Mogo Comments on Recent Share Price Volatility

Mogo reaffirms its Financial Targets for FY 2023

Company has repurchased a total of 587,789 shares over the past 12 months

(~2% of current shares outstanding)

VANCOUVER, British Columbia –
Mogo Inc. (NASDAQ:MOGO) (TSX:MOGO) ("Mogo" or the "Company"), one of Canada's leading financial technology companies, today commented that it is not aware of any material events impacting its business or operations that would cause the recent share price volatility.

"While we typically do not comment on our stock price – and while we appreciate there has been significant instability in equity markets – we are disappointed with the decline in stock price Mogo has experienced in recent weeks, which we believe is disconnected from our business fundamentals," said Greg Feller, President & CFO. "With a solid balance sheet, five quarters of sequential increases in Adjusted EBITDA, improving cash flow and a seasoned management team, we are well positioned to withstand periods of market volatility. In addition, we believe the investments we have been making in our core wealth, payments and lending businesses put us on track to achieve our previously stated target of a combined Adjusted EBITDA margin and revenue growth rate of at least 40% in the second half of 2024."

Management reiterated the key financial and operational highlights from its Q2 2023 financial results. The Company will report its Q3 2023 financial results on November 9, 2023.

Financial & Operating Highlights

- Q2 revenue of $16.0 million, up from $15.9 million in Q1 2023 and down 7% over the prior year, mainly reflecting our decision to narrow our strategic focus and exit certain sub-scale and unprofitable products.

- Q2 gross profit increased to $11.9 million (75% margin) compared to $11.3 million (66% margin) in Q2 2022.

- During 2023, Mogo continued to focus on cost efficiency and improving its cash flow. As a result of these initiatives, total operating expenses for Q2 2023 decreased by $8.1 million, or 38%, compared to Q2 2022. These efficiency initiatives resulted in an improvement in cash flows from operations (before investment in loan portfolio)[1] from negative $2.5 million in Q2 2022 to positive $2.1 million in Q2 2023.

- Mogo reported a material improvement in Adjusted EBITDA[1], which reached $1.8 million in Q2 2023, compared with an Adjusted EBITDA loss of ($4.1) million in Q2 2022.

- Net loss decreased to ($10.0) million in Q2 2023, compared with net loss of ($51.9) million in Q2 2022.

- Adjusted net loss[1] improved to ($2.9) million in Q2 2023 from ($9.5) million in Q2 2022.

- Ended Q2 with cash and total investments of $52.3 million. This included combined cash and restricted cash of $22.1 million, investment portfolio of $13.5 million, and Mogo's 87 million common shares (~13% ownership interest) in WonderFi Technologies Inc. ("WonderFi") (TSX: WNDR).

- Mogo's digital payment solutions business, Carta Worldwide, processed over $2.5 billion of payments volume in Q2 2023, an increase of 51% compared to Q2 2022.

- Mogo is continuing to repurchase common shares under its common share buyback program on NASDAQ and its normal course issuer bid on the Toronto Stock Exchange. For the fiscal year to date, the Company has repurchased 254,456 common shares under both buyback programs, and the Company has repurchased a total of 587,789 shares over the past 12 months

  (~2% of current shares outstanding). Mogo currently has 24.7 million common shares issued and outstanding.

With its Q2 2023 financial results, Mogo also reiterated its financial targets for Fiscal 2023. Mogo is focused on achieving:

- Full-year Adjusted EBITDA of $7.0 million to $9.0 million; and

- Exiting 2023 with an annual Adjusted EBITDA run rate of $10.0 million to $14.0 million (based on a Q4 2023 Adjusted EBITDA target of $2.5 million to $3.5 million).

For further details on the above financial figures, see the Company's interim consolidated financial statements for the three and six months ended June 30, 2023 and accompanying MD&A, both available at www.sedarplus.ca and www.sec.gov.

[1] *Non-IFRS measure. For more information regarding our use of these non-IFRS measures, see*

“Non-IFRS Financial Measures” in the Company’s MD&A for the period ended June 30, 2023. The following tables present a reconciliation of each non-IFRS financial measure to the most comparable IFRS financial measure.

Adjusted EBITDA

($000s)

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net loss before tax	$(10,038)	$(51,955)	$(17,090)	$(70,900)
Depreciation and amortization	2,204	3,146	4,577	6,326
Stock-based compensation	801	2,574	1,094	6,185
Credit facility interest expense	1,493	1,039	2,948	1,972
Debenture and other financing expense	831	846	1,609	1,657
Accretion related to debentures	234	311	507	620
Share of (gain) loss in investment accounted for using the equity method	(207)	8,766	2,972	14,329
Revaluation (gain) loss	(255)	3,397	(1,508)	2,249
Impairment of investment accounted for using the equity method	5,295	26,749	5,295	26,749
Other non-operating expense	1,486	993	2,457	1,137
Adjusted EBITDA	1,844	(4,134)	2,861	(9,676)

Adjusted Net Loss

($000s)

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net loss before tax	$(10,038)	$(51,955)	$(17,090)	$(70,900)
Stock-based compensation	801	2,574	1,094	6,185
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Impairment of investment accounted for using the equity method	5,295	26,749	5,295	26,749
Other non-operating expense	1,486	993	2,457	1,137
Adjusted net loss	(2,918)	(9,476)	(6,780)	(20,251)

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

($000s)

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net cash used in operating activities	$(1,813)	$(8,726)	$(2,812)	$(20,044)
Net issuance of loans receivable	(3,939)	(6,250)	(5,007)	(10,431)
Cash provided by (used in) operations before investment in gross loans receivable	2,126	(2,476)	2,195	(9,613)

Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable securities legislation, including statements regarding Mogo's path to profitability, the Company's ability to make investments in long-term growth products, the Company's plan for accelerating revenue growth in 2024, the Company's financial outlook for 2023, including Adjusted EBITDA and statements regarding the Consolidation, including its effective date and the date of trading of post-Consolidation shares. Forward-looking statements are typically identified by words such as "may", "will", "could", "would", "anticipate", "believe", "expect", "intend", "potential", "estimate", "budget", "scheduled", "plans", "planned", "forecasts", "goals" and similar expressions. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at the time of preparation, are inherently subject to significant business, economic and competitive uncertainties and contingencies, and may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual financial results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. Mogo's growth, its ability to expand into new products and markets and its expectations for its future financial performance are subject to a number of conditions, many of which are outside of Mogo's control, including the receipt of any required regulatory approval. For a description of the risks associated with Mogo's business please refer to the "Risk Factors" section of Mogo's current annual information form, which is available at www.sedarplus.com and www.sec.gov. Except as required by law, Mogo disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.

About Mogo

Mogo, one of Canada's leading digital finance companies, is empowering its members with

simple digital solutions to help them build wealth and achieve financial freedom. Mogo’s trade app, MogoTrade, offers commission-free stock trading that helps users make a positive impact with every investment and together with Moka, Mogo’s wholly-owned subsidiary bringing automated, fully-managed flat-fee investing to Canadians, forms the heart of Mogo’s digital wealth platform. Mogo also offers digital loans and mortgages. Through Mogo’s wholly-owned subsidiary, Carta Worldwide, we also offer a digital payments platform that powers the next-generation card programs from innovative fintech companies in Europe and Canada. To learn more, please visit mogo.ca or download the mobile app (iOS or Android).

View source version on businesswire.com:
https://www.businesswire.com/news/home/20231030420713/en/

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