



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2021

Riga 2022



TABLE OF CONTENT

GENERAL INFORMATION	3
MANAGEMENT REPORT	4
Business report	4
Key highlights of operations	5
Future prospects	6
Effect of Ukraine war on the Group's operations	6
UNAUDITED CONSOLIDATED INCOME STATEMENT	7
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8
CONTACT US	9

GENERAL INFORMATION

Name of the company	AS VIA SMS GROUP
Legal status of the company	Joint-stock company
Registration number, place and date	40003901472 Riga, 23 February 2007
Registered office	13. janvara street 3 Riga, Latvia, LV-1050
Shareholders	SIA Financial investment 20% Georgijs Krasovickis 80% (until 28.11.2021) SIA RED HOLDING 80% (from 29.11.2021) (UBO Georgijs Krasovickis 100%)
Members of the Council	Andris Riekstins (Chairman of the Council) Normunds Vigulis (Deputy Chairman of the Council) Anna Lisenko (Member of the Council)
Members of the Board	Eduards Lapkovskis Deniss Serstjukovs Georgijs Krasovickis
Subsidiaries	
VIA SMS SIA, 13. janvara street 3, LV-1050, Riga, Latvia, (100%)	
SMS PL z.o.o., Al. Jerozolimskie 123A; 02-017, Warszawa, Poland, (100%)	
VIA SMS s.r.o., Lazarská 1719/5, 110 00 Praha 1, Czech Republic, (100%, till 06.12.2021)	
ViaConto Sweden AB, Holländargatan 27, 113 59, Stockholm, Sweden, (100%, till 06.12.2021)	
CASHALOT Sp.z.o.o., Al. Jerozolimskie 123A; 02-017, Warszawa, Poland, (100%)	
VIAINVEST SIA, 13. janvara street 3, LV-1050, Riga, Latvia, (100%)	
VIAINVEST Assets SIA, 13. janvara street 3, LV-1050, Riga, Latvia, (100%, from 19.08.2021)	
Via Payments UAB, Konstitucijos pr. 7, LT-09308, Vilnius, Lithuania, (100%)	
IFN VIACONTO MINICREDIT S.A, Calea MOSILOR 21, Bucharest, Romania (95%)	
FinnQ UAB, Žalgirio g. 90, LT-09303, Vilnius, Lithuania, (100%)	
RH Property SIA, Audēju street 14 - 10, LV-1050, Riga, Latvia, (100% , from 09.09.2020)	
VIACONTO COMPANY LIMITED, Floor 1, Petroland Building, No. 12 Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam, (50%, from 22.12.2021)	
Reporting period	1 January 2021 - 31 December 2021

MANAGEMENT REPORT

VIA SMS Group (hereinafter - the Group) presents this report on the unaudited consolidated income statement and statement of financial position for the period from 1 January 2021 to 31 December 2021.

The Group with its subsidiaries provides alternative financial services like p2p investments, payment services and lending opportunities. The Group and its subsidiaries operate in Europe and East Asia: Latvia, Lithuania, Sweden, Poland, Czech Republic, Romania and Vietnam.

The Group is a parent company of the digital payments platform Via Payments UAB (hereinafter - VIALET) and licensed investment platform Viainvest SIA (hereinafter - VIAINVEST) which holds an IBF license. VIAINVEST offers investments into consumer and business loans from the Group subsidiaries to private investors.

Business report

During the reporting period, the Group continued to perform with stable and positive growth in its business. The Group focused on operational optimization and improvement of its subsidiaries' lending products.

In 2021 the Group has reached a net profit of **EUR 2 240 142**.

The Group has closed the reporting period with a net turnover of **EUR 28 226 775**.

The main focus in 2021 was the development of VIAINVEST, VIALET, and carrying out other strategic goals. Nevertheless, the Group has also worked on improving the quality of creditworthiness evaluation and customer service effectiveness in all its subsidiaries.

MANAGEMENT REPORT

Key highlights of operations

VIAINVEST

On 28 September 2021 VIAINVEST obtained an IBF license and became a regulated platform by the Financial and Capital Market Commission (FCMC).

The license will allow VIAINVEST to provide investment services, including receiving and sending orders for one or more financial instruments, executing orders on behalf of clients, placing financial instruments without committing to redeem financial instruments, and also ancillary services like holding financial instruments, services related to the initial placement of financial instruments currency exchange services as far as they relate to the provision of investment services. Obtaining the license also marked the beginning of the transition period where VIAINVEST until June 30, 2022, is going to shift from selling claim rights to listing asset-backed securities.

KYC, AML / CTF strengthening

The Group has invested resources in strengthening the security of its subsidiaries' processes. Registration processes were improved by strengthening KYC (know-your-customer), AML / CTF (anti-money-laundering / counter-terrorist financing) processes.

VIALET

At VIALET rapid growth was achieved in terms of processed payments during the reporting period. VIALET has launched a new credit card program aimed at its Polish clients together with a new credit limit offer. In terms of payment services, VIALET launched SEPA Instant service and continued to serve clients in various currencies, continuing to service group companies in card processing and instant payments.

VAMO

Due to the dynamic environment in which Vietnam product was launched, multiple changes were made with pricing, limits and term, leading to currently optimal product configuration. Fraud was successfully combated by utilizing many different measures and the goal is to keep further strengthening the scoring model. As a result, repeated defaults have their lowest levels since the launch. Current focus is profitability, gradually raising average ticket size for repeated clients and optimizing costs where possible. On 22.12.2021 the Group and AS "TWINO" have concluded a Capital Contribution Agreement of the allocation of capital shares to the Group and AS "TWINO" investment in the capital of VIACONTO COMPANY LIMITED.

MANAGEMENT REPORT

Future prospects

- To grow Vietnam's business with resource allocation, to mitigate potential default risks, launch new product opportunities, raise competitiveness and customer satisfaction. VIACONTO Company Limited will become a multi-member limited liability company with two contributed capital members, the Group 50% and "TWINO" 50%.
- To develop VIALET by providing the unified platform for all Group's services that would benefit a wider circle of customers by allowing them to apply for many products in one place.
- To shift from selling claim rights to offering financial instruments at VIAINVEST - listing asset-backed securities by the end of Q2 in 2022.
- To expand the portfolio of loans and increase liquidity level, as well as investment opportunities.

Effect of Ukraine war on the Group's operations

The Group conducts its operations only in the EU, Sweden, and Vietnam, where the Ukraine war does not directly affect their business processes. The Group's development in 2022 and further is focused on protecting its customers from direct geopolitical risks. The Group's contingency plan will continue to be explained and communicated to its investors, customers, and stakeholders.

The Group's strategy has never included business presence in Russia, Belarus, or Ukraine markets, being clearly aware of the geopolitical risks, currency, and other risks associated with the region.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Group		Company	
EUR	2021	2020	2021	2020
Net turnover	28 226 775	28 412 530	4 750 137	4 117 379
Operating costs	(8 072 622)	(10 798 492)	(1 301 469)	(910 762)
Impairment allowances/ sale of portfolio	(6 629 920)	(7 479 318)	-	(1 429 758)
Gross profit	13 524 233	10 134 720	3 448 668	1 776 859
Selling expenses (marketing)	(2 858 020)	(1 836 521)	(153 240)	(207 415)
Operating profit	10 666 213	8 298 199	3 295 428	1 569 444
Administrative expenses	(7 160 685)	(6 506 521)	(3 728 959)	(3 284 244)
Other operating expenses	(1 168 561)	(3 216 271)	(109 075)	(1 966 558)
Other operating income	88 902	1 492 313	9 057 544	3 769 561
Profit before tax	2 425 870	67 720	8 514 938	88 203
Income tax	(185 727)	(350 673)	-	(300)
Net profit for the period	2 240 142	(282 953)	8 514 938	87 903
Minority interest (loss)	(7 832)	4 454	-	-
Profit attributable to equity holders	2 247 974	(287 407)	8 514 938	87 903

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Group		Company	
EUR	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Non-current assets	2 121 300	3 589 726	6 477 897	11 789 330
Intangible assets	435 591	457 454	434 244	453 557
Goodwill	-	91 561	-	-
Property, plant and equipment	800 010	844 071	62 056	82 685
Investments in leasehold improvements	4 603	6 279	-	-
Right-of-Use assets (non-current)	122 034	271 188	90 835	104 408
Investments in the capital of subsidiaries and joint ventures	201 601	-	5 105 001	6 254 094
Loans and trade receivables (non-current)	348 737	1 760 340	785 761	4 894 586
Deferred tax assets	208 724	158 833	-	-
Current assets	41 045 255	33 823 979	20 716 838	4 959 100
Loans and trade receivables (current)	24 683 746	21 187 391	13 166 315	3 035 070
Other debtors (current)	12 670 148	7 911 978	6 999 359	839 651
Prepaid expenses	436 104	130 923	89 731	39 256
Cash and cash equivalents	3 255 256	4 593 687	461 433	1 045 123
Total assets	43 166 554	37 413 705	27 194 736	16 748 430
Liabilities	Group		Company	
EUR	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Equity	8 048 175	5 846 738	11 966 335	3 444 172
Share capital	803 000	803 000	803 000	803 000
Foreign currency translation reserve	(96 736)	(73 010)	7 225	-
Retained earnings	7 334 158	5 101 547	11 156 110	2 641 172
Total equity attributable to the members of the Company	8 040 422	5 831 537	11 966 335	3 444 172
Minority interest	7 753	15 201	-	-
Non-current liabilities	4 420 551	3 610 618	2 894 928	1 771 000
Bonds	2 867 000	1 311 000	2 867 000	1 311 000
Borrowings (non-current)	1 527 928	2 242 678	27 928	460 000
Lease liabilities (non-current)	25 623	56 940	-	-
Current liabilities	30 697 829	27 956 349	12 333 473	11 533 258
Bonds (interests)	29 799	4 858	29 799	4 858
Borrowings	22 894 746	18 734 572	9 765 878	9 209 499
Trade payables	1 837 885	1 883 593	496 678	385 718
Lease liabilities	96 332	214 072	90 835	104 408
Corporate income tax payable	182 740	238 634	-	257
Other liabilities	4 854 292	5 778 256	1 620 751	1 531 866
Deferred income	8 528	71 463	-	16 167
Unpaid dividends	63 443	67 443	63 443	67 443
Accrued liabilities	730 063	963 458	266 088	213 042
Total liabilities	35 118 380	31 566 967	15 228 401	13 304 258
Total equity and liabilities	43 166 555	37 413 705	27 194 736	16 748 430

CONTACT US



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