

ANNUAL REPORT

beginning of financial year: 01.01.2021

end of the financial year: 31.12.2021

business name: IUVO GROUP OÜ

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Management report

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

As of middle of May 2022 we partner with twelve loan originators from Bulgaria, Romania, Spain, Poland, Latvia and Russia. We have over 30 thousand registered users who have generated over EUR 275 million in market turnover.

Beginning of 2021 was marked by speedy recovery from the pandemic. The business results for the year kept the same trend. 115% increase in the net deposits compared to the previous year and a stable increase in the new investors. In 2021 iuvo launched a new product called iuvoUP (later rebranded to iuvoSAVE), targeting a completely new type of investors. In 2021 iuvo appointed an experienced COO Boyan Kazandzhiev who is actively managing the operations of the company. The accelerated growth in the beginning of 2022 was slowed down by the conflict between Russia and Ukraine. Nevertheless, in 2022 iuvo is increasing its net deposits and increasing the customer base. In March 2022 there was a change in the management of iuvo and Blagovest Karadzhev was appointed as CEO, replacing Ivaylo Ivanov. Blagovest has both extensive technical and financial background. He was the main driver of the development of the e-wallet of the biggest telecom in Bulgaria, Vivacom, part of United Group. Stepping on this experience, iuvo in 2022 will upgrade its technical capabilities, launch a mobile app, and also develop new features for the investment products already provided.

On the 17th of October 2022, OÜ Iuvo Group has applied to return the credit intermediary license in front of EFSA. The application was successful and the license was successfully returned back to the regulator. This action does not affect in any way the core business operations of OÜ Iuvo Group – the assignment of claims of receivables. Currently OÜ Iuvo Group is continuing its business operation of assignment of claims on receivables.

On the subject of the “continuity of operations” IUVO GROUP OÜ has ceased its activities as credit intermediary and is only operating the Portal for assignment of loan receivables which as is not a regulated activity.

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)

	31.12.2021	31.12.2020	Note
Assets			
Current assets			
Cash and cash equivalents	1 223 659	581 563	2
Receivables and prepayments	92 093	79 917	3
Total current assets	1 315 752	661 480	
Non-current assets			
Investments in subsidiaries and associates	114 758	104 758	4
Intangible assets	1 185 292	887 948	5
Total non-current assets	1 300 050	992 706	
Total assets	2 615 802	1 654 186	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	1 768 694	847 536	6
Total current liabilities	1 768 694	847 536	
Non-current liabilities			
Loan liabilities	483 531	274 258	7
Total non-current liabilities	483 531	274 258	
Total liabilities	2 252 225	1 121 794	
Equity			
Issued capital	532 392	1 700 000	
Retained earnings (loss)	1	-1 125 921	
Annual period profit (loss)	-168 816	-41 687	
Total equity	363 577	532 392	
Total liabilities and equity	2 615 802	1 654 186	

Income statement

(In Euros)

	2021	2020
Revenue	527 025	406 705
Other income	742	0
Other operating expense	-552 202	-391 418
Depreciation and impairment loss (reversal)	-55 354	-44 858
Other expense	-47 028	-12 151
Operating profit (loss)	-126 817	-41 722
Interest expenses	-44 272	0
Other financial income and expense	2 273	35
Profit (loss) before tax	-168 816	-41 687
Annual period profit (loss)	-168 816	-41 687

Notes

Note 1 Accounting policies

General information

The annual report of Iuvo Group OÜ for 2021 have been prepared in accordance with the Estonian Financial Reporting Standard, which is a set of financial reporting requirements for the public based on internationally accepted accounting principles, the basic requirements of which are established by the Accounting Act.

Iuvo Group OÜ belongs to the small business category and uses abbreviated reporting forms.

The income statement of Iuvo Group OÜ has been prepared on the basis of the income statement scheme No. 1 provided in Appendix 2 to the Accounting Act.

The financial statements have been prepared in euros based on cost.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet include current account balances.

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

The functional and presentation currency of Iuvo Group OÜ is the euro.

Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities that are measured at fair value are retranslated to the functional currency at the exchange rate of the European Central Bank ruling at the balance sheet date.

Gains and losses arising from changes in foreign exchange rates are recognized in the income statement.

Shares of subsidiaries and associates

Subsidiaries are companies over which the parent company has control. A subsidiary is considered to be under control if the parent company is either directly or indirectly able to control the activities and financial policies of the subsidiary with the aim of benefiting from the activities of the subsidiary.

Investments in subsidiaries are recognized at acquisition cost.

Receivables and prepayments

Trade receivables are carried in the balance sheet at amortized cost. Accounts receivable from customers are valued in the balance sheet based on the amounts likely to be received. In doing so, the outstanding invoices of each customer are assessed separately, taking into account the known information on the customer's solvency.

Revenue recognition

Revenue is recognized on an accrual basis.

Revenue from the sale of goods and provision of services is recognized as revenue when the goods have been delivered to the buyer or the service has been provided.

Expense recognition

Expenses are recognized when Iuvo Group OÜ has incurred a liability for the respective expense and / or when Iuvo Group OÜ has received goods or services.

Taxation

According to the current legislation, the profits of companies in Estonia are not taxed, therefore there are no deferred income tax claims or liabilities. Instead of profit, dividends paid out of undistributed profit are taxed in Estonia at a tax rate of 20/80 on the amount paid out as a net dividend. The corporate income tax accompanying the payment of dividends is reflected in the income statement income tax expense in the same period that the dividends are declared, regardless of the period for which they are declared or when they are actually paid.

Related parties

The following persons are considered the related parties of the company:

- Executive and senior management and close family members of the named persons (spouse, partner, child) and companies controlled by them or under their significant influence.
- Parent company (and persons controlling or having significant influence over the parent company).
- Other companies belonging to the same consolidation group (e.g. remaining subsidiaries and affiliates of the parent company).

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2021	31.12.2020
Cash Business activity bank account	5 210	7 667
Cash Investors' accounts in bank	1 218 449	573 896
Total cash and cash equivalents	1 223 659	581 563

Note 3 Receivables and prepayments

(In Euros)

	31.12.2021	Within 12 months
Accounts receivable	68 735	68 735
Accounts receivables	68 735	68 735
Receivables from related parties	997	997
Tax prepayments and receivables		0
Other receivables	22 361	22 361
Accrued income	22 361	22 361
Total receivables and prepayments	92 093	92 093
	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

Note 4 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2020	31.12.2021
14247477	IUVO CREDIT OÜ	Estonia	P2P platform	100	100
16284672	IUVO Finants OÜ	Estonia	P2P platform	100	100
206251285	IUVO SERVICES EOOD	Bulgaria	P2P platform	100	100

Shares of subsidiaries, detailed information:			
Name of subsidiary	31.12.2020	Acquisition	31.12.2021
IUVO CREDIT OÜ	2 500	0	2 500
IUVO Finants OÜ	0	10 000	10 000
IUVO SERVICES EOOD	102 258	0	102 258
Total shares of subsidiaries, at end of previous period	104 758	10 000	114 758

Note 5 Intangible assets

(In Euros)

	Total	
	Computer software	
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
Acquisitions and additions	352 698	352 698
Depreciation	-55 354	-55 354
31.12.2021		
Carried at cost	1 330 178	1 330 178
Accumulated depreciation	-144 886	-144 886
Residual cost	1 185 292	1 185 292

Note 6 Payables and prepayments

(In Euros)

	31.12.2021	Within 12 months
Trade payables	124 252	124 252
Tax payables	11 316	11 316
Other payables	1 633 126	1 633 126
Other accrued expenses	1 633 126	1 633 126
Total payables and prepayments	1 768 694	1 768 694
	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

Note 7 Related parties

(In Euros)

Name of accounting entity's parent company	Management Financial Group AD
Country where accounting entity's parent company is registered	Bulgaria

Related party balances according to groups

SHORT TERM	31.12.2021	31.12.2020
Receivables and prepayments		
Subsidiaries	997	807
Total receivables and prepayments	997	807
Payables and prepayments		
Parent company	13 150	13 150
Total payables and prepayments	13 150	13 150

LONG TERM	31.12.2021	31.12.2020
Loan commitments		
Parent company	483 531	274 258
	483 531	274 258

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LOAN COMMITMENTS	31.12.2020	Loans received	Loans received repayments	31.12.2021	Interest accrued for period
Parent company	274 258	165 000	0	439 258	44 272
Total loan commitments	274 258	165 000	0	439 258	44 272

Note 8 Events after the reporting date

The war in Ukraine started by Russia on February 24 also affects the activities of IUVVO GROUP OÜ, as one of the loan intermediaries is a Russian company. Transactions in rubles have been suspended, but the situation of this credit intermediary does not affect the continuity of IUVVO Group OÜ's operations.

On 15.07.2022, the Bulgarian subsidiary was sold to the parent company.

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Aruande allkirjad

Aruande lõpetamise kuupäev on: _____

IUVO GROUP OÜ (registrikood: 14063375) 01.01.2021 - 31.12.2021 majandusaasta aruande andmete õigsust on kinnitanud:

Allkirjastaja nimi

Allkirjastaja roll

Kuupäev ja allkiri

Blagovest Karadzhev

Juhatuseliige
