



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 H1 2021 operations and financials:

Operations

1. Our loan portfolio in Russia continued to show strong growth with 60% increase over the last 6 months, thanks to new large e-commerce partners in “buy now pay later” segment.
2. Default rates have returned to pre-COVID levels allowing us to show record-breaking profitability in Q2 – €3 million profit after tax.
3. We continued to further diversify our funding sources, with 60% growth of our retail deposit base, increase of credit lines from banks to €6 million and preparation for a potential local bond issuance in Q4 subject to market conditions.
4. None of our operating processes are currently affected by any COVID measures as the vaccination has started to speed up, allowing the government to release all restrictions introduced over the last 18 months.
5. Strong demand for “buy now pay later” online products was observed due to increased volume of e-commerce transactions, as consumers continued to move away from traditional offline shopping in Russia in the COVID aftermath.

Financials

1. Record high volume of new issued loans in H1 2021 (€ 37 million).
2. Net loan portfolio of € 35 million after reserves (130% y-o-y growth) fully covers outstanding liabilities.
3. Record-high net income in H1 2021 of € 3 million, already doubling profit for the whole FY 2020.
4. Cash cushion of € 3 million on the balance sheet awaiting to be utilized in newly issued loans.
5. Top position in online POS country rankings, with 8 out of 10 top e-commerce merchants already working with Kviku in Russia in 2021.

Future Plans

We aim to become a top online lending institution in our core market in Russia in 2021 by portfolio size, while also increasing our footprint in other countries of operation (Philippines, Kazakhstan, Poland, Ukraine, Spain, India). We also see continued strong demand for “buy now pay later” products from consumers, as well as from institutional investors, allowing us to look optimistically into the coming years. First audited group-wide financials are expected to be released next year, as we strive for potential Eurobond issuance in the coming years.

Kviku Founder, CEO

/N.A.Lomakin/

11.08.2021