

QIWI Announces Full Year 2023 Financial Results

NICOSIA, CYPRUS – April 22, 2024 – QIWI plc (NASDAQ and MOEX: QIWI) (“QIWI” or the “Company”), an innovative provider of cutting-edge fintech services, today announced its financial results for the year ended December 31, 2023.

FY 2023 key operating and financial highlights¹

	FY 2022	FY 2023		FY 2023
	RUB million ⁽²⁾	RUB million	YoY	USD million ⁽³⁾
Continuing operations				
Revenue	4,214	7,205	71.0%	80.3
Total Net Revenue	1,524	2,850	87.0%	31.8
Adjusted EBITDA	(942)	1,147	102.9%	13.2
Adjusted EBITDA margin	-21.4%	15.9%	30.4%	40.2%
Profit for the period	(1,736)	2,387	127.7%	26.6
Adjusted Net Profit	(1,760)	1,267	72.0%	14.1
Adjusted Net Profit margin	-41.5%	17.4%	42.4%	44.6%
Net Revenue	1,388	2,647	90.7%	29.5
Payment Net Revenue	1,384	2,641	90.7%	29.4
Payment Net Revenue, million	139	211	51.8%	2.3
Payment Services (PS)	1.00%	1.01%	0.1 p.p.	1.0%
Other Net Revenue	4	386	9520.5%	4.3
Adjusted Net Profit	525	609	27.4%	7.5
Adjusted Net Profit margin	37.6%	25.3%	(12.5) p.p.	25.2%
Net Revenue	126	203	62.0%	2.3
Adjusted Net (loss)/profit	(2,285)	598	126.2%	6.7
Discontinued operations				
Net Revenue	32,613	33,002	1.2%	368.0
Adjusted Net (loss)/profit	15,756	14,000	(11.1)%	156.1

As of December 31, 2023, the Russian operations subsequently disposed of, were classified as “Assets held for sale” in the Statement of Financial Position, and as a “Discontinued operation” in the Statement of Comprehensive Income for the reported periods. The Russian subsidiaries’ assets represented a significant part of QIWI’s Payment Services operating segment, the entire ROW operations and the entire Digital Marketing segment.

(1) Amounts do not correspond with the previously presented data to discontinued operations.

Key events after the reported period

- On January 19, 2024, QIWI entered into an agreement to sell Russian operations. The sale transaction was closed on January 29, 2024². For more details and information regarding the Transaction and related Risk factors please see QIWI’s 2023 Annual Report on Form 20-F.
- On January 22, 2024, QIWI moved to the new website at <https://qiwi.global/>.
- On January 22, 2024, QIWI convened an Extraordinary General Meeting of Shareholders to approve the buyback program³. On March 11, 2024, shareholders voted against approval of the buyback⁴.

¹ Total Net Revenue adjusted EBITDA, Adjusted EBITDA margin, adjusted Net profit, and adjusted Net profit margin in this release are “non-IFRS financial measures”. Please see the section “Non-IFRS Financial Measures and Supplemental Financial Information” for more details as well as reconciliation at the end of this release.

- ² <https://invest.qiwi.com/news-and-events/news-releases/108264>
- ³ <https://invest.qiwi.com/news-and-events/news-releases/108265>
- ⁴ <https://invest.qiwi.com/news-and-events/news-releases/108267>

- On January 30, 2024 and on February 16, 2024, QIWI announced changes to the senior management team⁵.
- On February 21, 2024, the banking license of the former subsidiary JSC QIWI Bank was revoked, which may have certain implications on the Company’s business⁶.
- On April 22, 2024, QIWI published its 2023 Annual Report on Form 20-F with the U.S. Securities and Exchange Commission.

Changes to the Company’s performance

As of December 31, 2023, the Russian operations subsequently disposed of, were classified as “Assets held for sale” in the Statement of Financial Position, and as a “Discontinued operation” in the Statement of Comprehensive Income for the reported periods. The Russian subsidiaries’ assets represented a significant part of QIWI’s Payment Services operating segment, the entire ROW operations and the entire Digital Marketing segment.

As of December 31, 2023, the Company recognized an Impairment loss of RUB 14.4 billion (\$50.6 million) for a write-down of the Russian subsidiary’s non-current assets, representing the impairment loss applied to the carrying amount of: (i) Goodwill (RUB 8.7 billion), (ii) intangible assets (RUB 4.0 billion) and (iii) property and equipment (RUB 1.6 billion). An additional estimated loss on disposal of the Russian subsidiary’s assets in the amount of RUB 22.7 billion will be recognized in 2024.

As a result of the Transaction, QIWI will primarily focus on developing its payment and financial services business in Kazakhstan (including payment processor through Kassa, mass payments, internet acquiring, payment gateway and digital wallet), payment processing business in the growing region of UAE, as well as investments in fast-growing fintech companies in the MENA, SEA and EU regions. The Company also actively analyzes global opportunities for non-accrue growth through M&A in the payment and fintech sectors, where it has accumulated extensive expertise. The management believes the Company has a strong balance sheet and cash position that enables it to continue its further development.

Total assets of QIWI post-structuring as of December 31, 2023, amount to RUB 43,757 billion (\$487.9 million) represented by Receivables of RUB 22,724 billion (\$253.4 million), Debt securities and loans of 5,794 billion (\$64.6 million), Cash and cash equivalents of RUB 9,979 billion (\$111.3 million), and other assets of RUB 1,246 billion (\$13.8 million).

Annual Revenue of QIWI continuing operations for the year ended December 31, 2023, was 71.0% higher YoY and reached RUB 7.2 billion (\$80.3 million). Net Revenue was 87.0% higher YoY and equalled RUB 2.9 billion (\$31.8 million). Adjusted Net Profit was RUB 1.3 billion (\$14.1 million).

For the major classes of assets and liabilities of Russian entities classified as Assets held for sale and the related Liabilities as at December 31, 2023 and the results of the Discontinued operations for the year ended December 31, 2023, please refer to Note 6 of the audited consolidated financial statements included in the 2023 Annual Report on Form 20-F.

An entity shall disclose the divestiture of the Russian subsidiaries’ assets, comparative historical data has been reclassified to Discontinued operations in order to conform to the current period’s presentation. Unless otherwise stated, the following discussion on operating and financial results of the Company refers to Continuing operations.

Continuing operations FY 2023 results

Net Revenue breakdown by segments

	FY 2022	FY 2023	YoY	FY 2023
	RUB million	RUB million		USD million
Total Net Revenue	1,524	2,850	87.0%	31.8
Payment Services (PS)	1,384	2,647	90.7%	29.5
PS Payment	4	2,641	951.0%	29.4
PS Other Net Revenue	136	203	49.3%	2.3

Total Net Revenue increased by 87.0% YoY to RUB 2,850 million (\$31.8 million) primarily driven by strong performance of Payment Services segment.

PS Net Revenue increased by 90.7% to RUB 2,647 million (\$29.5 million) compared to last year on strong results of PS Payment Net Revenue. PS Payment Net Revenue was 63.4% higher YoY and amounted to RUB 2,261 million (\$25.2 million) as a result of PS Payment Volume increase by 51.8% YoY and slight increase in PS Payment Net Revenue Yield by 8 pps YoY.

PS Payment Volume grew to RUB 215.5 billion mainly as a result of the unbidding of new merchants and operators, the growing payment volume from our product offering for digital entertainment, and overall higher penetration of kiosks network for various use cases of our clients in Kazakhstan.

In 2023 PS Other Net Revenue was RUB 306 million (\$4.3 million) compared to RUB 4 million in 2022, mainly due to higher net revenue derived from increased loans portfolio and higher interest income resulting from a larger investment portfolio.

CO Net Revenue increased by 49.3% YoY to RUB 203 million (\$2.3 million) mainly driven by the growth of interest income from investments in debt securities (US government bonds), and interest income for provided credits.

Operating expenses and other non-operating income and expenses

	FY 2022	FY 2023	YoY	FY 2023
	RUB million	RUB million		USD million
Operating expenses	(2,587)	(1,828)	(29.0)%	(20.4)
Selling, general and administrative expenses	(1,689)%	(641)%	102.9%	(10.3)
Personnel expenses	(45.1)%	(32.4)%	12.7 p.p.	(13.1)
Depreciation, amortization & impairment	(56.4)%	(41.4)%	15.9 p.p.	(1.4)
Credit loss recovery (expense)	(4.1)%	(4.3)%	(0.2) p.p.	(4.4)
Other non-operating income and expenses	(1.2)%	(1.2)%	(138.1)%	(18.1)
Share of loss of an associate	(8.3)%	(5.9)%	27.9%	(1.6)
Foreign exchange (loss)/gain, net	(2.6)%	(5.2)%	(2.6) p.p.	(5.6)
Other income and expenses, net	(45)	(9)	198.7%	0.2
Gain on disposal of subsidiaries, net	-	424	147.7%	10.0
	-	424	147.7%	10.0
	0.0%	14.9%	14.9 p.p.	4.7

Selling, general and administrative expenses by 24.5% YoY to RUB 1,628 million (\$20.4 million) mainly driven by credit loss recovery, foreign exchange gain and gain from disposal of subsidiaries which were partially offset by increased personnel expenses and selling, general and administrative expenses.

Operating expenses decreased by 29.0% YoY to RUB 1,828 million (\$20.4 million) primarily due to (i) increased IT costs on software update and replacement; (ii) increased business travel and representative expenses for development of international business operations; (iii) increased advisory and audit services related to M&A activities and divestiture of Russian assets; (iv) increased advertising and related expenses in Kazakhstan. As a percentage of Total Net Revenue, selling, general and administrative expenses improved by 122 pps YoY to 22.4% resulting from total net revenue growth.

Personnel expenses increased by 37.3% YoY to RUB 1,179 million (\$13.1 million) resulting from a combination of (i) hiring of new staff for development of the products, (ii) indexation of salaries and (iii) higher bonuses due to strong financial performance. As a percentage of Total Net Revenue, personnel expenses improved by 15.0 pps YoY to 41.4% resulting from total net revenue growth.

Depreciation, amortization and impairment increased by 98.4% YoY to RUB 123 million (\$1.4 million) due to the purchase of new software and equipment. As a percentage of Total Net Revenue, depreciation, amortization and impairment stood at 4.3% or 25 pps higher YoY.

Credit loss recovery was RUB 399 million (\$4.4 million) compared to a loss of RUB 999 million in the previous year as a result of reversal of credit losses on restricted bank accounts which were released in 2023.

Other non-operating income (net) was RUB 1,623 million (\$18.1 million) primarily due to (i) gain on disposal of a subsidiary in 2023 in the amount of RUB 424 million (\$4.7 million), (ii) foreign exchange gain of RUB 447 million (\$5.0 million) resulting from an revaluation of cash balances, debt securities and loans issued denominated in US dollars and (iii) other income (net) of RUB 899 million (\$10.0 million) due to the increase in fair value of a long-term convertible loan.

Income tax expense decreased by 52.2% YoY to RUB 260 million (\$2.9 million). For 2023 the effective tax rate was 9.8%, which includes items with no tax effect - the gain from disposal of subsidiaries, credit loss recovery, foreign exchange gain and share of loss of an associate - together in the amount of RUB 1,123 million. Effective tax rate excluding such items was 11.1%.

Profitability results

	FY 2022	FY 2023	YoY	FY 2023
	RUB million	RUB million		USD million
Adjusted EBITDA	(942)	1,147	(221.8)%	12.8
Adjusted EBITDA margin, %	-22.4%	15.9%	30.4%	40.2%
Adjusted Net Profit	(1,760)	1,267	(171.9)%	14.1
Adjusted Net Profit margin, %	-41.5%	17.4%	42.4%	44.6%

Adjusted EBITDA was RUB 1,147 million (\$12.8 million) compared to the loss of RUB 942 million for the FY 2022. Adjusted EBITDA margin was 40.2% driven by the positive operating leverage effect, credit loss recovery and dynamics of other non-operating income described above.

Adjusted Net Profit was RUB 1,267 million (\$14.1 million) compared to a loss of RUB 1,760 million for the FY 2022. Adjusted Net Profit margin was 44.4% primarily driven by EBITDA dynamics and the foreign exchange gain.

NASDAQ listing

NASDAQ halted trading of the Company’s ADSs in 2022. In April 2023, NASDAQ has conditionally accepted the Company’s plan of restructuring in order to avoid delisting of QIWI ADSs. The Company duly informed the NASDAQ Hearings Panel (the “Panel”) and the NASDAQ Staff on the completion of the restructuring and the sale of the Russian operations. In response, the Panel requested the Company to obtain an opinion from OFAC in order to allow the Company’s ADSs trading suspension to be lifted.

The Company believes that following the sale of Russian operations, QIWI plc is in compliance with the NASDAQ listing requirements. We intend to apply to OFAC for its confirmatory opinion. We understand the response from OFAC may take considerable time, although there is no indication on how long the process will take. Until the opinion is obtained the trading halt of QIWI securities under the NASDAQ listing will remain.

Dividends and Buyback

Due to the lingering stock market infrastructure issues, the Company does not see the opportunity to effect distribution of dividends with equal treatment of all existing shareholders. Furthermore, due to the loss associated with the sale of Russian assets to be recognized in 2024 results, the Board decided to keep the distribution of dividends under review.

At the Extraordinary General Meeting of Shareholders (the “EGM”) held on March 11, 2024, shareholders voted against the buyback program.

About QIWI plc.

QIWI Global is an innovative provider of cutting-edge fintech services. We stand at the forefront of fintech innovations to facilitate and secure the digitalization of payments. Our mission is to create adaptive fintech solutions that connect companies and millions of people in the changing world. We offer a wide range of payment and financial service products for merchants and B2C clients across various digital use-cases.

Consolidated Statement of Financial Position (in millions)				
	As of December 31, 2022	As of December 31, 2023	YoY	FY 2023
	RUB	RUB		USD
Assets				
Non-current assets				
Property and equipment	1,163	66	91	0.7
Goodwill and other intangible assets	13,126	61	66	1.0
Investments in associates	479	479	-	5.3
Long-term debt securities and deposits	2,946	4,205	41.9%	46.0
Long-term loans issued	843	309	(63.9)%	3.5
Other non-current assets	257	140	(45.9)%	1.6
Deferred tax assets	208	69	(67.3)%	0.3
Total non-current assets	18,846	4,970	(73.5)%	54.2
Current assets				
Trade and other receivables	15,194	2,080	(86.4)%	23.2
Short-term loans issued	14,200	1,417	(90.0)%	15.6
Short-term debt securities and deposits	14,029	4,993	(64.8)%	55.7
Other current assets	2,195	390	(82.3)%	4.3
Cash and cash equivalents	47,462	7,300	(84.6)%	81.4
Assets held for sale	-	103,395	103,395	1,142.7
Total current assets	93,060	117,367	25.7%	1,308.1
Total assets	111,926	122,337	10.9%	1,362.3
Equity and liabilities				
Equity attributable to equity holders of the parent				
Share capital	1	1	0	0.0
Additional paid-in capital	1,876	1,876	-	20.9
Reserves	12,068	12,068	-	134.6
Other reserves	2,696	2,146	(20.4)%	23.9
Retained earnings	39,341	42,709	10.8%	476.2
Translation reserves	461	163	(64.6)%	1.8
Total equity attributable to equity holders of the parent	56,983	58,963	3.3%	667.4
Non-controlling interests	57	109	89.3%	10.0
Total equity	57,040	59,072	3.5%	677.4
Non-current liabilities				
Long-term lease liabilities	1,134	374	(67.4)%	4.1
Long-term loan liabilities	133	14	(89.5)%	0.2
Long-term non-current liabilities	(5)	(5)	-	(0.1)
Deferred tax liabilities	1,847	428	(76.9)%	5.1
Total non-current liabilities	3,299	768	(76.7)%	8.4
Current liabilities				
Trade and other payables	33,048	5,548	(83.3)%	61.9
Customer accounts and amounts due to banks	11,203	852	(92.5)%	9.0
Short-term debt	3,922	36	(99.1)%	2.8
Short-term lease liabilities	300	14	(95.3)%	0.2
Liabilities directly associated with the assets held for sale	2,268	-	-	55,959
Liabilities directly associated with the assets held for sale	-	-	-	621.0
Total current liabilities	50,741	61,923	21.9%	690.4
Total equity and liabilities	111,926	122,337	10.9%	1,362.3

QIWI plc. Consolidated Statement of Comprehensive Income (in millions, except per share data)				
	December 31, 2022	December 31, 2023	YoY	December 31, 2023
	(restated) ¹			USD
	RUB	RUB		
Continuing operations				
Revenue	4,214	7,205	71.0%	80.3
Revenue from contracts with customers	4,004	6,517	62.9%	72.7
Interest revenue calculated using the effective interest rate	92	100	8.7%	1.1
Fees from inactive accounts and unclaimed payments	70	100	42.9%	1.2
Operating costs and expenses:	(2,587)	(1,828)	(29.0)%	(20.4)
Cost of revenue (exclusive of items shown separately below)	(2,590)	(1,828)	(29.0)%	(20.4)
Selling, general and administrative expenses	(687)	(923)	33.9%	(10.3)
Personnel expenses	(659)	(417)	(36.5)%	(13.1)
Depreciation and amortization	(390)	(429)	10.8%	(4.4)
Credit loss recovery (expense)	(979)	399	124.7%	4.4
Impairment of non-current assets	(16)	(9)	(43.8)%	(0.1)
(Loss)/Profit from operations	(1,065)	1,024	166.8%	11.4
Gain on disposal of subsidiaries, net	-	424	147.7%	10.0
Share of gain(loss) of an associate and a joint venture	(3)	(147)	(44.7)%	(1.6)
Foreign exchange (loss)/gain, net	(653)	447	(44.7)%	(5.6)
Other income and expenses, net	(54)	(9)	(83.3)%	(0.2)
Profit/(loss) before tax from continuing operations	(1,192)	2,647	322.7%	29.5
Income tax expense	(54)	(9)	(83.3)%	(0.2)
Net profit/(loss) from continuing operations	(1,246)	2,387	191.1%	26.6
Discontinued operations				
Profit after tax from discontinued operations	15,491	689	(95.5)%	7.7
Net profit	13,795	3,076	(77.7)%	34.3
Attributable to:				
Equity holders of the parent	13,119	2,768	(78.3)%	30.9
Non-controlling interests	636	308	(51.6)%	3.4
Other comprehensive income				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(142)	244	171.8%	2.7
Net gain/(loss) on disposal of subsidiaries	(142)	244	171.8%	2.7
Debt securities at fair value through other comprehensive income (FVOCI):				
Net (