

VEF: Creditas financial results 3Q24

Creditas, VEF's largest portfolio holding, has announced its financial results for 3Q24.

Key comments from Creditas' release:

"After bringing the company to profitability in late 2023, we have utilized 2024 as a transition year to combine growth and profitability. Q3-24 is the 5th consecutive quarter with increasing origination which, combined with expanding margin, reinforces our ability to grow profitably. In Nov-24, we reached another important milestone for the Company: we now have a listed security (our European bond) in one of the largest and most well-established stock exchanges in Europe, Nasdaq Stockholm. This demonstrates the consolidation of the Creditas brand as a leading online financial solutions provider and the confidence international investors have in the business we keep developing.

Our main achievements in Q3-24 include (i) growing origination by 17% sequentially and 49% annually, (ii) expanding Gross Profit to a new record of R\$237.4mn while (iii) maintaining operating profit within our acceptable breakeven range at -R\$7.2mn. Since the end of 2023 we have been running the company with positive cash flow, being able to self-fund the company's growth. We continue building on a company foundation that generates profits to reinvest in future growth, allowing the reacceleration of origination while benefiting from the continued repricing of our portfolio and the tight monitoring for strong credit quality, maintaining profitability and sustainable margins.

Q3-24 marks the consolidation of our reacceleration in growth, fueled by originations of R\$815.4mn, reflecting a significant 17.4% sequential increase and +49.3% when compared to Q3-23. This performance contributed to a 2.5% quarterly sequential expansion in our portfolio, now reaching R\$5.8bn. Revenues for the quarter hit a record R\$517.4mn, generating a record Gross Profit of R\$237.4mn, making Q3-24 our best-performing quarter ever. This highlights our continued momentum and reinforces our strengthened operational efficiency.

With gross profit margins now at 45.9% (above the 40-45% steady-state range that we anticipated 2 years ago), we are moving the company to a target annual growth rate of 25%+ in the coming years, while remaining profitable.

Our vision for building a company that provides consumers with easy, affordable, and fully digital solutions to access liquidity and protect their most important assets is stronger than ever. The market potential is massive and the geographies where we operate are significantly underpenetrated in high-quality credit, insurance, and investment products. This provides Creditas with unlimited growth potential in a journey that is just beginning."

The full release is available on Creditas' investor relations webpage and can be accessed at the following link: <https://ir.creditas.com/ir/financial-reports>

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About Us

VEF AB (publ) is an investment company whose Common Shares are listed in Sweden. We invest in growth stage private fintech companies, take minority stakes and are active investors with board representation in our portfolio companies, always looking to back the best entrepreneurs in each market. We focus on scale emerging markets and invest across all areas of financial services inclusive of payments, credit, mobile money and wealth advisors. VEF trades in Sweden on Nasdaq Stockholm's Main Market under the ticker VEFAB. For more information on VEF, please visit <http://www.vef.vc>.



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Attachments

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