



**UNAUDITED INTERIM AND SEPARATE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2021



MANAGEMENT REPORT

The Management Board of AS VIA SMS group presents its report on the unaudited interim consolidated income statement and statement of financial position for the period from January 1, 2021 to 30 June 30, 2021.

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 2021 the Group has reached the net profit of EUR 1 025 645. The Group has closed the reporting period with a net turnover of EUR 14 013 797. Consolidated net portfolio of the Group as to June 30, 2021 was EUR 23 279 173. The largest net turnover growth in the reporting period is reached by the digital payment platform VIALET (UAB Via Payments).

In the first half of 2021 VIA SMS Group was mainly focused on the development of the investment platform VIAINVEST as it has entered the final phase of licensing with an aim to obtain the investment brokerage firm (IBF) license in the Republic of Latvia and become a regulated member of the finance and capital market. By closely cooperating with prospective regulator Finance and Capital Market Commission, VIAINVEST has significantly improved its anti-money laundering and terrorism financing prevention, as well as know-your-customer and other important policies and is preparing to obtain the license. The formal issuance of the license will mark the beginning of 6 months transition period during which VIAINVEST will shift from selling claim rights to loans to providing the placement of notes (securitized loans).

VIA SMS Group has also put an effort into development of the digital payments' platform VIALET which aims to expand globally by investing in building unique fintech solution. The strategic plan of the Group foresees the VIALET becoming a unified platform offering wide range of services and allows to serve all segments of Company's customers. Carrying out the plan will allow the company to manage its product portfolio more effectively, ensure higher accessibility and usability of products, as well as create an opportunity to present the unique financial services platform. Digital payments platform VIALET (UAB Via Payments) currently holding the electronic money institution license issued by the Lithuanian Central Bank is conceptually different product from those forming the core product portfolio of VIA SMS Group until now. The Company is planning to develop VIALET by providing the unified platform for all Group's services that would benefit customers by allowing to apply for a loan, use investment products, make payments, apply for a payments card, make deposits and manage personal finances more conveniently.

Reacting to the rapid spread of COVID-19 and following pandemic, several restrictions related to pandemic containment were introduced March 2020 in Latvia and other countries the Group is operating in which resulted in significant slowdown of economic activity, the restrictions were cancelled only in July 2020. In autumn 2020, the rapid spread of COVID-19 recovered, several restrictions were reinforced and continued until the June of 2021. In order to stop the rapid spread of Covid-19, which critically affects the ability of the health care system to provide health services to every resident, In Autumn 2021 a decision has been made that the restrictions will apply from 15 October 2021 to 11 January 2022.. Despite the crisis conditions the business is operating in, 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 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 including the peer-to-peer lending platform VIAINVEST (SIA Viainvest) are operating according to the strategic plan, closely monitoring change patterns in customer behavior. Until now daughter companies have not observed any negative services demand or repayment patterns, but companies are ready to introduce respective control measures if needed.

Despite the main focus in 2021 was lying on the development of VIAINVEST, VIALET and carrying our other strategic goals, the Company has also been working on improving the quality of creditworthiness evaluation and customer service effectiveness in all markets.

AS VIA SMS GROUP

PRODUCT OVERVIEW

Currently, the Company is ensuring 6 various consumer lending products – short-term loan (available in Poland), installment loan (available in Latvia), credit line (available in Sweden, Latvia, Romania 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.

INTERIM CONSOLIDATED INCOME STATEMENT

	GROUP		COMPANY	
EUR	1H 2021	1H 2020	1H 2021	1H 2020
Net turnover	14 013 797	13 756 940	2 437 628	1 893 652
Operating costs	(4 511 232)	(4 861 537)	(613 215)	(478 365)
Impairment allowances / sale of portfolio	(2 921 335)	(3 680 172)	-	-
Gross profit	6 581 230	5 215 231	1 824 413	1 415 287
Selling expenses (marketing)	(1 397 510)	(821 927)	(85 984)	(144 784)
Operating profit	5 183 720	4 393 304	1 738 429	1 270 503
Administrative expenses	(3 355 140)	(3 010 339)	(1 772 456)	(1 712 614)
Other operating expenses	(593 114)	(774 010)	(124 880)	(60 286)
Other operating income	12 919	58	(3)	2
Profit before tax	1 248 385	609 013	(158 910)	(502 395)
Taxes	(222 740)	(20 611)	-	-
Net profit for the period	1 025 645	588 402	(158 910)	(502 395)
Minority interest (loss)	592	(471)	-	-
Profit attributable to equity holders	1 025 053	588 873	(158 910)	(502 395)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR	GROUP		COMPANY	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Non-current assets	4 966 627	3 589 726	10 208 481	11 789 330
Intangible assets	447 096	457 454	445 519	453 557
Goodwill	91 561	91 561	-	-
Property, plant and equipment	836 795	844 071	75 794	82 685
Investments in leasehold improvements	5 508	6 279	-	-
Right-of-Use assets (non-current)	199 113	271 188	77 855	104 408
Investments in the capital of subsidiaries	-	-	6 254 094	6 254 094
Loans and trade receivables (non-current)	3 225 033	1 760 340	3 355 219	4 894 586
Deferred tax assets	161 521	158 833	-	-
Current assets	35 781 829	33 823 979	8 263 704	4 959 100
Loans and trade receivables (current)	23 279 173	21 187 391	8 012 153	3 035 070
Other debtors (current)	11 553 061	7 911 978	154 214	839 651
Prepaid expenses	132 063	130 923	76 941	39 256
Cash and cash equivalents	817 532	4 593 687	20 396	1 045 123
Total assets	40 748 456	37 413 705	18 472 185	16 748 430

EUR	GROUP		COMPANY	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Equity	6 999 403	5 846 738	3 298 068	3 444 172
Share capital	803 000	803 000	803 000	803 000
Foreign currency translation reserve	54 733	(73 010)	-	-
Retained earnings	6 126 599	5 101 547	2 495 068	2 641 172
Total equity attributable to the members of the Company	6 984 332	5 831 537	3 298 068	3 444 172
Minority interest	15 071	15 201	-	-
Non-current liabilities	5 005 053	3 610 618	3 432 000	1 771 000
Bonds	2 867 000	1 311 000	2 867 000	1 311 000
Borrowings (non-current)	2 103 213	2 242 678	565 000	460 000
Lease liabilities (non-current)	34 840	56 940	-	-
Current liabilities	28 744 000	27 956 349	11 742 117	11 533 258
Bonds (interests)	29 067	4 858	29 067	4 858
Borrowings	22 153 631	18 734 572	10 229 638	9 209 499
Trade payables	1 595 936	1 883 593	342 676	385 718
Lease liabilities	122 108	214 072	78 979	104 408
Corporate income tax payable	247 325	238 634	-	257
Other liabilities	3 315 115	5 778 256	638 715	1 531 866
Deferred income	70 998	71 463	62 256	16 167
Unpaid dividends	73 132	67 443	67 443	67 443
Accrued liabilities	1 136 688	963 458	293 343	213 042
Total liabilities	33 749 053	31 566 967	15 174 117	13 304 258
Total equity and liabilities	40 748 456	37 413 705	18 472 185	16 748 430

AS VIA SMS GROUP

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