

# ANNUAL REPORT

**beginning of financial year:** 01.01.2019

**end of the financial year:** 31.12.2019

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## Table of contents

<b>Management report</b>	<b>3</b>
<b>The annual accounts</b>	<b>4</b>
<b>Statement of financial position</b>	<b>4</b>
<b>Income statement</b>	<b>5</b>
<b>Notes</b>	<b>6</b>
<b>Note 1 Accounting policies</b>	<b>6</b>
<b>Note 2 Cash and cash equivalents</b>	<b>6</b>
<b>Note 3 Receivables and prepayments</b>	<b>7</b>
<b>Note 4 Intangible assets</b>	<b>8</b>
<b>Note 5 Payables and prepayments</b>	<b>8</b>
<b>Note 6 Related parties</b>	<b>9</b>
<b>Signatures</b>	<b>10</b>

## Management report

OÜ Iuvo Group has started its business in financial market segment in 2016 to offer its clients to invest using the model of Peer-to-peer lending.

At the end of 2019 we partner with eight loan originators from Bulgaria, Romania, Spain, Poland and Georgia. We have over 18 thousand registered users who have generated over EUR 89 million in market turnover.

In 2019 the company saw its highest growth in terms of all trade KPIs: users, funded loans, revenue and market share. User base grew by nearly 100%, market turnover grew by 128% and revenue grew by over 200%. According to data by Brismo, the market leading provider of lending performance data, iuvo was among the top 5 peer-to-peer lenders in EU who employ the business model of working with loan originators.

In 2019 we were voted runner-up in the category Peer-to-Peer lender at the "People's Choice Awards", presented by AltFi. In February 2020 we won the award for "Financial Service of the year 2019", presented by Forbes Bulgaria.

In 2020 the company expects to increase the customers database and evolve the business through partnering with new loan originators and increasing the number of features and services offered.

### COVID reaction and 2020 outlook

Iuvo continued to grow in 2020, recording our strongest ever months in January and February. However, in March Europe was shook by the Covid 19 pandemic and the resulting quarantines and economic disruptions in all our markets of operations. We responded to this situation with extreme caution and put a plan in action to mitigate the negative consequences:

- Number 1 priority is monitoring and control of the loan originators.
- Number 2 priority is clear and transparent communication with all our investors regarding the situation with the platform and the loan originators.
- Number 3 priority is cost reduction to levels that will sustain the business with its current cash flow for as long as possible.

We can safely say that iuvo's response has been the most adequate on the peer-to-peer market. We saw a drop of market turnover during the months March to May of only 25% comparing to between 40% and 60% among all significant competitors. At the same time we and the loan originators we work with provided all the needed liquidity for investors who desired to cash out during the quarantine, which resulted in zero delays in payouts. Iuvo's strictest vetting and monitoring procedures on the P2P market have resulted in our loan originator partners causing zero losses to the investors during the quarantine period – a feat that no other peer-to-peer platform can display.

Since the second part of May iuvo's activity is back on growing track with market turnover increasing 85%. We believe that until the end of 2020 we will recover fully to the levels of the beginning of 2020.

In annual accounting period there were no employees and no wages were paid to employees or members of the board.

OÜ Iuvo Group is part of Management Financial Group (MFG) – a holding that encompasses leading companies in its structure, specialized in the non-bank financial services in Central and Eastern Europe.

MFG manages a rich portfolio of successful business models in the field of personal loans, financing of micro and small businesses, credit cards, digital business, and other alternative financial models. The holding is an employer of over 7 700 people in over 450 offices in Bulgaria, Ukraine, Romania, Poland, and North Macedonia.

## The annual accounts

### Statement of financial position

(In Euros)

	31.12.2019	31.12.2018	Note
Assets			
Current assets			
Cash and cash equivalents	900 990	1 066 872	2
Receivables and prepayments	49 226	17 610	3
<b>Total current assets</b>	<b>950 216</b>	<b>1 084 482</b>	
Non-current assets			
Investments in subsidiaries and associates	2 500	2 500	
Intangible assets	723 789	365 785	4
<b>Total non-current assets</b>	<b>726 289</b>	<b>368 285</b>	
<b>Total assets</b>	<b>1 676 505</b>	<b>1 452 767</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	1 102 425	1 053 710	5
<b>Total current liabilities</b>	<b>1 102 425</b>	<b>1 053 710</b>	
Non-current liabilities			
Loan liabilities	0	647 700	
<b>Total non-current liabilities</b>	<b>0</b>	<b>647 700</b>	
<b>Total liabilities</b>	<b>1 102 425</b>	<b>1 701 410</b>	
Equity			
Issued capital	1 700 000	500 000	
Retained earnings (loss)	-748 643	-353 904	
Annual period profit (loss)	-377 277	-394 739	
<b>Total equity</b>	<b>574 080</b>	<b>-248 643</b>	
<b>Total liabilities and equity</b>	<b>1 676 505</b>	<b>1 452 767</b>	

## Income statement

(In Euros)

	2019	2018	Note
Revenue	310 726	104 792	
Other operating expense	-592 863	-445 833	
Depreciation and impairment loss (reversal)	-28 686	-13 352	
Other expense	-2 690	-2 184	
<b>Operating profit (loss)</b>	<b>-313 513</b>	<b>-356 577</b>	
Interest expenses	-63 776	-38 207	
Other financial income and expense	12	45	
<b>Profit (loss) before tax</b>	<b>-377 277</b>	<b>-394 739</b>	
<b>Annual period profit (loss)</b>	<b>-377 277</b>	<b>-394 739</b>	

## Notes

### Note 1 Accounting policies

#### General information

Iuvo Group OÜ 31.12.2019 lõppenud aruandeperioodi raamatupidamise aastaaruanne on koostatud kooskõlas Eesti Vabariigi hea raamatupidamistavaga, mis tugineb rahvusvaheliselt tunnustatud arvestuse ja aruandluse põhimõtetele.

Hea raamatupidamistava põhinõuded on kehtestatud Eesti Vabariigi raamatupidamise seadusega ning seda täiendavad Raamatupidamise Toimkonna poolt antud juhendid.

Raamatupidamise aastaaruanne on koostatud eurodes.

#### Cash and cash equivalents

Raha ja selle ekvivalentidena kajastatakse rahavoogude aruandes kassas olevat sularaha ning nõudmiseni hoivuseid pankades.

#### Foreign currency transactions and assets and liabilities denominated in a foreign currency

Iuvo Group OÜ arvestus- ja esitusvaluutaks on euro.

Välisvaluutas fikseeritud monetaarsed varad ja kohustused ning mitte-monetaarsed varad ja kohustused, mida kajastatakse õiglase väärtuse meetodil, on ümber hinnatud eurodesse bilansipäeval ametlikult kehtinud euroopa Keskpanga valuutakursside alusel.

Kursimuutustest tekkinud kasumid ja kahjumid on kajastatud kasumiaruandes saldeerituna.

#### Receivables and prepayments

Nõudeid ostjate vastu kajastatakse bilansis korrigeeritud soetusmaksumuses. Ostjatelt laekumata arved on bilansis hinnatud lähtuvalt tõenäoliselt laekuvatest summadest. Seejuures hinnatakse iga kliendi laekumata arveid eraldi, arvestades teadaolevat informatsiooni kliendi maksevõime kohta.

#### Revenue recognition

Tulud on kirjendatud tekkepõhise arvestusprintsipi alusel.

Tulu kaupade müügist ja teenuse osutamisest kajastatakse tuluna, kui kaubad on ostjale üle antud või teenus osutatud.

#### Expense recognition

Kulud kajastatakse kui Iuvo Group OÜ-l on tekkinud kohustus vastava kulu osas ja/või kui Iuvo Group OÜ on saanud kaupu või teenuseid.

### Note 2 Cash and cash equivalents

(In Euros)

	31.12.2019	31.12.2018
Cash Business activity bank account	99 326	114 970
Cash Investors' accounts in bank	801 664	951 902
<b>Total cash and cash equivalents</b>	<b>900 990</b>	<b>1 066 872</b>

### Note 3 Receivables and prepayments

(In Euros)

	31.12.2019	Within 12 months
Accounts receivable	40 001	40 001
Accounts receivables	40 001	40 001
Other receivables	9 225	9 225
Accrued income	9 225	9 225
<b>Total receivables and prepayments</b>	<b>49 226</b>	<b>49 226</b>
	31.12.2018	Within 12 months
Accounts receivable	15 766	15 766
Accounts receivables	15 766	15 766
Other receivables	1 792	1 792
Accrued income	1 792	1 792
Prepayments	52	52
Other paid prepayments	52	52
<b>Total receivables and prepayments</b>	<b>17 610</b>	<b>17 610</b>

## Note 4 Intangible assets

(In Euros)

	Computer software	Total
<b>31.12.2017</b>		
Carried at cost	153 725	153 725
Accumulated depreciation	-2 636	-2 636
<b>Residual cost</b>	<b>151 089</b>	<b>151 089</b>
Acquisitions and additions	228 048	228 048
Depreciation	-13 352	-13 352
<b>31.12.2018</b>		
Carried at cost	381 773	381 773
Accumulated depreciation	-15 988	-15 988
<b>Residual cost</b>	<b>365 785</b>	<b>365 785</b>
Acquisitions and additions	386 690	386 690
Depreciation	-28 686	-28 686
<b>31.12.2019</b>		
Carried at cost	768 463	768 463
Accumulated depreciation	-44 674	-44 674
<b>Residual cost</b>	<b>723 789</b>	<b>723 789</b>

## Note 5 Payables and prepayments

(In Euros)

	31.12.2019	Within 12 months
Trade payables	79 645	79 645
Tax payables	18 298	18 298
Other payables	1 004 482	1 004 482
Other accrued expenses	1 004 482	1 004 482
<b>Total payables and prepayments</b>	<b>1 102 425</b>	<b>1 102 425</b>
	31.12.2018	Within 12 months
Trade payables	32 057	32 057
Tax payables	7 161	7 161
Other payables	1 014 492	1 014 492
Other accrued expenses	1 014 492	1 014 492
<b>Total payables and prepayments</b>	<b>1 053 710</b>	<b>1 053 710</b>



## Note 6 Related parties

(In Euros)

### Related party balances according to groups

	31.12.2019		31.12.2018	
	Receivables	Liabilities	Receivables	Liabilities
Subsidiary	388	0	149	0