



# Corporate Overview

November 2016

# Cautionary Statement Regarding Forward Looking Statements



“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995: the matters discussed in this document may include forward-looking statements, including, without limitation, statements regarding our business strategy, expected growth of Visa QIWI Wallet, payment volume growth, and growth in the Company’s distribution network.

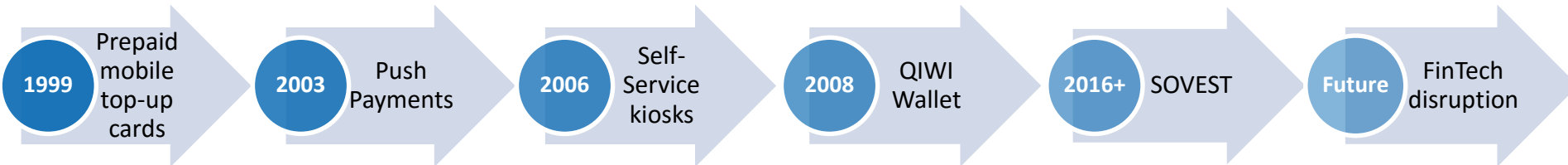
These forward looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of QIWI plc. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Various factors that could cause actual future results and other future events to differ materially from those estimated by management include, but are not limited to, competition, a decline in average net revenue yield, fees levied on QIWI’s consumers, changes in regulation, QIWI’s ability to grow Visa QIWI Wallet, and QIWI’s ability to expand geographically.

The foregoing risk factors are not exhaustive. You should carefully consider the foregoing factors and other risks and uncertainties that affect the business of QIWI described under the caption “Risk Factors” in QIWI’s Registration Statement on Form F-1 and in other reports QIWI files with the U.S. Securities and Exchange Commission. QIWI undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless QIWI is required to do so by law.

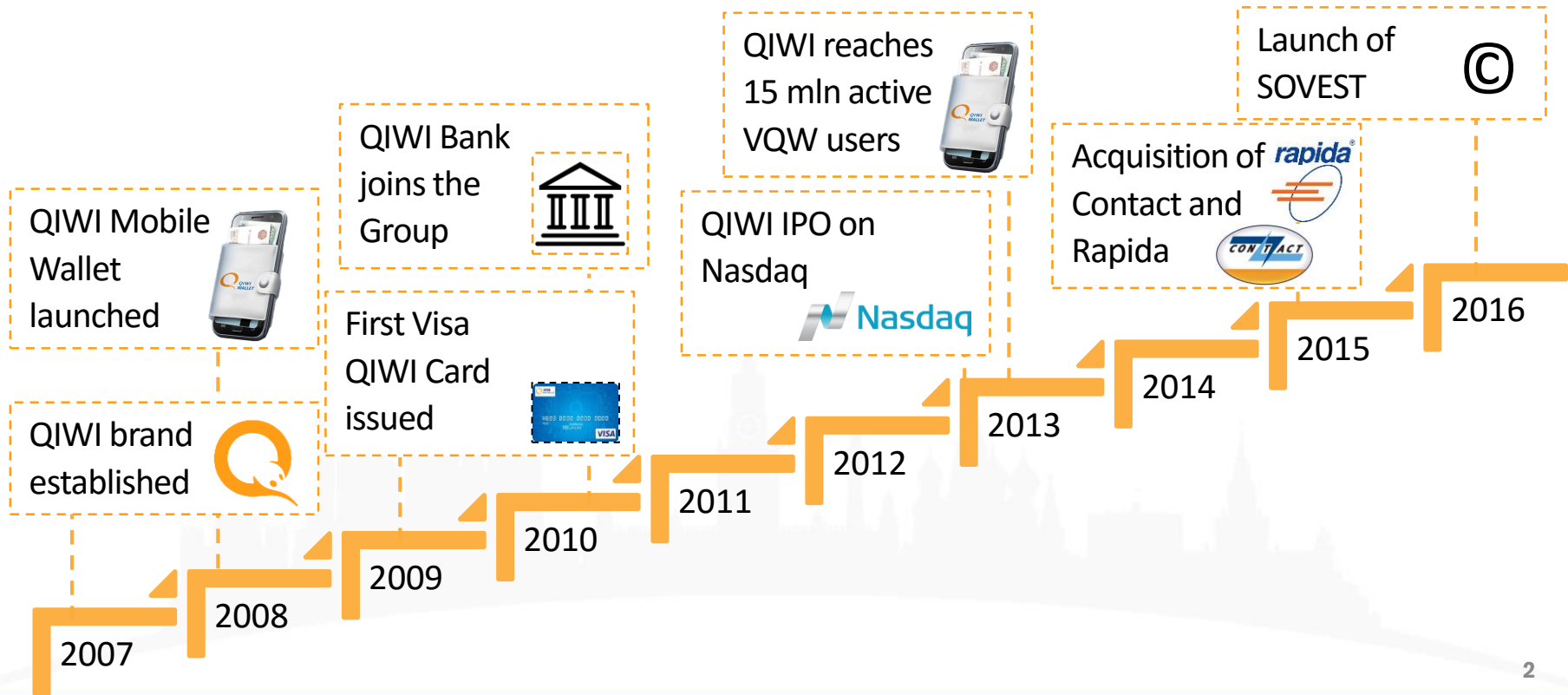
# QIWI's Key Milestones and Track-record of Innovation



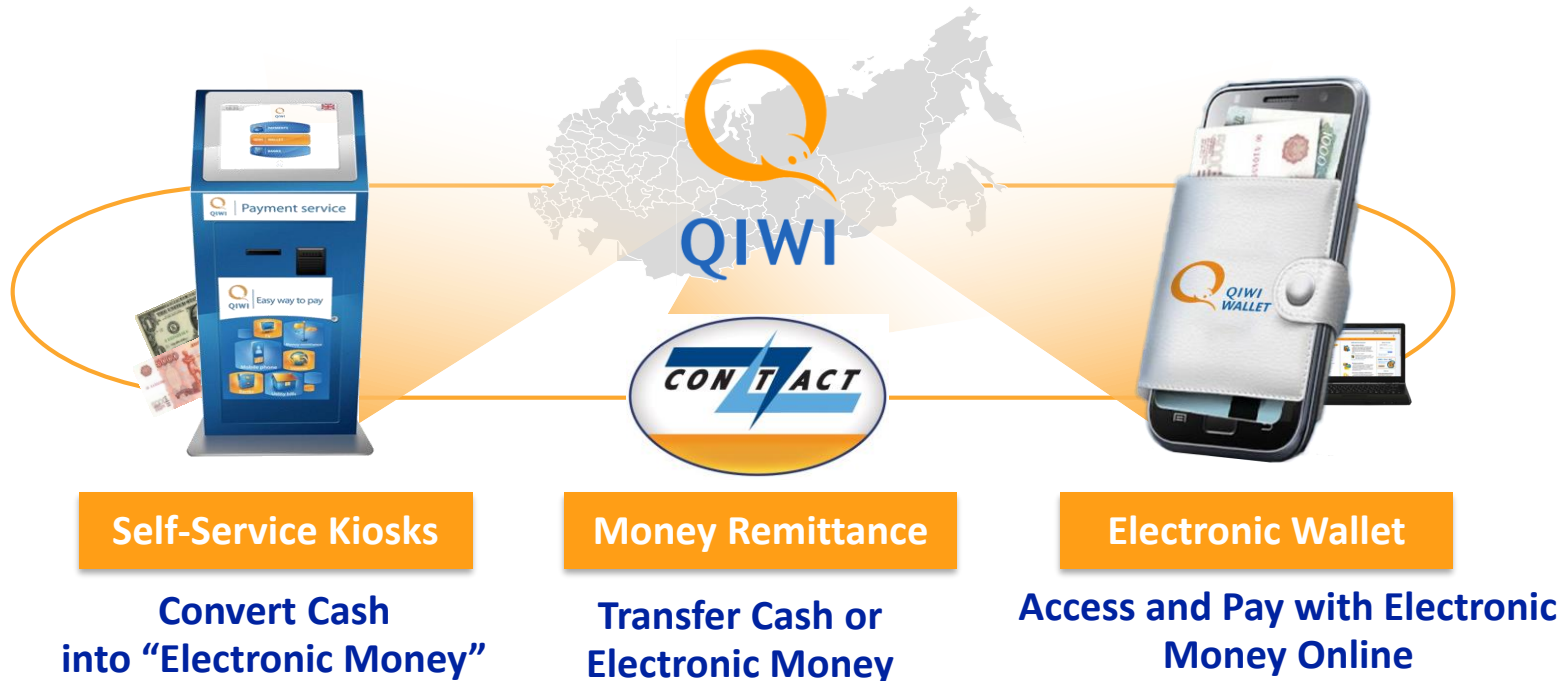
QIWI has been leading payments innovation in Russia and the CIS



## Key milestones of QIWI development



# QIWI is an Integrated Multi-channel Network Providing Next Generation Payment Services



**QIWI Enables Consumers and Merchants to Use and Accept Electronic Payments via highly synergetic omni channel infrastructure**

- Pay Bills
- Send Money
- Make Utility Payments
- Top Up Mobile Phone
- Pay with Mobile Phone
- Send Social Media Gifts
- Shop Online/Via Mobile
- Multi Level Marketing
- Pay in online games
- Get and Load a Prepaid Card
- Repay Loans
- Many More...

# With Massive Adoption, Brand Recognition and Ubiquitous Presence



163k+

Kiosks and Terminals<sup>1</sup>



16+  
million

Active Wallet Accounts<sup>2</sup>



12k+

Merchants<sup>1</sup>



6k+

Agents<sup>1</sup>



58+ million customers using our network at least once a month

Over RUB71 billion cash and electronic payments going through our system monthly

# Offering a Broad Range of Channels and Interfaces



## Kiosks and Terminals

- Ubiquitous market presence
- Pay for goods and services offline in a convenient location
- Top Up the Wallet
- Send Money

## Visa Qiwi Wallet

- Pay for goods and services online – mobile app or web
- Send Money through various channels
- Pay in retail with HCE technology
- Tie up cards and bank accounts
- Settle invoices

## Qiwi Visa Card

- Pay for any goods and services anywhere Visa cards are accepted
- Use our Priority package

## Money Remittance

- Send money through money remittance companies
- Via card to card transfers and Qiwi Transfer app
- From Wallet to Wallet
- In messenger apps with Qiwi PayBoard

## Merchant check out

- Accept electronic payment from a broad customer base
- Use the convenient cabinet
- Advertise through our platforms

# Benefiting from Favorable Secular Trends



## Favorable Secular Trends

yesterday

**High Cash Usage  
and the need to  
digitize cash**

- **Russia and the CIS are primarily cash economies**

- c. 80 % of Payments are cash
- 72% of card transactions are cash withdrawals<sup>1</sup>

today

**Fast Growth of  
online payments  
and e-commerce**

- **Rapid growth in online payments**

- Digital payment transaction volume to double by 2020 and reach 10% of consumer expenditures in Russia<sup>2</sup>

tomorrow

**Mass adoption of  
mobile devices**

- **Increasing smartphone penetration promotes usage of e-services**

- Smartphone penetration in Russia was estimated to reach 45%, compared to the geographies like the US where mobile penetration is as high as 72%<sup>3</sup>
- By 2018 smartphone penetration in Russia is forecasted to reach 54%<sup>4</sup>

**QIWI is Well-Positioned to Continue to Benefit  
from High Growth Secular Trends in the Markets it Serves**

<sup>1</sup>Central Bank of Russia data as of 30.06.2016

<sup>2</sup>Source: Statista; data as of June 2016

<sup>3</sup>As of 2015, Spring 2015 Global Attitudes Survey; Q71, Q72

<sup>4</sup>ZenithOptimedia's annual New Media Forecast

# We Services a Wide and Growing Range of Markets



## Resilient business model

- Highly resilient and diversified volume base
- Adaptive monetization strategies
- Innovation-driven highly technological products
- Opportunities to increase market share in current verticals through better and more diversified service offerings to merchants and customers

### e-Commerce



### Financial services



### Money remittances

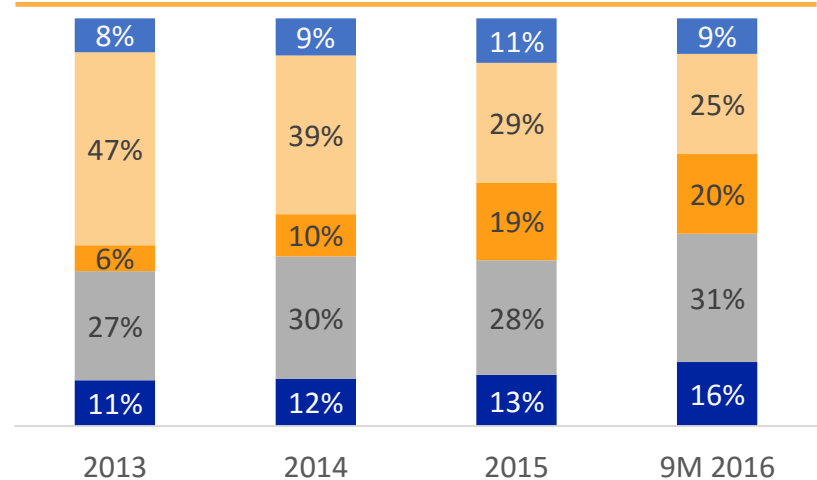


### Telecom

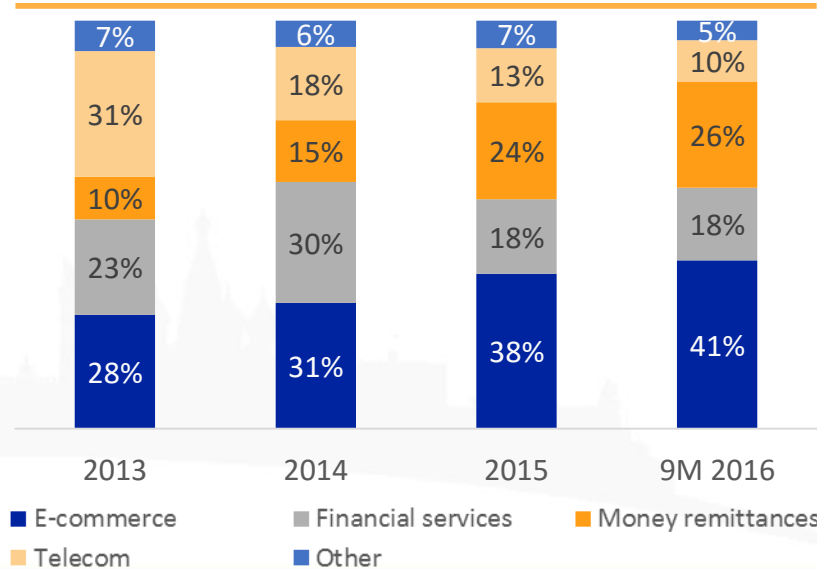


## Diversified payment volume and net revenue mix

### Payment volume mix



### Adjusted net revenue mix





# QIWI is Focused on Disrupting the Market with Omni Channel Infrastructure



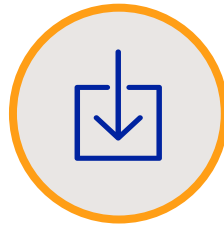
Access, Obtain and Use Funds in an affordable, convenient and transparent way



Top up with  
Cash



Tie Bank  
accounts and  
debit cards



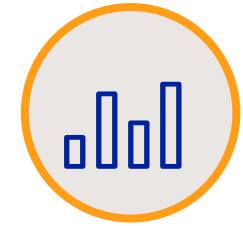
Get 3rd party  
loans



Use Installment  
Products



Accept P2P  
transfers



Receive Gains



Pay for goods and  
services online



Pay for goods and  
services Offline



Remit money

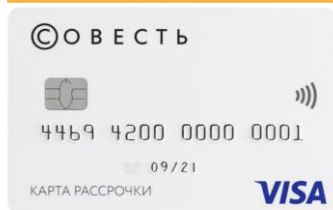


Pay Bills



Invest Funds

## PRODUCT



**SOVEST is a first large-scale payment-by installments card system in Russia developed to help consumers to get easy and transparent access to funds and purchase a wide range of goods and services they need**

**SOVEST** business model presumes that the Lender earns money from the retail partners sharing their sales profits with SOVEST and not from the customers paying interest, while Lender carries all non-payment risks



### Customer case

**Accessible credit card proxy** – funds for necessary goods, packaged in a solution that excels all current market offerings

**Advantages compared to traditional credit cards:**

- ✓ No interest on customer side, no overpayments
- ✓ Revolving credit limit
- ✓ Single-time credit limit setup with multiple usage
- ✓ Easy to understand installment usage

**Advantages compared to payment-by-installments:**

- ✓ Accepted in all major retail segments
- ✓ One-stop credit approval

### Merchant case

**New customers**

**Incremental purchases** – easily available credit for customers will lead to impulse purchases and increase RFM factors

**Solution for under credited retail segments** - our product allows segments such as fast moving consumer goods and petrol stations to provide their customers with a credit opportunity

**Free marketing** – partners will get additional marketing exposure as part of our marketing efforts  
Merchant gets **100% revenue at a time of transaction**, paying back the commission later

## USE CASE

Potential estimated market size – over 7 million users by 2025

Short-term credit  
**1 – 12**  
months/installments

Lower credit limits  
**50k ₺** Moscow  
**35k ₺** Regions

Average ticket  
**3 200 ₺** average basket  
across partners pool

## Expected customers behavior types



### Savers

Earning interest on own funds in deposit while paying with an installment card



### Smart Shoppers

Shopping more without overpaying banks on credit cards



### Unscheduled

Accidental shopping: necessities replacement, gifts and presents

## Partnered Merchants - large retailers and retail chains including:

### Consumer Electronics



### Appliances & Consumer Staples










### Fashion and Apparel



### Restaurants and Gas Stations



## MARKET OPPORTUNITY & INTERNATIONAL PEERS

Market Potential	2015	2020 <sup>F</sup>	2025 <sup>F</sup>
 GDP dynamic <sup>1</sup>	-3.7%	1.9%	3.8%
 Total population (mm) <sup>2</sup>	146	148	150
 Economically active population <sup>3</sup>	82	80	78
 Creditable population <sup>4</sup> (total available market)	57	58	58
 Reachable clients <sup>4</sup>	44	47	49
 Share of reachable audience		9%	15%
 <b>Our target</b>		<b>4</b>	<b>8</b>

- ✓ Russian market shows pessimistic macro trends: stagnating GDP, shrinking consumer disposable income
- ✓ Retailers strive to maintain turnover
- ✓ Customers are in need of low cost funding and don't trust the banking system thus prefer zero cost credit, which is the cheapest way to maintain their consumption level
- ✓ Alike products have great success in Belarus, Kazakhstan and Latin America

### Interest funded by merchant

### Interest funded by both consumer and merchant

Belarus	Azerbaijan	Serbia	Australia	Mid & SE Asia	Turkey	Brazil
Installment cards account for 25% share of sales at partnered merchants	Installment cards currently account for 80% of total credit cards in circulation	Installments represents an additional service, which may (but not necessarily) be used	0% installment plans are formalized as «Promotional offers»	Banks offer interest-free installment options in line with other benefits	Installment cards account for 35% of total credit card amounts	60% of Brazilians have been or still are in installment debt
<b>Key players</b>						
MTBank VTB Belarus	Unibank Bank of Baku YapiKredi Bank Bank Respublika	Komercijalna banka ad Beograd	Latitude Group (ex-GE Money) HSBC ANX Bank	Saudi Arabia, SABB Hong Kong, HSBC Singapore, OCBC Philippines, Citibank	Gencallar Garanti Bank Finansbank İş Bankası	Banco do Brazil Itaú Bradesco Caixa

<sup>1</sup> NRU-HSE Development Center Consensus Forecast, August 2016

<sup>2</sup> Demographic Policy of the Russian Federation until 2025

<sup>3</sup> Demoscope

<sup>4</sup> Company Estimates



## KEY FIGURES

### Why QIWI?

- ✓ **Existing banking infrastructure** – the project is made on the QIWI bank infrastructure decreasing time-to-market ( QIWI Bank serves as the issuing bank)
- ✓ **Well known brand name, existing consumer base** – marketing for clients already familiar with QIWI will make amassing initial client base faster
- ✓ **Synergies with existing business** – installment payments can be made via QIWI Wallet and/or kiosk network
- ✓ **Technology and Payments expertise** – experience in customer focused payment solutions ( mobile app, web, processing, etc.)

### Forecast 2020

Credit portfolio, (RUB bn), EOP	<b>35-40</b>
Average credit duration, months	<b>2 – 3</b>
POS transactions volume, (RUB bn)	<b>250-300</b>
Cost of Risk	<b>10% – 12%</b>
Target Net Commission	<b>6-7%</b>
Target Net Revenue, (RUB bn)	<b>15-20</b>
Target Adjusted EBITDA <sup>1</sup> margin	<b>30-35%</b>

Expected Cost 2016, (RUB mm)	<b>200</b>
Net Income Effect 2017, (RUB bn)	<b>-1.4</b>

<sup>1</sup> Target Adjusted EBITDA margin is calculated based on Net Revenue

# Financial Overview

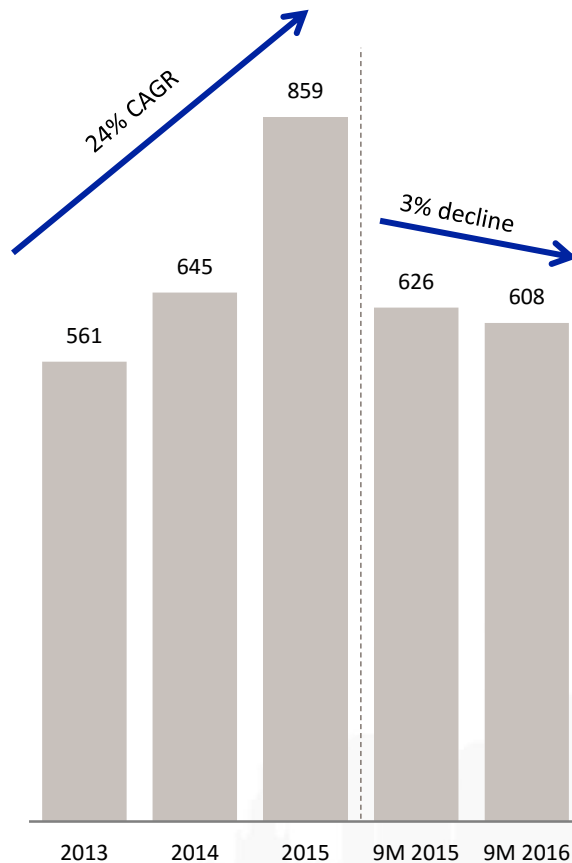


# Key Financial Indicators for 2015 and 9M 2016<sup>1</sup>

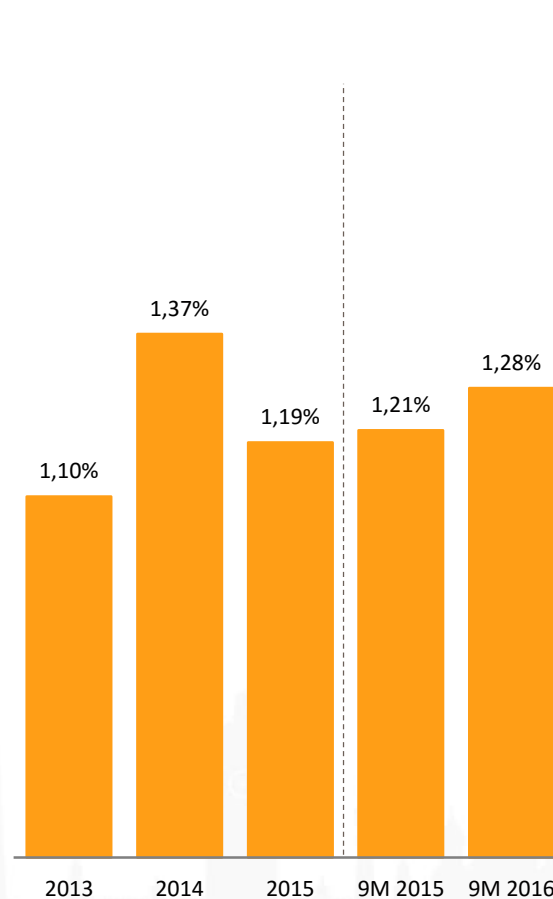


## Payment Volume

(RUB bn)

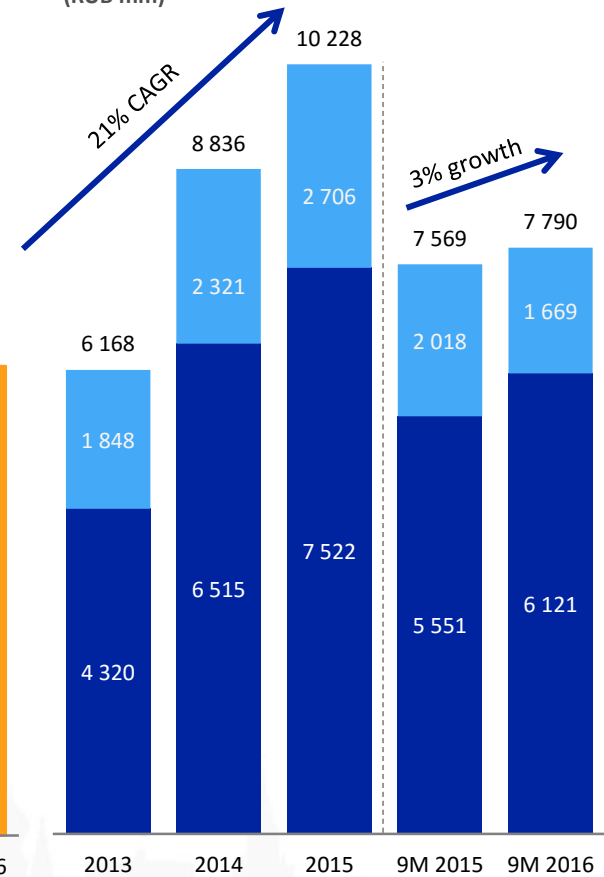


## Average Net Revenue Yield<sup>2</sup>



## Adjusted Net Revenue<sup>3</sup>

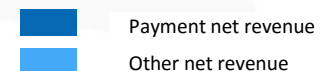
(RUB mm)



<sup>1</sup> Including Contact and Rapida financial results starting June 2015.

<sup>2</sup> Defined as adjusted net revenue divided by total payment volume.

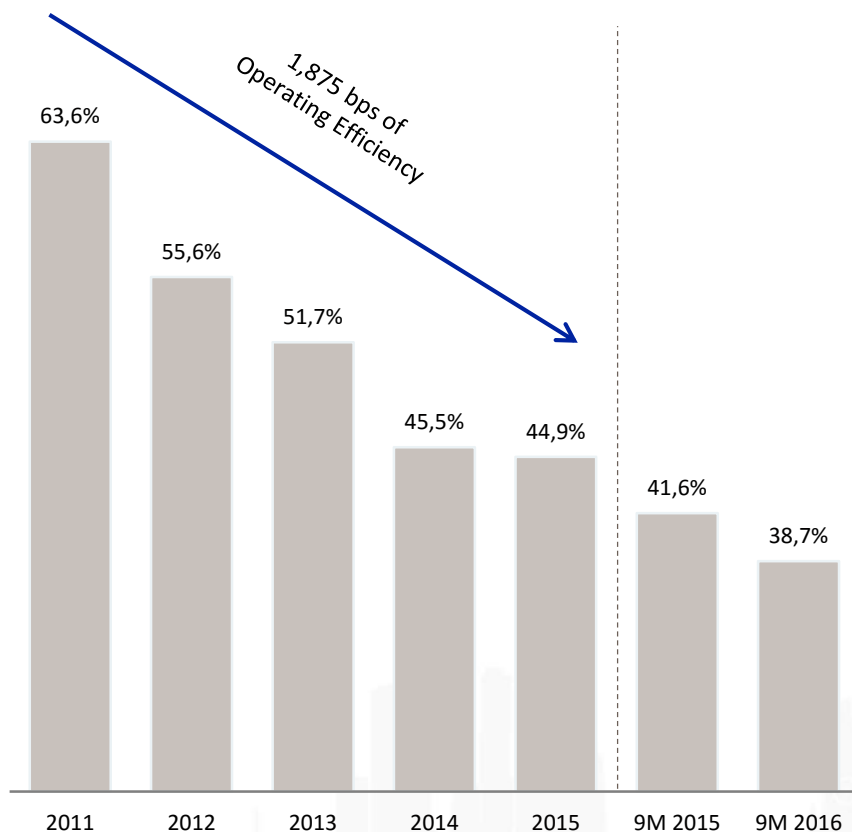
<sup>3</sup> Calculated by subtracting cost of revenue (exclusive of depreciation and amortization) from revenue and adding back compensation to employees and related taxes.



# High Operating Leverage

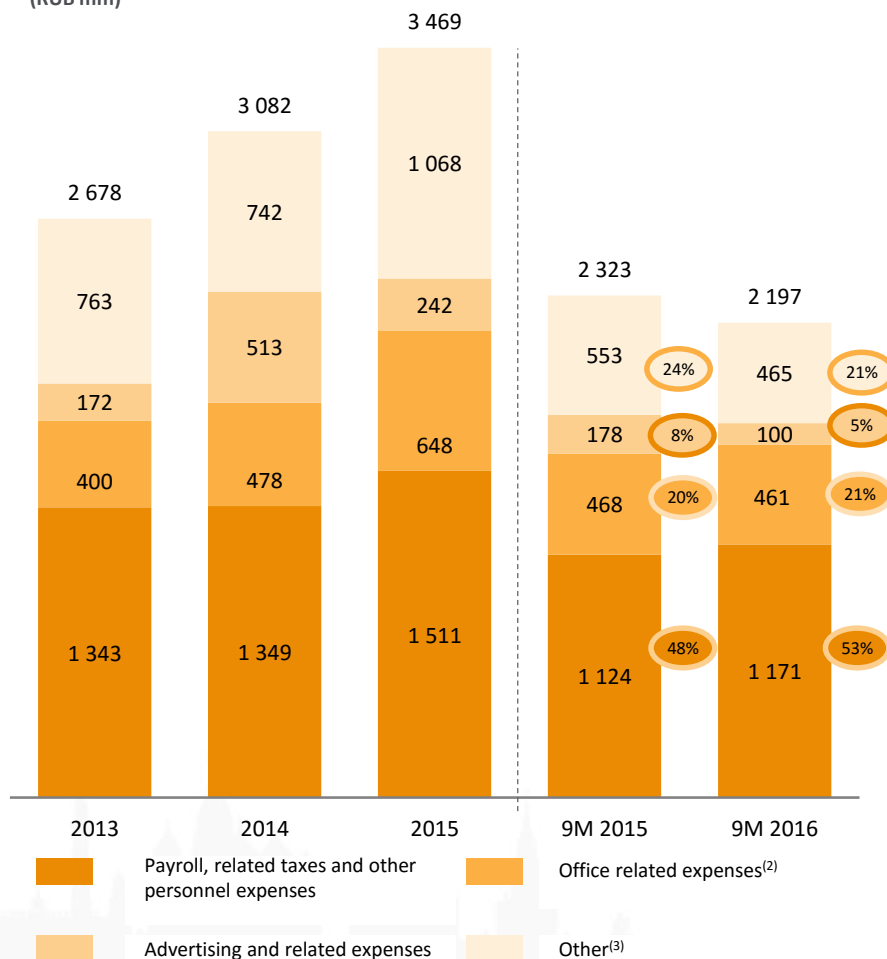


## Low incremental opex (as % of net revenue)<sup>1</sup>



## SG&A structure

(RUB mm)



<sup>1</sup>Operating expenses defined as adjusted net revenue less adjusted EBITDA.

<sup>2</sup>Includes rent of premises and related utility expenses and office maintenance expenses.

<sup>3</sup>Includes bad debt expense, telecommunication and internet expenses, travelling and representation expenses, professional fees, other tax expenses, bank services, offering expenses and other operating expenses.



Represents % of SG&A



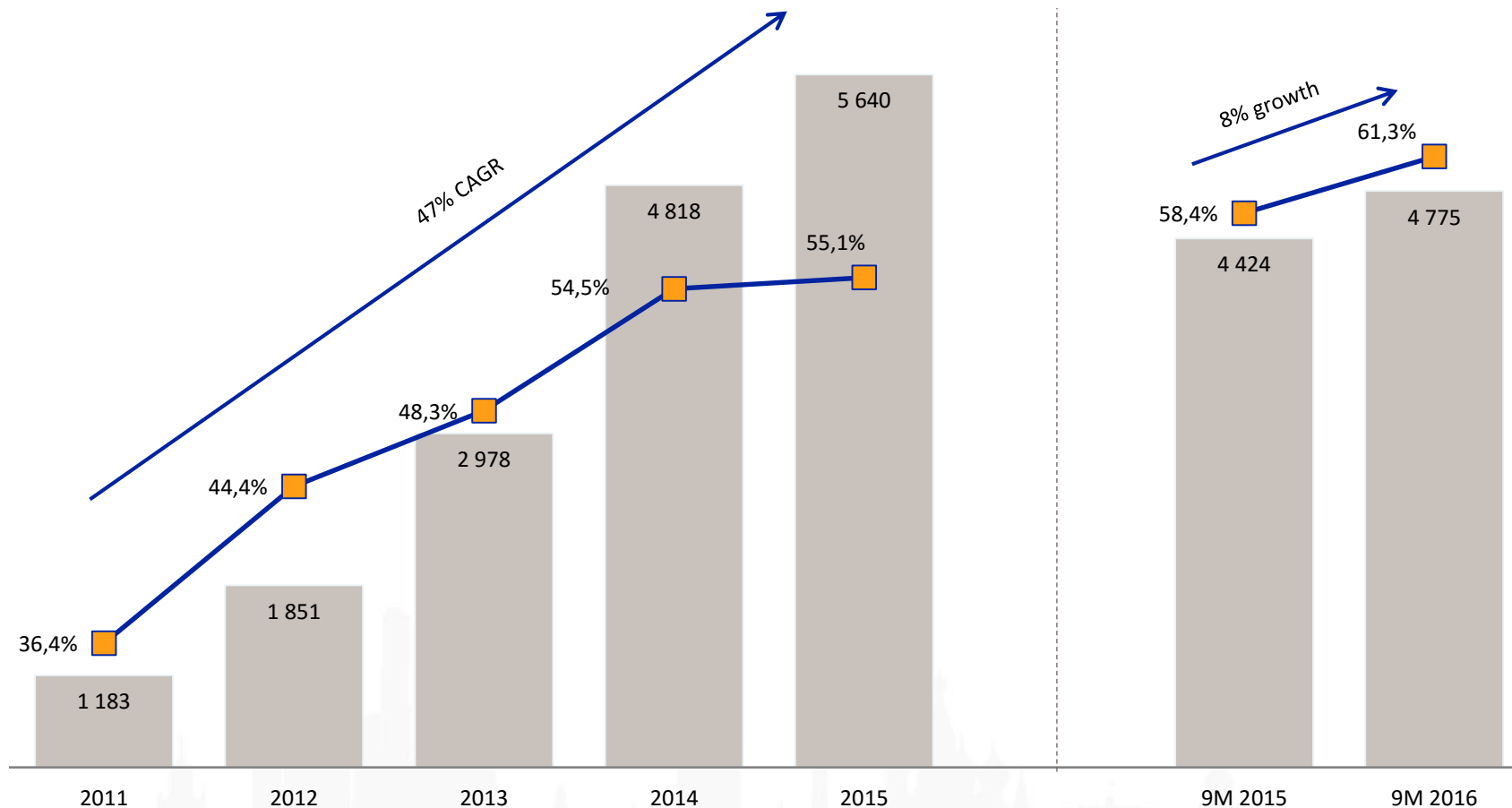
# Adjusted EBITDA and EBITDA Margin



## Adjusted EBITDA<sup>1</sup>

(RUB mm)

Margin



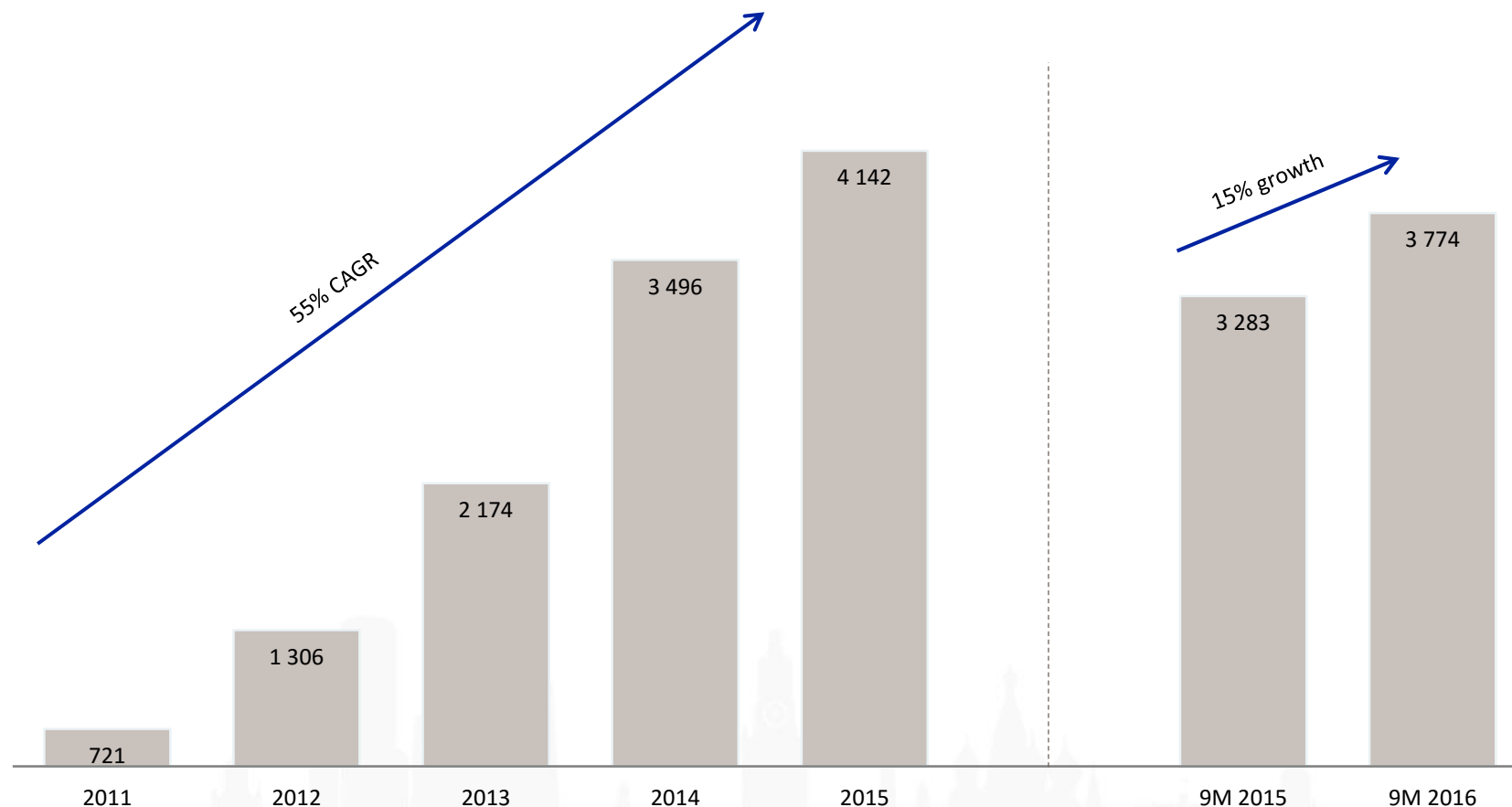
<sup>1</sup> Adjusted EBITDA is defined as net profit before income tax expense, interest expense, interest income and depreciation and amortization, as further adjusted for (loss) gain from discontinued operations, share of loss of an associate, foreign exchange (loss) gain, net, change in fair value of derivative financial assets, other expenses, other income, gain from disposal of subsidiaries, corporate costs allocated to discontinued operations and gain from bargain purchase. Includes impact of revenue derived from inactive accounts.

# Sustainable and Compelling Earnings Growth



## Adjusted Net Profit<sup>1</sup>

(RUB mm)



<sup>1</sup> Defined as net profit excluding loss on discontinued operations (net of tax), corporate costs allocated to discontinued operations, amortization of fair value adjustments, gain on bargain purchase, gains on disposals, and the effects of deferred taxation on those excluded items.

# Appendix



# QIWI's Product Strategy



# QIWI is Focused on Disrupting the Market with Omni Channel Infrastructure



## Expand the suite of services

- New Services for customers
- New Apps and web optionality
- New Funding Sources
- Expansion of distribution channels



## Attract unbanked and underbanked customers

- Low barriers to start using the service
- Focus on Point-of-Market-Entry
- P2P infrastructure
- Roll out of successful international models to our core market

## Innovate through R&D

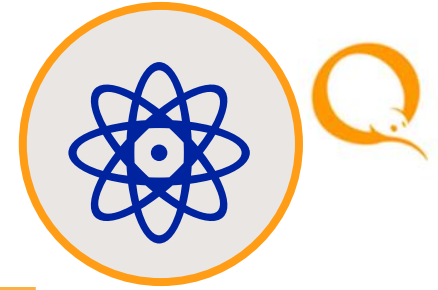
- R&D and technological angle
- Strategic acquisitions of market share or loyalty through organic development and M&A
- Search for synergies
- Expansion of distribution channels
- QIWI ventures

# QIWI

## Expand ecosystem for SMBs

- Offer a broad range of payment options
- Enrich and expand user base
- Develop and spread ancillary services

# Pay and Remit



## Payments

- Develop and innovate core products leveraging existing network
- Offer new services and increased functionality
- Introduce additional apps for targeted categories of payments for example:
  - Car payments – taxes, insurance, fines
  - Home payments – utility bills, internet bills, taxes, insurance
- Offer technological advancements on consumer and merchant sides of our network
- Increase loyalty and usage of existing customers
- Increasing user satisfaction

## Money Remittance

- Develop and promote different money remittance channels
- Optimize existing infrastructure
- Offer advanced technological solutions for money transfers of any size and nature

Technology is:

- ✓ Affordable
- ✓ Convenient
- ✓ Transparent

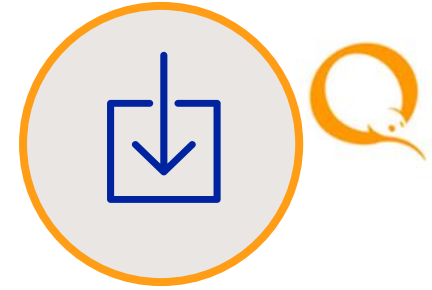
E-money payments in Russia are forecasted to growth with a CAGR of 10%<sup>1</sup>  
(RUB bn)



<sup>1</sup> Source: J'son and Partners; data as of June 2016

# Access and Obtain Funds

## “Bank for un- and under- banked”



### QIWI as a source of funds for the customer

As market is moving towards shared economy we see that we can provide customers with more affordable, convenient, transparent, honest and engaging instrument to finance their daily needs

Focusing on our core small check short term markets and leveraging existing network and infrastructure we are able to provide funds to our customers through different online channels:

- Installments
- Platform for banks and other financial institutions



**45%** Of Russians participate in informal lending<sup>1</sup>



**35%** gave out a loan – RUB **18.5k** per year on average<sup>1</sup>



**28%** took a loan – RUB **20.1K** per year on average<sup>1</sup>

Technology is:

- ✓ Affordable
- ✓ Convenient
- ✓ Transparent

# Invest and Gain Funds



## QIWI as a technological investment tool

With more ways to save and earn we want to give small check retail consumers opportunity to participate in larger financial markets, invest, manage funds and save online.

By leveraging our existing platform, partnering with other market players and engineering proprietary services we aim to provide our customers with additional sources of funds.

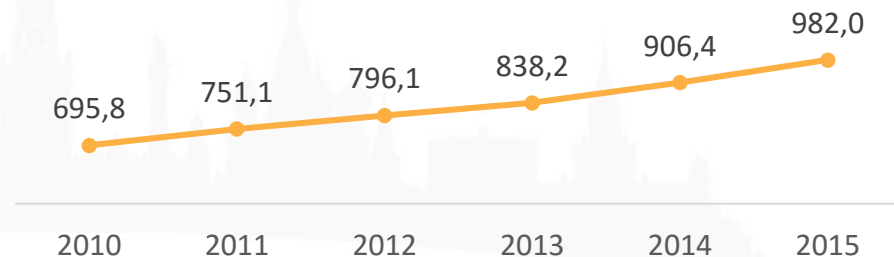
- Trade with QIWI Exchange
- Use savings options
- P2P platform
- Invest with QIWI crowdfunding platform

Although the number of MOEX retail clients has reached nearly 1 million unique accounts in 2015 it is still less than 1% of working-age population in Russia

Technology is:

- ✓ Affordable
- ✓ Convenient
- ✓ Transparent

Number of MOEX unique users – physical persons, residents<sup>1</sup>  
(in thousands)



<sup>1</sup> Source: MOEX Group, NAUFOR research





## QIWI as a fintech innovator

We want to envision the future before anyone else does so we believe it is important to focus on R&D to optimize existing infrastructure and create new innovative solutions.

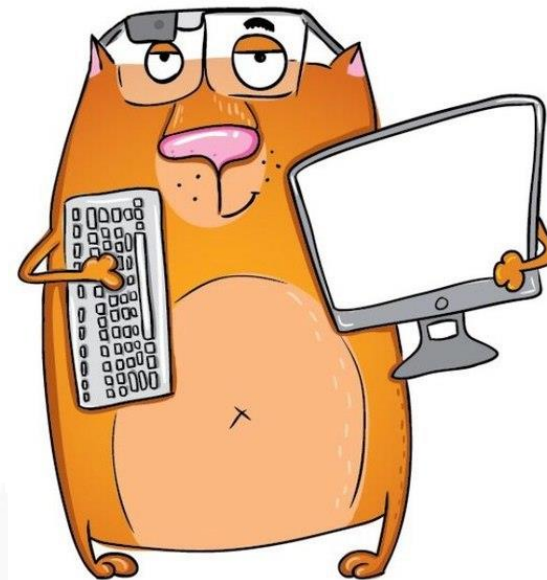
We focus on the following fields:

- Leadership in crypto and block chain technological solutions
- Shipping and delivery integration
- New generation self service kiosks
- New generation IT-driven scoring models utilizing our massive consumer data

QIWI Venture serves as a platform to tap the whole range of new cutting edge projects, technologies and ideas

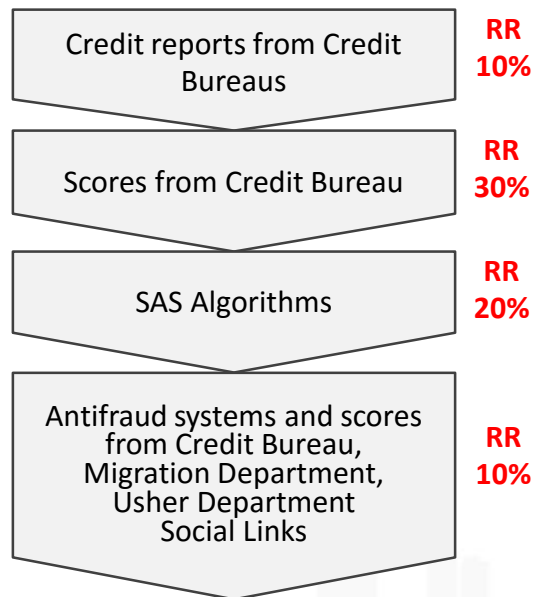
Technology is:

- ✓ Affordable
- ✓ Convenient
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## Risk process — credit limits approval

### IMPLEMENTED



**COR (DR)=15%**  
**AR=30%**

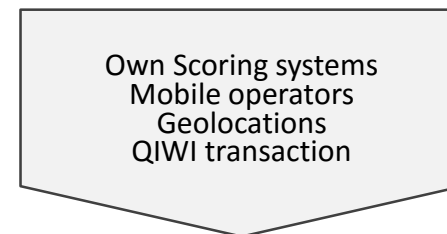


**+AR=10%**

**COR (DR) 15%**  
**AR=40%**

### 3<sup>rd</sup> stage (2017)

+



**+AR=5%**  
**-COR (DR)=3-5%**

**COR (DR) 10-12%**  
**AR=45%**

RR – Reject Rate

AR – Approval Rate

COR – Cost of Risk

DR – Default Rate