

Letter from Monify to IUVO investors with regards to COVID-19

Dear IUVO investors,

With this message Monify would like to address its current loan exposition on the IUVO Group platform. Monify is an on-line SME lender that lends money to small-to-medium size enterprises fully online up to 100'000 EUR against personal guarantee of borrower shareholders. Monify works in Estonia, Latvia, Lithuania and Poland.

Out of the outstanding loan book of 4+ million EUR and 300 customers, around 60 customers or 20% have applied for us to ask for a principal payment prolongation or restructuring. Majority of them provided explanation of their situation, and supported it with updated bank statements, emails/print screens of cancelled agreements/orders and other supportive documents. The ones who did not provided information, were rejected in the prolongation.

Currently none of those customers declared bankruptcy. Most of them have decrease in revenue stream and are cutting costs as much as they can.

Meanwhile, in Latvia one of the legislative measures taken was that it is possible to file a bankruptcy against the company until 1st of September. In addition, all pre-court or court notices should give 60 instead of 10 days period for voluntary fulfilment of obligations. These measures are here to protect business. From one side, it makes our debt collection and recovery a longer process, while from other side it ensures that no other borrower creditors would make any actions that would increase probability of winding up of the company. The second aspect is good for us as a lending company and outcompetes the first one.

As other measures, Monify has stopped lending any new loans to both old and new customers, and is focusing only on current customer service, debt collection, cost optimization and fulfilling its obligations to creditors.

There are loans that Monify sold on Iuvo Group and due to COVID-19 afterwards made prolongations. Monify is using this opportunity that Iuvo





Group provides and will be mirroring such prolongation to investors. It will mean that mostly principal payment would be prolonged for range of 1 up to 3 months, while borrower will be fully paying its interest on the outstanding loan amount. It means more income to the investor on the total loan term. For some loans where customers have experienced dramatic drop in revenue and cash flow, however, both principal and interest is prolonged.

Meanwhile we also see positive signs as of today. Few cafes and restaurants are opening in Riga. Part of our customers are experiencing growth of their revenue – for example freight and transportation services. Given these signs, and assuming that the economy will be recovering in V-type and not W-type (second wave), we expect that for majority of the customers after prolongation terms, will be back on track and will be paying on schedule. Thus Monify will be able to fulfil its obligations towards its investors on Iuvo Group.

Thanks for being investors in Monify loans and for supporting small-medium sized business.

Wishing everyone good health and wealth.

With best regards,



Artur Geisari
CEO and co-founder at Monify

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