



STATEMENT FROM KVIKU CEO REGARDING LATEST COMPANY'S OPERATION AND FINANCIALS

Kviku would like to reassure our valued investors at IUVO with the following update on 2020 FY operations and financials:

Operations

1. Our loan portfolio in Russia grew by 40% year-on-year despite COVID situation, thanks to the fully online nature of our lending business.
2. None of our operating processes were affected by any lockdown measures introduced by the government, as all our employees have been working remotely since 2013.
3. Default rates have remained unchanged due to very low amounts (under € 100) of an average issued loan and no business loans in our portfolio.
4. 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.
5. Our license in Russia allowed us to maintain strong funding diversification with a solid long term (up to 3 years) deposit base in Russia from retail investors, as well as a 5 year credit line from local bank.
6. Our fixed costs remained historically low at around 2% of our monthly issuance volumes (payroll, credit scoring, processing, IT infrastructure), which allowed us to remain profitable during volatile 2020.
7. We see continued strong demand for online alternative lending in Russia in the beginning of 2021, as traditional financial institutions continue to suffer from the COVID aftermath.

Financials

1. 1.5x year-on-year growth of volume of issued loans in 2020 (€ 45 million).
2. Net loan portfolio after reserves fully covers outstanding liabilities (€ 20 million).
3. Profit before tax in 2020 grew over 40% in RUB terms vs 2019 to € 1.6 million, despite market volatility.
4. Cash cushion of €1 million on the balance sheet as of 2020YE.
5. Top position in online POS country rankings, with 7 out of 10 top e-commerce merchants working with Kviku in Russia.

Future Plans

We aim to keep the growth momentum (1.5x projected growth year-on-year) in our core market in Russia in 2021, while also increasing our footprint in other countries of operation (Philippines, Kazakhstan, Poland, Ukraine, Spain). Strong financial performance and continued growth of Kviku Group in 2020 amid volatile market conditions proved once again the sustainability of our business model and solid experience of the management team. We look optimistically into 2021 aiming to launch new countries in South East Asia and remain profitable in existing countries of operations.

Kviku Founder, CEO

/N.A.Lomakin/

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