

ANNUAL REPORT

beginning of financial year: 01.01.2020

end of the financial year: 31.12.2020

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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 2020 we partner with twelve loan originators from Bulgaria, Romania, Spain, Poland, Latvia, Russia and Georgia. We have over 24 thousand registered users who have generated over EUR 175 million in market turnover.

As everywhere in the industry, 2020 developed under the sign of the Covid 19 pandemic. After recording our strongest months ever in January and February, there was a significant drop in investment activity in the months of March and April.

We can safely say that iuvo's response to the crisis 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.

Since the second part of May iuvo's activity was back on growing track with market turnover increasing 85%. The pandemic losses were recovered by the end of 2020.

The year did, however, see some loan originators experiencing liquidity problems caused by the Covid restrictions that shook Europe's economy. This affected mainly the SME lending segment as a logical consequence of the thousands of small businesses that were put in a de facto lockdown, especially in the hospitality and all related areas of activity. Currently, the Polish company CBC, the Georgian BBG and Latvian Monify are under threat of bankruptcy following the above. We are working closely with our lawyers and consultants in order to collect the maximum amounts owed to iuvo's investors by these companies.

The beginning of 2021 has proven positive with some of the strongest results in iuvo's history coming in January and February. In 2021 the company expects to increase the customers database and evolve the business through partnering with new loan originators and introducing new products.

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, Spain and North Macedonia.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2020	31.12.2019
Assets		
Current assets		
Cash and cash equivalents	581 563	900 990
Receivables and prepayments	79 917	49 226
Total current assets	661 480	950 216
Non-current assets		
Investments in subsidiaries and associates	104 758	2 500
Intangible assets	887 948	723 789
Total non-current assets	992 706	726 289
Total assets	1 654 186	1 676 505
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	847 536	1 102 425
Total current liabilities	847 536	1 102 425
Non-current liabilities		
Loan liabilities	274 258	0
Total non-current liabilities	274 258	0
Total liabilities	1 121 794	1 102 425
Equity		
Issued capital	1 700 000	1 700 000
Retained earnings (loss)	-1 125 921	-748 643
Annual period profit (loss)	-41 687	-377 277
Total equity	532 392	574 080
Total liabilities and equity	1 654 186	1 676 505

Income statement

(In Euros)

	2020	2019
Revenue	406 705	310 726
Other operating expense	-391 418	-592 863
Depreciation and impairment loss (reversal)	-44 858	-28 686
Other expense	-12 151	-2 690
Operating profit (loss)	-41 722	-313 513
Interest expenses	0	-63 776
Other financial income and expense	35	12
Profit (loss) before tax	-41 687	-377 277
Annual period profit (loss)	-41 687	-377 277

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)

	31.12.2020	31.12.2019
Cash Business activity bank account	7 667	99 326
Cash Investors' accounts in bank	573 896	801 664
Total cash and cash equivalents	581 563	900 990

Note 3 Receivables and prepayments

(In Euros)

	31.12.2020	Within 12 months
Accounts receivable	77 593	77 593
Accounts receivables	77 593	77 593
Receivables from related parties	807	807
Tax prepayments and receivables	16	16
Other receivables	1 330	1 330
Accrued income	1 330	1 330
Prepayments	171	171
Other paid prepayments	171	171
Total receivables and prepayments	79 917	79 917
	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
Total receivables and prepayments	49 226	49 226

Note 4 Intangible assets

(In Euros)

		Total
	Computer software	
31.12.2018		
Carried at cost	381 773	381 773
Accumulated depreciation	-15 988	-15 988
Residual cost	365 785	365 785
Acquisitions and additions	386 690	386 690
Depreciation	-28 686	-28 686
31.12.2019		
Carried at cost	768 463	768 463
Accumulated depreciation	-44 674	-44 674
Residual cost	723 789	723 789
Acquisitions and additions	209 017	209 017
Depreciation	-44 858	-44 858
31.12.2020		
Carried at cost	977 480	977 480
Accumulated depreciation	-89 532	-89 532
Residual cost	887 948	887 948

Note 5 Payables and prepayments

(In Euros)

	31.12.2020	Within 12 months
Trade payables	55 494	55 494
Tax payables	2 099	2 099
Other payables	789 939	789 939
Other accrued expenses	789 939	789 939
Prepayments received	4	4
Other received prepayments	4	4
Total payables and prepayments	847 536	847 536
	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
Total payables and prepayments	1 102 425	1 102 425

Note 6 Related parties

(In Euros)

Balances with related parties by categories

	31.12.2020		31.12.2019	
	Receivables	Liabilities	Receivables	Liabilities
Subsidiaries	807	0	388	0