

KVIKU Group

Annual Combined Financial Statements and Independent Auditor's Report

For the years ended 31 December 2021 and 31 December 2020



Independent Auditor's Report

To the Shareholders of
KVIKU Group

Opinion

We have audited the accompanying annual combined financial statements of KVIKU Group (the «Group»), which comprise the combined statement of financial position as of 31 December 2021, 31 December 2020 and 1 January 2020, the combined statements of profit and loss and other comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 31 December 2020, and notes to the annual combined financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying annual combined financial statements present fairly, in all material respects, the combined financial position of Group as at 31 December 2021, 31 December 2020 and 1 January 2020, and its combined financial performance and its combined cash flows for the years ended 31 December 2021 and 31 December 2020 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Combined Financial Statements section of our report. We are independent of Group in accordance with the Rules of Independence of the Auditors and Audit Organizations and the Code of Professional Ethics of the Auditors, which are in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Notes 1 and 2 to the combined financial statements which describe their basis of preparation, including the approach to and the purpose of preparing them. The combined financial statements prepared for presenting combined financial position, combined financial performance and combined cash flows of certain companies that are under common control. Our report is not modified in respect of this matter.

Other Matter

These accompanying annual combined financial statements of KVIKU Group are the first financial statements in accordance with the principles of IFRS prepared by the Group.

Responsibilities of Management and Those Charged with Governance for the Annual Combined Financial Statements

Management is responsible for the preparation and fair presentation of the annual combined financial statements in accordance with IFRS's, and for such internal control as management determines is necessary to enable the preparation of the annual combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual combined financial statements, management is responsible for assessing the KVIKU Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the KVIKU Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual combined financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the annual combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the annual combined financial statements, including the disclosures, and whether the annual combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the annual combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

President of FBK, LLC



S.M. Shapiguzov
by virtue of the Charter,
qualification certificate No. 01-001230 dd
January 28, 2013 registration number 21606043397

Engagement partner on the audit
resulting in this independent auditor's report



A.A. Terekhina
qualification certificate No. 03-000653 dd
May 14, 2014 registration number 21806021441



Date of independent auditor's report
March 01, 2022

Audited entity

Name:

Kviku Holding Ltd.

Address of the legal entity within its location:

Gladstonos Str., The Hawk Building, 1st Floor, P.C.
3032, Limassol, Cyprus.

State registration:

Registered on 20 April 2018, registration number
HE 382807.

Auditor

Name:

FBK, LLC.

Address of the legal entity within its location:

44/1 Myasnitskaya St, Bldg 2AB, Moscow, 101990,
Russian Federation.

State registration:

Registered by the Moscow Registration Chamber on
15 November 1993, registration number 484.583.

The registration entry was made in the Unified State
Register of Legal Entities on 24 July 2002 under
primary state registration number 1027700058286.

**Membership in a self-regulatory organization of
auditors:**

Member of the Self-regulatory organization of
auditors Association "Sodruzhestvo".

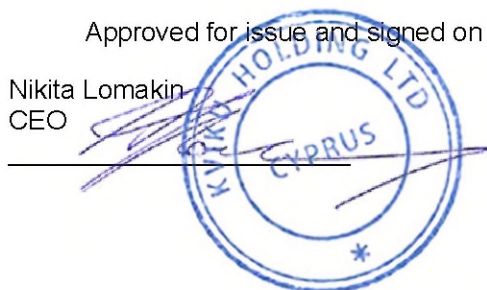
Primary number of registration entry in the register of
auditors and audit organizations of the self-
regulatory organization of auditors 11506030481.

KVIKU Group
Combined Statement of Financial Position

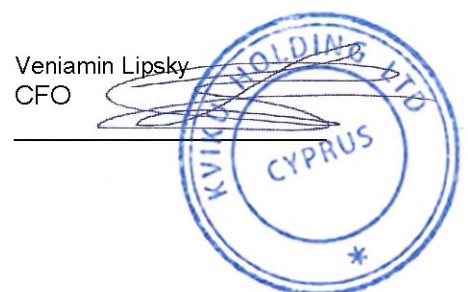
'000 USD	Note	31 December 2021	31 December 2020	1 January 2020
ASSETS				
Cash and cash equivalents	7	6 642	2 812	1 691
Loans to customers	8	87 833	24 999	22 375
Investment securities FVTPL		770	185	-
Fixed assets		2	2	-
Right of use assets	10	39	39	61
Intangible assets		8	10	15
Deferred income tax asset		23	-	14
Current income tax asset		5	-	-
Other financial assets	9	2 115	988	-
Other assets	9	175	805	982
TOTAL ASSETS		97 612	29 840	25 138
LIABILITIES				
Loans and borrowings	11	69 849	21 144	17 390
Current income tax liability		866	170	221
Deferred income tax liability		-	13	-
Liabilities under lease contracts		42	43	62
Other financial liabilities		12 484	4 198	2 858
Other liabilities	12	1 106	766	1 250
TOTAL LIABILITIES		84 347	26 334	21 781
EQUITY				
Share capital	13, 14	618	618	360
Additional capital		701	705	842
Currency translation reserve		193	(347)	52
Retained earnings		11 753	2 530	2 103
Net assets attributable to the Group's owners		13 265	3 506	3 357
TOTAL EQUITY		13 265	3 506	3 357
TOTAL LIABILITIES AND EQUITY		97 612	29 840	25 138

Approved for issue and signed on 15 March 2022

Nikita Lomakin
CEO



Veniamin Lipsky
CFO



KVIKU Group
Combined Statement of Profit or Loss and Other Comprehensive Income

<i>'000 USD</i>	Note	2021	2020
Interest income	15	79 458	48 147
Interest expense	15	(6 360)	(2 092)
Net margin on interest income		73 098	46 055
Credit loss allowance		(51 821)	(36 650)
Net margin on interest income after credit loss allowance			
Fee and commission income	16	10 991	4 121
Fee and commission expense	17	(517)	(209)
Net result on embedded derivatives		(539)	138
Provision for credit related commitments		(8 511)	(2 290)
Other operating income (loss)	18	3 265	(1 721)
Administration and other operating expenses	19	(14 585)	(7 881)
Foreign exchange translation gains less losses		907	(457)
Other financial income (loss)		-	(6)
Profit before income tax	21	12 288	1 100
Income tax expense	20	(2 658)	(402)
PROFIT FOR THE YEAR		9 630	698
Other comprehensive income / (loss) for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9 630	698
Profit/(loss) is attributable to:			
- Owners of the Group		9 630	698
Profit for the year		9 630	698
Total comprehensive income /(loss) is attributable to:			
- Owners of the Group		9 630	698
Total comprehensive income for the year		9 630	698

KVIKU Group
Combined Statement of Changes in Equity

'000 USD	Total Equity				
	Share capital	Additional capital	Currency translation reserve	Retained earnings	Total equity
Balance at 31 December 2019	360	842	52	2 103	3 357
<i>Profit for the year</i>	-	-	-	698	698
<i>Issue of share capital</i>	258	-	-	-	258
<i>Dividends declared</i>	-	-	-	(271)	(271)
<i>Other</i>	-	(137)	(399)	-	(536)
Balance at 31 December 2020	618	705	(347)	2 530	3 506
<i>Profit for the year</i>	-	-	-	9 630	9 630
<i>Dividends declared</i>	-	-	-	(407)	(407)
<i>Other</i>	-	(4)	540	-	536
Balance at 31 December 2021	618	701	193	11 753	13 265

KVIKU Group
Combined Statement of Cash Flows

	Note	2021	2020
Cash flows from operating activities			
Profit for the year		9 630	698
<i>Adjustments for:</i>			
Unrealised exchange		(907)	457
Interest income/expense		(72 559)	(46 193)
Credit loss allowance		60 332	37 441
Cash flows used in operating activities before changes in operating assets and liabilities		(3 504)	(7 597)
<i>Changes in:</i>			
Decrease/increase in loans issued (repaid)		(41 661)	7 130
Increase/Decrease in trade and other payables		9 958	973
Income tax paid		(1 972)	(440)
Net cash from operating activities		(37 179)	66
Increase in Other financial assets		(1 368)	(747)
Net cash from investing activities		(1 368)	(747)
Cash flows from financing activities			
Proceeds from borrowings		49 182	3 894
Interest paid		(6 805)	(2 092)
Net cash from financing activities		42 377	1 802
Net increase in cash and cash equivalents		3 830	1 121
Cash and cash equivalents at the beginning of the year	7	2 812	1 691
Cash and cash equivalents at the end of the year	7	6 642	2 812