

Robocash Group Management Report

With the purpose to support and explain the combined financial statements for FY2019-2017 audited by KPMG, management of Robocash Group provides a short outlook on the disclosed data and shares its outlook on the events in 2020.

IFRS financials combination perimeter and legal re-structuring

Providing alternative consumer lending services for the underbanked population, Robocash Group operates in the Russian Federation, Spain, Vietnam, Indonesia and Philippines. Among other products, there is a peer-to-peer financing platform in Croatia that enables EU citizens to invest in loans issued by the integrated affiliated companies. Respectively, prepared in accordance with the International Financial Reporting Standards (IFRS) for the years ended 31 December 2019, 2018, 2017, the combined financial statements cover historical results of the following legal entities: Robocash PTE LTD, AS Robocash Group, LLC MFO Zaymer and LLC Robofinance and their subsidiaries (hereinafter the "Group"). All these entities were under common control or joint control of Sergey Sedov for all periods.

Operations in Kazakhstan that were presented in previous unaudited financial results for FY2019-2017 reported by the Group based on management accounts are out of the IFRS combination perimeter in these financial statements. Management decided to exclude the latter because the Group does not control local entities and started the establishment process of a new licensed legal entity regulated by the National Bank of Kazakhstan. India operations are also out of the combination perimeter as the Group does not control these operations and activities are limited only to the rendering services to the local partner. Operations in the Philippines controlled jointly with the local partner with a majority stake of 60% held by Robocash PTE LTD (Singaporean holding company) as of 31.12.2019 are accounted under the equity method.

At the issue date of these combined financial statements, the Group is in the process of legal restructuring and plans to finalise it by the end of the third quarter in 2020. After the re-structuring, all operation activities will be under Robocash PTE LTD with respected changes in corporate governance.

Historical outlook

Management of the Group considers increasing digital adoption as one of the main facilitative factors, which contributed to the positive performance of entities in the reporting period. Nevertheless, operating in a consumer lending sector, the Group has also been affected by the outbreak of the COVID-19 that took place in the post reporting period. Management considers that the company took all necessary mitigation measures and responses to hold back the negative impact of the pandemic. Over the last few months, the Group has kept stable interest income without significant interruptions in its operations. Planning to stabilise both liquidity levels and business performance by Q3 2020, the Group expects that results in Q4 2020 will grow further and add considerably to the bottom line of combined financials.

IT developments

The Group develops internally and integrates Loan Management Systems ('LMS'), both desktop and mobile apps designed for specific country requirements. Essential parts of LMS are front-end (web sites), back end transactions module, client scoring/underwriting plugins, integration with online banks and payments systems, digital marketing funnel flow and analysis, debt collection scripts. New features are driven by market or changes in financial regulations.

New business initiatives

The Group seeks to diversify business both geographically and in terms of new products. Also, initiatives of different cooperation with consumer lending market players are under constant analysis and undergo feasibility studies.

The Group plans to launch an online bank project in the Philippines being the largest investment of the group in Q4 2020. MVP of the online bank complex software is at a final stage to release.

Management considers opportunities of entering other Asian markets and develop the current promising project in India.

Skolkovo residence

LLC Robofinance (IT development entity of the Group) was recently admitted to the Russian free-economic zone of hi-tech companies (Skolkovo) resulting in a number of tax exemptions and allowances. The Group expects further IT investments into fintech core expertise areas (scoring systems, LMS and other) so considers this initiative as very important to enhance economical returns from Robocash investment projects.

Outlook for 2021-2022

Management plans to develop a number of new products and technologies to finance online trading operations, service various finance needs of customers, provide transactional services that will enable to shift into the near prime banking segments. Robocash team' core expertise continue to focus on innovative fintech and flawless digital customer experience driven by data analysis and instant robotic operational decisions.



Sergey Sedov
Chief Executive Officer



Pavel Leonov
Chief Financial Officer