

OR GROUP AND NAVIGATOR ACQUISITION CORP. ANNOUNCE THE SIGNING OF A SHARE PURCHASE AGREEMENT ON ARIFMETIKA MCC



Upon completion of the transaction, Arifmetika MCC will become a public company with a listing in the Canadian Exchange.

27 December 2021, Novosibirsk, Russia: OR GROUP (MOEX: ORUP) ("ORG PJSC", "Company" or "Group"), a company which is traded on the Moscow Exchange, and Navigator Acquisition Corp. ("**Navigator**"), a capital pool company ("**CPC**"¹), which is traded on the TSX Venture Exchange ("**TSXV**") (TSXV:NAQ.P), announce the signing of a share purchase agreement (SHARE PURCHASE AGREEMENT) (Agreement) on Arifmetika MCC (Arifmetika MCC), a subsidiary of ORG PJSC. Upon completion of the transaction and all the procedures in the stock exchange, the CPC will operate under the new name of Arifmetika Financial Solutions Corp. The ticker of shares on the exchange will also be changed.

Transaction Summary

According to that agreement, OR GROUP PJSC is expected to contribute a share in the authorized capital of Arifmetika MCC LLC in the amount of 100% with a par value of 300,000,000 (three hundred million) rubles in the authorized capital of Navigator Acquisition Corp. In exchange for a share of Arifmetika MCC LLC, Navigator Acquisition Corp. will issue and place 224,927,143 (two hundred twenty four million nine hundred twenty seven thousand one hundred forty three) ordinary shares (each without par value) in favour of OR GROUP PJSC; it will amount to 93% (ninety three percent) of the total number of shares that make up the authorized capital of Navigator Acquisition Corp. As a result of the transaction, Navigator will enter the OR GROUP structure.

The Board of Directors of ORG PJSC, the parent company of OR GROUP, on December 24 approved the conclusion of the transaction under the terms of the Agreement. As a result of the transaction, the management team of MCC Arifmetika, headed by Director Igor Rodyushkin, will continue to be responsible for the strategic development of the company, including the launch of new products and the development of new markets.

Arifmetika MCC is a leading player in the Russian microfinance market. The Company's customer base includes more than 1.5 million persons. It is ranked among the TOP-3, according to Expert RA, in terms of the volume of issued consumer loans (Installments) and the net profit in 2020². Arifmetika grants non-target medium-term loans, and operates in the target loan market (BNPL³ segment) as well; it follows an omnichannel business model by offering POS solutions and developing a digital platform for online lending (website and mobile app). The Company has one of the lowest cost of risk indicators in the Russian microfinance market: it amounted to 13% at the end of 2020. In 2018, Arifmetika MCC became one of the first Russian companies to implement blockchain to protect customer data.

¹ CPC is a Capital Pool Company similar to SPAC. It is an alternative method to raise capital and become public for private companies. It is a registered investment vehicle that raises funds for the acquisition and/or reverse merger (business combination) with one or more non-listed operating companies. The CPC system was established and is currently regulated by TMX Group, and the companies are traded in the TSX Venture Exchange in Toronto, Canada.

² Results of 2020 for the MFO market and forecast for 2021: the imprint of the pandemic. <https://www.raexpert.ru/researches/mfo/2020/>

³ "Buy now, pay later"

Anton Titov, CEO of OR GROUP, comments:

We are pleased to have concluded the transaction with Navigator Acquisition Corp., which will allow us to raise equity capital for the development of the promising business of Arifmetika MCC.

Through this transaction, we plan to provide a unique opportunity to invest in a Russian microfinance company with a high-margin business model, a wide product range and great growth potential, which operates in an attractive market, and to participate in its further development.

The Russian microfinance market is emerging one, it is one of the fastest growing markets in Europe and has significant potential for further expansion due to the introduction of new technologies and increasing demand for state-of-the-art financial services. According to Expert RA rating agency, the volume of microloans granted in the 1st half of 2021 increased by 50% to 270 billion rubles⁴. The agency expects the overall market volume to grow by 30% over the current year.⁵

As a result of subsequent rounds of financing, Arifmetika MCC will receive equity capital that can be used for development, and the growth and improvement of financial performance of one of the Group's subsidiaries is one of the potential growth points for the parent company.

Furthermore, it is worth mentioning that next year we plan several investment rounds, among which we consider cash-in and cash-out deals, which will open new opportunities for OR GROUP, including deleveraging.

Igor Rodyushkin, CEO of Arifmetika MCC, comments:

We will continue to invest in expanding our product range by following market trends and responding to our customers' needs. In the coming years, the priority for us is the development of remote channels and an increase in the share of online loans in the total volume of loans. We will focus on the development of a new product in the promising BNPL (Buy Now Pay Later) segment as well. This will allow us to significantly increase our customer base through partnerships with retail chains and online stores and improve the portfolio quality, which ultimately will have a positive effect on profit and profitability indicators.

Kyle Shostak, director of Navigator Acquisition Corp., comments:

The Russian microfinance market has a low level of consolidation providing great opportunities for large players to strengthen their positions. The Arifmetika's MCC team is one of the most professional ones in the market, the company develops financial services relying on a modern IT infrastructure, which allows to expand the number of services and products and scale the business to any number of regions; this is also a highly professional team that thinks innovatively and makes possible further consolidation of the sector.

Being one of the most profitable companies in the market, Arifmetika MCC has a clear long-term development strategy. Arifmetika MCC is sure to receive a worthy assessment and attract the attention of a wide pool of international investors by becoming the first public company from the Russian microfinance sector.

⁴ Microfinance: results of the first half of 2021: https://www.raexpert.ru/researches/mfo/1h_2021/

⁵ Results of 2020 for the MFO market and forecast for 2021: the imprint of the pandemic. <https://www.raexpert.ru/researches/mfo/2020/>

About Arifmetika MCC

Arifmetika MCC LLC is a leading microlending company operating in Russia for more than 5 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 570 service points in 240 localities of Russia⁶. 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 MCC are located in the city of Novosibirsk.

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 760⁶ outlets in 308 Russian cities and towns.

In October 2017, OR GROUP raised RUB 5.9 billion in an IPO in 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 company NAVIGATOR

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. (as defined in TSXV Policy 2.4)

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.

In 2012, Kyle Shostak and his co-founders were the first to launch SPAC⁷ in Eastern Europe. In 2012-2014, they were partners with NASDAQ-listed CIS Acquisition Ltd. In their practice, one completed merger of US \$ 80 million (equity and options) with Delta Technologies Ltd, a manufacturer of specialty chemicals.

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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, Cost of Risk and 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.

⁷ SPAC - Special-purpose acquisition company - a company created specifically for a merger with another private company that wants to go public without going through the IPO procedure. Applies to transactions carried out in the United States. SPAC allows retail investors to make direct and leveraged investments in promising companies. SPAC is an IPO alternative for startups and small and mid-cap companies.

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.