

# INTERIM REPORT

Q3 2024





# Highlights

## Q3 2024 (1/2)

### Launch of the New Monefit Credit Product in Spain

- We are pleased to announce the successful launch of the new Monefit credit product in Q3, with Spain as the pilot market. This innovative product is designed to strengthen our brand position, attract high-quality customers, and deliver significant value. Key features include competitive, fair pricing, a user-friendly interface for seamless financial management, and lifestyle integration for practical financial solutions. The product also offers behavioural rewards to encourage responsible spending and borrowing habits, as well as transparent, affordable financial tools for better financial control. Following the successful rollout in Spain, we plan to expand the product to all our other markets.

### Increased Credit Issuance and Strong Portfolio Performance

- Credit issuance has increased across multiple countries, reflecting strong demand and growth in our key markets. Our portfolios continue to perform well, with impairment rates remaining at healthy levels, demonstrating effective risk management and the overall quality of our credit offerings.

### Expanding Our Team with Key Hires Across Multiple Regions

- We have made several key hires across multiple regions to support our ongoing growth. These include a Growth Marketing Specialist, a Senior Product Data Analyst, a Content Designer, and a Data Scientist, all based in Estonia. Additionally, we have expanded our engineering team with Full Stack Engineers joining from Estonia, Poland, Austria, and Armenia. These new additions will help drive further growth across the business.

### Expanding Our Presence in Germany

- As Monefit SmartSaver experiences rapid growth, with a significant proportion of investors coming from Germany, we are taking steps to establish a local presence in the country. This move aims to further enhance our growth in this key market, strengthen relationships with our German investors, and better support the continued success of the SmartSaver product.

### Upcoming Bond Issue on December 2nd, 2024

- Creditstar is preparing for a new bond issue on December 2nd, 2024. Investors can subscribe to two privately placed secured notes with maturities of 18 months (13.0% yield) and 30 months (14.0% yield). The subscription period for bond purchase offers will be open from November 4th to 15th, 2024. All relevant bond documentation and an updated company presentation will be available to investors by November 4th. Funds raised will be used to support the company's growth and refinance maturing notes.





# Highlights

## Q3 2024 (2/2)

### **Investor Webinar on November 6th, 2024**

- Creditstar will present an Investor Webinar on November 6th at 11:00 (Tallinn time) to provide important information on the company's latest developments and cover the terms of the upcoming December 2nd bond issue. Investors can submit questions before the webinar, which will be addressed during the session. Details on how to submit questions will be shared via email separately, along with the webinar invitation.

### **Monefit SmartSaver Celebrates 2nd Anniversary with Special Rewards and UNICEF Donation Initiative**

- Creditstar Group's innovative savings and investment platform, Monefit SmartSaver, has shown strong growth in Q3 and is celebrating its second anniversary with a special birthday week campaign in October. SmartSaver helps users grow wealth through flexible investment options, including Vaults, which offers competitive returns. To mark the occasion, Monefit is offering exclusive rewards to its users. Additionally, Monefit will donate 0.1% of all deposits made during the birthday week to UNICEF, supporting global education initiatives for children.

### **Creditstar's September Hackathon Sparks Creativity and Teamwork**

- In September, Creditstar hosted a vibrant hackathon at our new Tallinn headquarters, bringing together six teams from across the company for two days of intense collaboration. Team members worked together to brainstorm and develop exciting new features for our credit and investment products. The event was a fantastic opportunity for everyone to share ideas, solve challenges, and tap into their creativity. It not only led to valuable, actionable product concepts but also strengthened our culture of teamwork, innovation, and shared vision.

### **Creditstar Team Takes Part in the Tallinn Marathon**

- In September, Creditstar team members joined Estonia's largest international sporting event, the Tallinn Marathon. Their participation not only showcased our commitment to health and well-being and helped strengthen our team spirit and company culture. Participating in events like this supports our focus on fostering a healthy and active workplace environment.



# Financial performance

# 3,200,000€

## Q3 2024 - Net profit

### Profit and interest income

- Interest income increased by 9.8% in comparison to Q2 2024.
- Net profit amounted to EUR 3.2M.
- Operating profit increase in Q2 was 24.7%% from EUR 4.7M to EUR 5.9M.

### Expenses

- Operating expenses increased from EUR 2.5M in Q2 2024 to EUR 2.9M in Q3 2024.
- Interest expense on borrowings amounted to EUR 9.1M.
- Wages and salaries cost was EUR 1M, a decrease of 40 thousand EUR in Q3 2024 compared with the previous quarter.

### Comment to the Consolidated Cash Flow Statement

- Other adjustments consist of interest expenses and loan impairment allowances in P&L.



*The financial and other additional information published in the Interim Report January 2024 – September 2024 is true and complete. Consolidated financial statements give a true and fair view of the actual financial position, results of operations, and Groups cash flows.*

Consolidated financial statements in the report for the period January 2024 - September 2024 are not audited.

**Aaro Sosaar**

Member of the Management Board

Tallinn, 25.10.2024

# Consolidated Comprehensive Income Statement

*In thousands Euro's*

	Q4 2023	2023 Total	Q1 2024	Q2 2024	Q3 2024	2024 9M TOTAL
Interest income	16 977	63 139	16 686	17 214	18 914	52 814
Interest expense	-10 185	-31 459	-8 617	-8 967	-9 123	-26 707
<b>Net interest income</b>	<b>6 792</b>	<b>31 680</b>	<b>8 069</b>	<b>8 247</b>	<b>9 791</b>	<b>26 107</b>
Other income	1 371	1 374	14	14	14	42
Operating expenses	-3 527	-10 289	-2 583	-2 504	-2 924	-8 011
Wages and salaries	-829	-3 854	-917	-1 039	-1 001	-2 957
<b>Operating profit</b>	<b>3 807</b>	<b>18 911</b>	<b>4 583</b>	<b>4 718</b>	<b>5 880</b>	<b>15 181</b>
Depreciation	-569	-1 846	-411	-393	-356	-1 160
Loan impairment charges	-1 227	-8 480	-2 515	-2 008	-2 229	-6 752
Corporate income tax	-169	-319	-30	-113	-95	-238
<b>Net profit</b>	<b>1 842</b>	<b>8 266</b>	<b>1 627</b>	<b>2 204</b>	<b>3 200</b>	<b>7 031</b>
FX translation adjustment	2 514	2 396	329	49	435	813
<b>Comprehensive profit</b>	<b>4 356</b>	<b>10 662</b>	<b>1 965</b>	<b>2 253</b>	<b>3 635</b>	<b>7 844</b>

# Consolidated Balance Sheet

*In thousands Euro's*

	30.09.2023	31.12.2023	31.03.2024	30.06.2024	30.09.2024
<b>Assets</b>					
Cash and cash equivalents	2 588	809	3 179	4 711	4 181
Loans to customers	258 449	276 092	289 198	304 879	324 107
Other assets	8 353	11 540	8 012	7 549	7 833
<b>Total assets</b>	<b>269 390</b>	<b>288 441</b>	<b>300 389</b>	<b>317 139</b>	<b>336 121</b>
<b>Liabilities and Equity</b>					
Borrowings	212 234	225 688	237 792	251 141	265 878
Other payables	2 871	4 515	2 500	2 515	2 977
<b>Total liabilities</b>	<b>215 405</b>	<b>230 203</b>	<b>240 292</b>	<b>253 656</b>	<b>268 855</b>
<b>Equity</b>					
Issued capital	21 000	21 000	21 000	21 000	21 000
Other reserves	7 687	10 098	10 330	11 962	12 095
Retained earnings	25 298	27 140	28 767	30 521	34 171
<b>Total equity</b>	<b>53 985</b>	<b>58 238</b>	<b>60 097</b>	<b>63 483</b>	<b>67 266</b>
<b>Total Liabilities and Equity</b>	<b>269 390</b>	<b>288 441</b>	<b>300 389</b>	<b>317 139</b>	<b>336 121</b>

# Consolidated Cash Flow Statement

In thousands Euro's

	Q4 2023	2023 TOTAL	Q1 2024	Q2 2024	Q3 2024	2024 9M TOTAL
<b>Operating activities</b>						
Net profit	1 842	8 266	1 627	2 204	3 200	7 031
Adjustment to net profit:						
thereof depreciation of tangible fixed assets and amortization of intangible fixed assets	568	1 845	411	393	356	1 160
thereof other adjustments	11 453	39 980	11 132	10 975	11 352	33 459
Change in operating assets:						
thereof loans to customers	-19 000	-59 171	-15 645	-17 726	-21 550	-54 921
thereof other receivables and prepayments	662	267	3 758	-188	-411	3 159
Change in operating liabilities	1 645	1 108	-2 015	15	462	-1 538
<b>Total cash flow from operating activities</b>	<b>-2 830</b>	<b>-7 705</b>	<b>-732</b>	<b>-4 327</b>	<b>-6 591</b>	<b>-11 650</b>
<b>Investing activities</b>						
Additions to intangible fixed assets	-449	-1 078	0	0	-612	-612
Sale of subsidiaries	1 291	1 291	0	0	0	0
<b>Total cash flow from investing activities</b>	<b>842</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>-612</b>	<b>-612</b>
<b>Financing activities</b>						
Proceeds from debt issued and borrowed funds	12 258	42 306	9 872	14 626	15 127	39 627
Repayment of debt issued and borrowed funds	-8 016	-18 014	-2 254	-4 006	-3 004	-9 264
Interest paid	-3 969	-16 251	-4 495	-4 781	-5 489	-14 765
<b>Total cash flow from financing activities</b>	<b>273</b>	<b>8 041</b>	<b>3 123</b>	<b>5 841</b>	<b>6 634</b>	<b>15 589</b>
<b>Total cash flow</b>	<b>-1 715</b>	<b>549</b>	<b>2 391</b>	<b>1 514</b>	<b>-569</b>	<b>3 336</b>
<b>Cash and cash equivalents in beginning</b>	<b>2 588</b>	<b>364</b>	<b>809</b>	<b>3 179</b>	<b>4 711</b>	<b>809</b>
Change in cash and cash equivalents	-1 715	549	2 391	1 514	-569	3 336
FX impact	-64	-104	-21	18	39	36
<b>Cash and cash equivalents in the end</b>	<b>809</b>	<b>809</b>	<b>3 179</b>	<b>4 711</b>	<b>4 181</b>	<b>4 181</b>



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