

VEF: Creditas trading statement for FY20

VEF's largest holding, Creditas, today released its summary trading statement for Q4/FY20. The release follows Creditas's recent \$255mn Series E financing round, as part of which, management indicated that it would start to share quarterly results of their main operational metrics with the objective of increasing transparency to the market.

The full Creditas press release is available below:

For access to Creditas' release and IR page, please follow the below URL.

<https://ir.creditas.com/ir/financial-information>

Creditas announces Q4 2020 financial performance

São Paulo, 01 February 2021

Today, we announce the results corresponding to the 4th quarter of 2020.

In R\$ millions	Q4-2020	Q4-2019	FY-2020	FY-2019
Credit portfolio	1,254.7	679.3	1,254.7	679.3
New loan origination	312.7	189.4	903.9	531.5
Revenues	104.1	66.5	336.2	178.4
Contribution Margin	53.2	43.8	177.4	102.0
Margin / Revenues (%)	51.1%	65.9%	52.8%	57.2%
Net income	-56.5	-69.1	-185.9	-202.2

In Q4-20 our revenues passed the R\$100mn mark due to the growth reacceleration started in Q3-20 and expansion of our credit portfolio. The continued high quality of our credit portfolio and resilience of debt capital markets enabled us to continue the accelerated growth path that we had prior to COVID and resulted in a record new loan origination of R\$312.7mn in the quarter.

Contribution margin (discounting funding costs, servicing costs, credit provisions and taxes) ended the quarter at 51.1% as we increased the leverage of the credit portfolio. Net loss fell 18% from Q4-19 despite increase in SG&A as we gain scale through the expansion of our credit portfolio and the related boost in revenues.

In Q4-20 we completed 4 securitizations for a total of R\$239mn with Debt Capital Markets showing high resilience for Creditas as investors increase appetite to our unique asset class. We issued a new FIDC (FIDC Auto III) in which S&P reaffirmed the AAA local rating for the senior quotas.

Definitions

Credit portfolio.- Outstanding net balance of all our lending products net of write-offs. Our credit portfolio is mostly securitized in ring-fenced vehicles and funded by both institutional and retail investors.

New loan origination.- Volume of new loans granted in the period. If new loans refinance outstanding loans at Creditas, new loan origination includes only the net increase in the customer loan.

Revenues.- Income received from our operating activities including (i) recurrent interest from the credit portfolio, (ii) recurrent servicing fees from the credit portfolio related to our collection activities, (iii) up-front fees charged to our customers at the time of origination, (iv) up-front revenues recognized at the time of the securitization of the loans, and (v) other revenues from both lending and non-lending products.

Contribution Margin.- Margin calculation deducts from our revenues (i) costs of servicing our loan portfolio including headcount, data consumption and third party costs, (ii) costs incurred in our non-lending businesses necessary to generate revenues, (iii) funding costs of our portfolio comprising interests paid to investors and costs related to the issuance of our securitization (eg. auditors, rating agencies, advisors), (iv) credit provisions related to our credit portfolio and (v) sales taxes related to fees, interest and other revenues.

Net income.- Net income deducts from our Contribution Margin (i) headcount not included in the credit portfolio servicing cost, (ii) general overhead cost, (iii) customer acquisition cost and (iv) other income and expenses.

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About Us

VEF Ltd. is an investment company, whose SDRs are listed in Sweden, that invests in growth stage private fintech companies. We take minority stakes and are active investors with board representation in each of 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 First North Growth Market under the ticker VEFL SDB. For more information on VEF, please visit <http://www.vef.vc>.

VEF's Certified Adviser on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 50 00, certifiedadviser.se@paretosec.com.

This information is information that VEF Ltd. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-02-01 13:00 CET.

Attachments

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