PROSPECTUS CONTAINED IN SUCH REGISTRATION STATEMENTS.

REGISTRATION STATEMENTS ON FORM S-8 (FILE NO. 333-190918; FILE NO. 333-212441) OF QIWI PLC AND IN THE OUTSTANDING

“ADJUSTED NET PROFIT PER SHARE”, EXHIBIT 99.1 TO THIS REPORT ON FORM 6-K IS INCORPORATED BY REFERENCE IN THE

SEGMENT NET REVENUE YIELD”, “ADJUSTED EBITDA”, “ADJUSTED EBITDA MARGIN”, “ADJUSTED NET PROFIT”, AND

OTHER REVENUE”, “PS OTHER ADJUSTED NET REVENUE”, “PAYMENT AVERAGE ADJUSTED NET REVENUE YIELD”, “CFS

EXCEPT FOR REFERENCES TO “TOTAL NET REVENUE”, “PS PAYMENT REVENUE”, “PS PAYMENT ADJUSTED NET REVENUE”, “PS

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Yes ☐ No ☒

Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

(Address of principal executive offices)

1087 Nicosia Cyprus

Kennedy Business Centre, 2nd Floor, Office 203

12-14 Kennedy Ave.

QIWI plc

For August 19, 2020

OF THE SECURITIES EXCHANGE ACT OF 1934

PURSUANT TO RULE 13A-16 OR 15D-16

REPORT OF A FOREIGN ISSUER

FORM 6-K

Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION

99.3

Acknowledgment letter of Ernst & Young LLC

99.2

Interim condensed consolidated financial statements (unaudited) of QIWI plc for the six months ended June 30, 2020

99.1

“QIWI Announces Second Quarter 2020 Financial Results” press release dated August 19, 2020

Exhibits

Interim Chief Financial Officer

Varvara Kiseleva

Date: August 19, 2020

By: /s/ Varvara Kiseleva

QIWI PLC (Registrant)

undersigned, thereunto duly authorized.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the

SIGNATURES

and I believe we are well positioned to continue strengthening our ecosystem with the ultimate goal of securing our long-term growth prospects.”

like Factoring Plus and Flocktory. Even in these challenging times, we see many opportunities both in the payment space and in the adjacent markets

creating new use cases well fitted to serve our clients, merchants and partners. Simultaneously, we aim to expand our B2B proposition through projects

highly adaptive and consumer-oriented payment services ecosystem. We aim to grow it further by targeting our core niches and areas of expertise and

all key segments and projects. At the same time, we continue to focus on our payment services business as well as on developing and leveraging our

exceeding our initial expectations and are finalizing the wind-down of Roketbank. We strive to further improve the efficiency of our operations across

focused on optimizing our operations and loss-making projects. We have sold our SOVEST project to Sovcombank with the final transaction valuation

digital solutions we have developed to date and aim to develop further,” said Boris Kim, QIWI’s chief executive officer. “Further, this quarter we

believe that the performance of our payment services business demonstrates the resilience of our ecosystem as well as the value and relevance of the

and May were the most challenging months for us so far while in June we have started to see a strong recovery in our key markets and niches. We

Our Payment Services segment showed solid dynamics despite challenging market environment and delivered 5% segment net revenue growth. April

impact of the COVID-19 pandemic and associated lockdown measures imposed globally on our business and operations throughout most of the quarter.

“Today I’m glad to share our second quarter 2020 financial results. This quarter we demonstrated robust performance notwithstanding the negative

•

Total Payment Services volume decreased 6% to RUB 346.8 billion ($5.0 billion)

•

Payment Services Segment Net Profit increased 1% to RUB 3,243 million ($46.4 million) or RUB 52.01 per diluted share

•

Adjusted Net Profit increased 40% to RUB 2,756 million ($39.4 million), or RUB 44.19 per diluted share

•

Adjusted EBITDA increased 48% to RUB 3,905 million ($55.8 million)

•

Payment Services Segment Net Revenue increased 5% to RUB 5,397 million ($77.2 million)

•

Total Net Revenue increased 23% to RUB 6,839 million ($97.8 million)

Second Quarter 2020 Operating and Financial Highlights

second quarter ended June 30, 2020.

NICOSIA, CYPRUS – August 19, 2020 – QIWI plc (NASDAQ: QIWI) (MOEX: QIWI) (“QIWI” or the “Company”) today announced results for the

Board of Directors Approves Dividends of 33 cents per share

QIWI upgrades 2020 Guidance

Profit Increases 40% to RUB 2,756 Million or RUB 44.19 per diluted share

Second Quarter Total Net Revenue Increases 23% to RUB 6,839 Million and Adjusted Net

QIWI Announces Second Quarter 2020 Financial Results

Exhibit 99.1

1 Starting from the first quarter 2020 we present Tochka JV results as part of the Corporate and Other Category

of bank guarantees and factoring portfolios.

second quarter of the prior year. Factoring Net Revenue growth resulted predominantly from the scaling of the project including expansion

•

Factoring Net Revenue for the quarter ended June 30, 2020 was RUB 204 million ($2.9 million) compared with RUB 53 million in the

macroeconomy slow-down triggered by a COVID-19 outbreak.

second quarter of the prior year. Tochka Net Revenue decline primarily resulted from a decrease in the number of active clients due to the

•

Tochka Net Revenue for the quarter ended June 30, 2020 was RUB 166 million ($2.4 million) compared with RUB 186 million in the

Revenue dynamics was driven by primarily the following factors:

Category Net Revenue was RUB 496 million ($7.1 million) compared with RUB 254 million in the second quarter of the prior year. Category Net

marketing solution products of Flocktory; and (iv) net revenue from other start-up projects. For the quarter ended June 30, 2020 Corporate and Other

project1; (ii) net revenue from account receivable financing and digital bank guarantees products of Factoring PLUS project; (iii) net revenue from

Corporate and Other Category (CO) Net Revenue includes: (i) net revenue from cash and settlement services related to the operations of the Tochka

value added options as well as overall growth of the project including increase of the loan portfolio.

was RUB 437 million ($6.2 million) compared with RUB 283 million in the second quarter of the prior year driven by higher adoption of consumer paid

Consumer Financial Services (CFS) Segment Net Revenue which is composed of revenue from the SOVEST project for the quarter ended June 30, 2020

cost-optimization measures including lower call-center, SMS and Voicemails expenses.

inactive accounts and unclaimed payments increased 4% compared with the same period in the prior year to RUB 287 million predominantly driven by

compared with RUB 471 million for the corresponding period in the prior year. PS Other Adjusted Net Revenue excluding revenue from fees for

in the prior year. Fees for inactive accounts and unclaimed payments for the second quarter ended June 30, 2020 were RUB 501 million ($7.2 million)

revenue from overdrafts provided to agents, and advertising, was RUB 788 million ($11.3 million), an increase of 6% compared with RUB 746 million

PS Other Adjusted Net Revenue, which is principally composed of revenue from fees for inactive accounts and unclaimed payments, interest revenue,

primarily from higher net revenue yield in E-commerce market vertical offset by the overall decline in volume.

Payment Adjusted Net Revenue growth was predominantly driven by the improvement of the Payment Average Adjusted Net Revenue Yield resulting

PS Payment Adjusted Net Revenue was RUB 4,609 million ($65.9 million), an increase of 4% compared with RUB 4,412 million in the prior year. PS

with RUB 5,158 million in the prior year.

Payment Services (PS) Segment Net Revenue for the quarter ended June 30, 2020 was RUB 5,397 million ($77.2 million), an increase of 5% compared

Revenue growth.

by the revenue generated from the loyalty program termination, as well as by Payment Services segment and Consumer Financial Services Segment Net

compared with RUB 5,563 million in the prior year. The increase was mainly resulted from Rocketbank Segment Net Revenue growth driven primarily

Total and Segment Net Revenues: Total Net Revenue for the quarter ended June 30, 2020 was RUB 6,839 million ($97.8 million), an increase of 23%

Second Quarter 2020 Results

effect of foreign exchange gain/loss on June 2014 offering proceeds

2 Foreign exchange gain/loss is calculated as total foreign exchange gain/loss, net recognized in the statement of comprehensive income excluding the

previous year;

•

Corporate Net Loss for the second quarter of 2020 was RUB 543 million compared with RUB 242 million for the same period of the

dynamic of CO category Net Loss was driven primarily by the following factors:

Net Loss for the second quarter 2020 was RUB 397 million compared to a Net Loss of RUB 295 million for the same period of the previous year. The

(iii) net profit/loss of the Flocktory project; (iv) net profit/loss from other start-up projects, and (v) Corporate expenses. Corporate and Other Category

Corporate and Other Category Net Loss includes: (i) net profit/loss from the Tochka JV operations; (ii) net profit/loss of Factoring PLUS project;

administrative expenses, predominantly related to lower marketing and consumer acquisition costs.

from Net Revenue growth driven primarily by revenue generated from the loyalty program termination and well as a decrease in selling, general and

Rocketbank Segment Net Profit was RUB 44 million ($0.6 million), as compared to the Net Loss of RUB 511 million in the prior year resulting mainly

predominantly due to portfolio expansion.

and administrative expenses, primarily related to lower marketing and consumer acquisition costs offset by an increase in credit loss expenses

RUB 435 million for the same period of the prior year resulting primarily from Segment Net Revenue growth as well as a decrease in selling, general

The Consumer Financial Services Segment Net Loss for the second quarter 2020 was RUB 134 million ($1.9 million) as compared to a Net Loss of

effect of share-based payments) and an increase in Payment Services Segment foreign exchange loss.

RUB 3,206 million in the prior year driven by Payment Services Segment Net Revenue growth offset by an increase in personnel expenses (excluding

For the quarter ended June 30, 2020, Payment Services Segment Net Profit was RUB 3,243 million ($46.4 million), an increase of 1% compared with

factors impacting Adjusted EBITDA increase offset by higher income tax expenses as well as an increase in foreign exchange loss2.

million), an increase of 40% compared with RUB 1,965 million in the prior year. The growth of Adjusted Net Profit was primarily driven by the same

Adjusted and Segment Net Profit: For the quarter ended June 30, 2020, Adjusted Net Profit (Total Segment Net Profit) was RUB 2,756 million ($39.4

period in the prior year.

margin (Adjusted EBITDA as a percentage of Total Net Revenue) was 57.1% for the quarter ended June 30, 2020 compared with 47.4% for the same

of Payment Services segment personnel expenses, consolidation of Flocktory as well as Rocketbank redundancy compensations. Adjusted EBITDA

1,949 million for the quarter ended June 30, 2020 as compared to RUB 1,543 million for same period in the prior year mainly as a result of an increase

Rocketbank projects. Adjusted EBITDA growth was offset by an increase in personnel expenses (excluding effect of share-based payments) to RUB

prior year resulting from a decrease in advertising, client acquisition and related expenses driven predominantly by the divestiture of SOVEST and

general and administrative expenses to RUB 695 million for the quarter ended June 30, 2020 as compared to RUB 1,230 million for same period in the

RUB 2,639 million in the prior year. The adjusted EBITDA increase was driven primarily by Total Net Revenue growth as well as a decline in selling,

Adjusted EBITDA: For the quarter ended June 30, 2020, Adjusted EBITDA was RUB 3,905 million ($55.8 million), an increase of 48% compared with

consolidated as a part of the QIWI Group in the fourth quarter of 2019.

•

Flocktory Net Revenue for the quarter ended June 30, 2020 was RUB 117 million. Flocktory was considered as an associate before it was

Payment Services Segment going forward.

associated with piloting certain B2B2C products in our Payment Services Segment including predominantly personnel expenses will be attributed to the

B2B2C product pipeline. As of August 1, 2020 we have substantially completed the process of Rocketbank B2C operations wind down. The expenses

Rocketbank assets, including piloting certain projects earlier developed in Rocketbank in our Payment Services Segment particularly as part of our

current Rocketbank service offering will be finalized shortly. At the same time, we continue to review the most efficient ways to reuse or dispose of the

reducing the headcount of the project. We have seen a significant decline in the number of the Rocketbank customers and believe that termination of the

have terminated marketing activities (including cancelation of the Rocketbank loyalty program), significantly increased tariffs, and are currently

are currently proceeding in accordance with the initial wind-down plan. As part of the measures we have taken to wind-down Rocketbank project, we

Rocketbank Winding down: In March 2020, the Board of Directors decided to wind-down Rocketbank operations. We have commenced this process and

Recent Developments

product proposition and operating models.

and compliance procedures. Such decline did not substantially impact our financial or operating performance due to increasing diversification of our

consequent optimization of certain transaction processes, change of inactivity term from 6 to 12 months and enhancement of certain KYC, identification

4%, as compared with 21.8 million as of June 30, 2019 primarily resulting from the introduction of new limitations on the anonymous wallets and

an important part of our infrastructure. The number of active Qiwi Wallet accounts was 20.9 million as of June 30, 2020, a decrease of 0.9 million, or

access to certain retail locations as well as the overall activity of the population. Nevertheless, we believe that our physical distribution network remains

physical distribution network was negatively affected by the spread of COVID-19 pandemic and corresponding lockdown measures that limited users’

the prior year. The number of our kiosks and terminals is generally decreasing as market evolves towards higher share of digital payments, moreover our

The number of active kiosks and terminals was 118,455 including Contact and Rapida physical points of service and decreased by 13% compared with

Payment Services Segment Net Revenue Yield was 1.56%, an increase of 17 bps as compared with 1.39% in the prior year.

Adjusted Net Revenue Yield.

1.33%, increase of 14 bps as compared with 1.19% in the prior year primarily driven by an increase in E-commerce market vertical Payment Average

Financial Services market vertical offset by growth in Money Remittances market vertical volume. Payment Average Adjusted Net Revenue Yield was

($5.0 billion), a decrease of 6% compared with RUB 370.8 billion in the prior year. The decrease in payment volume was primarily driven by decline in

Payment Services Other Operating Data: For the quarter ended June 30, 2020, Payment Services Segment payment volume was RUB 346.8 billion

period of the previous year. Factoring Plus Net Profit growth was mainly driven by project Net Revenue increase.

•

Factoring Plus Net Profit for the second quarter of 2020 was RUB 94 million ($1.3 million) compared with RUB 18 million for the same

Tochka business despite challenging operating environment.

of the previous year. Tochka Net Profit increase resulted from higher equity pick-up primarily driven by the growth and development of the

•

Tochka Net Profit for the second quarter of 2020 was RUB 165 million ($2.4 million) compared with RUB 16 million in the same quarter

3 Guidance is provided in Russian ruble

severe than currently expected. We continue to monitor the situation closely.

based on the trends we see as of the day of this report. If such trends were to deteriorate further the impact on our business and operations could be more

Russian economy also remains unclear but has the potential to be very significant. Our outlook reflects our current views and expectations only and is

activity in our markets. The full scope of the negative impact that the abrupt decline in oil prices and resulting devaluation of the ruble may have on the

environment, as a whole. The full impact remains uncertain and will depend on the length and severity of the effect of the coronavirus on economic

consumer demand will be negatively affected by the outbreak of COVID-19 and what effect the outbreak of COVID-19 will have on the macroeconomic

moment we are not able to accurately estimate the potential impact of COVID-19 on our business. In addition, it is currently unclear how much

consumer demand across the globe and across industries, and there is the potential for COVID-19 and responses to it to cause a global recession. At this

The outbreak of the COVID-19 strain of coronavirus and associated responses from various countries around the world is likely to negatively affect

For the purpose of the guidance in respect of 2020 outlook we would like to outline the following considerations:

•

Adjusted Net Profit is expected to increase by 35% to 50% over 2019.

•

Payment Services Segment Net Revenue is expected to increase by 3% to 10% over 2019;

•

Total Net Revenue is expected to increase by 7% to 15% over 2019;

QIWI upgrades its guidance in respect of 2020 outlook:

2020 Guidance3

It remains the long-term intention of the Company to distribute all excess cash to the shareholders.

accordance with the target range provided, though the payout ratios for each of the quarters may vary and be outside of this range.

The Board of Directors reserves the right to distribute the dividends on a quarterly basis, as it deems necessary so that the total annual payout is in

dividend on September 24, 2020. The holders of ADSs will receive the dividend shortly thereafter.

Directors approved a dividend of USD 33 cents per share. The dividend record date is September 22, 2020, and the Company intends to pay the

Following the determination of the second quarter 2020 financial results and taking into consideration our current operating environment, our Board of

Directors, the Company aims to distribute at least 50% of Group Adjusted Net Profit for 2020.

Dividend: In March 2020, the Board of Directors has approved a target dividend payout ratio for 2020. In accordance with the decision of the Board of

portfolio data presented earlier and IFRS data above is related to the difference between statutory accounts and IFRS.

of Russian Federation rules while the corresponding amounts presented above were calculated in accordance with IFRS. The difference between loan

Gross carrying amount and net amount of loan portfolio presented earlier, were calculated in accordance with statutory accounts based on Central Bank

affect the overall deal value as well as associated loss on disposal.

Under the terms of sale certain other adjustments may occur until the end of 2020, however, we do not believe that such adjustments will materially

We have incurred a pre-tax loss on disposal of the SOVEST project in the amount of RUB 0.7 billion, which is better than our initial expectations.

SOVEST project for a cash consideration of RUB 5.8 billion for such claims and assets including a partial reimbursement of related redundancy costs.

amount of approximately RUB 8 billion and net amount of approximately RUB 6.4 billion (under IFRS) as well as certain other assets related to

transaction the Company assigned claims held against SOVEST customers (the portfolio of instalment card loans) to Sovcombank with a gross carrying

Sale of Sovest project: On July 13, 2020 we completed the sale of the SOVEST consumer lending project to Sovcombank. In connection with this

or to report future events that may affect such forward-looking statements unless QIWI is required to do so by law.

other reports QIWI files with the U.S. Securities and Exchange Commission. QIWI undertakes no obligation to revise any forward-looking statements

perform in accordance with its expectations and other risks identified under the Caption “Risk Factors” in QIWI’s Annual Report on Form 20-F and in

cyberattacks and security vulnerabilities in QIWI’s products and services, QIWI’s ability to expand geographically, the risk that new projects will not

capital risk associated with new projects, a decline in net revenue yield, regulation, QIWI’s ability to grow physical and virtual distribution channels,

verticals, competition, the introduction of new products and services and their acceptance by consumers, QIWI’s ability to estimate the market risk and

to, the macroeconomic conditions of the Russian Federation and in each of the international markets in which we operate, growth in each of our market

factors that could cause actual future results and other future events to differ materially from those estimated by management include, but are not limited

QIWI plc. to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Various

looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of

the divestiture of non-core investments, including Rocketbank as well as the statements regarding the development of other new projects. Such forward-

payments, payment volume growth, growth of physical and virtual distribution channels, trends in each of our market verticals, and statements regarding

Reform Act of 1995, including, without limitation, statements regarding expected total net revenue, adjusted net profit and net revenue yield, dividend

This press release includes “forward-looking statements” within the meaning of, and subject to the protection of, the Private Securities Litigation

Forward-Looking Statements

for goods and services or transfer money across virtual or physical environments interchangeably.

consumers using its network at least once a month. QIWI’s consumers can use cash, stored value and other electronic payment methods in order to pay

enabled merchants and customers to accept and transfer over RUB 116 billion cash and electronic payments monthly connecting over 32 million

payment services across online, mobile and physical channels. It has deployed over 20.9 million virtual wallets, over 118,000 kiosks and terminals, and

QIWI is a leading provider of next generation payment and financial services in Russia and the CIS. It has an integrated proprietary network that enables

About QIWI plc.

https://www.qiwi.ru under the Corporate Investor Relations section or directly at http://investor.qiwi.com/.

13707940. The replay will be available until Wednesday, September 2, 2020. The call will be webcast live from the Company’s website at

be available at 11:30 a.m. ET and can be accessed by dialing +1 (844) 512-2921 or +1 (412) 317-6671 for international callers; the pin number is

conference call can be accessed live over the phone by dialing +1 (877) 407-3982 or for international callers by dialing +1 (201) 493-6780. A replay will

executive officer, Andrey Protopopov, chief executive officer of Payment Services Segment, and Varvara Kiseleva, interim chief financial officer. The

QIWI will host a conference call to discuss second quarter 2020 financial results today at 8:30 a.m. ET. Hosting the call will be Boris Kim, chief

Earnings Conference Call and Audio Webcast

becomes available.

The Company reserves the right to revise guidance in the course of the year or when additional information regarding the effect of the ongoing events

ir@qiwi.com

+357.25028091

Investor Relations

Contact

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Total equity and liabilities

81,477

68,973

986

Total current liabilities

50,240

35,794

512

Liabilities directly associated with the assets held for sale

—

917

13

Other current liabilities

902

522

7

VAT and other taxes payable

184

131

2

Short-term lease liability

340

385

6

Customer accounts and amounts due to banks

21,519

9,556

137

Trade and other payables

27,295

24,283

347

Current liabilities

Total non-current liabilities

3,800

3,838

55

Deferred tax liabilities

749

922

13

Other non-current liabilities

45

40

1

Long-term customer accounts

444

320

5

Long-term lease liability

1,017

1,105

16

Long term debt

1,545

1,451

21

Non-current liabilities

Total equity

27,437

29,341

419

Non-controlling interests

70

60

1

Total equity attributable to equity holders of the parent

27,367

29,281

419

Translation reserve

289

431

6

Retained earnings

10,557

12,305

176

Other reserves

2,576

2,600

37

Share premium

12,068

12,068

173

Additional paid-in capital

1,876

1,876

27

Share capital

1

1

0

Equity attributable to equity holders of the parent

Equity and liabilities

Total assets

81,477

68,973

986

Total current assets

62,117

50,518

722

Assets held for sale

123

6,596

94

Cash and cash equivalents

42,101

33,629

481

Other current assets

917

928

13

Prepaid income tax

259

93

1

Short-term debt securities and deposits

1,136

1,059

15

Short-term loans

11,419

3,360

48

Trade and other receivables

6,162

4,853

69

Current assets

Total non-current assets

19,360

18,455

264

Deferred tax assets

217

225

3

Other non-current assets

83

111

2

Long-term loans

265

268

4

Long-term debt securities and deposits

4,015

3,246

46

Investments in associates

1,118

1,357

19

Goodwill and other intangible assets

11,316

11,010

157

Property and equipment

2,346

2,238

32

Non-current assets

Assets

RUB

RUB

USD(1)

2019 (audited)

2020 (unaudited)

2020 (unaudited)

As of December 31,

As of June 30,

As of June 30,

(in millions)

Consolidated Statement of Financial Position

QIWI plc.

Diluted, profit from continuing operations attributable to ordinary equity holders of the parent

34.25

44.67

0.64

Basic, profit from continuing operations attributable to ordinary equity holders of the parent

34.58

44.83

0.64

Earnings per share for continuing operations

Diluted, profit attributable to ordinary equity holders of the parent

26.87

29.13

0.42

Basic, profit attributable to ordinary equity holders of the parent

27.13

29.24

0.42

Earnings per share:

Non-controlling interests

11

21

0.3

Equity holders of the parent

1,627

1,798

25.7

Attributable to:

Total comprehensive income, net of tax

1,638

1,819

26.0

Total other comprehensive income/(loss), net of tax

(46)

(18)

(0.3)

Net gains recycled to profit or loss upon disposal

—

(25)

(0.4)

Net gains arising during the period, net of tax

—

40

0.6

Debt securities at fair value through other comprehensive income (FVOCI):

Exchange differences on translation of foreign operations

(46)

(33)

(0.5)

Foreign currency translation:

Other comprehensive income to be reclassified to profit or loss in subsequent periods:

Other comprehensive income

Non-controlling interests

12

21

0.3

Equity holders of the parent

1,672

1,816

26.0

Attributable to:

Net profit

1,684

1,837

26.3

Loss from discontinued operations

(459)

(970)

(13.9)

Discontinued operations

Net profit from continuing operations

2,143

2,807

40.1

Income tax expense

(527)

(708)

(10.1)

Profit before tax from continuing operations

2,670

3,515

50.2

Interest income and expenses, net

4

(31)

(0.4)

Foreign exchange loss

(190)

(1,090)

(15.6)

Foreign exchange gain

132

798

11.4

Other income and expenses, net

6

(7)

(0.1)

Share of gain/(loss) of an associate and a joint venture

8

107

1.5

Profit from operations

2,710

3,738

53.4

Impairment of non-current assets

—

(46)

(0.7)

Credit loss (expense)/recovery

13

(1)

(0.0)

Depreciation and amortization

(333)

(312)

(4.5)

Personnel expenses(2)

(1,359)

(1,709)

(24.4)

Selling, general and administrative expenses

(897)

(629)

(9.0)

Cost of revenue (exclusive of items shown separetely below)

(3,948)

(3,679)

(52.6)

Operating costs and expenses:

(6,524)

(6,376)

(91.1)

Other revenue

415

1,110

15.9

Fees from inactive accounts and unclaimed payments

471

501

7.2

Interest revenue calculated using the effective interest rate

805

707

10.1

Payment processing fees

7,543

7,796

111.4

Revenue:

9,234

10,114

144.6

RUB

RUB

USD(1)

June 30, 2019

June 30, 2020

June 30, 2020

Three months ended (unaudited)

(in millions, except per share data)

Consolidated Statement of Comprehensive Income

QIWI plc.

cost of revenue and selling, general and administrative expenses and presented in a separate line for comparative purposes.

all personnel expenses as a single item in a Personnel expenses line. Personnel expenses for the quarter ended June 30, 2019 were separated from

associated with all other activities were disclosed within selling, general, and administrative expenses. Starting full year 2019 reporting we present

(2)

Historically, personnel expenses directly associated with revenue recognized were disclosed within cost of revenue and personnel expenses

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Diluted, profit from continuing operations attributable to ordinary equity holders of the parent

62.70

77.04

1.10

Basic, profit from continuing operations attributable to ordinary equity holders of the parent

63.31

77.33

1.11

Earnings per share for continuing operations

Diluted, profit attributable to ordinary equity holders of the parent

48.02

54.58

0.78

Basic, profit attributable to ordinary equity holders of the parent

48.49

54.78

0.78

Earnings per share:

Non-controlling interests

18

44

0.6

Equity holders of the parent

2,766

3,530

50.5

Attributable to:

Total comprehensive income, net of tax

2,784

3,574

51.1

Total other comprehensive income/(loss), net of tax

(227)

138

2.0

Net gains recycled to profit or loss upon disposal

—

(47)

(0.7)

Net gains arising during the period, net of tax

—

32

0.5

Debt securities at fair value through other comprehensive income (FVOCI):

Exchange differences on translation of foreign operations

(227)

153

2.2

Foreign currency translation:

Other comprehensive income to be reclassified to profit or loss in subsequent periods:

Other comprehensive income

Non-controlling interests

24

33

0.5

Equity holders of the parent

2,987

3,403

48.6

Attributable to:

Net profit

3,011

3,436

49.1

Loss from discontinued operations

(913)

(1,402)

(20.0)

Discontinued operations

Net profit from continuing operations

3,924

4,838

69.2

Income tax expense

(1,000)

(1,232)

(17.6)

Profit before tax from continuing operations

4,924

6,070

86.8

Interest income and expenses, net

(11)

(61)

(0.9)

Foreign exchange loss

(989)

(726)

(10.4)

Foreign exchange gain

773

471

6.7

Other income and expenses, net

55

(23)

(0.3)

Share of gain/(loss) of an associate and a joint venture

(71)

239

3.4

Profit from operations

5,167

6,170

88.2

Impairment of non-current assets

—

(66)

(0.9)

Credit loss (expense)/recovery

30

(19)

(0.3)

Depreciation and amortization

(669)

(612)

(8.7)

Personnel expenses(2)

(2,814)

(3,620)

(51.8)

Selling, general and administrative expenses

(1,699)

(1,522)

(21.8)

Cost of revenue (exclusive of items shown separetely below)

(7,475)

(7,946)

(113.6)

Operating costs and expenses:

(12,627)

(13,785)

(197.1)

Other revenue

991

1,800

25.7

Fees from inactive accounts and unclaimed payments

916

991

14.2

Interest revenue calculated using the effective interest rate

1,397

1,433

20.5

Payment processing fees

14,490

15,731

224.9

Revenue:

17,794

19,955

285.3

RUB

RUB

USD(1)

June 30, 2019

June 30, 2020

June 30, 2020

Six months ended (unaudited)

(in millions, except per share data)

Consolidated Statement of Comprehensive Income

QIWI plc.

from cost of revenue and selling, general and administrative expenses and presented in a separate line for comparative purposes.

all personnel expenses as a single item in a Personnel expenses line. Personnel expenses for the six months ended June 30, 2019 were separated

associated with all other activities were disclosed within selling, general, and administrative expenses. Starting full year 2019 reporting we present

(2)

Historically, personnel expenses directly associated with revenue recognized were disclosed within cost of revenue and personnel expenses

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Cash and cash equivalents at the end of the period

38,602

33,629

481

Cash and cash equivalents at the beginning of the period

40,966

42,101

602

Net decrease in cash and cash equivalents

(2,364)

(8,472)

(121)

Effect of exchange rate changes on cash and cash equivalents

(945)

403

6

Net cash flow used in financing activities

(1,303)

(1,832)

(26)

Dividends paid to non-controlling shareholders

(39)

(54)

(1)

Dividends paid to owners of the Group

(1,122)

(1,630)

(23)

Payment of principal portion of lease liabilities

(142)

(46)

(1)

Proceeds from borrowings

—

(102)

(1)

Financing activities

Net cash flow (used in)/received from investing activities

(1,848)

648

9

Proceeds from sale and redemption of debt instruments

1,412

3,230

46

Purchase of debt securities and deposits

(2,468)

(2,358)

(34)

Repayment of loans issued

26

—

—

Loans issued

(345)

(11)

(0)

Proceeds from sale of fixed and intangible assets

134

54

1

Purchase of intangible assets

(116)

(111)

(2)

Purchase of property and equipment

(291)

(90)

(1)

Cash paid for acquisitions

(200)

(66)

(1)

Investing activities

Net cash flow received from/(used in) operating activities

1,732

(7,691)

(110)

Income tax paid

(748)

(805)

(12)

Interest paid

(144)

(332)

(5)

Interest received

1,741

1,985

28

Cash received from/(used in) operations

883

(8,539)

(122)

Decrease in loans issued from banking operations

220

807

12

Decrease in accounts payable and accruals

(3,179)

(3,391)

(48)

Increase / (decrease) in customer accounts and amounts due to banks

66

(12,441)

(178)

Increase in other assets

(35)

(37)

(1)

(Increase)/decrease in trade and other receivables

(281)

1,218

17

Working capital adjustments:

Other

(10)

(28)

(0)

Loss from initial recognition

91

13

0

Impairment of non-current assets

—

134

2

Share-based payments

256

48

1

Loss on forward contract to sell Sovest loans’ portfolio

—

658

9

Share of (gain) / loss of an associate and a joint venture

71

(239)

(3)

Credit loss expense

281

810

12

Interest income, net

(1,289)

(1,595)

(23)

Foreign exchange loss, net

216

255

4

Depreciation and amortization

690

650

9

Adjustments to reconcile profit before tax to net cash flows:

Profit before tax

3,786

4,599

66

Loss before tax from discontinued operations

(1,138)

(1,471)

(21)

Profit before tax from continuing operations

4,924

6,070

87

Operating activities

RUB

RUB

USD(1)

June 30, 2019

June 30, 2020

June 30, 2020

Six months ended (unaudited)

(in millions)

Consolidated Statement of Cash Flows

QIWI plc.

(2)

For the six months ended June 30, 2019 and June 30, 2020 Total Adjusted Net Profit is equal to Total Segment Net Profit.

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Corporate and Other

(608)

(512)

(7.3)

Rocketbank

(1,001)

(616)

(8.8)

Consumer Financial Services

(967)

(656)

(9.4)

Payment Services

6,194

6,294

90.0

Total Segment Net Profit(2)

3,618

4,510

64.5

Corporate and Other

730

846

12.1

Rocketbank

(295)

532

7.6

Consumer Financial Services

501

1,003

14.3

Payment Services

9,994

10,718

153.2

Total Net Revenue

10,930

13,099

187.3

RUB

RUB

USD (1)

June 30, 2019

June 30, 2020

June 30, 2020

Six months ended (unaudited)

(in millions)

Reporting Segments Data

QIWI plc.

(2)

For the three months ended June 30, 2019 and June 30, 2020 Total Adjusted Net Profit is equal to Total Segment Net Profit.

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Corporate and Other

(295)

(397)

(5.7)

Rocketbank

(511)

44

0.6

Consumer Financial Services

(435)

(134)

(1.9)

Payment Services

3,206

3,243

46.4

Total Segment Net Profit(2)

1,965

2,756

39.4

Corporate and Other

254

496

7.1

Rocketbank

(132)

509

7.3

Consumer Financial Services

283

437

6.2

Payment Services

5,158

5,397

77.2

Total Net Revenue

5,563

6,839

97.8

RUB

RUB

USD (1)

June 30, 2019

June 30, 2020

June 30, 2020

Three months ended (unaudited)

(in millions)

Reporting Segments Data

QIWI plc.

from overdrafts provided to agents, rent of space for kiosks, cash and settlement services and advertising.

others. PS Other Adjusted Net Revenue primarily consists of revenue from fees for inactive accounts and unclaimed payments, interest revenue, revenue

merchant fees charged for a variety of payments including multi-level-marketing, utility bills, government payments, education services and many

charged for payments to MNOs, internet services providers and pay television providers. Other payment adjusted net revenue consists of consumer and

remittance companies, card-to-card transfers and certain wallet-to-wallet transfers. Telecom payment adjusted net revenue primarily consists of fees

microfinance companies. Money Remittances payment adjusted net revenue primarily consists of fees charged for transferring funds via money

Financial Services payment adjusted net revenue primarily consists of fees charged for payments accepted on behalf of our bank partners and

online games, social networks, betting, online stores, game developers, software producers, coupon websites, tickets and numerous other merchants.

E-commerce payment adjusted net revenue consists of fees charged to customers and merchants that buy and sell products and services online, including

PS Payment Adjusted Net Revenue is the Adjusted Net Revenue consisting of the merchant and consumer fees collected for the payment transactions.

Non-IFRS Operating Results in this earnings release.

Revenue and PS Other Adjusted Net Revenue and Net Profit in the case of Adjusted EBITDA and Adjusted Net Profit, see Reconciliation of IFRS to

to the most directly comparable IFRS financial performance measure, which is revenue in the case of Total Net Revenue, PS Payment Adjusted Net

reconciliation of Total Net Revenue, PS Payment Adjusted Net Revenue, PS Other Adjusted Net Revenue, Adjusted EBITDA and Adjusted Net Profit

Adjusted Net Revenue, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Profit, and Adjusted Net Profit per share, including a quantitative

information in its entirety and not rely on a single financial measure. For more information regarding PS Payment Adjusted Net Revenue, PS Other

may not be comparable to other similarly titled measures presented by other companies. QIWI encourages investors and others to review our financial

Furthermore, because these non-IFRS financial measures are not determined in accordance with IFRS, they are susceptible to varying calculations and

Adjusted EBITDA; and Adjusted Net Profit, or earnings per share, in the case of Adjusted Net Profit per share, each prepared in accordance with IFRS.

substitutes for or superior to revenue, in the case of PS Payment Adjusted Net Revenue and PS Other Adjusted Net Revenue; Net Profit, in the case of

Profit and Adjusted Net Profit per share, which are non-IFRS financial measures. You should not consider these non-IFRS financial measures as

This release presents PS Payment Adjusted Net Revenue, PS Other Adjusted Net Revenue, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net

Non-IFRS Financial Measures and Supplemental Financial Information

Diluted

62,224

62,362

62,362

Basic

61,623

62,147

62,147

Weighted-average number of shares used in computing Adjusted Net Profit per share

Diluted

31.58

44.19

0.63

Basic

31.89

44.35

0.63

Adjusted Net Profit per share:

Adjusted Net Profit

1,965

2,756

39.4

Effect from taxation of the above items

(15)

73

1.0

Loss on forward contract to sell Sovest loans’ portfolio

—

658

9.4

Impairment of non-current assets

—

114

1.6

public offering (9)

44

—

—

Foreign exchange (gain)/loss from revaluation of cash proceeds received from secondary

Share-based payments

157

(11)

(0.2)

Expenses related to form F-3 filing

—

—

—

Fair value adjustments recorded on business combinations and their amortization(8)

95

85

1.2

Net profit

1,684

1,837

26.3

Adjusted EBITDA margin

47.4%

57.1%

57.1%

Adjusted EBITDA

2,639

3,905

55.8

Impairment of non-current assets

—

114

1.6

Share-based payments

157

(11)

(0.2)

Loss on forward contract to sell Sovest loans’ portfolio

—

658

9.4

Expenses related to form F-3 filing

—

—

—

Income tax expenses

414

751

10.7

Interest income and expenses, net

(4)

33

0.5

Share of loss/(gain) of an associate and a joint venture

(8)

(107)

(1.5)

Foreign exchange loss

190

1,090

15.6

Foreign exchange gain

(132)

(798)

(11.4)

Other income and expenses, net

(6)

7

0.1

Depreciation and amortization

344

331

4.7

Plus:

Net Profit

1,684

1,837

26.3

Total Net Revenue

5,563

6,839

97.8

Corporate and Other Category Net Revenue

254

496

7.1

Minus: Cost of CO revenue (exclusive of depreciation and amortization)

77

83

1.2

Corporate and Other Category Revenue

331

578

8.3

Rocketbank Net Revenue

(132)

509

7.3

Minus: Cost of Rocketbank revenue (exclusive of depreciation and amortization)

470

178

2.6

Rocketbank Revenue

338

688

9.8

Consumer Financial Services Segment Net Revenue

283

437

6.2

Minus: Cost of CFS revenue (exclusive of depreciation and amortization)

46

49

0.7

Consumer Financial Services Segment Revenue

328

486

7.0

Payment Services Segment Net Revenue

5,158

5,397

77.2

PS Other Adjusted Net Revenue

746

788

11.3

Minus: Cost of PS Other Revenue (exclusive of depreciation and amortization)(7)

280

244

3

PS Other Revenue(6)

1,026

1,032

15

PS Payment Adjusted Net Revenue

4,412

4,609

65.9

Minus: Cost of PS Payment Revenue (exclusive of depreciation and amortization)(5)

3,131

3,187

46

PS Payment Revenue(4)

7,543

7,796

111

Payment Services Segment Revenue

8,569

8,828

126.2

Segment Net Revenue

Total Net Revenue

5,563

6,839

97.8

Minus: Cost of revenue (exclusive of depreciation and amortization) (3)

4,003

3,741

53.5

Revenue (2)

9,566

10,580

151.3

RUB

RUB

USD(1)

June 30, 2019

June 30, 2020

June 30, 2020

Three months ended (unaudited)

(in millions, except per share data)

Reconciliation of IFRS to Non-IFRS Operating Results

QIWI plc.

period, while the former only includes the foreign exchange loss/(gain) on the US dollar amount, which we received at SPO.

Foreign exchange gain in the reconciliation of Net Profit to Adjusted EBITDA as the latter includes all the foreign exchange losses/(gains) for the

(9)

The Forex loss on SPO funds as presented in the reconciliation of Net Profit to Adjusted Net Profit differs from the Foreign exchange loss and

(8)

Amortization of fair value adjustments primarily includes the effect of the acquisition of control in Contact and Rapida.

advertising commissions.

costs, including but not limited to: compensation to employees and related taxes allocated to PS Other Revenue and costs of call-centers and

(7)

Cost of PS Other Revenue (exclusive of depreciation and amortization) primarily consists of direct costs associated with other revenue and other

overdrafts provided to agents, rent of space for kiosks, cash and settlement services and advertising.

(6)

PS Other Revenue primarily consists of revenue from fees for inactive accounts and unclaimed payments, interest revenue, revenue from

customers payable to agents, mobile operators, international payment systems and other parties.

(5)

Cost of PS Payment Revenue (exclusive of depreciation and amortization) primarily consists of transaction costs to acquire payments from our

transactions.

(4)

PS Payment Revenue represents payment processing fees, which primarily consists of the merchant and consumer fees charged for the payment

second quarter ended June 30, 2020

(3)

Including cost of revenue from discontinued operations of RUB 55 million for the second quarter ended June 30, 2019 and RUB 62 million for the

million for the second quarter ended June 30, 2020.

(2)

Including revenue from discontinued operations in the amount of RUB 332 million for the second quarter ended June 30, 2019 and RUB 466

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

Diluted

62,200

62,367

62,367

Basic

61,601

62,137

62,137

Weighted-average number of shares used in computing Adjusted Net Profit per share

Diluted

58.17

72.31

1.03

Basic

58.74

72.58

1.04

Adjusted Net Profit per share:

Adjusted Net Profit

3,618

4,510

64.5

Effect from taxation of the above items

(31)

55

0.8

Loss on forward contract to sell Sovest loans’ portfolio

658

9.4

Impairment of non-current assets

—

134

1.9

public offering (9)

185

—

—

Foreign exchange (gain)/loss from revaluation of cash proceeds received from secondary

Share-based payments

256

48

0.7

Expenses related to form F-3 filing

—

10

0.1

Fair value adjustments recorded on business combinations and their amortization(8)

197

169

2.4

Net profit

3,011

3,436

49.1

Adjusted EBITDA margin

45.5%

47.4%

47.4%

Adjusted EBITDA

4,975

6,203

88.7

Impairment of non-current assets

—

134

1.9

Share-based payments

256

48

0.7

Loss on forward contract to sell Sovest loans’ portfolio

—

658

9.4

Expenses related to form F-3 filing

—

10

0.1

Income tax expenses

775

1,163

16.6

Interest income and expenses, net

11

65

0.9

Share of loss/(gain) of an associate and a joint venture

71

(239)

(3.4)

Foreign exchange loss

989

726

10.4

Foreign exchange gain

(773)

(471)

(6.7)

Other income and expenses, net

(55)

23

0.3

Depreciation and amortization

690

650

9.3

Plus:

Net Profit

3,011

3,436

49.1

Total Net Revenue

10,930

13,099

187.3

Corporate and Other Category Net Revenue

730

846

12.1

Minus: Cost of CO revenue (exclusive of depreciation and amortization)

136

277

4.0

Corporate and Other Category Revenue

866

1,123

16.1

Rocketbank Net Revenue

(295)

532

7.6

Minus: Cost of Rocketbank revenue (exclusive of depreciation and amortization)

908

593

8.5

Rocketbank Revenue

613

1,125

16.1

Consumer Financial Services Segment Net Revenue

501

1,003

14.3

Minus: Cost of CFS revenue (exclusive of depreciation and amortization)

85

124

1.8

Consumer Financial Services Segment Revenue

587

1,126

16.1

Payment Services Segment Net Revenue

9,994

10,718

153.2

PS Other Adjusted Net Revenue

1,407

1,514

21.6

Minus: Cost of PS Other Revenue (exclusive of depreciation and amortization)(7)

540

570

8

PS Other Revenue(6)

1,948

2,085

30

PS Payment Adjusted Net Revenue

8,587

9,203

131.6

Minus: Cost of PS Payment Revenue (exclusive of depreciation and amortization)(5)

5,903

6,528

93

PS Payment Revenue(4)

14,490

15,731

225

Payment Services Segment Revenue

16,438

17,816

254.7

Segment Net Revenue

Total Net Revenue

10,930

13,099

187.3

Minus: Cost of revenue (exclusive of depreciation and amortization) (3)

7,575

8,092

115.7

Revenue (2)

18,504

21,190

302.9

RUB

RUB

USD(1)

June 30, 2019

June 30, 2020

June 30, 2020

Six months ended (unaudited)

(in millions, except per share data)

Reconciliation of IFRS to Non-IFRS Operating Results

QIWI plc.

period, while the former only includes the foreign exchange loss/(gain) on the US dollar amount, which we received at SPO.

Foreign exchange gain in the reconciliation of Net Profit to Adjusted EBITDA as the latter includes all the foreign exchange losses/(gains) for the

(9)

The Forex loss on SPO funds as presented in the reconciliation of Net Profit to Adjusted Net Profit differs from the Foreign exchange loss and

(8)

Amortization of fair value adjustments primarily includes the effect of the acquisition of control in Contact and Rapida.

advertising commissions.

costs, including but not limited to: compensation to employees and related taxes allocated to PS Other Revenue and costs of call-centers and

(7)

Cost of PS Other Revenue (exclusive of depreciation and amortization) primarily consists of direct costs associated with other revenue and other

overdrafts provided to agents, rent of space for kiosks, cash and settlement services and advertising.

(6)

PS Other Revenue primarily consists of revenue from fees for inactive accounts and unclaimed payments, interest revenue, revenue from

customers payable to agents, mobile operators, international payment systems and other parties.

(5)

Cost of PS Payment Revenue (exclusive of depreciation and amortization) primarily consists of transaction costs to acquire payments from our

transactions.

(4)

PS Payment Revenue represents payment processing fees, which primarily consists of the merchant and consumer fees charged for the payment

months ended June 30, 2020

(3)

Including cost of revenue from discontinued operations of RUB 99 million for six months ended June 30, 2019 and RUB 145 million for six

six months ended June 30, 2020.

(2)

Including revenue from discontinued operations in the amount of RUB 710 million for six months ended June 30, 2019 and RUB 1,235 million for

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

reimbursements.

and online (including, but not limited to the partner-merchants) or withdrawn through ATMs less the amount returned for corresponding

(7)

Consumer Financial Services segment payment volume consists of the transaction amounts paid by SOVEST card customers to merchants offline

months prior to the reporting date.

(6)

Active Qiwi Wallet accounts calculated on a yearly basis, i.e. an active account is an account that had at least one transaction within the last 12

period.

kiosks and terminals are calculated as an average of the number of active kiosks and terminals for the last 30 days of the respective reporting

which at least one payment has been processed during the day, which we refer to as active kiosks and terminals. The period end numbers of our

(5)

We measure the numbers of our kiosks and terminals on a daily basis, with only those kiosks and terminals being taken into calculation through

volume.

(4)

Payment Average Adjusted Net Revenue Yield is defined as PS Payment Adjusted Net Revenue divided by Payment Services payment segment

agents.

D&A). PS Payment Revenue primarily consists of merchant and consumer fees. Cost of PS Payment Revenue primarily consists of commission to

(3)

PS Payment Adjusted Net Revenue is calculated as the difference between PS Payment Revenue and PS Cost of Payment Revenue (excluding

conformity with the methodology used by QIWI.

to restate the presented volumes, net revenues and net revenue yields data in case the methodology of Contact and Rapida will be brought in

allocation between different market verticals in Contact and Rapida may differ from the methodology used by QIWI. We therefore retain the right

to merchants or other customers included in each of those market verticals less intra-group eliminations. The methodology of payment volumes

(2)

Payment Services Segment payment volume by market verticals and consolidated payment volume consist of the amounts paid by our customers

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

CFS Segment Net Revenue Yield

4.88%

8.57%

8.57%

Payment volume (million)(7)

5.8

5.1

0.1

Consumer Financial Services Segment key operating metrics

Active Qiwi Wallet accounts (million)(6)

21.8

20.9

20.9

Active kiosks and terminals (units)(5)

136,134

118,455

118,455

Payment Services Segment Net Revenue Yield

1.39%

1.56%

1.56%

Other

0.54%

0.63%

0.63%

Telecom

0.42%

0.56%

0.56%

Money remittances

1.05%

0.93%

0.93%

Financial services

0.31%

0.58%

0.58%

E-commerce

2.51%

2.68%

2.68%

Payment Average Adjusted Net Revenue Yield(4)

1.19%

1.33%

1.33%

Other

50.5

51.0

0.7

Telecom

176.0

238.7

3.4

Money remittances

1,392.4

1,317.5

18.8

Financial services

272.8

313.6

4.5

E-commerce

2,520.1

2,687.7

38.4

Payment adjusted net revenue (million)(3)

4,411.8

4,608.4

65.9

Other

9.4

8.1

0.1

Telecom

41.8

42.6

0.6

Money remittances

132.8

142.2

2.0

Financial services

86.6

53.7

0.8

E-commerce

100.2

100.2

1.4

Payment volume (billion)(2)

370.8

346.8

5.0

Payment Services Segment key operating metrics

RUB

RUB

USD (1)

June 30, 2019

June 30, 2020

June 30, 2020

Three months ended (unaudited)

Other Operating Data

QIWI plc.

reimbursements.

and online (including, but not limited to the partner-merchants) or withdrawn through ATMs less the amount returned for corresponding

(7)

Consumer Financial Services segment payment volume consists of the transaction amounts paid by SOVEST card customers to merchants offline

months prior to the reporting date.

(6)

Active Qiwi Wallet accounts calculated on a yearly basis, i.e. an active account is an account that had at least one transaction within the last 12

period.

kiosks and terminals are calculated as an average of the number of active kiosks and terminals for the last 30 days of the respective reporting

which at least one payment has been processed during the day, which we refer to as active kiosks and terminals. The period end numbers of our

(5)

We measure the numbers of our kiosks and terminals on a daily basis, with only those kiosks and terminals being taken into calculation through

volume.

(4)

Payment Average Adjusted Net Revenue Yield is defined as PS Payment Adjusted Net Revenue divided by Payment Services payment segment

agents.

D&A). PS Payment Revenue primarily consists of merchant and consumer fees. Cost of PS Payment Revenue primarily consists of commission to

(3)

PS Payment Adjusted Net Revenue is calculated as the difference between PS Payment Revenue and PS Cost of Payment Revenue (excluding

conformity with the methodology used by QIWI.

to restate the presented volumes, net revenues and net revenue yields data in case the methodology of Contact and Rapida will be brought in

allocation between different market verticals in Contact and Rapida may differ from the methodology used by QIWI. We therefore retain the right

to merchants or other customers included in each of those market verticals less intra-group eliminations. The methodology of payment volumes

(2)

Payment Services Segment payment volume by market verticals and consolidated payment volume consist of the amounts paid by our customers

Bank of the Russian Federation as of June 30, 2020.

(1)

Calculated using a ruble to U.S. dollar exchange rate of RUB 69.9513 to U.S. $1.00, which was the official exchange rate quoted by the Central

CFS Segment Net Revenue Yield

4.63%

7.23%

7.23%

Payment volume (billion)(7)

10.8

13.9

0.2

Consumer Financial Services Segment key operating metrics

Active Qiwi Wallet accounts (million)(6)

21.8

20.9

20.9

Active kiosks and terminals (units)(5)

136,134

118,455

118,455

Payment Services Segment Net Revenue Yield

1.43%

1.49%

1.49%

Other

0.55%

0.60%

0.60%

Telecom

0.42%

0.52%

0.52%

Money remittances

1.05%

0.93%

0.93%

Financial services

0.35%

0.49%

0.49%

E-commerce

2.59%

2.58%

2.58%

Payment Average Adjusted Net Revenue Yield(4)

1.23%

1.28%

1.28%

Other

105.2

103.9

1.5

Telecom

334.5

430.1

6.1

Money remittances

2,611.3

2,668.5

38.1

Financial services

542.8

600.1

8.6

E-commerce

4,992.5

5,400.5

77.2

Payment adjusted net revenue (million)(3)

8,586.3

9,203.1

131.6

Other

19.2

17.3

0.2

Telecom

80.2

82.7

1.2

Money remittances

249.1

286.5

4.1

Financial services

155.4

121.3

1.7

E-commerce

193.0

209.4

3.0

Payment volume (billion)(2)

696.8

717.1

10.3

Payment Services Segment key operating metrics

RUB

RUB

USD (1)

June 30, 2019

June 30, 2020

June 30, 2020

Six months ended (unaudited)

Other Operating Data

QIWI plc.

F-1

8

Notes to interim condensed consolidated financial statements

F-

6

Interim condensed consolidated statement of changes in equity, for the six months ended June 30, 2019 and 2020

F-

5

Interim condensed consolidated statement of cash flows for the six months ended June 30, 2019 and 2020

F-

4

Interim condensed consolidated statement of comprehensive income for the six months ended June 30, 2019 and 2020

F-

3

Interim condensed consolidated statement of financial position as of December 31, 2019 and June 30, 2020

F-

Interim condensed consolidated financial statements

2

Report of independent registered public accounting firm

F-

(unaudited)

Interim condensed consolidated financial statements

QIWI plc

INDEX TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Exhibit 99.2

Table of Contents

F-2

August 19, 2020

Moscow, Russia

/s/ Ernst & Young LLC

financial statements taken as a whole. Accordingly, we do not express such an opinion.

scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the

principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in

the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists

are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of

These interim financial statements are the responsibility of the Group’s management. We are a public accounting firm registered with the PCAOB and

Basis for Review Results

relation to the consolidated statement of financial position from which it has been derived.

accompanying condensed consolidated statement of financial position of the Group as of December 31, 2019, is fairly stated, in all material respects, in

March 24, 2020, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the

consolidated statements of cash flows and changes in equity for the year then ended, and the related notes (not presented herein); and in our report dated

consolidated statement of financial position of the Group as of December 31, 2019, the related consolidated statements of comprehensive income,

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the

(IFRS).

modifications that should be made to the interim financial statements for them to be in conformity with International Financial Reporting Standards

and the related notes (collectively referred to as the “interim financial statements”). Based on our reviews, we are not aware of any material

and 2019 and interim condensed consolidated statements of cash flows and changes in equity for the six -month periods ended June 30, 2020 and 2019,

June 30, 2020, the related interim condensed consolidated statements of comprehensive income for the six and three-month periods ended June 30, 2020

We have reviewed the accompanying interim condensed consolidated statement of financial position of Qiwi plc and subsidiaries (“the Group”) as of

Results of Review of Interim Financial Statements

To the Shareholders and Board of Directors of Qiwi plc

Report of independent registered public accounting firm

Table of Contents

F-3

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Total equity and liabilities

81,477

68,973

Total current liabilities

50,240

35,794

Liabilities directly associated with the assets held for sale

4

—

917

Other current liabilities

9

902

522

VAT and other taxes payable

184

131

Short-term lease liabilities

14

340

385

Customer accounts and amounts due to banks

11

21,519

9,556

Trade and other payables

10

27,295

24,283

Current liabilities

Total non-current liabilities

3,800

3,838

Deferred tax liabilities

749

922

Other non-current liabilities

45

40

Long-term customer accounts

11

444

320

Long-term lease liabilities

14

1,017

1,105

Long-term debt

12

1,545

1,451

Non-current liabilities

Total equity

27,437

29,341

Non-controlling interests

70

60

Total equity attributable to equity holders of the parent

27,367

29,281

Translation reserve

289

431

Retained earnings

10,557

12,305

Other reserves

2,576

2,600

Share premium

12,068

12,068

Additional paid-in capital

1,876

1,876

Share capital

1

1

Equity attributable to equity holders of the parent

Equity and liabilities

Total assets

81,477

68,973

Total current assets

62,117

50,518

Assets held for sale

4

123

6,596

Cash and cash equivalents

8

42,101

33,629

Other current assets

9

917

928

Prepaid income tax

259

93

Short-term debt securities and deposits

22

1,136

1,059

Short-term loans

6

11,419

3,360

Trade and other receivables

7

6,162

4,853

Current assets

Total non-current assets

19,360

18,455

Deferred tax assets

217

225

Other non-current assets

83

111

Long-term loans

6, 22

265

268

Long-term debt securities and deposits

22

4,015

3,246

Investments in associates

13

1,118

1,357

Goodwill and other intangible assets

4

11,316

11,010

Property and equipment

2,346

2,238

Non-current assets

Assets

Notes

(audited)

(unaudited)

December 31, 2019

June 30, 2020

As of

As of

(in millions of rubles)

June 30, 2020

Interim condensed consolidated statement of financial position

QIWI plc

Table of Contents

F-4

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

\*

Amounts do not correspond with the previously presented ones due to discontinued operations (please refer to Note 4)

parent

34.25

62.70

44.67

77.04

Diluted, profit from continuing operations attributable to ordinary equity holders of the

parent

34.58

63.31

44.83

77.33

Basic, profit from continuing operations attributable to ordinary equity holders of the

Earnings per share for continuing operations

Diluted, profit attributable to ordinary equity holders of the parent

26.87

48.02

29.13

54.58

Basic, profit attributable to ordinary equity holders of the parent

27.13

48.49

29.24

54.78

Earnings per share:

Non-controlling interests

11

18

21

44

Equity holders of the parent

1,627

2,766

1,798

3,530

Attributable to:

Total comprehensive income, net of tax

1,638

2,784

1,819

3,574

Total other comprehensive income/(loss), net of tax

(46)

(227)

(18)

138

Net gains recycled to profit or loss upon disposal

—

—

(25)

(47)

Net gains arising during the period, net of tax

—

—

40

32

Debt securities at fair value through other comprehensive income (FVOCI):

Exchange differences on translation of foreign operations

(46)

(227)

(33)

153

Foreign currency translation:

periods:

Other comprehensive income to be reclassified to profit or loss in subsequent

Other comprehensive income

Non-controlling interests

12

24

21

33

Equity holders of the parent

1,672

2,987

1,816

3,403

Attributable to:

Net profit

1,684

3,011

1,837

3,436

Loss from discontinued operations

4

(459)

(913)

(970)

(1,402)

Discontinued operations

Net profit from continuing operations

2,143

3,924

2,807

4,838

Income tax expense

19

(527)

(1,000)

(708)

(1,232)

Profit before tax from continuing operations

2,670

4,924

3,515

6,070

Interest income and expenses, net

4

(11)

(31)

(61)

Foreign exchange loss

(190)

(989)

(1,090)

(726)

Foreign exchange gain

132

773

798

471

Other income and expenses, net

6

55

(7)

(23)

Share of gain/(loss) of an associate and a joint venture

8

(71)

107

239

Profit from operations

2,710

5,167

3,738

6,170

Impairment of non-current assets

—

—

(46)

(66)

Credit loss (expense)/recovery

6, 7, 8, 20

13

30

(1)

(19)

Depreciation and amortization

(333)

(669)

(312)

(612)

Personnel expenses

(1,359)

(2,814)

(1,709)

(3,620)

Selling, general and administrative expenses

17

(897)

(1,699)

(629)

(1,522)

Cost of revenue (exclusive of items shown separately below)

16

(3,948)

(7,475)

(3,679)

(7,946)

Operating costs and expenses:

(6,524)

(12,627)

(6,376)

(13,785)

Other revenue

15

415

991

1,110

1,800

Fees from inactive accounts and unclaimed payments

471

916

501

991

Interest revenue calculated using the effective interest rate

15

805

1,397

707

1,433

Payment processing fees

7,543

14,490

7,796

15,731

Revenue:

9,234

17,794

10,114

19,955

Notes

June 30, 2019 (restated)\*

June 30, 2020

ended

ended

ended

ended

Three months

Six months

Three months

Six months

Unaudited

(in millions of rubles)

June 30, 2020

Interim condensed consolidated statement of comprehensive income

QIWI plc

Table of Contents

F-5

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Cash and cash equivalents at the end of the period

8

38,602

33,629

Cash and cash equivalents at the beginning of the period

8

40,966

42,101

Net decrease in cash and cash equivalents

(2,364)

(8,472)

Effect of exchange rate changes on cash and cash equivalents

(945)

403

Net cash flow used in financing activities

(1,303)

(1,832)

Dividends paid to non-controlling shareholders

(39)

(54)

Dividends paid to owners of the Group

18

(1,122)

(1,630)

Payment of principal portion of lease liabilities

(142)

(46)

Proceeds from borrowings

—

(102)

Financing activities

Net cash flow (used in)/received from investing activities

(1,848)

648

Proceeds from sale and redemption of debt instruments

1,412

3,230

Purchase of debt securities and deposits

(2,468)

(2,358)

Repayment of loans issued

26

—

Loans issued

(345)

(11)

Proceeds from sale of fixed and intangible assets

134

54

Purchase of intangible assets

(116)

(111)

Purchase of property and equipment

(291)

(90)

Cash paid for acquisitions

(200)

(66)

Investing activities

Net cash flow received from/(used in) operating activities

1,732

(7,691)

Income tax paid

(748)

(805)

Interest paid

(144)

(332)

Interest received

1,741

1,985

Cash received from/(used in) operations

883

(8,539)

Decrease in loans issued from banking operations

220

807

Decrease in accounts payable and accruals

(3,179)

(3,391)

Increase/(decrease) in customer accounts and amounts due to banks

66

(12,441)

Increase in other assets

(35)

(37)

(Increase)/decrease in trade and other receivables

(281)

1,218

Working capital adjustments:

Other

(10)

(28)

Loss from initial recognition

17

91

13

Share-based payments

256

48

Impairment of non-current assets

—

134

Loss on forward contract to sell Sovest loans’ portfolio

4

—

658

Share of (gain) / loss of an associate and a joint venture

71

(239)

Credit loss expense

4, 6, 7, 8, 20

281

810

Interest income, net

15

(1,289)

(1,595)

Foreign exchange loss, net

216

255

Depreciation and amortization

690

650

Adjustments to reconcile profit before tax to net cash flows:

Profit before tax

3,786

4,599

Loss before tax from discontinued operations

4

(1,138)

(1,471)

Profit before tax from continuing operations

4,924

6,070

Operating activities

Notes

June 30, 2019

June 30, 2020

Six months ended (unaudited)

(in millions of rubles)

June 30, 2020

Interim condensed consolidated statement of cash flows

QIWI plc

Table of Contents

F-6

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

(unaudited)

62,172,773

1

1,876 12,068 2,600 12,305

431 29,281

60 29,341

Balance as of June 30, 2020

Other

—

—

—

—

(9)

—

—

(9)

—

(9)

interests

—

—

—

—

—

—

—

—

(54)

(54)

Dividends to non-controlling

Dividends (27 RUR per share)

18

—

—

—

—

—

(1,655)

(1,655)

(1,655)

Exercise of options

79,938

—

—

—

—

—

—

—

—

—

Share-based payments

23.4

—

—

—

—

48

—

—

48

—

48

Total comprehensive income

—

—

—

—

(15)

3,403

142

3,530

44

3,574

Debt instruments at FVOCI

—

—

—

—

(15)

—

—

(15)

—

(15)

Foreign currency translation

—

—

—

—

—

—

142

142

11

153

Other comprehensive income:

Profit for the period

—

—

—

—

—

3,403

—

3,403

33

3,436

(audited)

62,092,835

1

1,876 12,068 2,576 10,557

289 27,367

70 27,437

Balance as of December 31, 2019

Notes

outstanding

Amount

capital

premium

reserve s

earnings

reserve

Total

interests

equity

issued an d

paid-in

Share

Other

Retained

Translation

controlling

Total

shares

Additional

Non-

Number of

Share capital

Attributable to equity holders of the parent

(in millions of rubles, except per share data)

June 30, 2020

Interim condensed consolidated statement of changes in equity

QIWI plc

Table of Contents

F-7

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

(unaudited)

61,637,579

1

1,876 12,068 2,353 10,953

292 27,543

39 27,582

Balance as of June 30, 2019

interests

—

—

—

—

—

—

—

—

(39)

(39)

Dividends to non-controlling

Dividends (18 RUR per share)

—

—

—

—

— (1,125)

—

(1,125)

—

(1,125)

Exercise of options

186,066

—

—

—

—

—

—

—

—

—

Share-based payments

23.4

—

—

—

—

256

—

—

256

—

256

Total comprehensive income

—

—

—

—

—

2,987

(221)

2,766

18

2,784

Foreign currency translation

—

—

—

—

—

—

(221)

(221)

(6)

(227)

Profit for the period

—

—

—

—

—

2,987

—

2,987

24

3,011

(audited)

61,451,513

1

1,876 12,068

2,097

9,091

513 25,646

60 25,706

Balance as of December 31, 2018

Notes

outstanding

Amount

capital

premium

reserve s

earnings

reserve

Total

interests

equity

issued an d

paid-in

Share

Other

Retained

Translation

controlling

Total

shares

Additional

Non-

Number of

Share capital

Attributable to equity holders of the parent

Interim condensed consolidated statement of changes in equity (continued)

QIWI plc

Table of Contents

F-8

• Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued in September, 2019).

• Amendment to IFRS 3 Business Combinations (issued on October 22, 2018).

• Amendments to IAS 1 and IAS 8: Definition of Material (issued on October 31, 2018).

• Amendments to References to the Conceptual Framework in IFRS Standards (issued on March 29, 2018).

Group:

The following amended standards and interpretations became effective for the Group from January 1, 2020, but did not have any material impact on the

effective.

effective as of January 1, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet

preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the

2.2. New standards, interpretations and amendments adopted by the Group

and should be read in conjunction with the Group’s annual financial statements as of December 31, 2019.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements

(RUB (000,000)) except when otherwise indicated.

The condensed consolidated financial statements are presented in Russian rubles (“RUB”) and all values are rounded to the nearest million

Financial Reporting.

The interim condensed consolidated financial statements for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 Interim

2.1. Basis of preparation

2.

Basis of preparation and changes to the Group’s accounting policies

Information on the Company’s principal subsidiaries is disclosed in Note 3.

Sergey Solonin is the ultimate controlling shareholder of the Group as of June 30, 2020.

directors of the Company resolved to change the name of the Company from OE Investments Limited to QIWI Limited and later to QIWI plc.

113. The registered office of the Company is Kennedy 12, Kennedy Business Centre, 2nd Floor, P.C.1087, Nicosia, Cyprus. On September 13, 2010 the

The Company was registered on February 26, 2007 as a limited liability Company OE Investments in Cyprus under the Cyprus Companies Law, Cap.

six months ended June 30, 2020 were authorized for issue on August 13, 2020.

The interim condensed consolidated financial statements of QIWI plc (hereinafter “the Company”) and its subsidiaries (collectively “the Group”) for the

1.

Corporate Information and description of business

Notes to interim condensed consolidated financial statements

QIWI plc

Table of Contents

F-9

Selling, general and administrative expenses

(2,180)

753

197

(1,230)

Cost of revenue

(4,753)

606

144

(4,003)

Personnel expenses

—

(1,359)

(341)

(1,700)

For the three months ended June 30, 2019

Selling, general and administrative expenses

(4,297)

1,467

421

(2,409)

Cost of revenue

(9,207)

1,347

286

(7,574)

Personnel expenses

—

(2,814)

(707)

(3,521)

For the six months ended June 30, 2019

presented

operations

operations

reclassi fied

originally

Continued

Discontinued

As

As

Reclassification

these costs in the current business environment and in order to make the financial statements more comparable with industry peers.

administrative expenses in a separate line on the face of the financial statements. The reclassification was made to better reflect the nature and amount of

In 2019 the Group changed the presentation of its personnel and related costs by segregating it from cost of revenue and selling, general and

2.3. Changes in presentation

2.

Basis of preparation and changes to the Group’s accounting policies (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-10

presented as discontinued operations (Note 4).

amount of 35 for the six months ended June 30, 2020. All transactions related to installment card loans for the purposes of these financial statements are

the six months ended June 30, 2020. If there were no changes in the estimate, the Group would have recognized the loss from initial recognition in the

participants. This change in estimate is applied prospectively starting January 1, 2020, and resulted in no recognition of loss from initial recognition for

January 1, 2020, reliable data for an emerging market of similar installment loan products In Russia became available to a wide range of market

effective interest rate in calculating interest revenue. In prior periods such rate was assumed to be equal to prevailing consumer loans rate. Starting

The Group changed the estimate in relation to market rate used in measurement of fair value of its installment card loans issued that also used as the

Fair value of loans issued

profits and cause a material adverse effect on its business, financial condition and results of operations.

slower payment volume growth. Further adverse changes in economic conditions in Russia could adversely impact the Group’s future revenues and

remains unclear but has the potential to be very significant. As a result of the challenging operating environment in Russia, the Group has experienced

impact that coronavirus, corresponding lockdowns, the abrupt decline in oil prices and resulting exchange rate drop may have on the Russian economy

transportation. As a result, the Russian ruble has significantly and abruptly depreciated against the U.S. dollar and euro. The full scope of the negative

of the coronavirus outbreak was a substantial plunge in the price of crude oil due to extended factory shutdowns and a fall in air travel and road

across the globe and across industries, and there is the potential for coronavirus and the responses to it to cause a global recession. One immediate effect

The outbreak of coronavirus and associated responses from various countries around the world in 2020 have negatively affected consumer demand

for the following:

consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2019, except

Significant accounting judgments, estimates and assumptions adopted in the preparation of the interim condensed consolidated financial statements are

2.4 Significant accounting judgments, estimates and assumptions

2.

Basis of preparation and changes to the Group’s accounting policies (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-11

2

The entity was established during 2020

1

The entity was liquidated during 2020.

JSC Tochka (Russia)

Digital services for banks

40%

40%

Associate

QIWI Finance LLC (Russia) 2

Financing management

—

100%

LALIRA DMCC (UAE)

Payment Services Provider

100%

100%

SETTE FZ-LLC (UAE)

Payment Services Provider

100%

100%

and personalization

99%

99%

FreeAtLast LLC (Russia)

SaaS platform for customer lifecycle management

and personalization

99%

99%

Flocktory Spain S.L. (Spain)

SaaS platform for customer lifecycle management

Flocktory Ltd (Cyprus)

Holding company

99%

99%

Billing Online Solutions LLC (Russia)

Software development

100%

100%

Rocket Universe LLC (Russia)

Software development

100%

100%

ContactPay Solution (United Kingdom)

Operation of on-line payments

100%

100%

Factoring PLUS LLC (ex. QIWI Processing LLC (Russia)

Software development

100%

51%

QIWI Platform LLC (Russia)

Software development

100%

100%

QIWI Shtrikh LLC (Russia)1

On-line cashbox production

51%

—

Qiwi Blockchain Technologies LLC (Russia)

Software development

100%

100%

Future Pay LLC (Russia)

Operation of on-line payments

100%

100%

Postomatnye Tekhnologii LLC (Russia)

Logistic

100%

100%

Attenium LLC (Russia)

Management services

100%

100%

QIWI Management Services FZ-LLC (UAE)

Management services

100%

100%

QIWI ROMANIA SRL (Romania)

Operation of electronic payment kiosks

100%

100%

QIWI-M S.R.L. (Moldova)

Operation of electronic payment kiosks

51%

51%

JLLC OSMP BEL (Belarus)

Operation of electronic payment kiosks

51%

51%

Qiwi Kazakhstan LP (Kazakhstan)

Operation of electronic payment kiosks

100%

100%

QIWI International Payment System LLC (USA)

Operation of electronic payment kiosks

100%

100%

QIWI Payments Services Provider Ltd (UAE)

Operation of on-line payments

100%

100%

transfer, consumer and SME financial services

100%

100%

QIWI Bank JSC (Russia)

Maintenance of electronic payment systems, money

JSC QIWI (Russia)

Operation of electronic payment kiosks

100%

100%

Subsidiary

Main activity

2019

2020

December 31,

June 30,

As of

As of

Ownership interest

The subsidiaries are listed below:

The interim condensed consolidated IFRS financial statements include the assets, liabilities and financial results of the Company and its subsidiaries.

3.

Group structure

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-12

SOVEST project represents the entire Group’s Consumer Financial Services operating segment.

0,7 billion.

The sale of SOVEST assets was completed in July 2020 for approximately RUB 6 billion, resulting in a pre-tax loss on disposal of approximately RUB

financial position.

accrued personnel expenses in assets held for sale and in the liabilities directly associated with the assets held for sale in the consolidated statement of

employees and obliges to reimburse to the Group corresponding redundancy costs, if any. The Group recognized related reimbursement asset and

As a part of the transaction, the Group was to dismiss most SOVEST employees and the buyer intends to extend job offers to certain SOVEST

consolidated statement of comprehensive income.

The Group also recognized loss on fair valuation of the forward contract liability in amount of 658 in net loss from discontinued operations in the

Note 22.

directly associated with assets held for sale in the consolidated statement of financial position. Fair value measurement disclosures are provided in

the instalment card loans and cash consideration to be received as part of the transaction. The forward contract liability was presented in liabilities

liability under the forward contract as of 30 June 2020 at its estimated fair value of 658, which approximated the difference between carrying amount of

The framework Agreement to sell SOVEST loan portfolio became non-cancellable forward contract starting from June 18, 2020. The Group recognized

brands and domains. At 30 June 2020, SOVEST was classified as a disposal group held for sale and as a discontinued operation.

an unrelated party. As a part of the transaction, the Group should assign the portfolio of SOVEST instalment card loans as well as transfer respective

In June 2020, the Group entered into the framework Agreement and several related binding agreements to sell certain specific SOVEST project assets to

In the second quarter of 2020 the Group made a decision to dispose its SOVEST project.

SOVEST disposal

ways to reuse or dispose of the Rocketbank assets. The Rocketbank’s operations are not considered as discontinued until the liquidation is completed.

In March 2020, the Board of Directors has decided to wind down the Rocketbank project and the Group is currently investigating the most efficient

Rocketbank wind down

4.

Acquisitions, disposals and business combinations

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-13

loss.

group to their fair values less cost to sell. This impairment of non-current assets was recognised in discontinued operations in the statement of profit or

assets and impairment loss was identified and recognised in June 2020 in the amount of 68 to reduce the carrying amount of the assets in the disposal

Immediately before the classification of SOVEST as discontinued operations, the recoverable amount was estimated for certain items of Intangible

Impairment of non-current assets

Diluted, loss from discontinued operations attributable to ordinary equity holders of the parent

(7.38)

(14.68) (15.54)

(22.46)

Basic, loss from discontinued operations attributable to ordinary equity holders of the parent

(7.45)

(14.82) (15.59)

(22.55)

Earnings per share for discontinued operations

Net loss from discontinued operations

(459)

(913)

(970)

(1,402)

Income tax benefit/(expense)

113

225

(43)

69

Loss before tax from discontinued operations

(572)

(1,138)

(927)

(1,471)

Interest income and expenses, net

—

—

(2)

(4)

Loss on forward contract to sell Sovest loans’ portfolio

—

—

(658)

(658)

Loss from operations

(572)

(1,138)

(267)

(809)

Impairment of non-current assets

—

—

(68)

(68)

Credit loss expense

(164)

(311)

(289)

(791)

Depreciation and amortization

(11)

(21)

(19)

(38)

Personnel expenses

(341)

(707)

(229)

(601)

Selling, general and administrative expenses

(333)

(710)

(66)

(401)

Cost of revenue (exclusive of items shown separately below)

(55)

(99)

(62)

(145)

Operating costs and expenses:

(904)

(1,848)

(733)

(2,044)

Other revenue

223

397

305

740

Interest revenue calculated using the effective interest rate

109

313

161

495

Revenue:

332

710

466

1,235

June 30, 2019

June 30, 2020

ended

ended

ended

ended

months

Six months

months

Six months

Three

Three

The results of the SOVEST project for the reporting periods are presented below:

4.

Acquisitions, disposals and business combinations (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-14

Net cash (outflow)/inflow

(1,009)

801

Financing

—

(14)

Investing

(12)

(7)

Operating

(997)

822

2019

2020

ended June 3 0,

ended June 3 0,

Six months

Six months

The net cash flows incurred by the SOVEST project are, as follows:

Net assets directly associated with disposal group

5,679

Liabilities directly associated with assets held for sale

917

Provision for undrawn credit commitments (Note 20)

76

Accrued personnel expenses

183

Forward contract to sell Sovest loans’ portfolio

658

Liabilities

Assets held for sale

6,596

Reimbursement asset

200

Loans issued

6,396

Assets

Amount

The major classes of assets and liabilities of the SOVEST project classified as held for sale as at June 30, 2020 are, as follows:

4.

Acquisitions, disposals and business combinations (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-15

the purpose of segment reporting.

presented separately to the CODM. Results of other operating segments and corporate expenses are included in Corporate and Other (CO) category for

For the purpose of management reporting, expenses related to corporate back-office operations were not allocated to any operating segment and are

customers.

•

Rocketbank (RB), operating segment that generates revenue through offering digital banking service including debit cards and deposits to retail

presented by SOVEST installment card project;

•

Consumer Financial Services (CFS), operating segment that generates revenue through financial services rendered to individuals, currently

customers through a diverse range of channels and interfaces;

•

Payment Services (PS), operating segment that generates revenue through operations of the payment processing system offered to the Group’s

Services and Rocketbank:

segment profit before tax and segment net profit separately for each of the following reportable segments: Payment Services, Consumer Financial

The Group has identified its operating segments based on the types of products and services the Group offers. The CODM reviews segment net revenue,

not monitor balances of assets and liabilities by segments as the CODM considers they have no impact on decision-making.

tax and segment net profit. Segment net revenue is a measure of profitability defined as the segment revenues less segment direct costs. The Group does

tax and segment net profit. The Group measures the performance of its operating segments by monitoring: segment net revenue, segment profit before

The financial data is presented on a combined basis for all key subsidiaries and associates representing the segment net revenue, segment profit before

profit before tax and segment net profit for the Group as well as certain operational data.

•

The CEO regularly reviews the financial and operational reports of the Group. These reports primarily include segment net revenue, segment

•

The CEO is actively involved in the operations of the Group and regularly chairs meetings on key projects of the Group; and

on bonus pool distribution is left with the Board of directors (BOD);

indicators (KPIs) and total bonus pool for those executive officers. In case of underperformance of corporate KPIs a right to make a final decision

•

The CEO determines compensation of other executive officers while the Group’s board of directors approves corporate key performance

In determining that the CODM was the CEO, the Group considered the CEO responsibilities as well as the following factors:

comprehensive income.

reviewing the operational performance of the Group and allocating resources, the CODM reviews selected items of each segment’s statement of

The Chief executive officer (CEO) and executive board of the Group is considered as the chief operating decision maker of the Group (CODM). In

5.

Operating segments

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-16

Segment net profit/(loss)

3,206

(435) (511) (295) 1,965

Segment profit/(loss) before tax

3,840 (547) (641) (258) 2,394

Segment net revenue

5,158 283 (132) 254 5,563

Revenue

8,569 328

338

331 9,566

PS CFS

RB

CO

Total

Three months ended June 30, 2019

The segments’ statement of comprehensive income for the three months ended June 30, 2019, as presented to the CODM are presented below:

Segment net profit/(loss)

6,194

(967) (1,001) (608)

3,618

Segment profit/(loss) before tax

7,420 (1,214) (1,245) (537)

4,424

Segment net revenue

9,994

501

(295) 730 10,930

Revenue

16,438

587

613

866 18,504

PS

CFS

RB

CO

Total

Six months ended June 30, 2019

The segments’ statement of comprehensive income for the six months ended June 30, 2019, as presented to the CODM are presented below:

Segment net profit/(loss)

3,243

(134)

44

(397)

2,756

Segment profit/(loss) before tax

3,801 (166)

86 (287)

3,434

Segment net revenue

5,397 437 509 496

6,839

Revenue

8,828 486 688 578 10,580

PS CFS

RB

CO

Total

Three months ended June 30, 2020

The segments’ statement of comprehensive income for the three months ended June 30, 2020, as presented to the CODM are presented below:

Segment net profit/(loss)

6,294

(656)

(616)

(512)

4,510

Segment profit/(loss) before tax

7,525 (825)

(717)

(365)

5,618

Segment net revenue

10,718 1,003

532

846 13,099

Revenue

17,816 1,126 1,125 1,123 21,190

PS

CFS

RB

CO

Total

Six months ended June 30, 2020

The segments’ statement of comprehensive income for the six months ended June 30, 2020, as presented to the CODM are presented below:

is also excluded from management reporting.

as well as non-recurring items that occur from time to time and are evaluated for adjustment as and when they occur. The tax effect of these adjustments

proceeds received from secondary public offering, the effect of disposal of subsidiaries and fair value adjustments, such as amortization and impairment,

registration statement on Form F-3 for our major shareholders and related transaction expenses, foreign exchange gain/(loss) from revaluation of cash

the operating performance of the business. The adjustments affect such major areas as share-based payments, expenses associated with filing the

Management reporting is different from IFRS, because it does not include certain IFRS adjustments, which are not analyzed by the CODM in assessing

5.

Operating segments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-17

Total segments profit before tax, as presented to CODM

2,394

4,424

3,434

5,618

received from secondary public offering

44

185

—

—

Foreign exchange (gain)/loss from revaluation of cash proceeds

Loss on forward contract to sell Sovest loans’ portfolio

—

—

658

658

Expenses related to form F-3 filing

—

—

—

10

Share-based payments

157

256

(11)

48

Impairment of non-current assets

—

—

114

134

amortization

95

197

85

169

Fair value adjustments recorded on business combinations and their

IFRS (Note 4)

(572)

(1,138)

(927)

(1,471)

Consolidated loss before tax from discontinuing operations under

IFRS

2,670

4,924

3,515

6,070

Consolidated profit before tax from continuing operations under

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

months ended June 30, 2020 and 2019, is presented below:

A reconciliation of segment profit before tax as presented to the CODM to IFRS consolidated profit before tax of the Group, for the three and six

Total segments net revenue, as presented to CODM

5,563

10,930

6,839

13,099

Cost of revenue from discontinuing operations (Note 4)

(55)

(99)

(62)

(145)

Cost of revenue from continuing operations

(3,948)

(7,475)

(3,679)

(7,946)

Revenue from discontinuing operations under IFRS (Note 4)

332

710

466

1,235

Revenue from continuing operations under IFRS

9,234

17,794

10,114

19,955

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

from revenue as presented in the table below:

Segment net revenue, as presented to the CODM, for the three and six months ended June 30, 2020 and 2019 is calculated by subtracting cost of revenue

5.

Operating segments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-18

June 30, 2020 (amounted to 10.04% for the three months ended June 30, 2019). This revenue was generated within the PS segment.

months ended June 30, 2020 (had no such customers for the six months ended June 30, 2019), and has no such customers for the three months ended

The Group has only one external customer the revenue from whom exceeded 10% of the Group’s total revenue and amounted to 11.1% for the six

Revenue is recognized according to merchants’ or consumers’ geographic place. The majority of the Group’s non-current assets are located in Russia.

operations

9,566

18,504

10,580

21,190

Total revenue from continued and discontinued

Other

1,129

2,285

1,365

2,758

EU

868

1,716

710

1,384

Other CIS

388

753

365

762

Russia

7,181

13,750

8,140

16,286

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

Revenues from external customers are presented below:

Geographic information

Total segments net profit, as presented to CODM

1,965

3,618

2,756

4,510

Effect from taxation of the above items

(15)

(31)

73

55

received from secondary public offering

44

185

—

—

Foreign exchange (gain)/loss from revaluation of cash proceeds

Loss on forward contract to sell Sovest loans’ portfolio

—

—

658

658

Expenses related to form F-3 filing

—

—

—

10

Share-based payments

157

256

(11)

48

Impairment of non-current assets

—

—

114

134

amortization

95

197

85

169

Fair value adjustments recorded on business combinations and their

(Note 4)

(459)

(913)

(970)

(1,402)

Consolidated net loss from discontinuing operations under IFRS

Consolidated net profit from continuing operations under IFRS

2,143

3,924

2,807

4,838

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

June 30, 2020 and 2019, is presented below:

A reconciliation of segment net profit as presented to the CODM to IFRS consolidated net profit of the Group, for the three and six months ended

5.

Operating segments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-19

ECL allowance as of June 30, 2020

—

—

(41)

(41)

Reclassification to disposal group

212

338 1,073 1,623

Transfers between stages

140

(8)

(132)

—

reporting period

(123)

(210)

(488)

(821)

Changes because of financial instruments (originated or acquired)/derecognized during the

ECL allowance as of January 1, 2020

(229)

(120) (494)

(843)

Collectiv e

Collectiv e

3

Total

Stage 1

Stage 2

Stage

the following:

An analysis of the changes in the ECL allowances due to changes in corresponding gross carrying amounts for the six months ended June 30, 2020, was

for credit risk rating grades analysis. Loans issued are not collateralized.

The amounts in the tables show the maximum exposure to credit risk regarding loans issued. The Group has no internal grading system of loans issued

Total short-term loans

12,262

(843)

11,419

Installment Card Loans

8,795

(810)

7,985

Loans to legal entities

3,467

(33)

3,434

Short-term loans

Total long-term loans

265

—

265

Loans to legal entities

265

—

265

Long-term loans

December 31, 2019

loss allowance

December 31, 2019

Total as of

Expected credit

Net as of

As of December 31, 2019, long-term and short-term loans consisted of the following:

Total short-term loans

3,401

(41)

3,360

Loans to legal entities

3,401

(41)

3,360

Short-term loans

Total long-term loans

268

—

268

Loans to legal entities

268

—

268

Long-term loans

June 30, 2020

loss allowance

June 30, 2020

Total as of

Expected credit

Net as of

As of June 30, 2020, long-term and short-term loans issued consisted of the following:

6.

Long-term and short-term loans issued

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-20

Total trade and other receivables

5,117

(264)

4,853

Advances issued

274

(3)

271

Total financial assets

4,843

(261)

4,582

Other receivables

455

(70)

385

Commissions receivable

136

(19)

117

Deposits issued to merchants

1,767

(16)

1,751

Cash receivable from agents

2,485

(156)

2,329

2020

for impairment

2020

June 30,

allowance/Provision

June 30,

Total as of

Expected credit loss

Net as of

As of June 30, 2020, trade and other receivables consisted of the following:

7.

Trade and other receivables

As of June 30, 2020, and December 31, 2019, the Group had no overdue but not impaired loans.

ECL allowance as of June 30, 2019

(170)

(126)

(850)

(1,146)

Transfers between stages

7

2

(9)

—

the reporting period

26

21

(219)

(172)

Changes because of financial instruments (originated or acquired)/derecognized during

ECL allowance as of April 1, 2019

(203)

(149)

(622)

(974)

Collectiv e

Collectiv e Stage 3

Total

Stage 1

Stage 2

was the following:

An analysis of the changes in the ECL allowances due to changes in corresponding gross carrying amounts for the three months ended June 30, 2019,

ECL allowance as of June 30, 2019

(170)

(126)

(850)

(1,146)

Transfers between stages

127

(7)

(120)

—

the reporting period

(81)

1

(213)

(293)

Changes because of financial instruments (originated or acquired)/derecognized during

ECL allowance as of January 1, 2019

(216)

(120)

(517)

(853)

Collectiv e

Collectiv e Stage 3

Total

Stage 1

Stage 2

the following:

An analysis of the changes in the ECL allowances due to changes in corresponding gross carrying amounts for the six months ended June 30, 2019, was

ECL allowance as of June 30, 2020

—

—

(41)

(41)

Reclassification to disposal group

212

338 1,073

1,623

Transfers between stages

9

9

(18)

—

the reporting period

65

44

(392)

(283)

Changes because of financial instruments (originated or acquired)/derecognized during

ECL allowance as of April 1, 2020

(286)

(391)

(704)

(1,381)

Collectiv e

Collectiv e

Stage 3

Total

Stage 1

Stage 2

was the following:

An analysis of the changes in the ECL allowances due to changes in corresponding gross carrying amounts for the three months ended June 30, 2020,

6.

Long-term and short-term loans issued (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-21

ECL allowance as of June 30,

(271)

(264)

Amounts written off

14 15

derecognized during the reporting period

18 (10)

Changes because of financial instruments (originated or acquired)/

ECL allowance as of April 1,

(303) (269)

2019 2020

and June 30, 2019, was the following:

An analysis of the changes in the ECL allowances due to changes in the corresponding gross carrying amounts for the three months ended June 30, 2020

ECL allowance as of June 30,

(271)

(264)

Amounts written off

72 43

derecognized during the reporting period

23 (18)

Changes because of financial instruments (originated or acquired)/

ECL allowance as of January 1,

(366) (289)

2019 2020

and June 30, 2019, was the following:

An analysis of the changes in the ECL allowances due to changes in the corresponding gross carrying amounts for the six months ended June 30, 2020

overdraft.

interest rate of 20%-36% per annum and credit terms generally do not exceed 30 days. There is no requirement for collateral for customer to receive an

of Trade and other receivables for credit risk rating grades analysis. Receivables are non-interest bearing, except for agent receivables bearing, generally,

The amounts in the tables show the maximum exposure to credit risk regarding Trade and other receivables. The Group has no internal grading system

Total trade and other receivables

6,451

(289)

6,162

Advances issued

380

(1)

379

Total financial assets

6,071

(288)

5,783

Other receivables

276

(56)

220

Commissions receivable

158

(21)

137

Deposits issued to merchants

2,690

(12)

2,678

Cash receivable from agents

2,947

(199)

2,748

2019

for impairment

2019

December 31,

allowance/Provision

December 31,

Total as of

Expected credit loss

Net as of

As of December 31, 2019, trade and other receivables consisted of the following:

7.

Trade and other receivables (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-22

The Group has no internal grading system of other current assets for credit risk rating grades analysis.

from cash and cash equivalents for the purposes of cash flow statement and does not have a repayment date.

mandatory reserves established by the CBR constitute 4.75% for liabilities in RUR and 8% for liabilities in foreign currency. The amount is excluded

\* Banks are currently required to post mandatory reserves with the CBR to be held in non-interest bearing accounts. Starting from July 1, 2019, such

Total other current assets

917

928

Other

76

184

Prepaid expenses

230

164

Total other financial assets

611

580

Reserves at CBR\*

611

580

December 31, 2019

June 30, 2020

As of

As of

As of June 30, 2020 and December 31, 2019, other current assets consisted of the following:

9.1 Other current assets

9.

Other current assets and other current liabilities

Since 2017 the Company has a bank guarantee and secured it by a cash deposit of U.S.$ 2.5 mln until July 31, 2021.

cash and cash equivalents for credit risk rating grades analysis.

The amounts in the table show the maximum exposure to credit risk regarding cash and cash equivalents. The Group has no internal grading system of

The Group held cash and cash equivalents in different currencies mainly in Russian rubles and U.S. dollars.

Total cash and cash equivalents

42,101

33,629

Less: Allowance for ECL

(2)

(2)

Other short-term bank deposits

1,025

17,525

Short-term CBR deposits

30,500

8,780

Cash with banks and on hand

7,317

6,401

Correspondent accounts with Central Bank of Russia (CBR)

3,261

925

December 31, 2019

June 30, 2020

As of

As of

As of June 30, 2020, and December 31, 2019, cash and cash equivalents consisted of the following:

8.

Cash and cash equivalents

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-23

Customer accounts and amounts due to banks bear interest of up to 4% (2019 – 6%).

Including long-term deposits

444

320

Total customer accounts and amounts due to banks

21,963

9,876

Due to banks

2,560

2,495

Term deposits

3,251

1,430

Legal entities’ current/demand accounts

4,599

4,088

Individuals’ current/demand accounts

11,553

1,863

December 31, 2019

June 30, 2020

As of

As of

As of June 30, 2020, and December 31, 2019, customer accounts and amounts due to banks consisted of the following:

11.

Customer accounts and amounts due to banks

Total trade and other payables

27,295

24,283

Other payables

934

685

Provision for undrawn credit commitments (Note 20)

98

—

Accrued personnel expenses and related taxes

883

1,182

Commissions payable

503

379

Deposits received from agents

6,246

2,776

Money remittances and e-wallets accounts payable

6,515

6,791

Payables to merchants

12,116

12,470

December 31, 2019

June 30, 2020

As of

As of

As of June 30, 2020, and December 31, 2019, the Group’s trade and other payables consisted of the following:

10.

Trade and other payables

Total other current liabilities

902

522

Other

96

96

Contract liability related to guarantees issued

199

365

Contract liability related to loyalty programs

607

61

December 31, 2019

June 30, 2020

As of

As of

As of June 30, 2020 and December 31, 2019, other current liabilities consisted of the following:

9.2 Other current liabilities

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-24

assets

1,118

1,357

Carrying amount of investment in associates (45%) of net

Net assets

2,484

3,015

including financial liabilities

(314)

(571)

Current liabilities

(397)

(692)

Non-current financial liabilities

(337)

(318)

including cash and cash equivalents

995

1,904

Current assets

2,019

2,640

Non-current assets

1,199

1,385

Associates’ statement of financial position:

December 31, 2019

June 30, 2 020

As of

As of

The following table illustrates summarized financial information of the Group’s investment in JSC Tochka associate:

accounted for using the equity method in the consolidated financial statements.

QIWI Group assesses its share in the entity at 45% according to its share in dividends and potential capital gains. The Group’s interest in JSC Tochka is

The Group has a single associate: JSC Tochka.

13.

Investment in associates

\*

the agreement stipulated the right of a lender to increase the interest rate in case the covenants are violated.

Including long-term portion

1,545

1,451

Total debt

1,545

1,451

Bank’ revolving credit facility

2,000

8,5%

December 31, 2021

1,545

1,451

Non-current interest-bearing debt

Bank’ revolving credit facility

460

Up to 10%\*

December 31, 2020

—

—

Current interest-bearing debt

Credit limit

Interest rate

Maturity

December 31, 2019

June 30, 2020

As of

As of

As of June 30, 2020, and December 31, 2019, Group’s debt consisted of the following:

12.

Debt

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-25

Including short-term portion

385

As of June 30, 2020

1,362

1,490

Payments

—

(107)

Interest expense

—

63

Depreciation

(166)

—

Disposals

(28)

(28)

Additions

205

205

As of January 1, 2020

1,351

1,357

Office buildings

liabilitie s

Right-of-use assets

Lease

change in the balances of Right-of-use assets and Lease liabilities for the six months ended June 30, 2020 was as follows:

For long-term contracts, right-of-use assets and lease liabilities were recognized. Right-of-use assets are included into property and equipment. The

one year as of June 30, 2020 are 19 (December 31, 2019 – 32).

contracts is 32 (six months 2019 – 151). Future minimum lease rentals under non-cancellable lease commitments for office premises for a term less than

year fall under the recognition exemption for being short-term leases. Total lease expense for the six months ended June 30, 2020 recognized under such

The Group has commercial lease agreements of office buildings. The leases have an average life up to ten years. The contracts for a term of less than a

14.

Leases

Group’s share (45%) of total net gain/(loss)

13

(52)

107

239

Total net profit/(loss)

29

(115)

237

531

including depreciation and amortization

(20)

(28)

(73)

(137)

including personnel expenses

(576)

(937)

(621)

(1,370)

Other income and expenses, net

(1,255)

(2,102)

(1,311)

(2,687)

Cost of revenues

(48)

(63)

(77)

(162)

Revenue

1,332

2,050

1,625

3,380

30, 2019

2019

30, 2020

30, 2020

ended June

ended June 3 0,

ended June

ended June

Three months

Six months

Three months

Six months

Associate’ revenue and net income for the three and six months ended June 30 was as follows:

13.

Investment in associates (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-26

Total cost of revenue

3,948

7,475

3,679

7,946

Other expenses

239

533

262

714

Interest expense

246

410

83

268

Cost of cash and settlement service fees

332

628

146

436

Transaction costs

3,131

5,904

3,188

6,528

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

16.

Cost of revenue

statement

(1,289)

(1,595)

Interest income, net, for the purposes of consolidated cash flow

in the consolidated statement of comprehensive income

11

65

Interest income and expenses from non-banking loans classified separately

Interest expense classified as part of cost of revenue

410

268

Interest revenue calculated using the effective interest rate

(1,710)

(1,928)

June 30, 2019

June 30, 2020

Six months ended

consists of the following:

For the purposes of consolidated condensed statement of cash flow, “Interest income, net” includes both continued and discontinued operations and

Total Other revenue

415

991

1,110

1,800

Other revenue

69

133

162

356

Services related fees

33

59

191

364

Cash and settlement service fees

313

799

757

1,080

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

Other revenue for three and six months ended June 30 was as follows:

15.

Revenue

June 30, 2019 see note 17.

For the amount of rent expense recognized from short-term leases and variable lease payments for the three and six months ended June 30, 2020 and

Including short-term portion

396

As at June 30, 2019

912

943

Payments

—

(184)

Interest expense

—

42

Depreciation

(187)

—

Additions

17

17

As at January 1, 2019

1,082

1,068

Office buildings

liabilitie s

Right-of-use assets

Lease

The change in the balances of Right-of-use assets and Lease liabilities for the six months ended June 30, 2019 was as follows:

14.

Leases (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-27

Dividends payable as of June 30:

—

—

17,258,522 or U.S.$ 0.28 per share)

1,124

(Three months ended June 30, 2019: Interim dividend for 2019: U.S.$

20,517,015 or U.S.$ 0.33 per share

1,503

Three months ended June 30, 2020: Interim dividend for 2020: U.S.$

(not recognized as a liability as of June 30):

Proposed for approval

U.S.$ 17,252,078 or U.S.$ 0.28 per share)

1,122

(Six months ended June 30, 2019: Interim dividend for Q1 2019:

U.S.$ 8,699,680 or U.S.$ 0.14 per share

1,630

13,667,632 or U.S.$ 0.22 per share, Interim dividend for Q1 2020:

Six months ended June 30, 2020: Final dividend for 2019: U.S.$

Paid during the period:

U.S.$ 17,252,078 or U.S.$ 0.28 per share)

1,125

(Six months ended June 30, 2019: Interim dividend for Q1 2019:

U.S.$ 8,699,680 or U.S.$ 0.14 per share

1,655

13,667,632 or U.S.$ 0.22 per share, Interim dividend for Q1 2020:

Six months ended June 30, 2020: Final dividend for 2019: U.S.$

Proposed, declared and approved during the period:

June 30, 2019

June 30, 2020

Six months ended

Dividends paid and proposed by the Group are presented below:

18.

Dividends paid and proposed

Total selling, general and administrative expenses

897

1,699

629

1,522

Other expenses

201

368

127

321

Expenses related to form F-3 filing

—

—

—

10

Loss/(gain) from initial recognition, net

27

55

13

13

IT related services

96

176

90

182

Expenses related to Tochka platform services

140

181

75

186

Rent of premises

62

145

27

55

Advisory and audit services

102

221

140

292

taxes

97

186

63

174

Tax expenses, except of income and payroll relates

Advertising, client acquisition and related expenses

172

367

94

289

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

17.

Selling, general and administrative expenses

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-28

Income tax expense for the period

(527)

(1,000)

(708)

(1,232)

Deferred tax benefit/(expense)

67

86

(215)

(166)

Current income tax expense

(594)

(1,086)

(493)

(1,066)

2019

2019

2020

2020

ended June 30,

ended June 3 0,

ended June 30,

ended June 3 0,

Three months

Six months

Three months

Six months

The major components of income tax in the interim consolidated statement of comprehensive income are:

The Company’s subsidiary incorporated in Kazakhstan is subject to corporate income tax at the standard rate of 20% applied to their taxable income.

Republic of Kazakhstan

incorporated in Cyprus will be taxed at the rate of 15% and reduced rates will no longer be available.

Based on the information available to management, starting from January 1, 2021 dividends paid by the entities incorporated in Russia to the entities

withholding income tax rate under the available treaty in practice.

may be challenged by Russian tax authorities. As a result, there can be no assurance that the Company would be able to obtain a relief of the reduced

thereto are met. Although the Group commonly seeks to claim treaty protection, there is a risk that the applicability of the reduced rate of 5% or 10%

Such withholding tax rate may be reduced to 5% or 10% under the available Double Tax Treaty (including Cyprus) if certain conditions stipulated

Withholding tax at the rate of 15% is applied to any dividends paid by the entities incorporated in Russia to the entities incorporated outside of Russia.

received from Russia government bonds and 20% applied to their taxable income.

The Company’s subsidiaries incorporated in the Russian Federation are subject to corporate income tax at the standard rate of 15% applied to income

The Russian Federation

profits after tax within two years.

The Company is also not paying special contribution to the Defence Fund on a deemed distribution since it generally distributes 70% of its accounting

The Company is exempt from the special contribution to the Defence Fund on dividends received from abroad.

The Company is subject to 12.5% corporate income tax applied to its worldwide income.

Cyprus

taxation in multiple jurisdictions, the most significant of which include:

The Company is incorporated in Cyprus under the Cyprus Companies Law, but the business activity of the Group and joint ventures is subject to

19.

Income tax

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-29

consumers and harm to QIWI’s payment volume, revenue and margins.

participants, or any shift of customer preferences in their favor due to any real or perceived advantages of their products, could result in a loss of

highly competitive, and its ability to compete effectively is therefore of paramount importance. Any increase in competition by other market

Moreover, the financial services industry in which the Group operates with its payment services and other financial services that QIWI provides is

increases in consumer fees imposed by the agents and development of alternative payment channels.

acquisition channel for Qiwi Wallet. Certain factors may further contribute to a decline in the use of kiosks and terminals, including regulatory changes,

Group has since largely outgrown that model, kiosks and terminals network remains a significant part of the Group’s infrastructure as a reload and client

Group’s business has developed as a network of kiosks and terminals allowing consumers to use physical currency for online payments. While the

A substantial part of the Russian population continues to rely on cash payments, rather than credit and debit card payments or electronic banking. The

its business, financial condition and results of operations.

adverse changes in economic conditions in Russia could adversely impact the Group’s future revenues and profits and cause a material adverse effect on

Russian economy. As a result of the challenging operating environment in Russia, the Group has experienced slower payment volume growth. Further

countries around the world in early 2020 have negatively affected consumer demand across the globe and may also be potentially very significant for

put at risk by a series of events that started to enfold in the first half of 2020. The outbreak of coronavirus and associated responses from various

remains cautious and consumer confidence is far from its peaks. The modest recovery of the Russian economy in recent years has, however, again been

other factors. It has demonstrated modest growth rates while the population’s purchasing power has decreased. Currently, consumer spending generally

Russia’s economy has been facing significant challenges for the past few years due to the combined effect of various geopolitical, macroeconomic and

Operating environment

20.

Commitments, contingencies and operating risks

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-30

are not in compliance with applicable Russian laws, and the requirement for credit institutions to block any payments to such blacklisted merchants.

legislation has been supplemented with the concept of government blacklisting of betting merchants that have been found to be in violation or allegedly

transactions that are deemed to be in breach of the applicable rules and as a result lose associated revenue streams. Effective January 1, 2018, relevant

requirements of the applicable legislation, it could not only become subject to fines and other sanctions, but could also have to discontinue to process

the self-regulated associations of bookmakers in order to be able to accept such payments. If the Group is found to be in non-compliance with any of the

and actively developing regulation in Russia, as well as increasing government scrutiny. In 2016 QIWI Bank established a TSUPIS together with one of

depend on merchants in the betting industry and their use of the Group’s services for the foreseeable future. The betting industry is subject to extensive

important and economically beneficial Qiwi Wallet reload channel and new customer acquisition tool. The Group’s operating results will continue to

processing payments to merchants in most other categories. Moreover, the repayment of winnings by such merchants to customers also serves as an

payments to such merchants represents a significant portion of the Group’s revenues. Processing such payments generally carries higher margins than

As part of its business operations, the Group provides payment processing services to a number of merchants in the betting industry. Processing

material adverse effect on its business, financial condition and results of operations.

banking regulations, and what sanctions the CBR would choose to employ against QIWI if this were to happen. Any such sanctions could have a

past conduct, or that any currently planned or future inspections will not result in discovery of any significant or minor additional violations of various

result of such or any other findings and that the Group will not come under greater CBR scrutiny in connection with any perceived deficiencies in its

which management believes QIWI has generally rectified. However, there can be no assurance that certain sanctions will not be imposed on QIWI as a

reporting requirements, anti-money laundering, cybersecurity, compliance with applicable electronic payments thresholds requirements and other issues

Bank has been the subject of CBR investigations in the past that have uncovered various violations and deficiencies in relation to, among other things,

In recent years, for example, the CBR has considerably increased the intensity of its supervision and regulation of the Russian banking sector. Qiwi

result in being imposed on QIWI.

protection laws and therefore experience periodic investigations by various regulatory authorities in connection with the same, which may sometimes

regulations, payment services regulations, consumer protection laws, currency control regulations, advertising laws, betting laws and privacy and data

Group is subject to a variety of regulations aimed at preventing money laundering and financing criminal activity and terrorism, financial services

Our business is impacted by laws and regulations that affect QIWI’s industry, the number of which has increased significantly in recent years. The

Regulatory environment

20.

Commitments, contingencies and operating risks (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-31

discontinue to process operations that are deemed to be in breach of the applicable rules and lose associated revenue streams.

found to be in non-compliance with any of its requirements, it could not only become subject to fines and other sanctions, but could also have to

Additionally, Russian anti-money laundering legislation is in a constant state of development and is subject to varying interpretations. If the Group is

case the identification requirements are further tightened, it could negatively affect the number of consumers and, consequently, volumes and revenues.

the identification requirements. In case management is forced not to use the simplified identification procedure until the databases are fully running or in

correctly matched with the information available in the governmental databases. Thus, the current situation could cause the Group to be in violation of

procedure in full or that the data the users provide it for the purposes of identification will not contain any mistakes or misstatements and will be

through such or additional public databases, the Group cannot guarantee that it will be able to collect all necessary data to perform the identification

public databases. Albeit the Group performs all necessary steps to collect data and performs the relevant identification procedures either personally or

simplified identification can be performed remotely. The remote identification requires the verification of certain data provided by consumers against

withdrawal and cash top up of anonymous e-wallets. The key difference between the simplified and the full identification procedures is that the

consumers enjoying the most privileges. The restrictions on usage of anonymous e-wallets have been increasing lately including limitations on cash

non-monetary restrictions in terms of the transactions they may perform and electronic money account balances they may hold, with fully identified

identification, being anonymous, identified through a simplified procedure and fully identified. All these types of consumers face varying monetary and

Money Laundering Law. Based on the Anti-Money Laundering Law management distinguishes three types of consumers based on their level of

Combating the Legalization (Laundering) of Criminally Obtained Income and Funding of Terrorism”, dated August 7, 2001, as amended, or the Anti-

The Group’s business is currently subject to know-your-client requirements established by Federal Law of the Russian Federation No. 115-FZ “On

Know-your-client requirements in Russia

Group’s transactions in other currencies, such as the Euro, which could have similarly adverse consequences.

and results of operations may be materially adversely affected. Management can give no assurance that similar issues would not arise with respect to the

some merchants who will not be willing to conduct transactions in currencies other than the U.S. dollars, and the Group’s business, financial condition

but the U.S. dollar in the future. If the Group is not able to conduct transactions in U.S. dollars, it may bear significant currency conversion costs or lose

further increasing the currency conversion costs that the Group has to bear or that international merchants will agree to accept payments in any currency,

given that such institutions or their respective correspondent banks in the U.S. will not similarly refuse to process the Group’s transactions, thereby

portion of U.S. dollar transactions with international merchants in other currencies, bearing additional currency conversion costs. No assurance can be

though the Group still maintains a number of U.S. dollar accounts with various financial institutions, at the same time the Group is already conducting a

the Group’s U.S. relationship banks and the correspondent U.S. banks of the Group’s non-U.S. relationship banks to service U.S. dollar payments. Even

in conducting such transactions, even with respect to largest and most well-known international merchants, due to the refusal of an increasing number of

The Group contracts with some of international merchants in U.S. dollars and other currencies such as Euros. Recently it started to encounter difficulties

Regulatory environment (continued)

20.

Commitments, contingencies and operating risks (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-32

strategies for logging and reporting tax arrangements to ensure its compliance with the abovesaid obligations.

cross-border arrangement raises complex technical and procedural issues for taxpayers and intermediaries. The Company would review its policies and

contain certain features (known as hallmarks). The hallmarks cover a broad range of structures and transactions. Determining if there is a reportable

border arrangements (reportable arrangements) to the relevant EU member state tax authority. Cross-border arrangements will be reportable if they

Directive requires intermediaries (including EU-based tax consultants, banks and lawyers) and in some situations, taxpayers, to report certain cross-

Directive) into the Cypriot national legislation. The Bill will amend the existing Cypriot law on Administrative Cooperation in the field of Taxation. The

(EU) Directive 2018/822/EU of May 25, 2018 on the mandatory disclosure and exchange of cross-border tax arrangements (referred to as DAC6 or the

Furthermore, on March 19, 2019 the Cypriot Ministry of Finance circulated, on March 19, 2019, a draft bill (the Bill) to transpose the European Union

as Summary Information Table in line with the OECD Transfer Pricing Guidelines (subject to the relevant thresholds).

The transfer pricing rules are expected to capture all types of inter-company transactions and require the preparation of a Local and Master File as well

2019, the draft law did not reach the Parliament on time and as such it is expected to be enacted during 2020 with effect from January 1, 2020 onwards.

debt. It is expected that the broader transfer pricing legislation will be introduced in Cyprus. Although the legislation was planned to be enacted during

As of today, there are no specific transfer pricing rules or transfer pricing documentation requirements in Cyprus with the exception of loans financed by

Taxation in Cyprus

Statements filed with the Securities and Exchange Commission.

For more detailed disclose on operating environment and key risks please refer to the most recent annual report on Form 20-F and Financial

affect the Group’s business, financial condition and results of operations.

scrutiny, subject the Group to lawsuits, result in the imposition of material penalties and fines by state authorities and otherwise materially adversely

specifically, increase operating expenses in order to correct the breaches or failures, expose the Group to uninsured liability, increase risk of regulatory

Group’s reputation and deter clients from using electronic payments as well as kiosks and terminals generally and any of the Group’s services

information, identity theft, impersonation or other similar fraud claims. A misuse of such sensitive data or a cybersecurity breach could harm the

subject the Company to material losses or liability, including fines and claims for unauthorized purchases with misappropriated credit or debit card

unauthorized access and may not be sufficient to prevent future unauthorized access. Any breach of the system, including through employee fraud, may

the past, and breaches could occur in the future. In such circumstances, the encryption of data and other protective measures have not prevented

Company has ultimate liability to its customers for the failure to protect this data. The Company has experienced breaches of its security by hackers in

The Group stores and/or transmits sensitive data, such as credit or debit card numbers, mobile phone numbers and other identification data, and the

Risk of cybersecurity breach

20.

Commitments, contingencies and operating risks (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-33

Russian tax authorities. The tax authorities are developing new approaches to analysing and confirming that unjustified tax benefits have been gained.

Detecting and proving that taxpayers have gained unjustified tax benefits in their various operations will be a key focus of future tax audits of the

On July 19, 2017 anti-avoidance provisions were introduced into the Russian Tax Code and the Article 54.1 of the Russian Tax Code was adopted.

the Plenum of the Supreme Arbitrazh Court of the Russian Federation in 2006.

double tax treaty will be limited only by “business purpose” test. The concept of “unjustified tax benefit” was formulated in Resolution No. 53 issued by

treaty between Russia and Cyprus is still not limited by the MLI since Cyprus has not ratified the MLI. Once Cyprus ratifies the MLI, Russia-Cyprus

by Russia with respect to more than 71 double tax treaties signed by Russia with potential effective date of January 1, 2021. However, the double tax

treaties limiting the use of tax benefits provided thereof, e.g. by means of introduction of the “business purpose” test. To date the MLI has been ratified

In addition, on November 24, 2016, the OECD published the multilateral instrument (“MLI”) which introduces new provisions to existing double tax

multinational enterprise groups generating consolidated annual turnover exceeding EUR 750 million) the Group may be liable to submit relevant CbCR.

presence (e.g. in Cyprus, where the Decree issued by the Cyprus Minister of Finance on December 30, 2016 introduced a mandatory CbCR for

with the CbCR requirements, if the Group reaches the reporting threshold in Russia (over RUB 50 billion), or alternatively in any other jurisdiction of

On November 27, 2017 the Federal Law No. 340-FZ introducing country-by-country reporting (“CbCR”) requirements was published. In accordance

exchange with the foreign tax authorities.

application of reduced tax rates or exemptions. In these cases the Russian tax authorities obtained relevant information by means of information

ownership was introduced in the Russian Tax Code) on the grounds that double tax treaties already include beneficial ownership requirement to allow

demonstrate that the Russian tax authorities actively challenge application of double tax treaty benefits retroactively (i.e. prior to concept of beneficial

double taxation treaty through structures which historically have benefited from double taxation treaty protection in Russia. Recent court cases

introduction of the concept of beneficial ownership may result in the inability of the foreign companies within the Group to claim benefits under a

Russian and the CIS’s tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. For instance,

Taxation in the Russian Federation

material adverse effect on the Group’s business, financial condition and results of operations.

It cannot be excluded that the Group might be subject to additional costs and/or tax liabilities resulted from the said requirements, which could have a

expenses to support daily operation of the company.

territory of such jurisdictions, which may include, amongst others, the qualified personnel, premises located in the particular jurisdiction, reasonable

offshore jurisdictions) implement legislation that requires companies registered in the relevant offshore jurisdiction to maintain actual substance on the

Following the global trend on increase of substance requirements in various jurisdictions, starting from 2019 certain jurisdictions (including traditional

Taxation in Cyprus (continued)

20.

Commitments, contingencies and operating risks (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-34

from such actions or complaints will not exceed 130 and will not have an adverse effect on the financial condition of future operations of the Group.

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising

Legal proceedings

outweighs the benefits in management’s view.

significant physical assets to insure. Management has considered the possibility of insurance of business interruption in Russia, but the cost of it

The Group holds no insurance policies in relation to its assets, operations, or in respect of public liability or other insurable risks. There are no

Insurance policies

could be significant, and amount up to RUB 3.4 billion that was assessed by the Group as of June 30, 2020 (RUB 3 billion as of December 31, 2019).

an uncertain tax treatment and the maximum effect of additional losses, if the authorities were successful in enforcing their different interpretations,

and that the Group’s currency, customs, tax and other regulatory positions will be sustained. However, it is possible that a taxation authority will accept

The Group’s management believes that its interpretation of the relevant legislation is appropriate and is in accordance with the current industry practice

Risk assessment

Securities and Exchange Commission.

For more detailed disclose on taxation please refer to the most recent annual report on Form 20-F and Financial Statements filed with the

business, financial condition and results of operations.

There is no assurance that it would not be required to make substantially larger tax payments in the future, which may adversely affect the Group’s

The introduction of new taxes or amendments to current taxation rules may have a substantial impact on the overall amount of the Group’s tax liabilities.

Russian tax system. These factors, together with the potential for state budget deficits, raise the risk of the imposition of additional taxes on the Group.

There can be no assurance that the Russian Tax Code will not be changed in the future in a manner adverse to the stability and predictability of the

established in Russia may become subject to transfer pricing tax audits by tax authorities in the foreseeable future.

transfer-pricing adjustments and impose additional tax liabilities in respect of certain types of transactions. It is therefore possible that the Group entities

The existing Russian transfer pricing rules became effective from January 1, 2012. Under these rules the Russian tax authorities are allowed to make

Taxation in the Russian Federation (continued)

20.

Commitments, contingencies and operating risks (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-35

discretion and without explaining its reasons. The Group also has a right to increase or decrease a credit card limit at any time without prior notice.

Group has a right to refuse the issuance, activation, reissuing or unblocking of an instalment card, and is providing an instalment card limit at its own

requirements, as these financial instruments may expire or terminate without being funded. In accordance with instalment card service conditions the

The total outstanding contractual amount of unused limits on contingencies and commitments liability does not necessarily represent future cash

ECL allowance as of June 30,

(100)

—

Reclassification to disposal group

—

76

Amounts written off

— —

Changes because of financial instruments (originated or acquired)/derecognized during the reporting period

1

(3)

ECL allowance as of April 1,

(101)

(73)

2019

2020

following:

An analysis of changes in the ECL allowances due to change in corresponding gross carrying amounts for the three months ended June 30 was the

ECL allowance as of June 30,

(100)

—

Reclassification to disposal group

—

76

Amounts written off

— —

Changes because of financial instruments (originated or acquired)/derecognized during the reporting period

(16)

22

ECL allowance as of January 1,

(84)

(98)

2019

2020

allowances due to change in corresponding gross carrying amounts for the six months ended June 30 was the following:

The amounts of credit limits comprise the maximum exposure to credit risk regarding credit related commitments. An analysis of changes in the ECL

customers and related commitments as of June 30, 2020 comprised RUB 12,6 billion (RUB 26.8 billion as of December 31, 2019).

offer and cut the limits if the customer didn’t use the card within 120 days. Outstanding credit limits including credit limits not yet activated by the

customers firstly activating their credit limits and further maintaining specific credit standards. Since the year 2019 the Group started to cancel the credit

portions of credit limits of instalment card loans of both activated and not activated customers. Commitments to extend credit are contingent upon

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Commitments to extend credit represent unused

Credit related commitments

as of June 30, 2020 is 13,862 (as of December 31, 2019 – 8,545).

The Group issues financial and performance guaranties to non-related parties for the term up to six years at market rate. The amount of guaranties issued

Guarantees issued

collateral for bank guarantees issued on Group’s behalf to its major partners.

As of June 30, 2020, the Group pledged debt securities (government bonds) with the carrying amount of 4,305 (December 31, 2019 – 3,628) as

Pledge of assets

20.

Commitments, contingencies and operating risks (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-36

during the six months ended June 30, 2019).

2020 (87—during the six months ended June 30, 2019) and share-based payments amounted to 5 loss during the six months ended June 30, 2020 (10—

Benefits of key management and Board of Directors generally comprise of short-term benefits amounted to 199 during the six months ended June 30,

Other related parties

—

(13)

5

(1)

Key management personnel

—

(99)

—

(83)

Associates

105

(208)

—

(74)

related parties

parties

parties

parties

income fro m

from related

related

related

Sales to/

expenses

owed by

owed to

Purchases/

Amounts

Amounts

June 30, 2019

As of December 31, 2019

For the six months ended

Other related parties

1

(8)

—

(7)

Key management personnel

—

(194)

—

(64)

Associates

1

(256)

—

(34)

related parties

parties

parties

parties

income fro m

from related

related

related

Sales to/

expenses

owed by

owed to

Purchases/

Amounts

Amounts

June 30, 2020

As of June 30, 2020

For the six months ended

and 2019, as well as balances with related parties as of June 30, 2020 and December 31, 2019:

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended June 30, 2020

21.

Balances and transactions with related parties

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-37

measurement of these loans the Group uses comparable marketable interest rate which is in range of 9-35%.

Long-term loans generally represent RUB nominated loans to Russian legal entities and have a maturity up to seven years. For the purpose of fair value

maturity up to July 2022. Some of debt securities are pledged (Note 20).

Debt instruments of the Group mostly consist of RUB nominated government and high-quality corporate bonds with interest rate 7.0%—7.6% and

instruments.

CBR, lease liabilities, customer accounts and amounts due to banks approximate their fair values largely due to short-term maturities of these

Carrying amounts of cash and cash equivalents, short-term loans issued, short-term deposits placed, debt, accounts receivable and payable, reserves at

•

FVPL – accounted at fair value through profit or loss.

•

FVOCI – accounted at fair value through other comprehensive income;

•

AC – accounted at amortized cost;

Financial instruments used by the Group are included in one of the following categories:

Total financial liabilities

—

—

658

658

Forward contract to sell Sovest loans’ portfolio

FVPL

—

—

658

658

Financial liabilities

Total financial assets

5,384

5,472

4,573

4,685

Long-term loans

FVPL

16

16

18

18

Long-term loans

AC

249

249

250

250

Debt securities and deposits

FVOCI

1,294

1,294

—

—

Debt securities and deposits

AC

3,825

3,913

4,305 4,417

Financial assets

amount

value

amount

value

Carrying

Fair

Carrying

Fair

As of December 31, 2019

As of June 30, 2020

table below:

The fair value of the Group’s financial instruments as of June 30, 2020 and December 31, 2019 is presented by type of the financial instrument in the

and liabilities which arise directly from its operations. During the reporting period, the Group did not undertake trading in financial instruments.

trade and other payables, cash and cash equivalents, long and short-term debt instruments and reserves at CBR. The Group has various financial assets

The Group’s principal financial instruments consisted of loans receivable, trade and other receivables, customer accounts and amounts due to banks,

22.

Financial instruments

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-38

sensitive for financial assets accounted at fair value.

With regard to the level 3 assessment of fair value, management believes that no reasonably possible change in any of the unobservable inputs would be

•

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

•

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;

•

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

The Group uses the following IFRS hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

six months ended June 30, 2020.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements during the

Long-term loans

December 31, 2019

249

—

—

249

Debt securities and deposits

December 31, 2019

3,913

3,913

—

—

Assets for which fair values are disclosed

Debt securities and deposits

December 31, 2019

1,294

1,294

—

—

Assets accounted at fair value through other comprehensive income

Long-term loans

December 31, 2019

16

—

—

16

Assets accounted at fair value through profit or loss

Forward contract to sell Sovest loans’ portfolio

June 30, 2020

658

—

658

—

Liabilities accounted at fair value through profit or loss

Long-term loans

June 30, 2020

250

—

—

250

Debt securities and deposits

June 30, 2020

4,417

4,417

—

—

Assets for which fair values are disclosed

Long-term loans

June 30, 2020

18

—

—

18

Assets accounted at fair value through profit or loss

Date of valuation

Total

(Level 1)

(Level 2)

(Level 3)

markets

inputs

inputs

in active

observable

unobservabl e

Quoted prices

Significant

Significant

Fair value measurement using

The following table provides the fair value measurement hierarchy of the Group’s financial instruments to be accounted or disclosed at fair value:

22.

Financial instruments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-39

deems advisable.

relating to the Plan as it

guidelines and practices

administrative rules,

administrator of the Plan

and repeal such

resolved by the BOD, acting as

authority to adopt, amend

BOD or the CEO, if so

the Plan, shall have the

determined by the Company’s

acting as Administrator of

under 2015 RSU Plan are to be

Committee of the Board,

•  All other terms of the units

•  The Compensation

transferrable

Other major terms

The options are not transferrable

•  The units are not transferrable

•  The units are not

years

Vesting period

Up to 4 years

Three vesting during up to 2 years

Two vesting during up to 4

Expiration date

December 2020

December 2022

December 2026

Exercise basis

Shares

Shares

Shares

Year 2017: U.S.$ 23.94

Year 2019: n/a

U.S.$ 34.09—37.89

Year 2014:

Year 2018: n/a

U.S.$ 41.24—46.57

Year 2013:

Year 2017: n/a

Year 2020: U.S. $ 13.70

Year 2012: U.S.$ 13.65

Year 2016: n/a

Year 2019: U.S. $ 16.75

Exercise price

Granted during:

Granted during:

Granted during:

Number of options or RSUs reserved Up to 7 % of total amount of shares Up to 2,100,000 shares

Up to 3,100,000 shares

Type of shares

class B shares

class B shares

class B shares

Adoption date

October, 2012

July, 2015

June, 2019

(2012 ESOP)

(RSU Plan)

(2019 ESOP)

2012 Employee Stock Option Plan

2015 Restricted Stock Unit Plan

2019 Employee Stock Option Plan

As of June 30, 2020, the Group has the following outstanding option plans:

23.1. Option plans

23.

Share based payments

risk factors and individual creditworthiness of the customer.

Long-term fixed-rate loans issued are evaluated by the Group based on parameters such as interest rates, terms of maturity, specific country and industry

willing parties, other than in a forced or liquidation sale.

The fair value of the financial assets and liabilities are evaluated at the amount the instrument could be exchanged in a current transaction between

Valuation methods and assumptions

22.

Financial instruments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-40

similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

not necessarily indicative of forfeiture patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period

The forfeiture rate used in valuation models granted during the period is from nil to 10%. It is based on historical data and current expectations and is

1,630,000

5.70% 41.12%-65,47% 0.24%-1.94%

0-4

19.28

6.01

Merton

2.73%-

Scholes-

2019 ESOP

Black-

2,035,808

5.70% 40.65%-64.02% 2.89%-4.34%

0-2

15.26 14.56 Binominal

2015 RSU Plan

0-

Merton

5.03%

Scholes-

2012 ESOP

4,128,521

0-

28%-49.85%

0.29%-3.85%

2-4

28.10

7.14

Black-

Option plan/ Grant date

RSUs

yield, %

Volatility, %

rate, %

years

(U.S. $)

(U.S. $ )

method

options/

Dividend

interest

ted term ,

share pric e

RSU

Valuation

Number of

Risk-free

Expec-

average

per option /

Weighted

fair value

average

Weighted

The valuation of all equity-settled options granted are summarized in the table below:

23.3. Valuations of share-based payments

period was nil.

The weighted average price for share options exercised under ESOP during the year was U.S. $13.65 and exercised under RSU during the reporting

outstanding, of which 24,434 are vested and 253,523 are unvested.

As of June 30, 2020, the Company has 2,317,775 options outstanding, of which 1,037,775 are vested and 1,280,000 are unvested, and 277,957 RSUs

Total

2,449,498

350,000

(85,531)

(118,235)

2,595,732

2019 ESOP

930,000

350,000

—

—

1,280,000

2015 RSU Plan

365,723

—

(19,531)

(68,235)

277,957

2012 ESOP

1,153,775

—

(66,000)

(50,000)

1,037,775

2019

the period

period

period

June 30, 2020

December 31,

Granted during

during the

during the

As of

As of

Forfeited

Exercised

The following table illustrates the movements in share options during the six months ended June 30, 2020:

23.2. Changes in outstanding options

statements it is regarded as an extension of QIWI plc.

who exercise their options. The Trust is not a legal entity and major decisions relating to its activities are determined by QIWI plc. In these financial

In April 2018, QIWI plc established QIWI Employees Trust, which owns shares reserved for ESOP and RSU plans and transfers them to employees

23.

Share based payments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

F-41

On August 13, 2020 the Board of Directors of the Company approved dividends of U.S.$ 20,517,015 (equivalent of 1,503).

Dividends distribution

24.

Events after the reporting date

ended June 30, 2019 – 256).

The amount of expense arising from equity-settled share-based payment transactions for the six months ended June 30, 2020 was 48 (the six months

23.4. Share-based payment expense

23.

Share based payments (continued)

Notes to interim condensed consolidated financial statements (continued)

QIWI plc

Table of Contents

August 19, 2020

Moscow, Russia

/s/ Ernst and Young

2020 relating to the unaudited condensed consolidated interim financial statements of Qiwi plc that are included in its Form 6-K dated August 19, 2020.

Amended and Restated Employee Stock Option Plan and the 2015 Employee Restricted Stock Units Plan of Qiwi plc of our report dated August 19,

We are aware of the incorporation by reference in the Registration Statements (Form S-8 No. 333-190918; Form S-8 No. 333-212441) pertaining to the

To the Shareholders and Board of Directors of Qiwi plc

Acknowledgment Letter of Independent Registered Public Accounting Firm

Exhibit 99.3