

**Form 51-102F3**  
**Material Change Report**

**Item 1. Name and Address of Company**

Mogo Finance Technology Inc. (the "**Company**")  
2100 – 401 West Georgia Street  
Vancouver, British Columbia  
V6B 5A1

**Item 2. Date of Material Change**

January 25, 2016

**Item 3. News Release**

A news release attached hereto as Schedule "A" was disseminated on January 25, 2016 by Canada Newswire.

**Item 4. Summary of Material Change**

The Company entered into a strategic marketing collaboration with Postmedia Network Inc. ("**Postmedia**"), a wholly-owned subsidiary of Postmedia Network Canada Corp. Pursuant to a marketing collaboration agreement dated January 25, 2016 between the Company and Postmedia (the "**Collaboration Agreement**"), the Company and Postmedia (together, the "**Parties**" and each, a "**Party**") will work together to market the Company's products through Postmedia's media properties and channels.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company entered into the Collaboration Agreement with Postmedia. Under the Collaboration Agreement, the Parties will work together to market the Company's products through Postmedia's media properties and channels.

The Collaboration Agreement has a three year initial term (the "**Initial Term**"), which may be extended for an additional two years at the option of the Parties. The Collaboration Agreement may be terminated prior to the expiry of the Initial Term by either Party, if the Company's annual revenues do not reach certain specified thresholds or by the Company if Postmedia's media reach drops below specified thresholds, or by either Party in standard circumstances such as a material breach of the Collaboration Agreement by the other Party or as a result of insolvency.

Postmedia is required to provide the Company with an aggregate minimum media value of \$50 million (based on rates negotiated between the Parties and subject to certain adjustments) over the Initial Term (\$15 million in the first year,

\$20 million in the second year and \$15 to \$25 million in the third year, depending on the Company's revenues). The Company is also entitled to purchase additional advertising from Postmedia during an 18 month tail period following expiry of the Collaboration Agreement at agreed discounted rates.

The Company will provide Postmedia with quarterly revenue sharing payments on the Company's gross revenues, calculated at 4% on the Company's current level of revenue and 11% on any gross revenues of the Company above the current level. These payments are payable during the three year term of the Collaboration Agreement, as well as during an 18 month tail period following expiry of the Collaboration Agreement (50% of such payments during the first 12 months and 35% of such payments during the last 6 months of the tail period). Growth in the Company's gross revenues as a result of acquisitions is subject to a revenue sharing payment of between 4% and 11%, with Postmedia having the right to participate at a 7.5% level by providing additional media value.

For the duration of the Initial Term, Postmedia will have a right of first refusal (the "**ROFR**") to provide or source all additional marketing services that are sought by the Company outside of the Collaboration Agreement (from a party other than Postmedia). Postmedia will have to provide such marketing services on equivalent terms and conditions as available from the third party provider. The revenue sharing payments the Company is obligated to make to Postmedia under the Collaboration Agreement are subject to reduction if the Company incurs marketing expenses in excess of a specified level (50% of the media value provided by Postmedia in the first year of the Initial Term, and 25% in subsequent years) with other providers (including Postmedia under the ROFR described above) during the Initial Term of the Collaboration Agreement. In such circumstances, the revenue sharing payments the Company is required to pay to Postmedia will be reduced by 50% of the amounts spent by the Company in excess of the specified level, to a maximum of 50% of the revenue sharing payments.

In connection with execution of the Collaboration Agreement, Postmedia subscribed for warrants (the "**Warrants**") of the Company to purchase up to 1,196,120 common shares ("**Common Shares**") of the Company, (representing 6% of the number of Common Shares issued and outstanding on January 25, 2016, calculated on a fully diluted basis). Each Warrant is exercisable to acquire one Common Share at an exercise price of \$2.96 per Common Share (equal to the 5-day volume weighted average trading price of the Common Shares on the TSX prior to January 25, 2016). One-half of the Warrants will vest in equal tranches on each of the first three anniversaries of the Collaboration Agreement. The other one-half of the Warrants will vest over three years, subject to the Company achieving specified levels of quarterly revenues (\$20 million for the first tranche, \$30 million for the second tranche and \$50 million for the third tranche). Any Warrants that have not vested during the Initial Term of the Collaboration Agreement will expire. The Warrant includes standard acceleration and adjustment provisions.

The above summary is qualified in its entirety by reference to the terms of the Collaboration Agreement, which may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

### **Item 7. Omitted Information**

Not applicable.

### **Item 8. Executive Officer**

Gregory Feller, the President and Chief Financial Officer of the Company is knowledgeable about the material change described above. His business telephone number is 1-800-980-6646.

### **Item 9. Date of Report**

January 29, 2016

## **SCHEDULE "A"**

Please see attached.

# Mogo and Postmedia Announce Ground-breaking Strategic Collaboration Providing Mogo with a Minimum of \$50,000,000 of Media Value over the Next Three Years

*Leveraging the power of Postmedia's more than 200 trusted brands, audience reach of 12.8 million average monthly unique visitors to its digital properties and 8.3 million weekly print readership, to supercharge awareness of Mogo: Canada's leading digital financial brand for millennials*

VANCOUVER, Jan. 25, 2016 /CNW/ - Mogo Finance Technology Inc., ("Mogo") Canada's leading digital financial brand, today announced a strategic Marketing Collaboration Agreement ("the Agreement") with Postmedia Network Inc. ("Postmedia"), a Canadian newsmedia company representing more than 200 brands across multiple print, online and mobile platforms.

Under the Agreement, the companies will collaborate to market Mogo's current suite of products including MogoMoney loans up to \$35,000, the Mogo Platinum Prepaid Visa® Card and new product launches such as the upcoming debut of MogoMortgage. These products will be marketed nationally through Postmedia's more than 200 trusted brands including National Post, Financial Post, Toronto Sun, Vancouver Sun, Ottawa Citizen, Calgary Herald, 24hrs newspapers and destination websites including Canada.com, driving.ca, and canoe.com. This innovative Agreement includes media promotional commitments of at least \$50 million which will significantly increase Mogo's brand awareness and reach across Canada. The Agreement also provides Postmedia with revenue sharing and equity participation through warrants in Mogo.

"We're excited to be a part of the transformation happening in media through this strategic relationship with Postmedia," said Dave Feller, Mogo's Founder & CEO. "There's a broader digital transformation happening across many industries as consumers, led by millennials, manage much of their lives through their mobile phones. Financial services is at the early stages of its own disruption, as millennials search for a more convenient and fully digital banking experience. We believe Mogo is positioned at the heart of this disruption as we continue to build out our digital offering and a financial brand for millennials."

"In a sea of online content, trusted and credible news sources like Postmedia are becoming more and more important to all consumers" said Feller. "We believe that with Postmedia's massive audience reach across its more than 200 trusted brands, we have the opportunity to dramatically accelerate our quest to build Mogo into the leading digital financial brand within Canada's multi-trillion dollar financial services industry."

Greg Feller, Mogo's President & CFO added: "As we move the business toward profitability, this agreement allows us to expand our marketing scale and reach while significantly reducing and de-risking one of our largest expense items. This innovative strategic partnership which includes both incentive based revenue sharing, along with equity participation in the form of warrants, truly aligns Postmedia to help us not only grow our revenue but also build long term shareholder value."

The agreement provides Mogo access to a much broader and highly valuable customer base and leverages Postmedia's expertise in marketing program development including legacy print solutions, content-based marketing services, on and off network advertising programs, best-in-class programmatic solutions and other promotional development opportunities.

"It is quite well known that the traditional media industry is significantly disrupted," said Andrew MacLeod, Chief Commercial Officer, Postmedia. "The conundrum is that we have never had more audience while at the same time we have never been more challenged to monetize it. Our strategic collaboration with Mogo is exactly the type of innovation that can accelerate both companies' business objectives – to amplify Mogo's customer acquisition goals, brand awareness and new product promotion and Postmedia's development of innovative monetization strategies."

"We are on a transformative journey at Postmedia and this strategic collaboration with Mogo represents one important step forward that could be replicated in other sectors," said Paul Godfrey, Postmedia's President and CEO. "Because of the innovative structure of this agreement our interests are aligned and Postmedia shares in Mogo's success. We are highly motivated to accelerate their growth. We are thrilled to be teaming up with one of the leaders in Canada's emerging fintech sector."

## Agreement Highlights

- Three-year agreement; option to renew for additional two years with mutual agreement.
- Over the next three years, Postmedia will provide a minimum of \$50 million of media value based on rates negotiated between the parties.
- During the term of the Agreement, Mogo will pay Postmedia a performance based revenue share equal to 4% of its existing revenues and 11% of its incremental revenues, subject to certain adjustments in accordance with the terms and conditions of the Agreement.
- Mogo has issued to Postmedia five year warrants to acquire 1,196,120 common shares of Mogo at an exercise price of \$2.96 (equal to the 5 day VWAP of the Mogo shares on the TSX). Fifty percent of the warrants vest in equal instalments over three years and the other fifty percent vest in three equal instalments based on achieving certain quarterly revenue targets.

Note: All dollar amounts are expressed in Canadian dollars unless otherwise specified.

## About Mogo

Mogo (TSX: GO) is a digital financial brand focused on leveraging technology to bring a new level of convenience, simplicity and value to consumer financial services. With over 150,000 members, we are leading the shift in Canada as consumers begin to move away from traditional banking services towards a fully digital experience. We're disrupting financial services by giving Canadians

convenient and controlled access to a range of financial products including personal loans, a free Prepaid Visa® Card, and other tools that help Canadian consumers get out of debt, spend responsibly and stay in control of their financial health. Our vision is to build the leading digital financial brand for millennials that empowers them with simple financial solutions. To learn more about Mogo – recently referred to as the potential "Uber of banking" by CNBC – visit [mogo.ca](http://mogo.ca)

#### **About Postmedia Network Inc.**

Postmedia Network Inc., a wholly owned subsidiary of Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B), is a Canadian newsmedia company representing more than 200 brands across multiple print, online, and mobile platforms. Award-winning journalists and innovative product development teams bring engaging content to millions of people every week whenever and wherever they want it. This exceptional content, reach and scope offers advertisers and marketers compelling solutions to effectively reach target audiences. For more information, visit [www.postmedia.com](http://www.postmedia.com).

#### **Forward-Looking Statements**

*This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the future growth of Mogo's business, its intention to invest in its technology platform, and to expand into other products and markets, the success of the strategic collaboration for both companies, Postmedia's ability to replicate this type of strategic collaboration with other advertisers in other sectors and Postmedia's revenue potential from the relationship. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management of the relevant company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. 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 invest in its platform and expand into new products and markets are subject to a number of conditions, many of which are outside of Mogo's control. For a description of the risks associated with these forward looking statements and Mogo's business generally, please refer to MD&A for the quarter ended September 30, 2015 and the long form prospectus dated June 18, 2015, both of which are available at [www.sedar.com](http://www.sedar.com). For a complete list of Postmedia's risk factors please refer to the section entitled "Risk Factors" contained in Postmedia Network Canada Corp.'s annual management's discussion and analysis for the years ended August 31, 2015, 2014 and 2013, which can be found on the Company's website at [www.postmedia.com](http://www.postmedia.com), on SEDAR at [www.sedar.com](http://www.sedar.com) or on the SEC's website at [www.sec.gov](http://www.sec.gov). Except as required by law, both companies disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.*

SOURCE Mogo Finance Technology Inc

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**For further information:** Mogo Investors: Craig Armitage, Investor Relations, [craig@mogo.ca](mailto:craig@mogo.ca), (416) 347-8954; Alex Langer, Capital Markets, [alexl@mogo.ca](mailto:alexl@mogo.ca), (604)765-1604; Mogo Media: Marci Hotsenpiller, [marci@zincpr.com](mailto:marci@zincpr.com), (250) 650-6524; Postmedia: Phyllise Gelfand, Vice President of Communications, [pgelfand@postmedia.com](mailto:pgelfand@postmedia.com), (416) 442-2936

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