

OR GROUP announces proposed merger of MCC Arifmetika LLC with Navigator Acquisition Corp.



September 2, 2021. Novosibirsk, Russia: OR GROUP (MOEX: ORUP) (the “**Company**”), a company listed on the Moscow Exchange, is pleased to announce a letter of intent (the “**LOI**”) with Navigator Acquisition Corp. (“**Navigator**”), a capital pool company listed on the TSX Venture Exchange (the “**TSXV**”) (TSXV: NAQ). Under the terms of the LOI, the Company and Navigator have agreed to enter into a definitive agreement to implement a business combination (the “**Proposed Transaction**”) of Navigator and MCC Arifmetika LLC (OGRN 1165476123559) (“**Arifmetika**”), one of the Company’s subsidiaries that specializes in microfinance activities, and then complete an equity financing. The parties have agreed that the Proposed Transaction will be a reverse takeover of Navigator by the Company, with Arifmetika becoming a wholly owned subsidiary of Navigator and the Company holding approximately 93% of the outstanding shares of Navigator and the current shareholders of Navigator holding the remaining 7% of the outstanding shares. Completion of the Proposed Transaction is subject to the observance and implementation by the Company and Navigator of the necessary corporate and regulatory procedures according to the legislation of both the Russian Federation and Canada.

The Proposed Transaction is expected to constitute Navigator’s Qualifying Transaction, as defined in the policies of the TSXV. As a result of the Proposed Transaction, the Company is expected to be the first company on the Russian market that has used a CPC to attract equity financing.

Director of OR Group Anton Titov commented on the Proposed Transaction:

“The area of cash loans is promising and is the most profitable in the structure of the Group’s business. In order to provide it with additional development opportunities, we decided to pursue proposed merger of MCC Arifmetika LLC with Navigator Acquisition Corp., a capital pool company listed on the TSXV.

The TSXV was selected as it specializes in small and mid-cap emerging companies and is actively increasing the number and total size of companies in the financial sector.

The Russian microfinance market is one of the most promising. Such factors as growing customer demand, increasing number of high-tech solutions, and implementing new services support its development in the coming years. The market is expected to grow by 30% in 2021, according to the forecasts of the Russian rating agency Expert RA¹. Moreover, since the market is actively consolidating, in the future the number of large, professional players may increase, which opens up new opportunities for the business of Arifmetika.

According to the results of 2020, Arifmetika is one of the TOP-3 of the Expert RA ranking in terms of the volume of disbursed consumer loans (installments)² and in terms of net profit³. Thus, we believe that Arifmetika is currently one of the most efficient companies on the market with a high profitability level. During the next three to five years, we intend to increase the volume of microfinance business by developing the installments loans segment, expanding the product range and geography of services provided, including entering other international markets. We are also planning to take a leading position in the Russian microfinance market in the future.

¹ The results of 2020 for microfinance market and the forecast for 2021. <https://www.raexpert.ru/researches/mfo/2020/>

² Ranking of MFO: <https://raexpert.ru/rankingtable/mfi/2020/tab06/>

³ Ranking of MFO: <https://raexpert.ru/rankingtable/mfi/2020/tab09/>



Digital services are the priority Arifmetika's business. The 2020 year has become a powerful trigger for the explosive growth of remote loans. So, we launched our digital platform including web personal account in March 2020. By the end of 2020, the share of remote payments in the total volume of transactions totaled 15% (24% at the end of July 2021). Over the year the attendance of personal accounts on our platform grew six times in 2020 compared to 2019. For further dynamic growth, we are developing a modern IT infrastructure. This year, we have also increased server capacities, which allowed us to improve the performance of the IT system by 120% and the actual volume of data storage by 40%.

Arifmetika is an autonomous company within the OR GROUP. Arifmetika is funded from its own funds; all business processes are independent of the Company. All facilities and equipment that make up the IT infrastructure of the organization are owned or leased. Also, Arifmetika has its own unique customer base.

It is essential to mention that Arifmetika will remain in the structure of OR GROUP. According to our forecasts, the transaction will positively affect the Company's market capitalization, whose shares are traded on the Moscow Exchange."

About MCC Arifmetika LLC

Arifmetika is a leading microlending company operating in Russia for more than 11 years.

It uses modern algorithms to manage risks for providing its clients with customized solutions to meet their needs. Its management team manages business processes and consists of 300 professionals, including key specialists who have many years of experience in the microfinance sector.

Arifmetika is currently developing a high-tech platform for disbursing online loans and is a leader in terms of the number of service points among federal companies in the microfinancing market. It manages more than 600 service points in 258 localities of Russia. Arifmetika has its own IT infrastructure, including three data centers in Moscow, Khabarovsk, and Novosibirsk. It uses artificial intelligence and big data solutions to analyze the customer base and develop new products and blockchain to protect personal data.

The headquarters of Arifmetika are located in the city of Novosibirsk.

The financial indicators, according to the audited IFRS financial results of MCC Arifmetika LLC are presented below in Appendix 1 to this press release.

About OR GROUP

OR GROUP (MOEX: ORUP) is a modern trading company that develops the marketplace westfalika.ru, an ecosystem of services, and runs a trade point network a network of retail and service outlets under the Westfalika brand that consists of 802⁴ outlets in 319 Russian cities and towns.

In October 2017, OR GROUP raised RUB 5.9 billion in an IPO on the Moscow Exchange.

In June 2021, the Expert RA rating agency confirmed the credit rating of the OR GROUP at the ruBBB level and changed the rating outlook from "developing" to "stable."

According to the audited IFRS financial results of the Group for 2020, revenue amounted to RUB 10.8 billion, net profit - RUB 0.6 billion and EBITDA of RUB 2.3 billion.



About Navigator Acquisition Corp

Navigator is a capital pool company within the meaning of the policies of the TSXV. It has not commenced commercial operations and has no assets other than cash and its rights under the LOI. The main objective of Navigator is to identify and assess the possibilities of acquiring assets or businesses with the view to completing a Qualifying Transaction.

Major shareholders of Navigator are Canaccord Genuity, Kyle Shostak and other directors of Navigator.

Canaccord Genuity is the global capital markets division of Canaccord Genuity Group Inc. offering institutional and corporate clients investment banking, mergers and acquisitions, research and brokerage services.

Canaccord Genuity Group Inc. is a global full-service investment banking and financial services company, specializing in wealth management and brokerage. It is the largest independent investment dealer in Canada, Canaccord Genuity specializes in the growth companies sector and has operations in 10 countries. Canaccord has offices in North America, Asia, Australia, the Middle East, the United Kingdom and Europe.

Canaccord Genuity has been a leader in the CPC market since its inception in 2001. Currently, Canaccord Genuity brokers over 20% of the CPC market.

Canaccord Genuity Group manages C\$88.8 billion in client assets with annual revenues of approximately C\$270 million for the reporting year 2021.

In 2012, Kyle Shostak and his co-founders were the first to launch the SPAC tool in Eastern Europe. In 2012-2014, they were co-partners of CIS Acquisition Ltd, a NASDAQ-listed company. One completed merger for USD 80 million (equity and options) with Delta Technologies Ltd, a manufacturer of specialty chemicals. Subsequently, Navigator Principal Investors participated, advised, organized, or assisted in allocating capital for such companies as Bankex, Softline, QIFA, Novagold Resources, Snipp Interactive, CTF Technologies, Soma Gold, and Pacto Energia.

Additional Information:

Press Contacts:

Natalia Pauli,
PR-Director
OR GROUP
+7 913 750-81-37
n.pauli@orgroup.ru

Investor Contacts:

Kirill Streblyanskiy,
Capital Markets Director
OR GROUP
+7 383 280-80-21
k.streblyanskiy@orgroup.ru

Dmytro Grygoryev,
Senior Analyst
Navigator Acquisition Corp.
+7 967 151-66-77
dgrygoryev@navigatorprincipalinvestors.com

**Appendix 1.****The financial indicators, according to the audited IFRS financial results of MCC Arifmetika LLC.**

Indicators, RUB bln	2019	2020
Interest revenue	2.413	2.837
Net income after allowance for expected credit losses	1.811	2.033
Net profit for the year	0.603	0.596
Equity	1.784	2.380
Cash loans to individuals, including interest on cash loans (portfolio)	4.628	5.939

This press release does not constitute or form part of, and should not be construed as, an offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase any securities of the Company or any other entity in any jurisdiction or an inducement to enter into investment activity nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

None of the Company or any of its shareholders, directors, officers, employees, affiliates, advisors and representatives accepts any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this press-release or its contents or otherwise arising in connection therewith. Accordingly, no representation, warranty or undertaking, express or implied, is made or given by or on behalf of the Company or any of its shareholders, directors, officers, employees, affiliates, advisors and representatives as to the accuracy, completeness or correctness of the information or the opinions contained in this press-release.

The information and opinions contained in this press-release are provided as at the date of this press-release, are based on general information gathered at such date and are subject to change without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. Certain financial data included in this press-release consists of “non-IFRS financial measures”, including without limitation, EBITDA. These non IFRS financial measures, as defined by the Company, may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of the performance based on IFRS. Certain statements in this press-release regarding the market and competitive position data are based on the internal analyses of the Company, which involve certain assumptions and estimates. These internal analyses have not been verified by any independent source and there can be no assurance that the assumptions or estimates are accurate. Accordingly, undue reliance should not be placed on any of the industry, market or the Company’s competitive position data contained in this press-release.

This press release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include the intention to complete the Proposed Transaction and the intention to attract equity financing following completion of the Proposed Transaction. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Completion of the Proposed Transaction is subject to a number of conditions, which shall be set out in a definitive agreement. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all. Trading in the securities of a capital pool company should be considered highly speculative.