



**UNAUDITED INTERIM AND SEPARATE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2020



MANAGEMENT REPORT

The Management Board of JSC VIA SMS group presents its report on the unaudited interim consolidated income statement and statement of financial position for the period from January 1, 2020 to 30 June 30, 2020.

All amounts are presented in EUR (Euro).

CORE ACTIVITIES

AS VIA SMS group is a holding company managing several daughter companies - alternative financial services providers - in various countries. AS VIA SMS group together with its subsidiaries make the Group. The core business fields of the Group's subsidiaries are providing consumer lending, investment and digital payments services. VIA SMS Group mission is to provide simple and accessible alternative financial services by delivering transparency, building trust and bringing positive change by educating society on making smart financial decision.

BUSINESS OVERVIEW

During the first six months of 2020 the Group has reached the net profit of EUR 588 401. The Group has closed the reporting period with a net turnover of EUR 13 756 940. Consolidated net portfolio of the Group as to June 30, 2020 was EUR 19 284 883. The largest net turnover growth in the reporting period is reached by the digital payment platform VIALET (UAB Via Payments).

Reacting to the rapid spread of COVID-19 and following pandemic, several restrictions related to pandemic containment were introduced March 2020, which resulted in significant slowdown of economic activity. Despite the conditions, the Group continues execution of its business development strategy according to the initial plan as well as introduces measures to prevent negative consequences of the pandemic. The Group has managed to maintain high quality of operations without significant damage to the business.

The Board of the Company has taken all measures to ensure the stability of the Company despite the unclear conditions of business operations including reduction of costs, minimization of lending activities, shifting the focus to the long-term customers with stable repayment performance, as well as has ensured the Group maintains high liquidity level. Currently, daughter companies of VIA SMS Group are operating according to the strategic plan, closely monitoring change patterns in customer behavior; until now there are no negative patterns in services demand or repayment culture observed.

The main goal of VIA SMS Group in 2020 remains the development of the digital payment platform VIALET globally by investing in building unique fintech solution. The strategic plan of the Group foresees VIALET becoming a unified platform offering wide range of services and allowing to serve all segments of Company's customers. Product upgrade will allow the managing product portfolio more effectively and ensuring higher accessibility and usability of products. In the first half of 2020 AS VIA SMS group was focusing its efforts on the development of VIALET services in Poland resulting in VIALET.pl – a payment card with credit line launch in October, 2020.

SIA Viainvest operating peer-to-peer lending platform VIAINVEST is currently in the final phase of licensing process to acquire the investment brokerage company license that will allow the Company to make the securities placement, as well as ensure safer investing environment and additional guarantees.

PRODUCT OVERVIEW

Currently, the Company is ensuring 6 various consumer lending products – short-term loan (available in Poland and Spain), installment loan (available in Latvia), credit line (available in Sweden, Latvia, Romania, Poland and Czechia), payment card with credit line SAVA.card (available for customers in Latvia) and payment card with credit line VIALET.pl (available in Poland). Group's product portfolio also includes current accounts in EUR, PLN, digital payments platform VIALET and peer-to-peer lending platform VIAINVEST. In the first half of the year, the Group launched VIALET.pl, as well as introduced credit line lending product in Czechia.

GEORGIJS KRASOVICKIS
Member of the Board

EDUARDS LAPKOVSKIS
Member of the Board

DENISS ŠERSTJUKOVS
Member of the Board

INTERIM CONSOLIDATED INCOME STATEMENT

EUR	GROUP		COMPANY	
	1H 2020	1H 2019	1H 2020	1H 2019
Net turnover	13 756 940	13 698 298	1 893 652	1 910 974
Operating costs	(4 861 537)	(4 371 869)	(478 365)	(472 625)
Impairment allowances / sale of portfolio	(3 680 172)	(3 278 031)	-	-
Gross profit	5 215 231	6 048 398	1 415 287	1 438 349
Selling expenses (marketing)	(821 927)	(1 494 809)	(144 784)	(135 555)
Operating profit	4 393 304	4 553 589	1 270 503	1 302 794
Administrative expenses	(3 010 339)	(3 002 676)	(1 712 614)	(1 451 809)
Other operating expenses	(774 010)	(729 413)	(60 286)	(106 332)
Other operating income	58	562 724	2	513 596
Profit before tax	609 013	1 384 224	(502 395)	258 249
Taxes	(20 611)	(119 454)	-	-
Net profit for the period	588 402	1 264 770	(502 395)	258 249
Minority interest (loss)	(471)	(8 193)	-	-
Profit attributable to equity holders	588 873	1 272 963	(502 395)	258 249

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
EUR	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Non-current assets	1 152 819	1 406 314	8 258 842	11 787 912
Intangible assets	459 513	459 772	451 169	442 684
Property, plant and equipment	143 427	164 744	102 428	120 614
Investments in leasehold improvements	7 263	8 480	-	-
Right-of-Use assets (non-current)	427 539	606 197	46 107	92 213
Investments in the capital of subsidiaries	-	-	7 659 138	7 479 136
Loans and trade receivables	-	37 296	-	3 653 265
Deferred tax assets	115 077	129 825	-	-
Current assets	30 812 077	33 170 733	6 751 060	2 928 661
Loans and trade receivables	19 284 883	23 981 774	5 720 992	424 833
Other debtors	8 208 114	7 825 726	552 532	2 437 075
Prepaid expenses	226 241	225 123	171 445	39 993
Cash and cash equivalents	3 092 839	1 138 110	306 091	26 760
Total assets	31 964 896	34 577 047	15 009 902	14 716 573

	GRUPA		SABIEDRĪBA	
EUR	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Equity	4 587 078	4 079 621	2 853 573	3 356 044
Share capital	803 000	803 000	803 000	803 000
Foreign currency translation reserve	(47 155)	18 846	(1 355)	(225)
Retained earnings	3 831 233	3 257 775	2 051 928	2 553 269
Total equity attributable to the members of the Company	4 602 133	4 073 824	2 853 573	3 356 044
Minority interest	15 055	(5 797)	-	-
Non-current liabilities	3 101 595	2 063 219	9 099 160	8 119 094
Bonds	1 077 000	1 077 000	1 077 000	1 077 000
Borrowings	1 858 075	780 904	8 022 160	7 042 094
Lease liabilities (non-current)	166 520	205 315	-	-
Current liabilities	24 261 168	28 440 004	3 057 169	3 241 435
Bonds (interests)	11 668	15 302	11 668	15 302
Borrowings	16 679 302	19 780 877	504 737	37 370
Trade payables	2 696 491	2 839 025	993 320	894 098
Lease liabilities	266 399	413 456	51 329	95 364
Corporate income tax payable	139 051	154 865	-	-
Other liabilities	2 928 479	3 257 742	675 814	938 311
Deferred income	105 349	225 823	-	98 493
Unpaid dividends	590 000	1 012 000	590 000	1 012 000
Accrued liabilities	844 429	740 914	230 301	150 497
Total liabilities	27 362 763	30 503 223	12 156 329	11 360 529
Total equity and liabilities	31 964 896	34 577 047	15 009 902	14 716 573

CONTACT US



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