

VEF: Creditas 2Q21 trading statement

VEFs largest holding, Creditas, today released its quarterly summary trading statement for 2Q21.

The full Creditas press release is available below:

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

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

Creditas announces Q2 2021 financial performance

São Paulo, 26th July 2021

Today, we announce the results corresponding to the 2nd quarter of 2021.

In R\$ millions	Q2-2020	Q2-2021	6M-2020	6M-2021
Credit portfolio	915.7	2,015.2	915.7	2,015.2
New loan origination	95.6	612.8	364.0	1,033.5
Revenues	71.1	170.1	154.1	294.3
Contribution Margin	32.1	98.8	83.0	164.7
Margin / Revenues (%)	45.1%	58.1%	53.9%	56.0%
Net income	-38.5	-70.0	-89.9	-134.6
Net Income / Revenues	-54.1%	-41.2%	-58.3%	-45.7%

In Q2-21 our revenues were R\$170.6mn due to the continued and sustained growth reacceleration started in Q3-20 which resulted in a record new loan origination of R\$612.8mn and a credit portfolio which passed the R\$2bn mark.

Contribution margin (discounting funding costs, servicing costs, credit provisions and taxes) increased to 57.9% mainly due to strong credit performance and slightly lower portfolio leverage.

In Q2-21 we completed four new securitizations, for a total of R\$750mn in Debt Capital Markets issuances, showing high resilience for Creditas as investors' appetite for our unique asset class continues to increase. We issued two new FIDCs (FIDC Creditas Auto IV and FIDC Creditas Auto V) both of which had S&P reaffirmed AAA local rating for the senior quotas, executed the 1st follow-on of the FIDC Angá Creditas Consignado Privado and issued our 7th CRI.

In the last 3 months we completed 3 strategic transactions: (i) the acquisition of 100% of Minuto Seguros, the largest digital insurance broker in Brazil (release here), (ii) the strategic investment in Voltz Motors, the largest electric motorcycle manufacturer in Brazil (release here) and (iii) the acquisition of 100% of Volanty, a pioneer in the Brazilian used cars market. With this strategic movements we continue building a complete ecosystem for Housing, Mobility and Salaries that now includes 3 monetization verticals (fintech, insurtech and consumer solutions). These three transactions didn't have any impact in the reported Q2-2021 results.

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 AB (publ) is an investment company whose Common Shares are listed in Sweden. We invests 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 First North Growth 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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