
representing a 37% margin



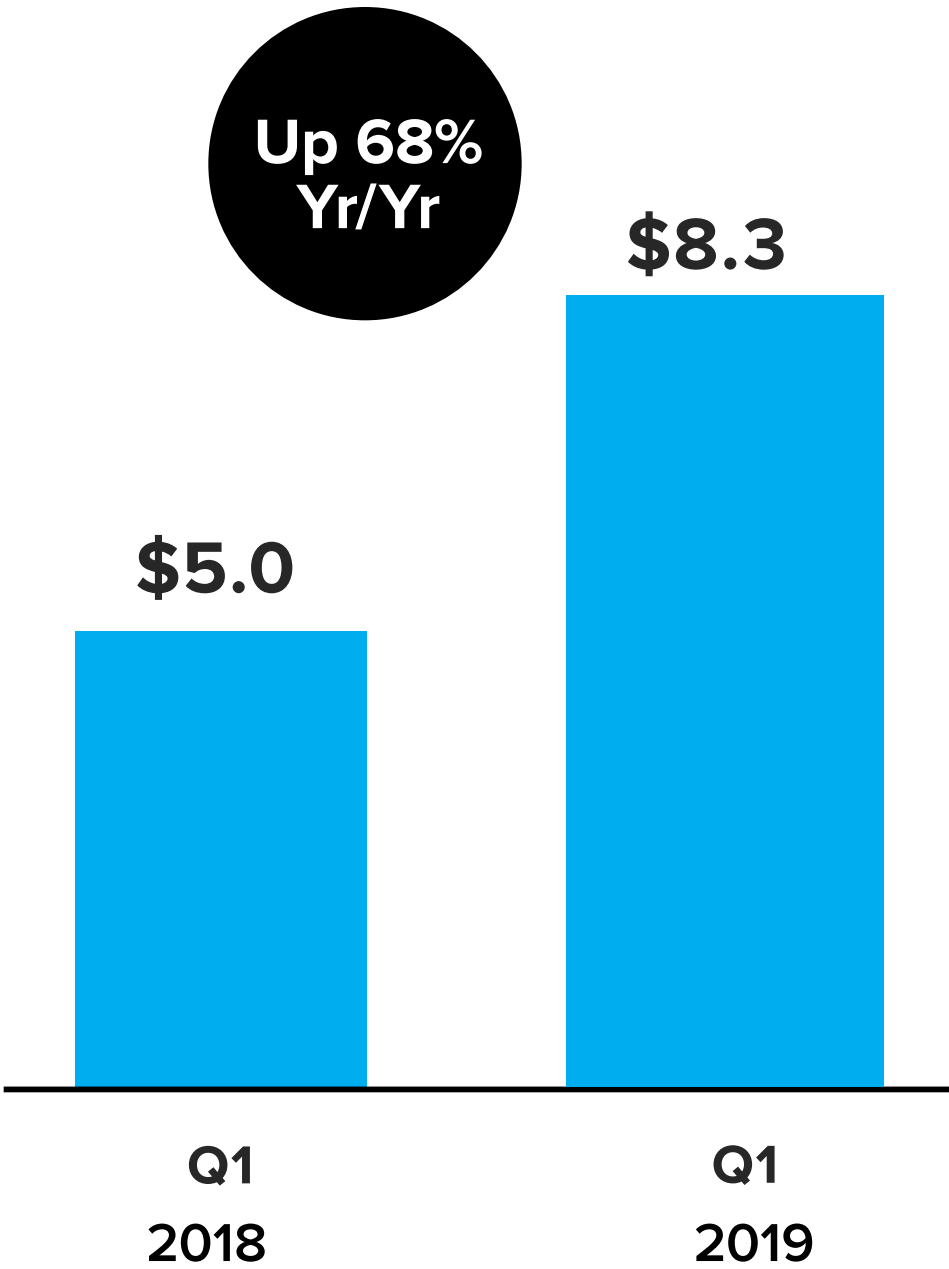
Adjusted EBITDA¹
\$2.2MM
up 639% yr/yr

Adjusted EBITDA, Core Revenue and Contribution are Non-IFRS measures. A reconciliation can be found in the appendix.

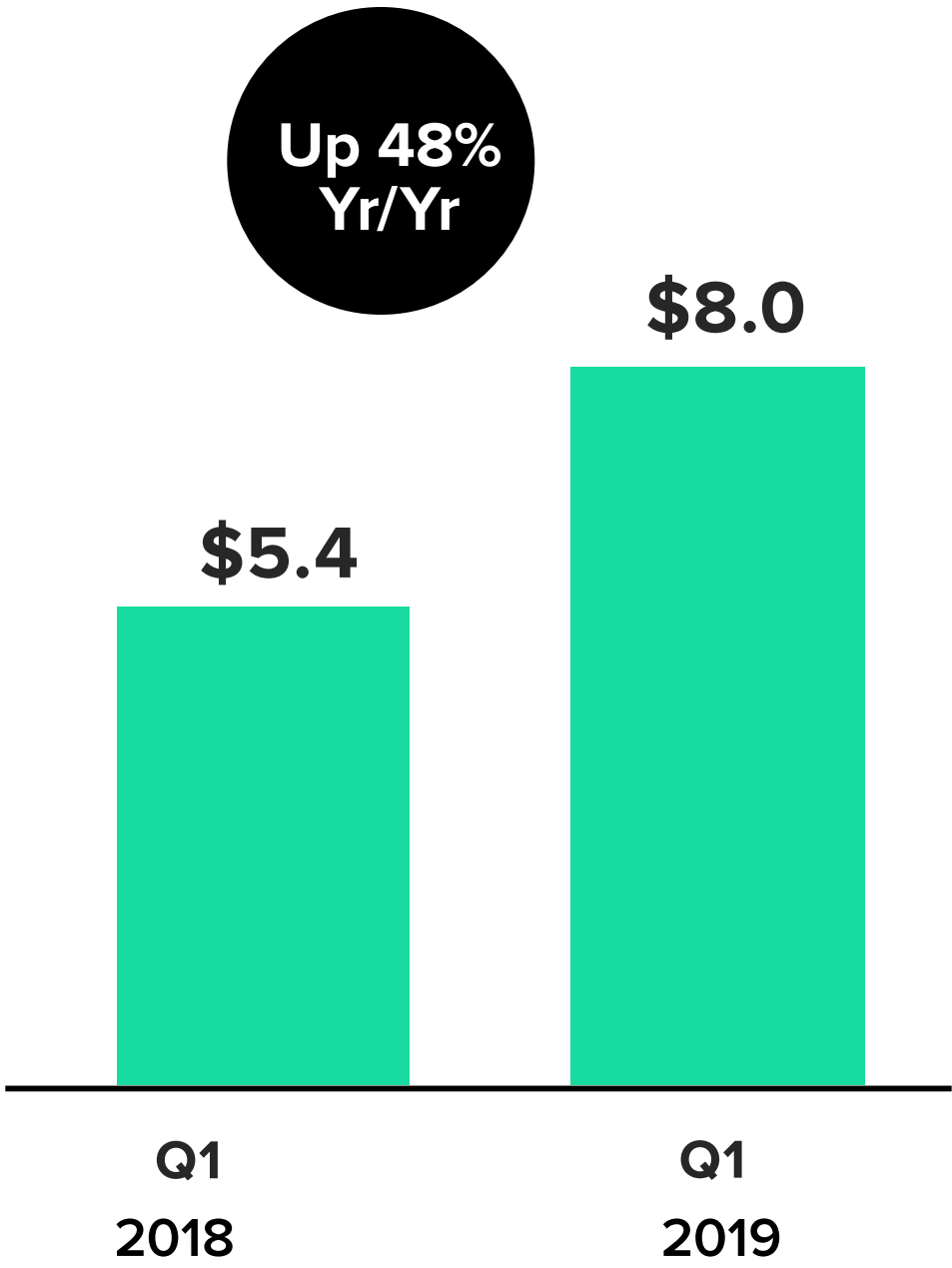
Continued strong Core Revenue growth



Subscription & Services Revenue (\$ in millions)



Interest Revenue (\$ in millions)



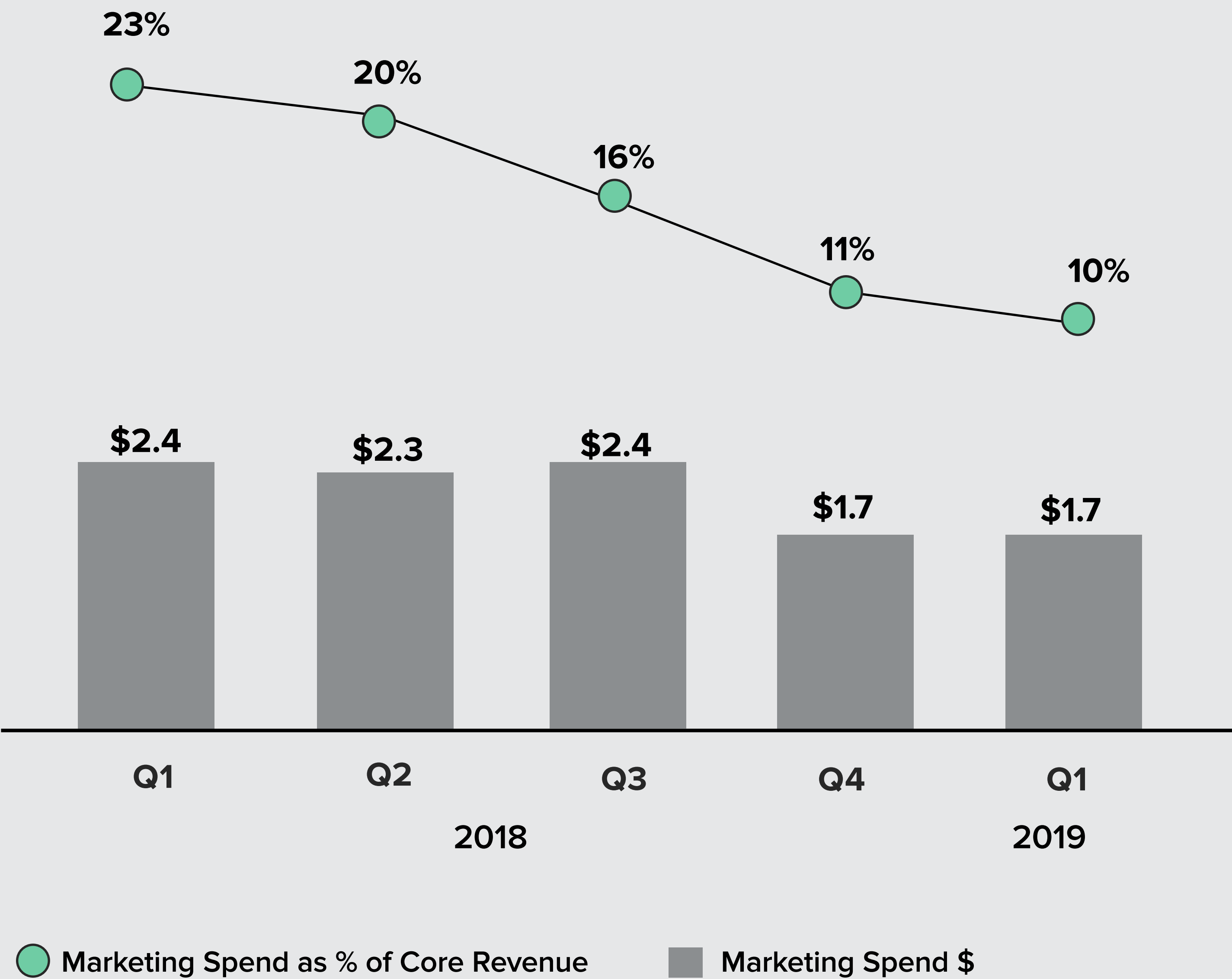
Core Revenue (\$ in millions)



Core Revenue includes Subscription & Services revenue and Interest revenue.

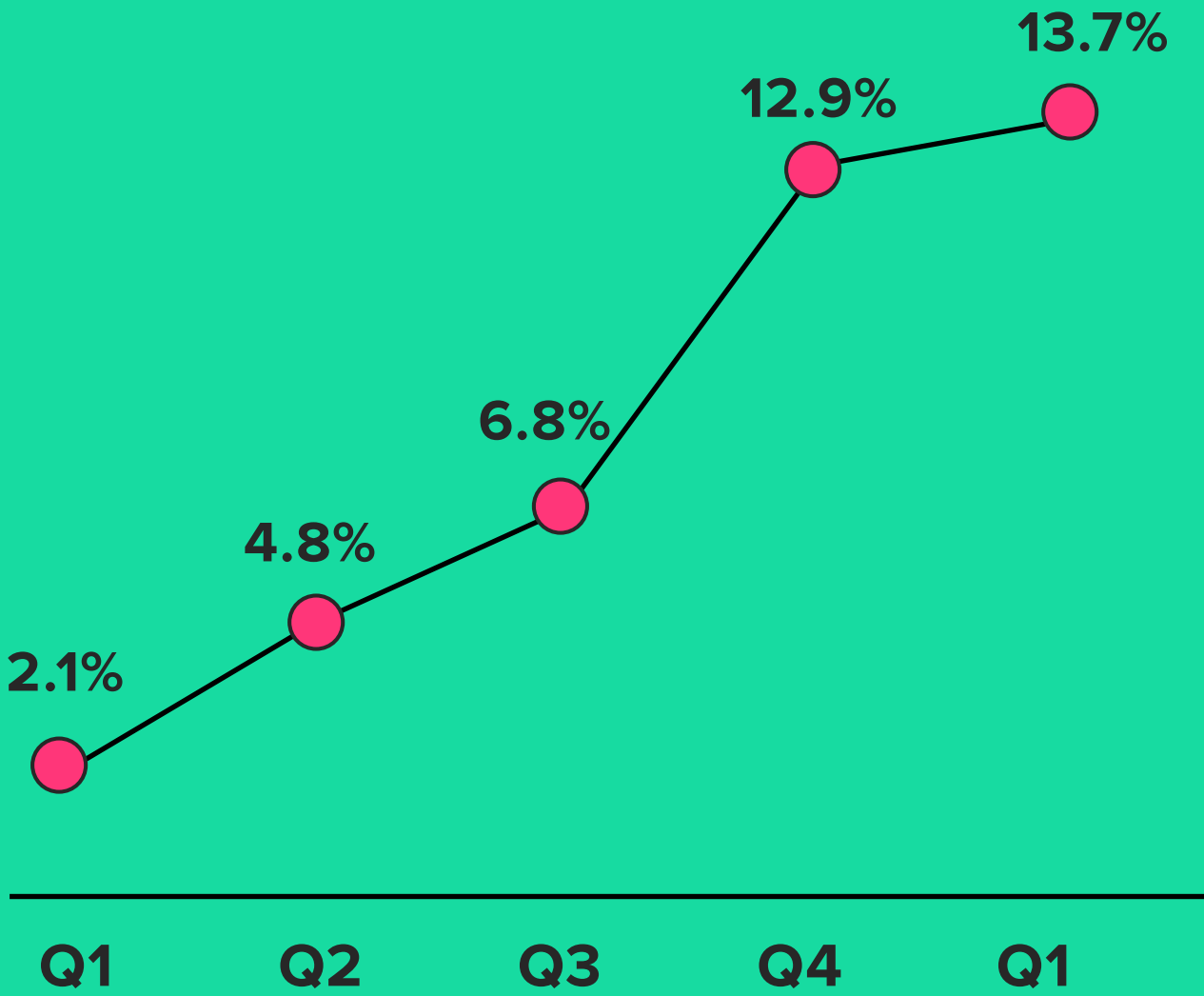
Increasing marketing efficiency

Best in class digital experience
+
Best in class products
+
Unique Marketing Partnership
=
Low cost customer acquisition cost



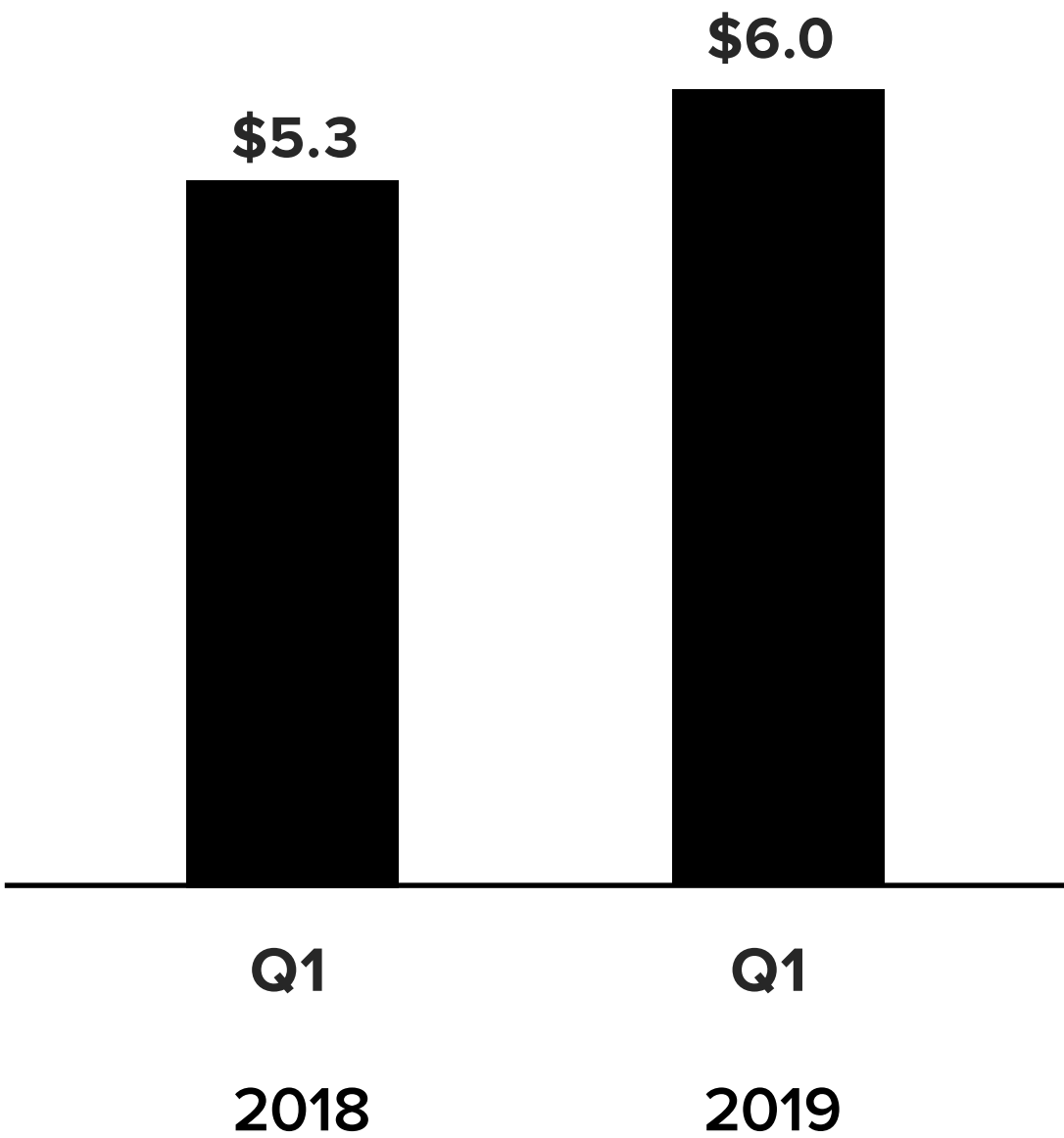
Growth & Contribution
Margin driving operating
leverage

Adjusted EBITDA Margin



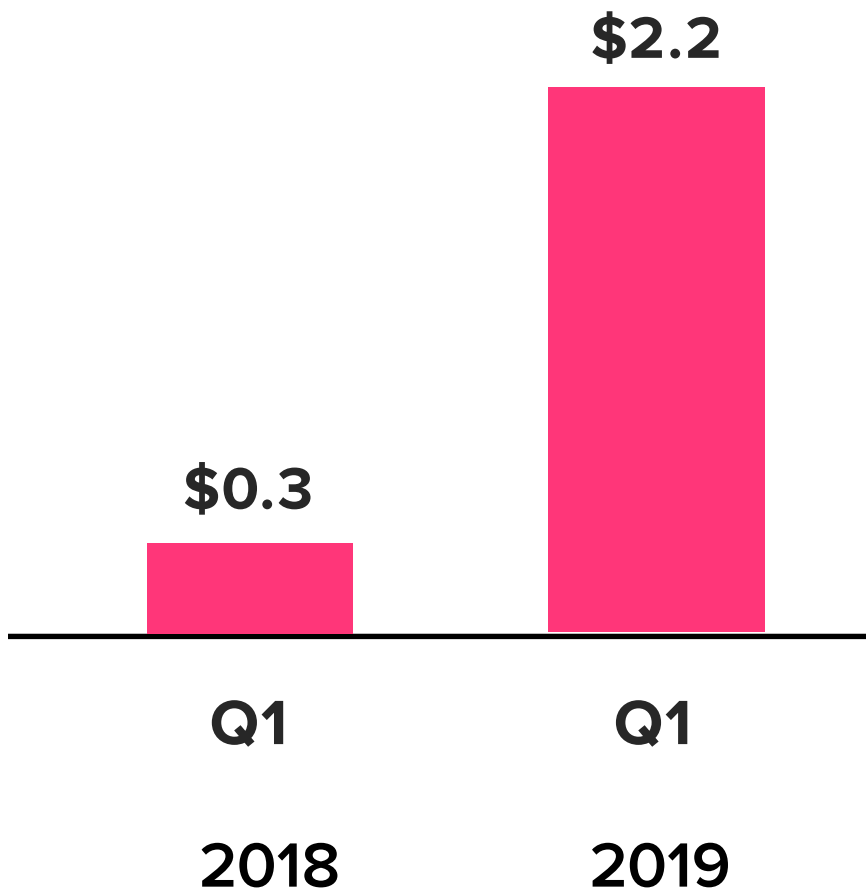
Contribution
(\$ in millions)

Up 13%
Yr/Yr



Adjusted EBITDA
(\$ in millions)

Up 639%
Yr/Yr



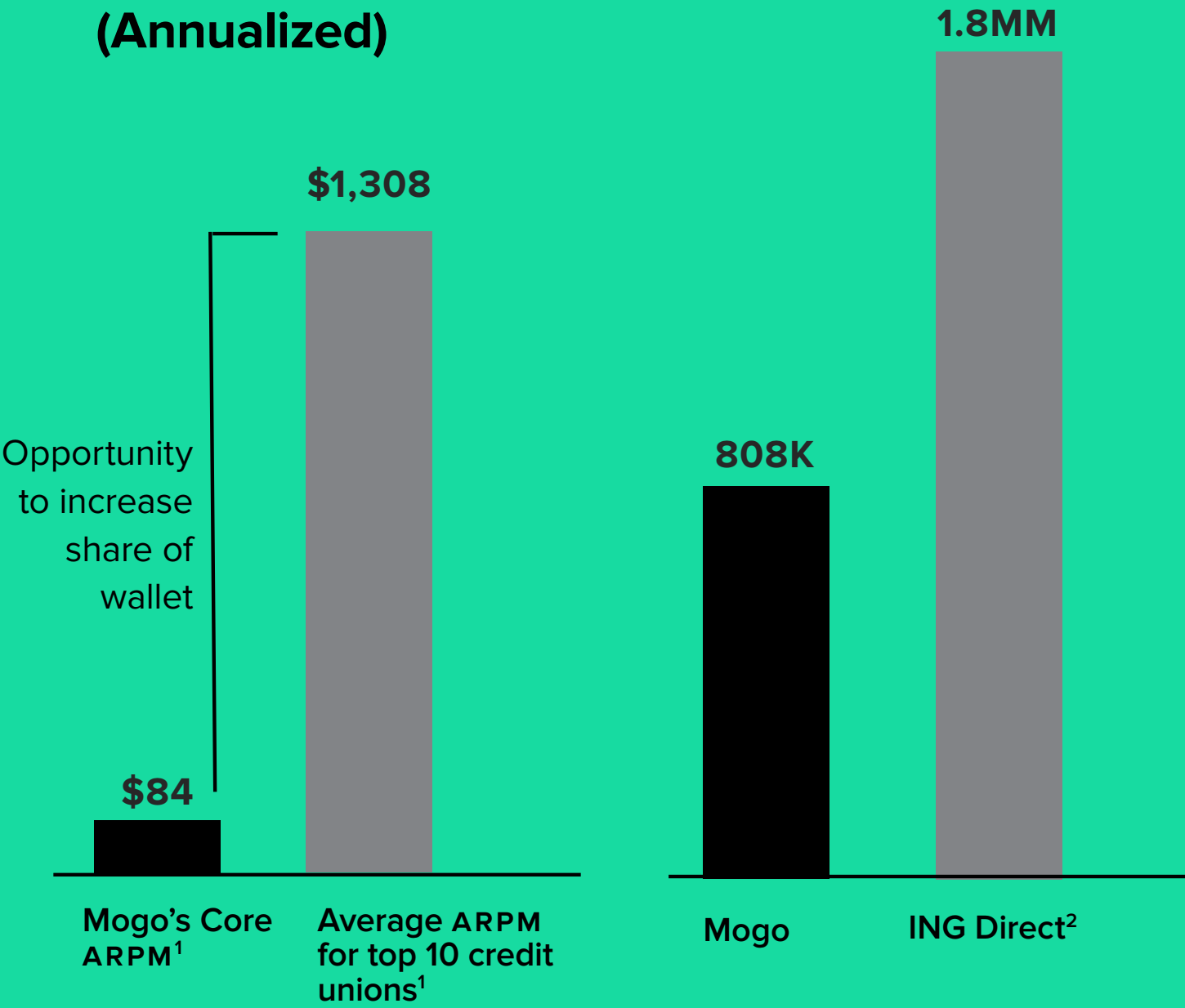
	Q1 2018		Q1 2019	
Adjusted Net Loss (\$ in millions)	\$(4.9)		\$(4.6)	
Operating CF before Investment in Receivables (\$ in millions)	\$(0.2)		\$2.9	
Net charge-off rate as % of average gross loans receivable - annualized	13.7%		15.4%	

Adjusted EBITDA, Contribution and Operating cash flow before receivables and Adjusted Net Loss are non-IFRS measures.

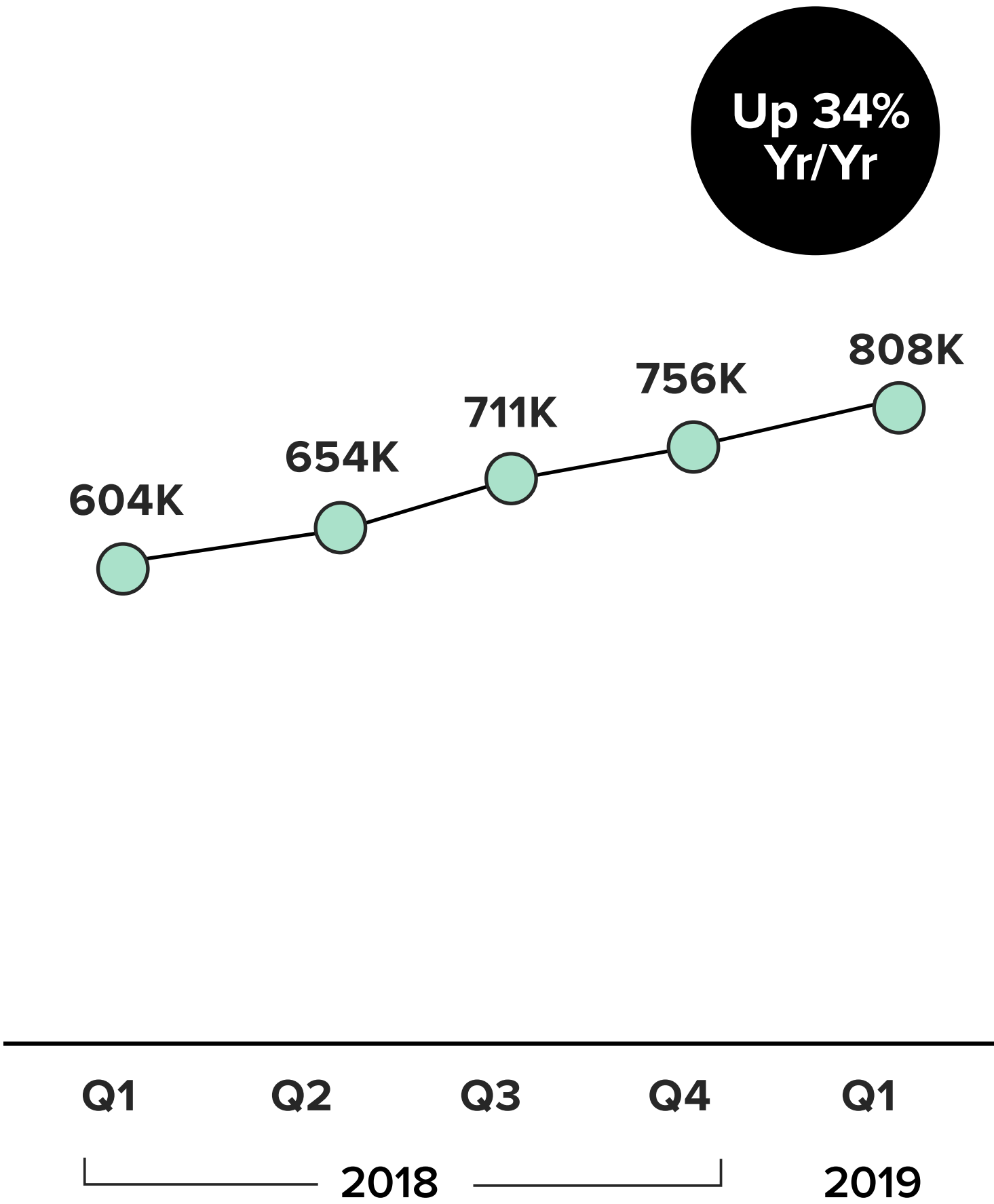
Increasing monetization of growing member base

Average Core Revenue Per Member (Annualized)

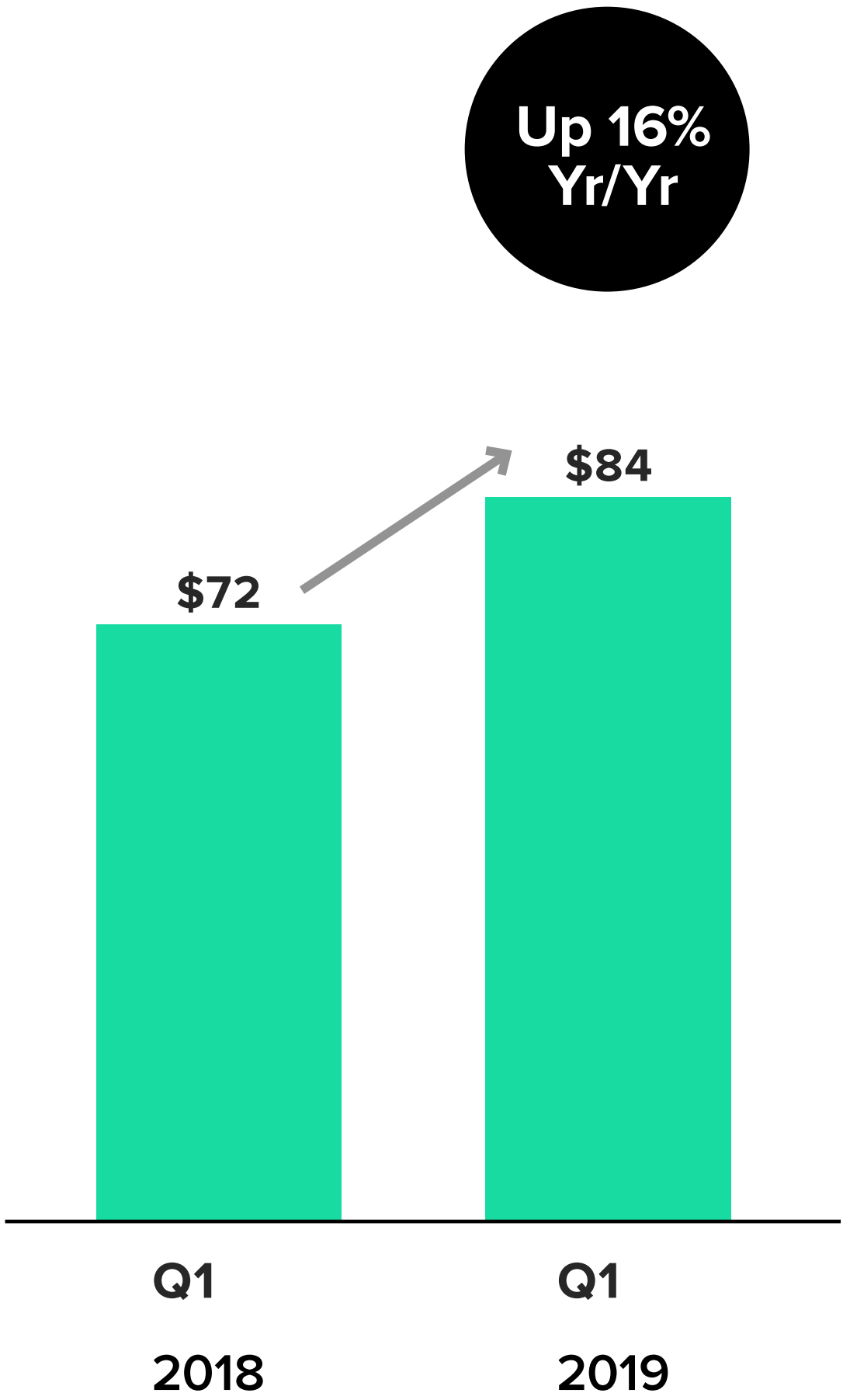
Members



Total MogoMembers (in thousands)



Core ARPM



¹Canada's 10 largest credit unions by size of member base. Source for member numbers: Canadian Credit Union Association, "The Largest 100 Credit Unions", Fourth Quarter 2016. ²Average Revenue per Member (ARPM) is calculated based on annual gross revenue before interest expense reported in the 2016 annual report for each company. ³Mogo's Average Revenue Per Member (ARPM) is a non-IFRS financial measure and based on Annualized Q3 2018. ⁴Based on number of customer account ING Direct had at the time it was sold to Scotiabank in 2012.



X



DIFFERENCE
CAPITAL

- Reverse takeover of DCF by Mogo - Mogo shareholders to own ~ 80% of the combined company. Significantly strengthens Mogo's financial position with minimal dilution (net issuance of only 3.2MM shares)
- Provides an estimated \$9MM of cash + an estimated \$24MM in monetizable investments in some of Canada's leading private tech companies¹
- Targeting monetization of majority of portfolio within next 24 months to fund Mogo's growth strategy
- Shareholder vote & closing targeted June 2019

*Transaction is subject to shareholder & regulatory approval, ¹cash is pre transaction costs and the \$24MM is based on Dec 31st BV of DCF

Transaction significantly strengthens Mogo’s balance sheet*

1. Convertible debentures convert at \$5 per share

2. Debt excludes credit facilities that fund loan receivables




3. Pro-forma Mogo adjusted for Difference’s existing ownership in Mogo

4. Mogo & Difference diluted shares outstanding calculated via Treasury Stock Method, as of April 16, 2019, excludes Convertible debentures which convert at \$5/share

5. Includes all basic shares, options, warrants, and shares created from exercise of convertible debentures

6. Estimated transaction related expenses

*Transaction is subject to court, shareholder & regulatory approval

				
(CAD\$ in millions unless noted)	As of Mar 31 2019	Mgmt Estimate (Q2 2019)	Adjustments	Pro Forma
Balance Sheet				
Cash	\$16.3	\$9.0	(\$2.0) ⁶	\$23.3
Total Investments	–	\$24.0	–	\$24.0
Total Cash & Investments	\$16.3	\$33.0	(\$2.0)	\$47.3
Convertible Debentures ⁽¹⁾	\$12.0	–	–	\$12.0
Debt ⁽²⁾	\$41.7	–	–	\$41.7
Net Corporate Debt/(Cash)	\$37.4	(\$33.0)	\$2.0	\$6.4
Share Structure ⁽³⁾				
Basic Shares Outstanding	23.5	5.7	(2.5)	26.7
FD Shares Outstanding ⁽⁴⁾	24.8	5.8	(2.5)	28.0
Total Shares, Options & Warrants Outstanding ⁽⁵⁾	30.9	6.3	(2.5)	34.6

Significant additional growth opportunities



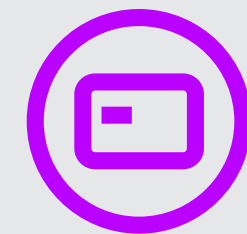
MogoProtect

Targeting marketing partnerships



MogoMoney

Targeting off balance sheet lending partners



MogoSpend

Launching cash back & Visa Direct



MogoWealth

Targeting partnerships for HISA & Investment Funds



MoGold

Targeting new premium subscription product



Appendix

Transaction Overview



X



DIFFERENCE
CAPITAL

CONSIDERATION

- Under the terms of the Arrangement Agreement, each common share of Mogo will be exchanged for one Difference common share
- All options, warrants and convertible securities roll over
- Combined entity to be approximately 80% Mogo shareholders and 20% Difference shareholders

TRANSACTION SUPPORT

- Unanimously approved by the Boards of both Mogo and Difference who recommend shareholders vote in favour
- Approximately 22% of Mogo shares locked up and approximately 50% of Difference shares locked up

TRANSACTION DETAILS

- Dave Feller, CEO and Greg Feller, President & CFO of Mogo to remain in their roles upon closing
- Mogo will be the continuing entity going forward
- Board of Directors of combined entity to include directors from both Mogo and Difference
- Transaction to be completed by way of a court-approved plan of arrangement
- Termination fees payable to Mogo or Difference by the other party in certain circumstances
- Reciprocal expense reimbursement payable by one party to the other party in certain circumstances
- Reciprocal 5 business day right to match a superior proposal

APPROVALS & CLOSING

- Customary regulatory approvals
- Shareholder approval from both Mogo and Difference (meetings expected June 2019)
- Transaction closing expected in June 2019

Investment Portfolio



Key Investments Fair Value**\$17,694,577**

1. Hootsuite Media Inc

4. Vena Solutions

2. Vision Critical

5. Wekerle Developments Inc.

3. Blue Ant Media

Other Investments Fair Value**\$6,239,609**

6. Cardiac Dimensions

11. Bluedrop Performance Learning

7. Brainscope

12. BuildDirect

8. Carta Solutions Holding Corp

13. ScribbleLive

9. Baanto International

14. Cricket Acquisition Group Inc.

10. Waterloo Innovation Network LP

TOTAL Fair Value**\$23,934,186**

¹Based on December 31st fair market value, adjusted for announced invesments & dispositions as at April 15, 2019..

Reconciliation of loss before income taxes to Adjusted EBITDA

(in \$000s)		
	Q1 2019	Q1 2018
Loss before income taxes	\$(5,005)	\$(3,950)
Depreciation and amortization	2,191	1,091
Stock-based compensation	259	292
Credit facility interest expense	2,658	1,972
Debenture & Other interest expense	2,039	2,111
Unrealized foreign exchange loss (gain)	(128)	221
One-time expenses	185	120
Unrealized loss (gain) on derivative liability	39	(1,554)
Adjusted EBITDA	\$2,238	\$303

Reconciliation of Adjusted Net Loss

(in \$000s)	Q1 2019	Q1 2018
Loss before income taxes	\$(5,005)	\$(3,950)
Stock-based compensation	259	292
Unrealized foreign exchange loss (gain)	(128)	221
Unrealized loss (gain) on derivative liability	39	(1,554)
One-time expenses	185	120
Adjusted Net Loss	\$(4,650)	\$(4,871)

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

(in \$000s)	Q1 2019	Q1 2018
Loans charged off	\$4,420	\$3,310
Recoveries	\$(450)	\$(473)
Charge-off net of recoveries	\$3,970	\$2,837
Gross loans receivable - opening balance	\$101,756	\$80,894
Gross loans receivable - ending balance	\$104,671	\$84,538
Simple average of the Gross loans receivable - opening/ending balance	103,214	82,716
Charge-off rate (annualized)	15.4%	13.7%

Reconciliation of Contribution

(in \$000s)		
	Q1 2019	Q1 2018
Gross Profit	10,660	\$9,371
Credit Facility Interest Expense	2,658	1,972
Customer Service & Operations Expenses	1,973	2,058
Contribution	6,029	5,341

Reconciliation of core revenue and core average revenue per member

	Q1 2019	Q1 2018
Revenue (\$000s)	\$16,351	\$14,333
Less: Loan fees	\$-	\$(3,945)
Core Revenue	\$16,351	\$10,388
Number of Mogo members - opening (000s)	756	544
Number of Mogo members - ending (000s)	808	604
Simple average of numbers of Mogo members - opening/ending (000s)	782	574
Core average revenue per member (annualized)	\$84	\$72