



**STATEMENT FROM KVIKU CEO REGARDING COMPANY'S OPERATION AND FINANCIALS
DURING THE PANDEMIC**

Kviku would like to reassure our valued investors at IUVO with the following update on operations and financials:

Operations

1. Our lending business has not been affected by COVID-19 due to fully online nature of the business in all countries of operation.
2. 95% of our employees have been historically working from home since the start of our business in 2013, hence none of the operating processes were affected by any lockdown measures introduced by the governments.
2. Default rates have not increased substantially since March due to very low amounts (under EUR 100) of an average issued loan and no business loans in our portfolio.
3. We have currently zero currency exposure in Russia, as 70% of our liabilities are RUB-denominated and the rest are hedged via EUR/RUB call options.
4. Our license in Russia allows maintaining strong funding diversification with solid long term (up to 3 years) deposit base in Russia from retail investors, as well as 5 year credit line from local bank.
5. Our fixed costs are historically just around 2% of our monthly issuance volumes (payroll, credit scoring, processing, IT infrastructure), which allows us to remain profitable even during market turmoils.
6. We see continued strong demand for online alternative lending in Russia, as traditional financial institutions continue to suffer from the COVID aftermath.

H1 2020 Financials

1. 1.5x year-on-year growth of volume of issued loans
2. Net loan portfolio after reserves fully covers outstanding liabilities (€ 15 million)
3. Revenue more than doubled to c. € 25 million vs H1 2019 with 20% accounting for non-interest risk-free revenue (insurance products and card-to-card transfers)
4. Stable net income in H1 2020 in line with H1 2019 numbers (c. € 250k) despite market volatility
5. Strong position in country rankings – #1 in POS loans and #6 in installment loans by portfolio size

Future Plans

We aim to keep the growth momentum (1.5x-2.0x projected growth year-on-year) in our core market in Russia in the second half of 2020, while also increasing our footprint in other countries of operation (Philippines, Kazakhstan, Poland, Ukraine, Spain). Solid financial performance in H1 2020 amid volatile markets, together with funding diversification, allows us to look forward to remaining profitable in the second half of 2020 and continuing to service all our liabilities with current and new investors in a timely manner.

Kviku Founder, CEO

/N.A.Lomakin/

10.09.2020

Territory code under OKATO	Code of non-bank financial institution		
	OKPO	OGRN	INN
45286575000	17738520	1137746543296	7716748537

INTERIM BALANCE SHEET OF MICROFINANCE COMPANY ACTING IN THE FORM OF ECONOMIC ENTITY OR PARTNERSHIP,
PAWN SHOP
for JUNE 30, 2020

Limited Liability Company Micro Finance Company "AirLoans"
Postal address Russia, 123112, Moscow, Presnenskaya embankment, 8, block 1

Form code under OKUD: 0420842
Quarterly (annual)
(Thousand roubles)

Line number	Name	Note	For 30 June 2020	For 31 December 2019
1	2	3	4	5
Section I. Assets				
1	Cash		194 933	92 157
2	Financial assets at amortized cost		1 269 796	1 339 170
3	Intangible assets		832	914
4	Property, plant and equipment		21	25
5	Deferred tax assets		-	850
6	Other assets		5 036	7 657
7	Total assets		1 470 618	1 440 773
Section II. Liabilities				
8	Financial liabilities at amortized cost		1 233 155	986 896
9	Current income tax liabilities		2 840	13 654
10	Deferred tax liabilities		1 497	-
11	Reserves - estimated liabilities		-	-
12	Other liabilities		13 036	237 430
13	Total liabilities		1 250 528	1 237 980
Section III. Equity				
14	Authorized capital		21 571	21 571
15	Additional capital		52 099	52 099
16	Own shares (shares) purchased from shareholders (participants)		-	-
17	Retained earnings (uncovered loss)		146 420	129 123
18	Total equity		220 090	202 793
19	Total equity and liabilities		1 470 618	1 440 773

General Director  Roman N.A.
July 29, 2020



Territory code under OKATO	Code of non-bank financial institution		
	OKPO	OGRN	INN
45286575000	17738520	1137746543296	7716748537

INTERIM INCOME STATEMENT OF MICROFINANCE COMPANY ACTING IN THE FORM OF ECONOMIC ENTITY OR PARTNERSHIP, PAWN SHOP
for six months ended 30 June, 2020

Limited Liability Company Micro Finance Company "AirLoans"
Postal address Russia, 123112, Moscow, Presnenskaya embankment, 8, block 1

Form code under OKUD: 0420843
Quarterly (annual)
(Thousand roubles)

Line number	Name	Note	For six months ended 30 June 2020	For six months ended 30 June 2019
1	2	3	4	5
Section I. Net interest income (net interest expense) for provision of the estimated reserves for future loan losses related to financial assets				
1	Interest income		1 843 982	758 217
2	Interest expenses		(49 474)	(40 256)
3	Net interest income (net interest expense)		1 794 508	717 961
4	Income upon deduction of expenses (expenses upon deduction of income) for provision of the estimated reserves for future loan losses related to financial assets, including:		(1 581 579)	(633 171)
5	Income upon deduction of expenses (expenses upon deduction of income) for provision of the estimated reserves for future loan losses related to financial assets at amortized cost		(1 581 579)	(633 171)
6	Net interest income (net interest expense) upon provision of allowance for future loan losses related to financial assets		212 929	84 790
Section II. Operating income upon deduction of operating expenses				
7	Income less expense (expense less gain) from transactions with financial instruments at fair value through profit or loss		(12 443)	-
8	Income less expense (expense less income) from transactions with financial instruments measured at amortized cost		(16 068)	-
9	Income upon deduction of expenses (expenses upon deduction of income) related to foreign exchange transactions and revaluation of funds in foreign currency		(47 484)	10
10	General and administrative expenses		(235 583)	(92 005)
11	Other income		125 367	28 396
12	Other expenses		(273)	-
13	Total operating income (expenses)		(186 485)	(63 599)
14	Profit (loss) before tax		26 444	21 191
15	Income (expense) in respect of income tax, including:		(9 147)	(4 248)
16	Current income tax expense		(6 800)	(4 238)
17	Income (expenses) on deferred income tax		(2 347)	(10)
18	Profit (loss) after tax		17 297	16 943
Section III. Other comprehensive income				
19	Total comprehensive income (loss) for the reporting period		17 297	16 943

General Director  Kozhakin N.A.
July 29, 2020



Territory code under OKATO	Code of non-bank financial institution		
	OKPO	OGRN	INN
45286575000	17738520	1137746543296	7716748537

INTERIM STATEMENT OF CHANGES IN EQUITY OF MICROFINANCE COMPANY ACTING IN THE FORM OF ECONOMIC ENTITY OR PARTNERSHIP, PAWN SHOP
for six months ended 30 June, 2020

Limited Liability Company Micro Finance Company "AirLoans"
Postal address Russia, 123112, Moscow, Presnenskaya embankment, 8, block 1

Form code under OKUD: 0420844
Quarterly (annual)
(Thousand roubles)

Line number	Name	Authorized capital	Additional capital	Interests bought from members	Retained earnings (uncovered loss)	Total equity
1	2	3	4	5	6	7
1	Balance at December 31, 2018	21 571	52 099	-	54 771	128 441
2	Profit (loss) after tax	-	-	-	16 943	16 943
3	Other comprehensive income (expense)	-	-	-	-	-
4	Balance at June 30, 2019	21 571	52 099	-	71 714	145 384
5	Balance at December 31, 2019	21 571	52 099	-	129 123	202 793
6	Profit (loss) after tax	-	-	-	17 297	17 297
7	Other comprehensive income (expense)	-	-	-	-	-
8	Balance at June 30, 2020	21 571	52 099	-	146 420	220 090

General Director:  **Samarin N.A.**
July 29, 2020



Territory code under OKATO	Code of non-bank financial institution		
	OKPO	OGRN	INN
45286575000	17738520	1137746543296	7716748537

INTERIM CASH FLOW STATEMENT OF MICROFINANCE COMPANY ACTING IN THE FORM OF ECONOMIC ENTITY OR PARTNERSHIP, PAWN SHOP
for six months ended 30 June, 2020

Limited Liability Company Micro Finance Company "AirLoans"
Postal address Russia, 123112, Moscow, Presnenskaya embankment, 8, block 1

Form code under OKUD: 0420845
Quarterly (annual)
(Thousand roubles)

Line number	Name	Note	For six months ended 30 June 2020	For six months ended 30 June 2019
1	2	3	4	5
Section I. Cash flow from operating activities				
1	Interest received		807 258	307 947
2	Interest paid		(27 523)	(34 306)
3	Payments related to general and administrative expenses		(375 526)	(97 215)
4	Paid income tax		(17 613)	(15 194)
5	Other income from operating activities		125 367	28 396
6	Other payments for operating activities		-	(37 368)
7	Cash flow balance from operating activities		511 963	152 260
Section II. Cash flows from investments				
8	Proceeds from sale of financial assets at amortized cost		1 031 581	472 771
9	Payments related to purchase of financial assets estimated at amortized cost		(1 437 533)	(816 255)
10	Cash flow from investment		(405 952)	(343 484)
Section III. Cash flows from financing activities				
11	Proceeds from loans and borrowings		272 958	218 866
12	Repayment of loans and borrowings		(283 756)	(80 150)
13	Proceeds from issue of shares (additional contributions from subscribers, members, additional contributions from partners)		-	-
14	Cash flow from financing activities		(10 798)	138 716
15	Cash flow balance for the reporting period		95 213	(52 508)
16	Effects of foreign exchange rates against the ruble on cash and cash equivalents		7 563	-
17	Balance of cash and cash equivalents at the beginning of the reporting period		92 157	62 119
18	Balance of cash and cash equivalents at the end of the reporting period		194 933	9 611

General Director  Makin N.A.
July 29, 2020

