

Consolidated Financial Statements

December 31, 2024, and 2023

3 Management Business Review

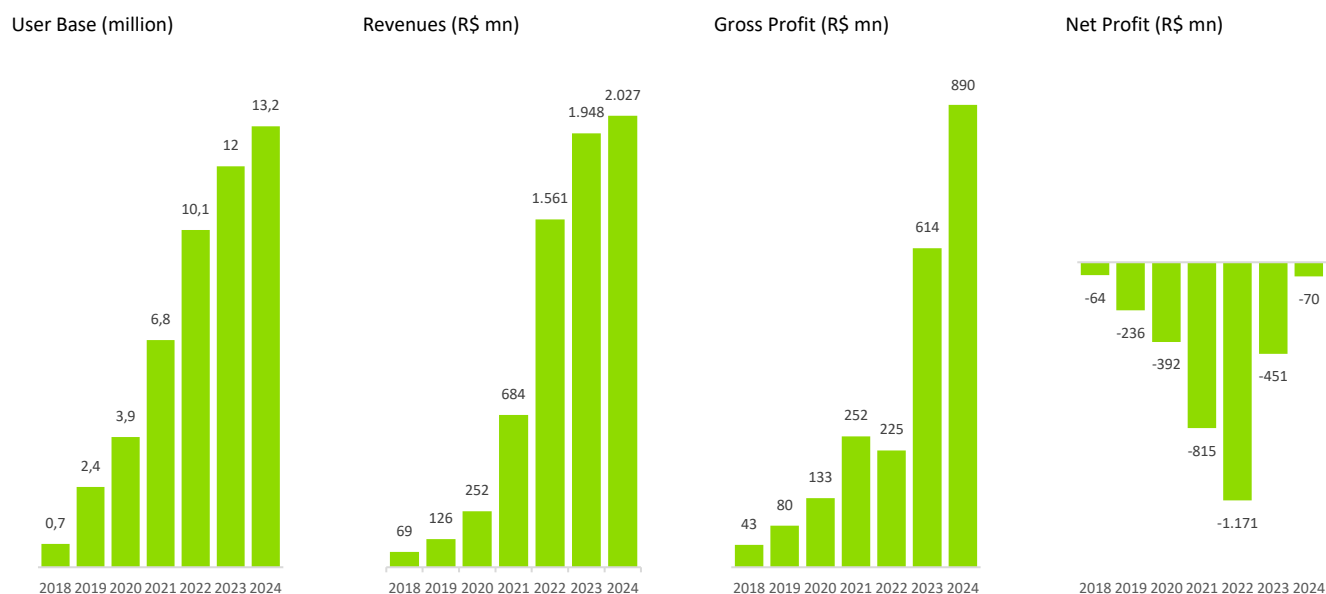
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Management Business Review

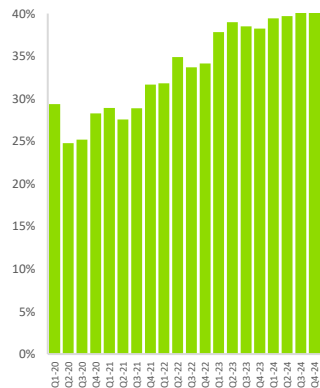
Business Context

2024 was a year of consolidation for Creditas. Origination growth of 27% Year-on-Year, while successfully maintaining operating profit around breakeven. In Q4-24, we once again achieved record revenue of BRL 530.7 million and sustained gross profit of BRL 236.8 million, remaining at the top range of the projected steady-state gross profit margins with 44.6%. On the debt market front, Creditas successfully issued and listed its second corporate bond, extending the maturity of part of its first issuance and enhancing liquidity for the Company. The reduction in yield for the second issuance - from 13.0% to 10.5% - along with the extended maturity from 3 to 3-5 years, reflects the confidence of international investors in the Company's continued business development and further strengthens Creditas' position as a leading provider of digital financial solutions.

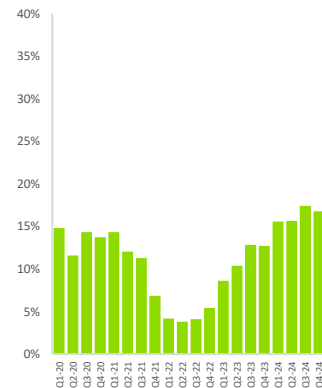


The key achievements of the year include: (i) 6% annual portfolio growth, getting to a portfolio size of BRL 6.0 billion, (ii) a continuous increase in gross profit margin driven by portfolio repricing and consistent credit underwriting practices, resulting in an annual gross profit of nearly BRL 900 million (+45% YoY) and 44% gross profit margin (+39% YoY), and (iii) maintaining operating profit around breakeven throughout the year, despite resuming growth, at -BRL 70 million for 2024. We remain focused on building a company with a solid foundation that generates profits to reinvest in future growth, enabling the reacceleration of origination supported by the company's own means.

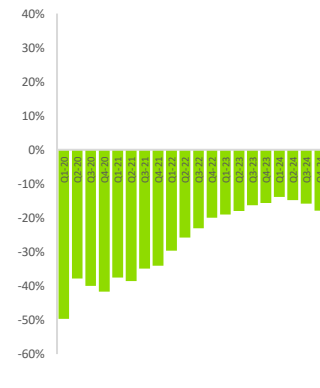
Revenues
% of Portfolio p.a.



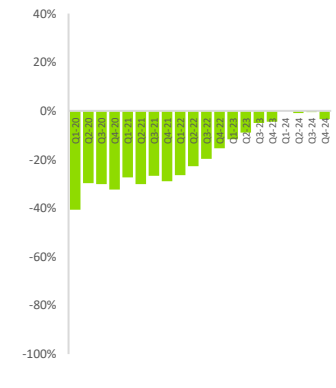
Gross Profit
% of Portfolio p.a.



Operating Costs and Expenses
% of Portfolio p.a.



Operating Profit
% of Portfolio p.a.



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.

Collateralized lending is our core product due to its significant impact on the lives of our customers and the strong economics underlying our business model. But beyond collateralized lending, we have been building a solutions ecosystem and have a long-term strategic commitment to build a complete platform around the customer assets:

- Collateralized lending: auto, real estate, and payroll-backed loans
- Insurance: auto, real estate, and payroll-related insurance
- Consumer solutions: supporting the customer through the asset journey including car services, mortgage marketplace, benefits card and salary advance
- Investments: investment funds (FIDCs), mortgage-backed securities (CRIs), real estate investment funds (FIIs) and our publicly listed European Bonds

Having established a solid foundation with a strong recurrence of clients, consistent revenues, and high margins, we are now focusing on growing our core business while simultaneously building out our ecosystem. We have made significant progress in improving our user experience and automation in one of our core products: Auto Equity. Our customers have now a fully automated digital process to get liquidity from their cars in a remote transaction, doing virtual inspection using their mobile phones. The result has been increased conversion efficiency and productivity. We are replicating some of the learnings in the product for the rest of our ecosystem which will allow us to grow our user base with higher margins and more customer engagement.

While we prioritize investments in user experience of our core products, we are also paying attention to improving our ecosystem around these products. As an example, car insurance is a product that we have built to scale, becoming the largest digital car insurance broker in Brazil. We see tremendous potential in connecting the car insurance onboarding process with our lending underwriting. This will require significant effort to create a seamless customer experience, and we are committed to continued investments to address this very clear customer need.

These strategic investments in our ecosystem, combined with a solid economic foundation, position us to sustain both growth and profitability as we continue to scale the business. With gross profit margins now at 44.6%, within the 40-45% steady-state range we projected two years ago, we are positioning the company for an annual growth target of 25%+ in the coming years, while maintaining portfolio profitability. In the next phase, we will continue prioritizing investments in technology, particularly user experience, to drive efficient growth and deliver a best-in-class experience for our customers. Q4-24 marks the consolidation of our growth reacceleration, driven by originations of BRL 802.3 million, which contributed to a 3.4% sequential quarterly expansion in our portfolio, now reaching BRL 6.0 billion. Quarterly revenues reached a record BRL 530.7 million, and gross profit remained steady at BRL 236.8 million, demonstrating resilience despite rising treasury rates. This performance

highlights our continued momentum and underscores the strength of our governance policies in portfolio repricing and improved funding structures.

The focus of the 2022-23 plan was on boosting gross profit and reducing costs to eliminate reliance on external capital for business growth. In 2024, we achieved a year of growth while maintaining strong unit economics and striking a healthy balance between portfolio profit generation and reinvestment in expansion. Now having all core products delivering positive results, we are ready to continue investing in new geographies including our current presence in Mexico as well as other potential avenues, new products in all our three verticals and making significant improvements in user experience that will payback during the next cycle. Our target market continues growing with hundreds of billions of dollars in lending at 100%+ rates and millions of people with limited access to quality credit. We believe that asset-backed lending can not only refinance this debt into cheaper options but also expand total lending by increasing maturity to boost the average debt per capita in Latin America.

Core products

Auto Equity

We have continued investing in a simplified digital onboarding process that is delivering great results both from a customer experience and an economics perspective. Despite significant increases in new loan origination prices, with loan interest rates doubling from the low 2021 levels, conversion rates and productivity per employee are now at historical maximums. In Q4-24 the BU again delivered origination at the second highest level ever, while keep investing in customer acquisition to boost growth for the next quarters. Operating profit margin on revenues remained in the 20% range. We are extremely proud of the achievements in Auto Equity as our flagship product that combines high gross profit margin, low capital consumption and very high return on invested capital.

Home Equity

Home Equity was the first product that we launched in 2016 through a structured fund (FIDC) and since then it has become a core part of our business model. Our focus on streamlining the user experience and constantly reinventing the customer journey to deliver a simplified digital solution allows us to operate with low acquisition cost in the retail segment, avoiding risk concentration and maintaining a relatively low average ticket. We intend to continue growing both our direct-to-consumer and affiliates networks and maintain underwriting policies as credit costs in the product continues at low record lows. Origination in Q4-24 reached another record level, demonstrating the strength of the product in the market as we continue increasing our market share.

Private Employee Benefits

Our payroll loan product, targeting employees of private companies, has benefited from significant improvements in customer onboarding and pricing algorithms. This is allowing us not only to increase penetration but also to increase utilization of our approved credit limits. Like in Auto Equity, the price repositioning during 2022-23 has allowed us to build a very strong foundation to resume portfolio growth since Q1-24 and to continue expanding gross profit generation. We will continue developing the ecosystem of solutions around the employee including salary advance and our benefits card that are delivering very promising results, helping to increase penetration of our core payroll product. Despite changes in the regulatory framework may have an impact on the product and market dynamics, we believe this can be a tremendous opportunity for us to continue expanding our TAM.

Auto Finance

This is the only product of our portfolio that operates in a very mature industry with already high penetration and competitive margins. After launching our own car financing product in 2020 and attempting a first escalation in 2021, we slowed down our originations during 2022 and 2023 to understand our potential sources of competitive advantage and how we can deliver value to the customer. We believe the product has a good fit within the Creditas ecosystem of solutions as our customer base demands a car financing as well as obtaining liquidity through a pre-owned vehicle. In 2024 we continued in discovery mode with multiple initiatives running in parallel to identify the best angle to expand our market share.

Insurance

After the acquisition of Minuto Seguros in 2021, we have successfully integrated the company into the Creditas Group. We have managed to continue growing the business, consolidating Minuto as the leading independent car insurance broker, while

bringing the company to profitability. There is a lot of work to be done to explore the potential of our insurance franchise in multiple fronts: (i) growing our share in the Brazilian market, helping more consumers quote and manage car insurance online, (ii) gaining scale in newer products of our portfolio, including life, health, salary-protection and residential insurance and (iii) combining car insurance onboarding with our Auto Equity product to deliver a full solution to car owners. We will continue investing in these fronts during 2025 and expect insurance to become instrumental in the growth of our ecosystem over time.

After extensive testing and product refinements, we are now prepared to embark on a new chapter of scalable, profitable growth.

Financial results

Quarterly results for the period Q4-23 through Q4-24

<i>In R\$ million</i>	<u>Q4-23</u>	<u>Q1-24</u>	<u>Q2-24</u>	<u>Q3-24</u>	<u>Q4-24</u>
Portfolio under management	5,632.7	5,603.9	5,660.1	5,798.8	5,993.7
New origination	552.8	596.4	693.2	815.4	802.3
Revenues	474.9	485.6	493.5	517.4	530.7
Gross Profit	171.2	206.2	209.4	237.4	236.8
Operating Profit	-63.6	0.8	-12.5	-7.2	-51.2
Net income Adjusted	-82.9	1.4	-15.0	-30.2	-62.5

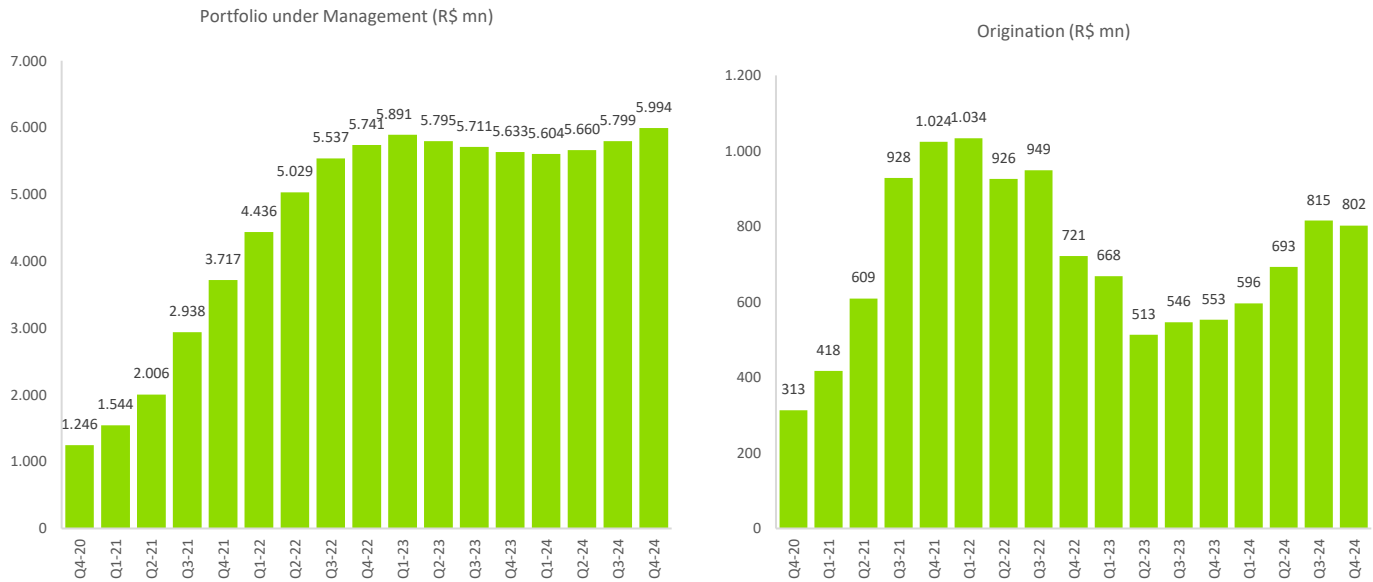
Operating performance

In Q4-24 we successfully maintained origination volumes at BRL 802.3mn, despite the more challenging seasonality of the quarter, up by 45.1% year on year, ending the quarter with portfolio under management of BRL 5,994mn. Growth occurred mostly in Home Equity and Auto Equity business units, the more mature products, generating very strong economics as we combine (i) better pricing and margin structure and (ii) more efficient acquisition costs, including production and distribution of our products.

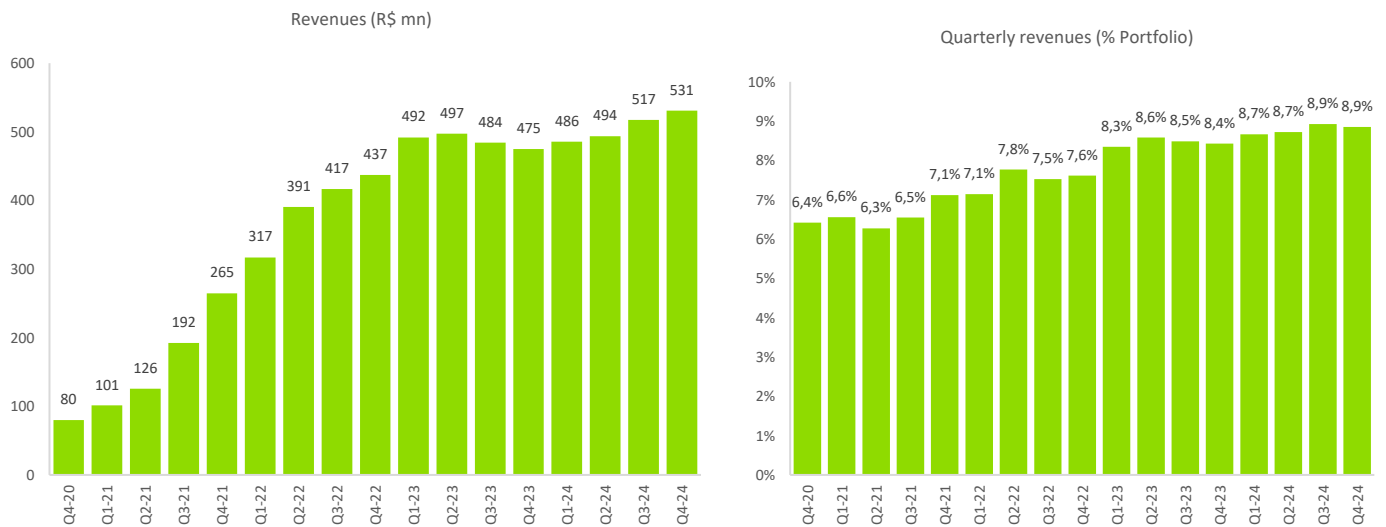
Growth acceleration has a negative accounting impact related to the up-front recognition of customer acquisition costs which impacts expenses below gross profit (including marketing, sales, personnel and third-party costs related to loan origination) and the frontloading of IFRS provisioning which impacts our gross profit even though this has nothing to do with our actual credit quality. These two impacts in gross profit and expenses below gross profit, common in all high-growth companies, are especially relevant for Creditas due to the long-term nature of our loans, as we frontload expenses for transactions with an average 7-year maturity, while the margins will be recognized in the future.

In Q4-24, alongside the typical costs associated with higher growth, we also increased customer acquisition efforts to boost further origination growth for 2025. On the other hand, our enhanced economics, including a significantly reduced payback period, continue to enable us to grow without consuming cash. Looking ahead, we plan to sustain portfolio growth by reinvesting the profits from our existing portfolio, creating a virtuous cycle that will expand our self-sustaining business.

We continue to be very restrictive in our Auto Finance product while mostly keeping our standard policies in Auto Equity, Home Equity and Private Payroll loans, where we are seeing low volatility at this point in the cycle. Given the low loan-to-value of these products, we believe our product category is ideal to maintain resilience in the current environment.

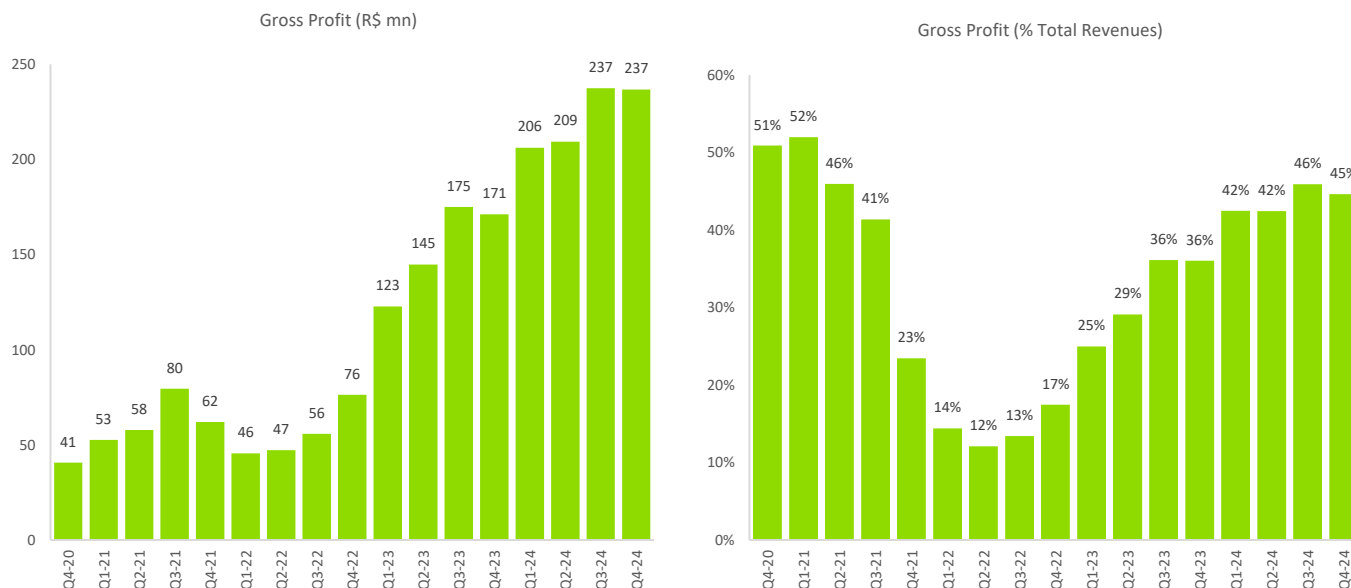


As discussed, the new pricing strategy initiated in 2022 is allowing us to significantly improve the economics of our products. Customer stickiness allows us to maintain higher financial margin with no impact on credit quality nor customer conversion due to the competitive advantage of our products compared to unsecured lending. With the growth reacceleration, we have been able to post our strongest quarter in top-line revenues at BRL 530.7mn, positively impacted by the gradual decay of the older, lower-priced portfolio, which is being replaced by newer, higher-priced cohorts. Additionally, the growth in our portfolio and higher up-front fees, driven by stronger origination volumes, have further contributed to this positive trend.



After seeing our Gross Profit margins bottoming in Q2-2022 due to aggressive pricing, the impact of the sharp increase in SELIC and the impact of IFRS provision frontloading related to our high growth strategy (accounting impact not related to credit quality), we have brought our Gross Profit margin levels back to steady-state, posting 44.6% gross profit margin-to-revenues. In Q4-24 we maintained our Gross Profit at BRL 236.8mn as the front-loading of IFRS provisioning and the rise in treasury rates keeps being compensated by stronger portfolio economics, higher upfront fees, and a more efficient mix of post- and pre-fixed funding structures.

Credit quality remained strong throughout 2024, despite the rise in interest rates (12.25% in December-2024). Meanwhile, Brazilian unemployment reached a new historic low of 6.2% in Q4-24.

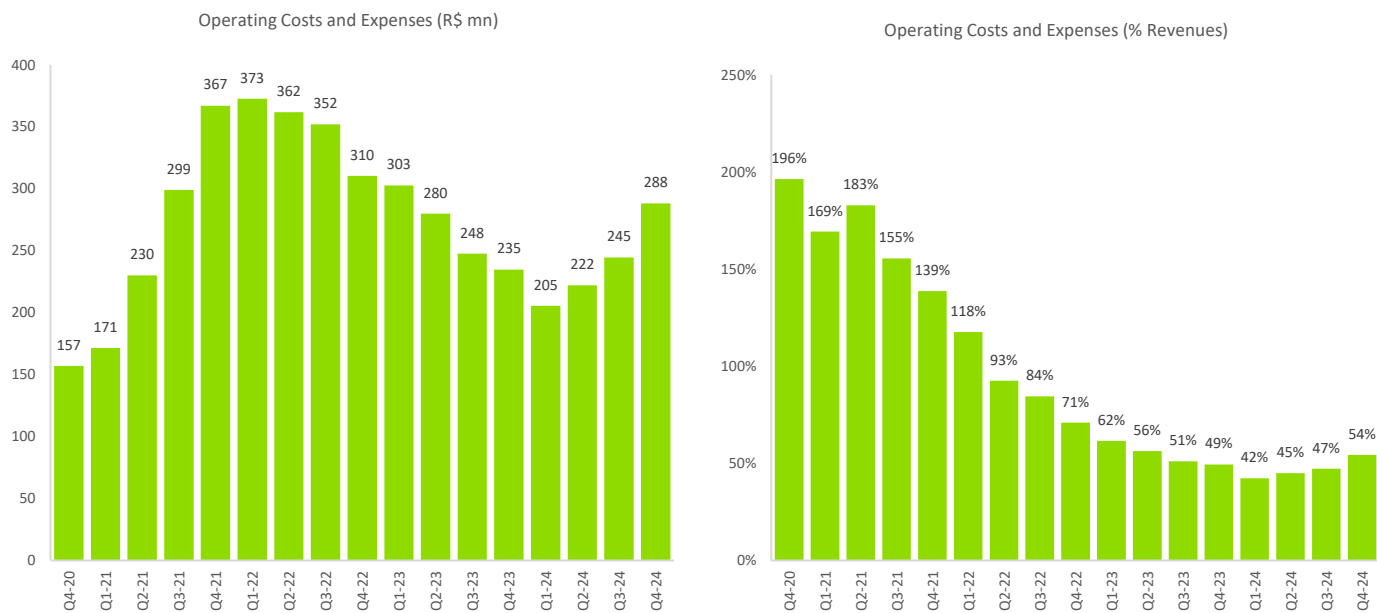


Below Gross Profit and above Operating Profit we recognize 3 types of costs:

- (i) Customer Acquisition Costs (CAC), which include marketing, sales, customer acquisition personnel and other third-party costs. Despite the fact that our loans generate gross profit over many years, we recognize CAC upfront;
- (ii) overhead costs, mostly related to product technology, a cost that unlike some incumbents, we do not currently capitalize; and
- (iii) other operating income and expenses, as well as sales taxes.

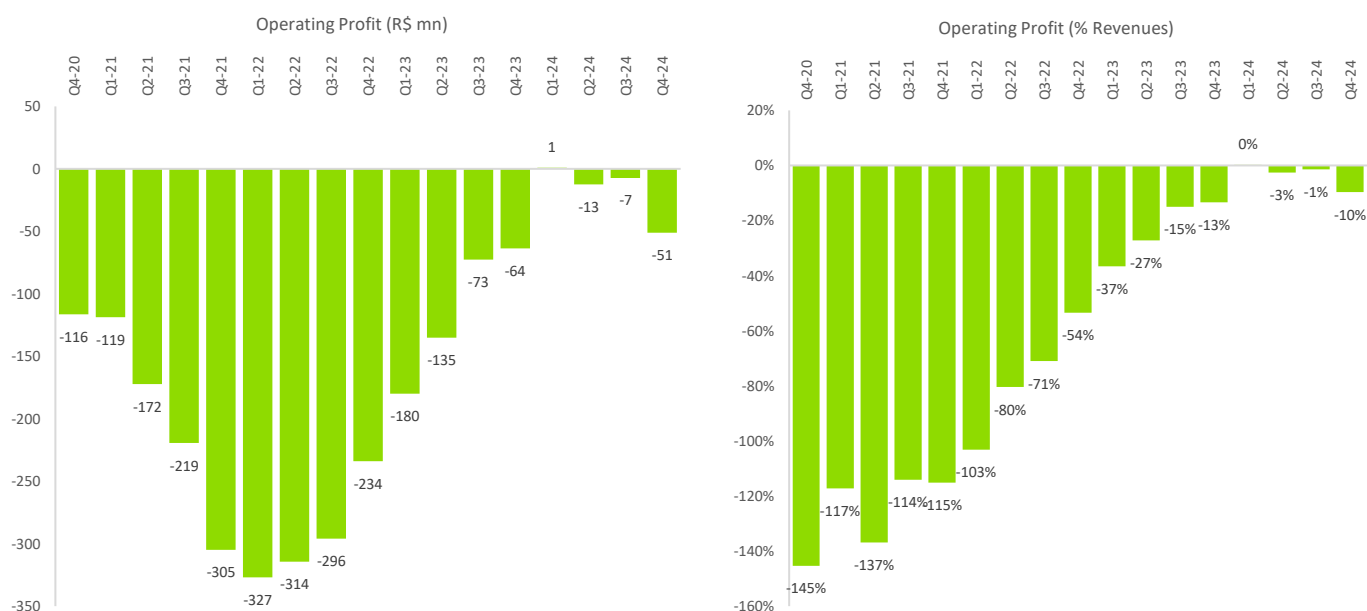
As we continue building our portfolio, the impact of both CAC and overhead comes down on a relative basis as we gain operational leverage merits to scale. Operational leverage is becoming critical in this new phase as we continue growing our revenue base to absorb existing overhead that will grow at a significantly slower pace than our portfolio. In addition, improvements in user experience continue paying off as we see CAC in a dropping trend due to higher conversion efficiency and productivity per employee.

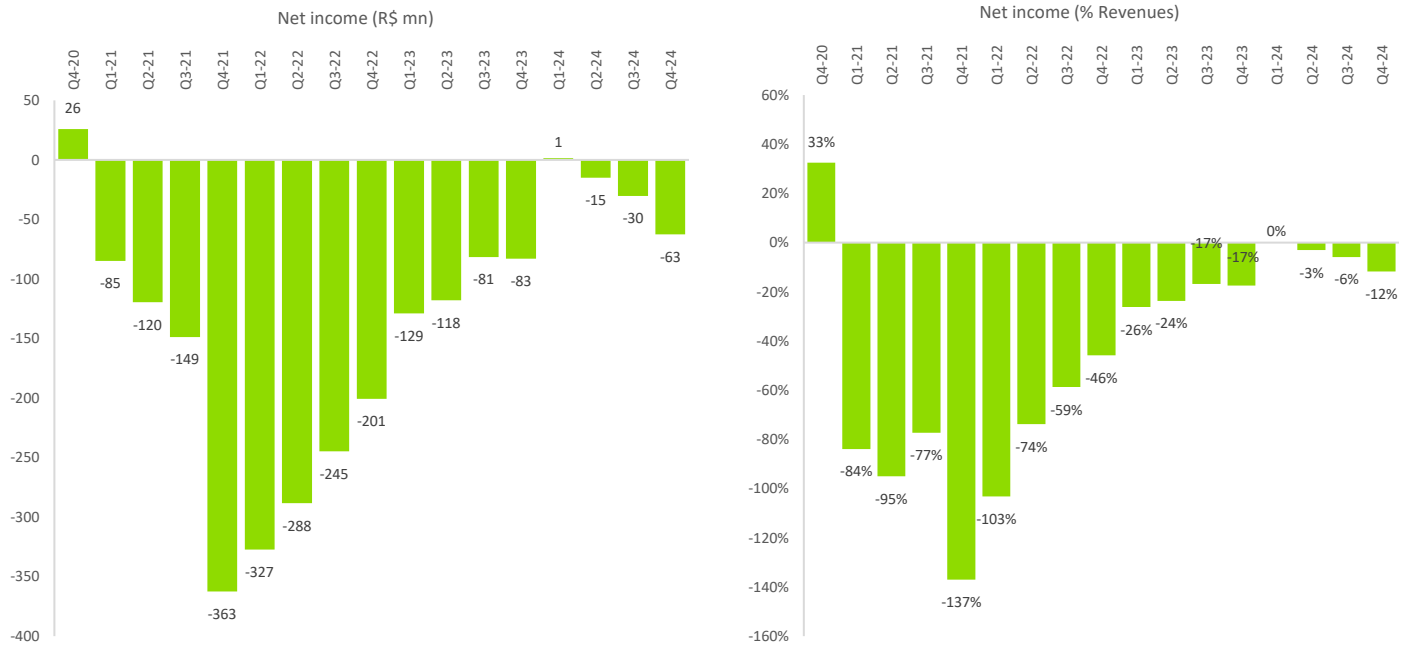
While we maintained a strong control of costs, the increase in Operating Costs and Expenses - from BRL 245mn in Q3-24 to BRL 288mn in Q4-24 - reflects our strategic investment in origination and portfolio growth, not just for Q4-24, but for the upcoming cycle as well. We continue to recognize all manufacturing and distribution costs upfront, with the corresponding margins from these loans to be reflected in our accounting over the coming years. This trend of increased investment to drive long-term growth will persist in the next cycle, alongside initiatives aimed at increasing operational efficiency and reducing costs relative to origination.



Combining Gross Profit and Operating Costs and Expenses provides us with a guideline on the plan that we are executing. We expect to maintain both numbers in the 40-50% range when compared to revenues to keep the company roughly at break-even while maximizing our future growth. We don't plan to optimize on the short-term net income level for 3 reasons:

1. Net income under IFRS does not accurately reflect the economic value being generated by our loan book. Under IFRS, all Customer Acquisition Costs and a significant portion of future credit allowances are recognized upfront, while the recognition of our products' margins is deferred due to the average 7-year maturity;
2. We focus on long-term value creation which may not necessarily correlate well with short-term profit optimization as we believe that the investments we are currently making provide significant return over the life of our loans;
3. Due to the frontloading of IFRS provisions and other non-cash items such as non-cash long-term incentive plans, our cash flow differs from our net income levels, hence our investment and growth decisions may not be based exclusively on accounting metrics.





We expect to keep the company cash flow neutral in the following quarters, with increasing top-line and gross profit numbers.

Definitions

We present all our financial statements under IFRS (International Financial Reporting Standards). The key definitions of our financial and operating metrics are below:

Portfolio under management – Includes (i) Outstanding balance of all our lending products net of write-offs and (ii) outstanding premiums of our insurance business. Our credit portfolio is mostly securitized in ring-fenced vehicles and funded by both institutional and retail investors. Our insurance portfolio is underwritten by 14 insurance carriers.

New Origination – Includes (i) volume of new loans granted and (ii) net insurance premiums issued in the period. If new loans refinance outstanding loans at Creditas, new loan origination reflects 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 paid by the customers from the credit portfolio related to our collections activities, (iii) up-front fees charged to our customers at the time of origination, (iv) take rate on the insurance premiums issued, (v) other revenues from both lending and non-lending products. (Note: before Q2-2023 we were reporting revenues from cars sold which, giving the change in strategy, it is not included since Q2-2023.)

Gross Profit – Gross Profit calculation adds or deducts from our revenues (i) funding costs of our portfolio comprising interest paid to investors, and (ii) cost of credit including credit provisions and write-offs related to our credit portfolio which under IFRS are significantly frontloaded to account for future losses. An enhancement to the IFRS provisioning model resulted in a -BRL 24.8 million impact on the 2023 cost of credit, reflecting an acceleration of costs. This adjustment does not affect our credit assessment of the portfolio.

Operating Profit – Operating profit deducts from our Gross Profit (i) costs of servicing our portfolio, including headcount, (ii) funds' operational costs (e.g., auditors, rating, administration fees, etc.), (iii) general and administrative expenses, including overhead, (iv) customer acquisition costs, (v) sales taxes, and (iv) other operating income and expenses. This metric represents a closer view of the company's operational cash generation, though it is still influenced by IFRS accounting items, such as the frontloading of provisions, customer acquisition costs (CAC) recognized at the time of origination, and the non-capitalization of technology investments, including third-party services, platforms, and the salaries of our product and technology teams.

Adjusted Net Income – Adjusted Net Income adds (i) expenses related to long-term incentive plans, as well as (ii) financial income and expenses, (iii) extraordinary operating items, and (iv) income taxes to Operating Profit.

Managerial Consolidated Statements of Profit (Loss) and other Comprehensive Income

As of and for the period ended December 31, 2024, and 2023

In thousands of Brazilian Reais, unless otherwise stated

	Three months ending		2024	2023
	31/12/2024	31/12/2023		
Interest revenues	465,744	429,719	1,792,138	1,784,177
Fees and commission revenues	64,955	45,213	235,131	164,233
Total revenues	530,699	474,932	2,027,269	1,948,410
Interest expenses	(156,452)	(144,866)	(608,776)	(702,706)
Allowance for expected credit losses	(137,429)	(158,895)	(528,754)	(632,000)
Total costs of services provided	(293,881)	(303,761)	(1,137,530)	(1,334,706)
Adjusted Gross profit	236,818	171,171	889,739	613,704
General and administrative expenses	(221,744)	(192,382)	(750,135)	(890,972)
Marketing expenses	(48,178)	(28,056)	(149,352)	(109,964)
Other expenses	(18,050)	(14,358)	(60,265)	(63,933)
Total operating expenses	(287,972)	(234,796)	(959,752)	(1,064,869)
Adjusted Operating Loss	(51,154)	(63,625)	(70,013)	(451,165)
Long-term incentives	(5,417)	(42,923)	(45,583)	(93,613)
Financial expenses	(25,904)	(6,343)	(98,715)	(90,905)
Operating income/(expenses)	(8,740)	(24,455)	(21,077)	15,172
Warrant income	-	35,222	-	147,584
Other non-operating expenses	(8,740)	(59,677)	(21,077)	(132,412)
Adjusted Net Loss before income taxes	(91,215)	(137,346)	(235,388)	(620,511)
Income taxes	28,693	54,452	129,058	209,501
Adjusted Net Loss	(62,522)	(82,894)	(106,330)	(411,010)
One-off income/(expenses)	18,684	(411,941)	118,723	(551,183)
Impairment loss on assets	(4,031)	(126,682)	(4,031)	(126,682)
Warrant income/(expenses)	-	(69,227)	104,449	(104,449)
Other one-off income/(expenses)	22,715	(216,032)	18,305	(320,052)
Adjusted Profit/(Loss) for the period	(43,838)	(494,835)	12,393	(962,193)

Creditas' consolidated results are managerially tracked considering some different cost allocations, intending to bring Gross Profit and Operating Profit/(Loss) closer to the actual business' running performance. Besides that, we also include the deferred income tax credit of the period in the Net Profit/(Loss), which, for the moment, is just mentioned in complementary note 26(b) of the Financial Statements but will start to be recognized under the accounting results as soon as the Company presents positive results.

Among the main differences between reports are:

- (i) Reclassification of the excess of credit allowance constituted during the subordinated tranche formation at the fund's level;
- (ii) Retrospective adjustment to reflect the enhancement of the IFRS provisioning model for Auto Equity executed in 2024, but containing impact from previous periods (*);
- (iii) Segregation of long-term incentives expenses;
- (iv) Reclassification of other operating expenses such as severance payments associated with the company sizing change, one-off expenses provision and others, as they are not a result of the business regular operation;
- (v) Allocation of M&A pricing adjustments, investments write-off and other atypical items as one-off expenses;
- (vi) Inclusion of the period deferred income tax credit into Company's results.

(*) As detailed in Note 8b of the financial statements, the adjustment to Expected Credit Losses (ECL) from the enhanced IFRS provisioning model was recognized prospectively, resulting in a net increase of BRL 16,163 Allowance for Expected Credit Losses in 2024 (BRL 24,812 increase related to 2023 and BRL 8,649 decrease in 2024). For managerial reporting, to better reflect the business's actual performance, we applied the adjustment retrospectively, reclassifying BRL 24,812 between 2024 and 2023.

Below is the reconciliation from the managerial result to the accounting report.

Income Statement Bridge Result

Gross Profit

As of and for the year ended December 31, 2024, and 2023

In thousands of Brazilian Reals, unless otherwise stated

	2024	2023
Adjusted Gross profit	889,739	613,704
(i) Over expected credit losses	(379)	(28,915)
(ii) Change credit provision model	(24,812)	24,812
Other adjustments	(7,094)	-
Gross profit	857,455	609,601

Operating Profit/(Loss)

As of and for the year ended December 31, 2024, and 2023

In thousands of Brazilian Reals, unless otherwise stated

	2024	2023
Adjusted Operating Loss	(70,013)	(451,165)
(i) Over expected credit losses	(379)	(28,915)
(ii) Change credit provision model	(24,812)	24,812
(iii) Long-term incentives expenses	(27,468)	(173,938)
(iv) Other non-operating expenses	(27,944)	(26,918)
(v) Other one-off income/(expenses)	6,570	(16,339)
Other adjustments	(2)	1
Operating loss before financial income/(expenses) and operating (expenses)	(144,048)	(672,462)

Profit/(Loss)

As of and for the year ended December 31, 2024, and 2023

In thousands of Brazilian Reals, unless otherwise stated

	2024	2023
Adjusted Profit/(Loss) for the year	12,393	(962,193)
Other adjustments	(1)	-
(ii) Change credit provision model	(24,812)	24,812
(vi) Deferred tax assets	(130,519)	(216,810)
Loss for the year	(142,939)	(1,154,191)

Balance Sheet Bridge

As of December 31, 2024, and 2023

In thousands of Brazilian Reals, unless otherwise stated

	2024	2023
Managerial Loan Portfolio	5,123,524	4,649,722
(ii) Change credit provision model	-	24,812
Loan Portfolio	5,123,524	4,674,534
	2024	2023
Total Equity Managerial	1,344,430	1,302,014
(ii) Change credit provision model	-	24,812
(vi) Deferred tax assets	(1,110,544)	(980,025)
Total Equity	233,886	346,802

We are right at the beginning of an amazing journey,

Creditas Team.



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Independent Auditors' Report

To the Shareholders of Creditas Financial Solutions LTD.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Creditas Financial Solutions LTD. ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising materials accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Auditores Independentes
KPMG Auditores Independentes Ltda.

São Paulo, March 31, 2025

Consolidated Statements of Profit (Loss) and other Comprehensive Income

As of the year ended December 31, 2024, and 2023

In thousands of Brazilian Reais, unless otherwise stated

	Notes	2024	2023
Interest revenue	22	1,792,138	1,784,177
Fees and commission revenue	22	235,131	164,233
Total revenue		2,027,269	1,948,410
Interest expenses	15	(608,776)	(702,706)
Allowance for expected credit losses	8	(561,038)	(636,103)
Total costs of services provided		(1,169,814)	(1,338,809)
Gross profit		857,455	609,601
General and administrative expenses	23	(791,886)	(1,091,828)
Marketing expenses	23	(149,352)	(109,964)
Other expenses	23	(60,265)	(80,271)
Total operating expenses		(1,001,503)	(1,282,063)
Operating loss before financial and operating income/(expenses)		(144,048)	(672,462)
Financial income	24	20,588	43,890
Financial expenses	24	(123,252)	(370,990)
Foreign exchange gain		4,816	12,842
Operating income/(expenses)		100,418	(160,162)
Impairment loss on assets	6,13	(4,031)	(126,682)
Other operating expenses		-	(76,615)
Warrant income	25	104,449	43,135
Operating loss before taxes		(141,478)	(1,146,882)
Current income taxes	26	(1,461)	(7,309)
Loss for the year		(142,939)	(1,154,191)
Other comprehensive income / (loss) that are or may be reclassified subsequently to profit or loss:			
Foreign operations – Cumulative translation adjustments		(2,128)	881
Total comprehensive loss for the year		(145,067)	(1,153,310)
Loss per share (in Brazilian reais – BRL)	21	(0.0922)	(0.7565)

Consolidated Statements of Financial Position

As of December 31, 2024, and 2023

In thousands of Brazilian Reais, unless otherwise stated

	Notes	2024	2023
ASSETS			
Cash and cash equivalents	5	567,798	510,752
Financial assets at fair value through profit and loss		120,790	133,360
Financial assets	6	111,340	133,360
Derivative financial instruments	7	9,450	-
Financial assets at amortized costs		5,299,376	4,702,542
Loan portfolio	8	5,123,524	4,674,534
Accounts receivables		25,694	28,008
Bond Instruments	9	150,158	-
Tax Credits	10	62,374	25,133
Other assets		77,671	79,055
Investments	11	16,171	4,642
Property and equipment	12	10,783	47,512
Intangible assets	13	389,743	397,849
TOTAL ASSETS		6,544,706	5,900,844
LIABILITIES			
Accounts payable	14	74,085	58,856
Tax obligations		39,949	43,285
Labor and social security liabilities		76,702	63,834
Financial liabilities at amortized cost	15	5,959,636	5,095,713
Leases Liabilities	16	-	28,194
Convertible Notes	17	58,967	62,587
Derivative financial instruments	25	-	104,449
Other liabilities		101,481	97,124
TOTAL LIABILITIES		6,310,820	5,554,042
Share capital	19	3,023,446	3,038,608
Other Equity	19	1,306,789	1,286,899
Retained losses		(4,106,411)	(3,990,895)
Other comprehensive income	19	10,062	12,190
TOTAL EQUITY		233,886	346,802
TOTAL LIABILITIES AND EQUITY		6,544,706	5,900,844

Consolidated Statements of Changes in Equity

As of and for the period ended December 31, 2024, and 2023

In thousands of Brazilian Reais, unless otherwise stated

	Note	Share	Other	Other comprehensive	Retained	Total
	s	capital	Equity	Income	losses	equity
Balances at December 31, 2022		3,623,085	-	11,309	(3,054,681)	579,713
Share-based payments granted	20	-	-	-	173,891	173,891
Share-based payments Bcredi		-	-	-	3,528	3,528
Reclassification of Share Option Plan		(40,558)	-	-	40,558	-
Issuance of shares		3,139	-	-	-	3,139
Issuance of Convertible Notes	19	(547,058)	1,286,899	-	-	739,841
Loss for the year		-	-	-	(1,154,191)	(1,154,191)
Foreign operations – Cumulative translation adjustments		-	-	881	-	881
Balances at December 31, 2023		3,038,608	1,286,899	12,190	(3,990,895)	346,802
Issuance of shares		3,122	-	-	-	3,122
Issuance of convertibles notes	19	(18,284)	19,890	-	-	1,606
Share-based payments granted	20	-	-	-	27,423	27,423
Loss for the year		-	-	-	(142,939)	(142,939)
Foreign operations – Cumulative translation adjustments		-	-	(2,128)	-	(2,128)
Balances at December 31, 2024		3,023,446	1,306,789	10,062	(4,106,411)	233,886

Consolidated Statements of Cash Flows

As of and for the year ended December 31, 2024, and 2023

In thousands of Brazilian Reais, unless otherwise stated

	2024	2023
Reconciliation of loss to net cash flows from operating activities:		
Loss for the year	(142,939)	(1,154,191)
Adjustments:		
Allowance for expected credit losses	561,038	636,103
Financial expenses	63,707	191,428
Share based payments granted	27,423	173,891
Depreciation and amortization	33,140	45,565
Interest on lease liabilities	1,735	4,920
Unrealized gain on other investments	(540)	(318)
Current income taxes	1,461	7,309
Derivative financial instruments	(104,449)	(43,135)
Assets disposals	11,995	28,484
Impairment loss on assets	4,031	129,551
Other (income)/expenses	(6,571)	76,615
Adjusted profit/(loss) for the year	450,031	96,222
Changes in assets and liabilities		
Accounts receivable and loans to customers	(2,359,957)	(1,721,898)
Tax credits	(37,241)	375
Other assets	(2,760)	142,862
Accounts payable	15,229	(10,996)
Labor and social security liabilities	12,868	(23,468)
Tax obligations	(4,797)	(363)
Financial liabilities at amortized cost	1,327,468	(13,256)
Other liabilities	(1,717)	(52,991)
Cash flow generated from / (used in) operating activities	(600,876)	(1,583,513)
Interest received	1,352,622	1,267,243
Interest paid	(707,701)	(797,533)
Net Cash from / (used in) operating activities	44,045	(1,113,803)
Cash flows from investing activities		
Investment of financial assets	(137,588)	(44,890)
Dividends received	316	679
(Acquisition)/disposals of property and equipment	(187)	(929)
Disposals of intangible assets	-	1,034
Acquisition of investments	(11,305)	-
Net cash from / (used in) investing activities	(148,764)	(44,106)
Cash flows from financing activities		
Payments of borrowings and financing	(318,901)	(110,971)
Issuance of shares	3,122	3,139
Proceeds from convertible notes	1,606	347,881
Proceeds from borrowings and financing	478,066	500,815
Net cash generated / (used in) financing activities	163,893	740,864
Net increase in cash and cash equivalents	59,174	(417,045)
Cash and cash equivalents at the beginning of the year	510,752	926,916
Effects of foreign exchange rates on cash and cash equivalents	(2,128)	881
Cash and cash equivalents at the end of the year	567,798	510,752

Notes to the Consolidated Financial Statements

In thousands of Brazilian Reais, unless otherwise stated

1. Operations

Creditas Financial Solutions, Ltd. (the “Company”) was incorporated as an exempted company under the Companies Law of the Cayman Islands on April 8, 2015 and is headquartered at Campbells Corporate SVC Limited, Floor 4, Willow House, Cricket Square, Grand Cayman – Cayman Islands, operating jointly with its subsidiaries (the “Group”), as a business corporation domiciled in Brazil, Mexico and Spain, which provides intermediation of business and services in general, offering both financial and non-financial products. Currently, the Group offers two types of products:

- Asset-backed Loans aimed at reducing the borrowing cost for the Latin American population, including (i) Auto Equity Loans (consumer loan with a vehicle as a collateral); (ii) Home Equity Loans (first lien consumer loan with a real-estate property as a collateral); (iii) Private Payroll Loans (consumer loans with installments deducted directly from the private employees’ payroll); and (iv) Auto Financing (buy-now-pay-later loans used to finance vehicle acquisition with the vehicle as a collateral).
- Consumer solutions aiming to increase customer engagement and protect the customer assets, including (i) insurance through our leading digital broker (Minuto Seguros) offering car, health, life and real estate among other products, (ii) Auto Solutions to support our customers through the purchase and sale of a car including documentation and ancillary services; and (iii) Home Solutions offering financial services for homeowners and real estate agencies.

Creditas unique business model involves developing the technology and digital channels that allow us to originate asset-backed loans through our fintech operational companies in Brazil and Mexico, book the loans through our regulated financial institutions or regulated partner institutions, and then sell the loans to securitization vehicles without recourse (true-sale). After the sale, Creditas get access to the excess spread of the securitization vehicles by receiving or purchasing an equity tranche in these vehicles.

Since its foundation, the Group Creditas has raised USD 828 million in 6 rounds of investment, with Series F, in January 2022, being the latest one.

As of December 31, 2024, the Group operates with 12 investment funds, Fundos de Investimento em Direitos Creditórios (“FIDC”), structured financing vehicles authorized by the Brazilian Securities Commission (“CVM – Comissão de Valores Mobiliários”).

- a) Fundo de Investimento em Direitos Creditórios Empírica Creditas Auto I, IV, V, VI, VII, VIII, IX and X, to finance both auto finance and auto equity loans;
- b) Fundo de Investimento em Direitos Creditórios Empírica Home Equity, to finance its home equity loans;
- c) Fundo de Investimento Creditórios Não Padronizados Creditas Tempus II and III, the Group working capital vehicle;
- d) Fundo de investimento em Direitos Creditórios Angá Creditas Consignado Privado, to finance its private payroll loans;

In addition, the Group has issued 39 Mortgage-Backed Securities - Certificado de Recebíveis Imobiliários - (“CRI”). These target both retail and institutional investors. The Group works with the CRIs below:

- a) Issued on 2018 - Certificado de Recebíveis Imobiliários I and II
- b) Issued on 2020 - Certificado de Recebíveis Imobiliários III to VI
- c) Issued on 2021 - Certificado de Recebíveis Imobiliários VII to XI
- d) Issued on 2022 - Certificado de Recebíveis Imobiliários XII to XXIII
- e) Issued on 2023 - Certificado de Recebíveis Imobiliários XXIV to XXXI
- f) Issued on 2024 - Certificado de Recebíveis Imobiliários XXXII to XXXIX

2. Presentation of the financial statements

2.1. Basis for preparation

The consolidated financial statements provide an overview of the Group's progress and outcomes. After thorough assessment, the management team has determined that the Group has the necessary financial resources to sustain operations for the foreseeable future. Furthermore, there are no significant uncertainties that could pose material doubts about the Group's ability to continue as a going concern. As a result, the financial statements have been prepared in accordance with this principle.

The consolidated financial statements are presented under IFRS (International Financial Reporting Standards).

2.2. Accounting judgments, estimates and assumptions

As part of the preparation of the Company's consolidated financial statements, management makes judgments and estimates that are continuously reviewed and rely on historical experience and other factors, including reasonable expectations of future events. The financial statements' accuracy could be impacted by the most critical issues, which are outlined in the following notes:

- Provision for expected credit losses is obtained by multiplying the components of probability of default, exposure at default, and loss given default, for each month of the contract's life, except for probability of default which is calculated annually. There are three different applications for loss calculation based on the stage of operation and default condition: expected credit loss 12 months, expected credit loss lifetime, and loss on impaired contracts.
- Fair value of financial instruments is calculated using valuation techniques based on assumptions, which consider information and market conditions. The main assumptions are historical data, information on similar transactions and pricing techniques.
- Deferred tax assets are recognized on tax losses to the extent that it is probable that future taxable income will be available against which the losses may be used. Judgment is required to determine the amount of future deferred tax assets to be recognized, based on the probable flow of future taxable income coupled with tax planning strategies.
- The Group calculates the fair value of financial instruments, including non-actively traded and convertible embedded derivatives, using valuation techniques based on market assumptions and conditions. Management judgment in fair value determination depends on the availability of active market prices or observable parameters. Where these are limited, management estimates fair value. Reduced market liquidity or changes in secondary market activities may diminish the reliability of quoted prices or observable data used for fair value assessment.

2.3. Consolidated financial statements

These consolidated financial statements comprise the accounting balances of Creditas Holdings and its subsidiaries, over which the Company holds direct or indirect control. Control is achieved where the Company has (i) power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) can use its power to affect its profits.

The company conducts a periodic reassessment to determine whether it still maintains control over an investee, especially if there are changes in any of the three critical elements of control. The process of consolidating a subsidiary commences when the company gains control over it and concludes when the company no longer retains that control. Any assets, liabilities, income, and expenses associated with a subsidiary acquired or disposed of during a specific period are incorporated into the consolidated statements of profit or loss from the date when the company attains control until the date when control is relinquished.

The financial statements of the subsidiary companies were carefully and consistently prepared during the same reporting period as the Company, following uniform accounting policies. Through full consolidation, these statements have been seamlessly incorporated into the comprehensive financial overview of the Company. Consequently, any balances, transactions, as well as unrealized income and expenses among the consolidated entities have been eliminated during the consolidation process. Both the profit or loss figures and each component of other comprehensive income or loss are appropriately attributed to the equity of the Company.

The consolidated financial statements of the Group include the following subsidiaries:

Entity name	Country of incorporation	Principal activities	% of variable interest	
			2024	2023
Creditas Financial Solutions LLC	USA	Investment company	100.00%	100.00%
LGF Occidente SA de C.V. SOFOM	Mexico	Intermediation of business and services	99.90%	99.90%
Sorabil S. de R.L. de C.V.	Mexico	Intermediation of business and services	99.90%	99.90%
Creditas S.L.	Spain	Intermediation of business and services	99.90%	99.90%
Creditas Soluções Financeiras Ltda.	Brazil	Intermediation of business and services	99.90%	99.90%
Creditas Administração de Imóveis e Serviços de Reformas Ltda.	Brazil	Intermediation of business and services	100.00%	100.00%
Creditas Auto Ltda.	Brazil	Intermediation of business and services	0% ⁽¹⁾	100.00%
Creditas Sociedade de Crédito Direto S.A. - SCD	Brazil	Intermediation of business and services	100.00%	100.00%
Dakot Participações S.A	Brazil	Investment company	100.00%	100.00%
Creditas Tecnologia Ltda	Brazil	Intermediation of business and services	100.00%	100.00%
Creditas Holding Financeira Ltda.	Brazil	Investment company	100.00%	100.00%
Creditas Locadora de Veículos Ltda	Brazil	Intermediation of business and services	0% ⁽¹⁾	100.00%
Minuto Corretora de Seguros S.A.	Brazil	Intermediation of business and services	100.00%	100.00%
Kzas Tecnologia e Investimento Ltda	Brazil	Intermediation of business and services	100.00%	100.00%
Kzas Crédito Assessoria Financeira Ltda	Brazil	Intermediation of business and services	100.00%	100.00%
Creditas Global Expansion, S.L.	Spain	Intermediation of business and services	100.00% ⁽²⁾	0.00%

(1) Companies merged into Creditas Soluções Financeiras Ltda. in 2024.

(2) Company established in 2024.

In addition, the Group has consolidated the following structured entities and investment funds due to the Group owning a substantial interest and having variable returns based on the performance of these vehicles even though the risk retained by Creditas at the formation of the securitization vehicle is limited to the capital invested in the entity:

Structured entities / Investment Funds	Country of incorporation	Principal activities	% of variable interest	
			2024	2023
FIDC Empírica Home Equity	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Angá Creditas Consignado Privado	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
SPIRIT FIM CP IE	Brazil	Multimarket investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto I	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto II	Brazil	Receivables investment fund	0% ⁽²⁾	100.0% ⁽¹⁾
FIDC Creditas Auto III	Brazil	Receivables investment fund	0% ⁽²⁾	100.0% ⁽¹⁾
FIDC Creditas Auto IV	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto V	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto VI	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto VII	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto VIII	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto IX	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Auto X	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Tempus I	Brazil	Receivables investment fund	0% ⁽²⁾	100.0% ⁽¹⁾
FIDC Creditas Tempus II	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾

FIDC Creditas Tempus III	Brazil	Receivables investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIDC Creditas Aloha I	Brazil	Receivables investment fund	0% ⁽²⁾	100.0% ⁽¹⁾
FIDC Creditas Aloha II	Brazil	Receivables investment fund	0% ⁽²⁾	100.0% ⁽¹⁾
FIDC Creditas Aloha III	Brazil	Receivables investment fund	0% ⁽²⁾	100.0% ⁽¹⁾
FIDC Chronos	Brazil	Multimarket investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG I	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG II	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG III	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG IV	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG V	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG VI	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾
FIC de FIDC Creditas SIG VII	Brazil	Quota investment fund	100.0% ⁽¹⁾	100.0% ⁽¹⁾

(1) Variable interest refers to the 100% participation in the junior quotas.

(2) Funds repaid and merged in 2024.

The consolidated financial statements also include Mortgage-Backed Securities - Certificado de Recebíveis Imobiliários - (“CRI”):

Structured entities	Country of incorporation	Principal activities	% of variable interest	
			2024	2023
CRI I to CRI XXXI	Brazil	Mortgage-Backed Securities	100.0% ⁽¹⁾	100.0% ⁽¹⁾
CRI XXXII to CRI XXXIX	Brazil	Mortgage-Backed Securities	100.0% ⁽¹⁾	0.00%

(1) Variable interest refers to the 100% participation in the junior quotas.

A structured entity is an entity that has been designed in such way that voting or similar rights are not the dominant factor in deciding who controls the entity, namely when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. For these entities, control is usually determined by who controls most of the economic rights (residual value) of the entity.

In the Company, securitizations to these structured vehicles, such as Fundos de Investimento em Direitos de Crédito (“FIDCs”), are achieved through a true sale and no FIDC has any type of recourse to the Group. As majority holders of the junior quotas, the Group is entitled to the full residual value of the entities and thus the Group retains the variable returns of the securitization vehicles while limiting the risk to the book value that is held by the Group in these entities. The bylaws of the FIDCs grant the Group significant influence, such as the right to determine which assets will be sold to these FIDCs if they meet the eligibility criteria. Finally, senior and mezzanine quota holders receive a fixed remuneration every month and both quotas must be fully redeemed by the securitization vehicle at maturity if there are enough cash flows from the existing portfolio of credit receivables.

The Group consolidates all controlled structured entities in the Group’s financial statements. The senior and mezzanine quotas are recognized as a financial liability under “Financial Liabilities at amortized cost” and the remuneration paid to senior and mezzanine quota holders are recognized as a cost of funding under “Interest expenses”.

The group has non-controlling interests in three companies that are therefore incorporated in the balance sheet as Investments:

Participation in uncontrolled	Country of participation	Principal activities	2024	2023
Clikalia S.A. ⁽¹⁾	Mexico	Intermediation of business and services	44.50%	44.50%
OXY Companhia Hipotecária S.A.	Brazil	Intermediation of business and services	12.51%	12.51%
Brazil Finance Group AB	USA	Intermediation of business and services	4.80%	0.00%

⁽¹⁾ Clikalia SA is a joint venture between Creditas Financial Solutions LLC. and Clikalia Holdco S.A.

2.4. Functional currency

The Group companies adopted the Brazilian Real/Reais (BRL) as the functional currency, since most of the Company’s business transactions occur in Brazil. The consolidated financial statements are also presented in Reais.

Assets and liabilities denominated in currencies other than the Brazilian Real are translated at rates of exchange prevailing on the date of consolidated statements, while revenues and expenses are translated at average rates of exchange for the period. Foreign currency remeasurement gain or losses on transactions in nonfunctional currencies are recognized in earnings. Gains

or losses on translation of the financial statements of non-BRL operations, when the functional currency is other than the BRL, are included, net of hedges and taxes, in the consolidated statements of other comprehensive income.

The Group's foreign entities and their respective functional currencies are described below:

Entity name	Country	Functional Currency
Creditas Financial Solutions LTD	Cayman	USD
Creditas Financial Solutions LLC	USA	USD
LGF Occidente SA de C.V. SOFOM	Mexico	MXN
Sorabil S. de R.L. de C.V.	Mexico	MXN
Creditas SL	Spain	EUR
Creditas Global Expansion, S.L.	Spain	EUR

Monetary items denominated in foreign currency are translated at the closing exchange rate as of the reporting date.

Non-monetary items measured at historical cost denominated in a foreign currency are translated at the exchange rate on the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates on the date when the fair value was determined.

3. Material accounting policies

The significant accounting policies adopted by the Group are the following:

a) Cash and cash equivalents

Cash and cash equivalents include (i) bank deposits in local institutions and abroad and highly liquid short-term investments with original maturities up to 90 days, convertible into a known amount of cash, subject to insignificant risk of change in value and used for cash management of short-term commitments and not for investment and financing purposes; and (ii) balances with central banks which are part of the Group's liquidity management activities.

b) Financial instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognized when the Group becomes a party to the contractual terms of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition and measures a financial asset or financial liability at its fair value.

All financial assets and liabilities are recognized in accordance with the respective practices, this section describes the accounting practices arising from the adoption of IFRS 9.

Classification and subsequent measurement

Subsequent to initial recognition, the Group evaluates and, if necessary, reclassifies its financial assets based on their contractual cash flow characteristics and the Group's business model for managing the financial assets.

Business model: The business model reflects how the Group manages the assets to generate cash flows and, specifically, whether the Group's objective is solely to (i) collect the contractual cash flows from the assets or (ii) is to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable, such as when the financial assets are held for trading purposes, the financial assets are classified as part of an "other" business model and measured at FVTPL. To assess business models, the Group considers risks that affect the performance of the business model; how the managers of the business are compensated; and how the performance of the business model is assessed and reported to Management.

Financial assets are subsequently measured at either amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL), depending on their classification. Financial liabilities are initially recognized similarly and subsequently measured at amortized cost or FVTPL.

The Group determines the classification of financial assets based on the following criteria:

1. **Amortized Cost:** Financial assets are measured at amortized cost if both the following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. **Fair Value Through Other Comprehensive Income (FVOCI):** Financial assets are measured at FVOCI if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. **Fair Value Through Profit or Loss (FVTPL):** Financial assets not meeting the criteria for classification at amortized cost or FVOCI are classified at FVTPL. This includes financial assets held for trading purposes or designated as such at initial recognition.

The subsequent measurement of financial assets and liabilities at amortized cost involves recognizing interest income or expense, impairment losses, and gains or losses on derecognition. For financial assets measured at FVOCI, changes in fair value are recognized in other comprehensive income, except for impairment losses and foreign exchange gains or losses on monetary items, which are recognized in profit or loss. Financial assets measured at FVTPL are remeasured at fair value, with gains and losses recognized in profit or loss.

Financial assets - debt instruments

Debt instruments are those instruments that meet the definition of financial liability from the issuer's perspective, such as loans and government and corporate bonds.

The classification criteria and subsequent measurement for financial assets depends on the business model for their management and the characteristics of their contractual flows. The business models refer to how the Group manages its financial assets to generate cash flows. In this definition, the following factors are taken into consideration, among others:

- How key management assess and report on the performance of the business model and the financial assets held in the business model;
- The risks that affect the performance of the business model (and the financial assets held in the business model) and, specifically, the way in which these risks are managed; and
- The frequency and volume of sales in previous years, as well as expectations of future sales.

c) Derecognition of assets and financial liabilities

(i) Financial assets

A financial asset (or applicable part of a financial asset or a group of assets similar) is derecognized when the right to receive the cash flow of the asset expires or the right to receive cash flows from the asset is transferred or has assumed the obligation to pay any cash flow received, at total amount, without material delay, to a third party due to a transfer agreement, and if: (i) there is substantial transfer of all risks and benefits of the asset; or (ii) there is no substantial transfer or withholding retention of all risks and benefits of the asset, but there is transfer of control on such asset.

When the Company and its subsidiaries transfer the right to receive an asset cash flow or have entered in an on-lending agreement and have not substantially transferred or retained all the asset's risks and benefits, or have not transferred the control on such asset, an asset is recognized to the extent of the Company and its subsidiaries have continued involvement in the assets. As a result, the assets transferred and referred liabilities are measured based on the retained rights and obligations of the Company and its subsidiaries.

(ii) Financial liabilities

Financial liability is derecognized when the obligation with respect to the liability is removed, cancelled, or expired. When an existing financial liability is replaced by another from the same creditor on substantially different terms, or terms of the existing liability are substantially modified, the change or modification is treated as a derecognition of the original liability and recognition of a new liability, and the difference in the carrying amount is recognized in statements of profit or loss of the year.

Expected Credit Losses

The Company applies a three-stage approach to measuring the expected credit losses, as financial assets migrate from one stage to the other in accordance with changes in their credit risk.

Stage1: Credit losses expected over a 12-month horizon. Applicable to financial assets without a significant increase in credit risk since the initial recognition of the operation.

Stage2: Credit losses expected over the life of the financial instrument. Applicable to financial assets with significant increase in credit risk since initial recognition, but with no indication of default.

Stage3: Credit losses expected over the life of the financial instrument. Applicable to financial assets with objective evidence of impairment (default).

An asset will migrate between stages as its credit risk increases or decreases. Therefore, a financial asset that migrated to stages 2 and 3 may return to stage 1 unless it was purchased or originated as a credit impaired financial asset.

The measurement of expected credit loss requires the application of significant assumptions, such as:

- **Term to maturity:** The Company considers the maximum contractual period on which it will be exposed a financial instrument's credit risk and all contractual terms are considered when determining the expected life, including prepayment and rollover options.
- **Prospective information:** a balanced and impartial estimate of credit loss is performed, that includes forecasts of future economic conditions. the Company uses prospective macroeconomic information and public information with projections prepared internally to determine the impact of these estimates on the calculation of expected credit losses.
- **Probability-weighted loss scenarios:** The Company uses weighted scenarios to determine credit loss expected over a suitable observation horizon adequate to classification in phases, considering the projection based on economic variables.
- **Determining criteria for significant increase or decrease in credit risk:** in each period of the consolidated financial statements, the Company assesses whether the credit risk on a financial asset has increased significantly since the initial recognition using relative and absolute triggers (indicators), which consider delay and the probability of default (PD) by product.

Stages:

- Stage 1 to stage 2: default exceeding 30 days for Auto, Home, and Individuals Payroll Portfolio;
- Stage 1 to stage 2: default exceeding 60 days for Companies Payroll Portfolio;
- Stage 2 to stage 3: default exceeding 90 days for Auto and Payroll Portfolio;
- Stage 2 to stage 3: default exceeding 180 days for Home Portfolio.

Write-off

The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectation of recovering it in its entirety or a portion thereof. For unsecured loans, a write-off is made when all internal collection efforts are exhausted

or theirs is no reasonable expectation of recovering further amounts. All balances are written-off and are subject to enforcement guarantees.

To determine the appropriate write-off period, Creditas evaluated the accumulated recovery curve of each product portfolio using data from the Loss Given Default (LGD) model. This model enabled the construction of a curve to track recovery values over time for each defaulted account.

Based on its analysis of recovery information for each product, Creditas has established the appropriate write-off period for each portfolio. The Auto and Payroll portfolios have a write-off period of 365 days, while the Home portfolio has a longer write-off period of 730 days. Once the collection efforts for each portfolio are exhausted and there is no reasonable expectation of further recovery, Creditas will declare a write-off to loss. These timeframes reflect the different characteristics of each portfolio and allow Creditas to manage its risk and allocate resources effectively.

d) Determining fair value

Financial instruments are measured according to the fair value measurement hierarchy described below:

- Level 1: Price quotations observed in active markets for the same financial instrument;
- Level 2: Price quotations observed in active markets for financial instruments with similar characteristics or based on pricing models for which the relevant parameters are based on observable active market data;
- Level 3: Pricing models for which current market transactions or observable data are not available and require a high degree of judgment and estimation.

In certain cases, the data used to determine the fair value may fall into more than one of the levels of the fair value measurement hierarchy. In these cases, the financial instrument is classified using the most conservative hierarchy in which the relevant data for the fair value assessment were used. This evaluation requires judgment and considers specific factors of the relevant financial instruments. Changes in the availability of the information may result in reclassification of certain financial instruments along the different levels of fair value measurement hierarchy.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF (discounted cash flow) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

e) Derivative financial instruments

Derivatives are initially recognized at cost on the contract date and subsequently measured at fair value. Fair values for exchange-traded derivatives are determined using quoted market prices, while those for over-the-counter (OTC) derivatives are estimated through valuation techniques such as option pricing models.

A derivative contract is recognized as an asset or liability based on its fair value at the reporting date, unless offsetting is permissible. Fair value gains and losses are determined by whether derivatives are held for trading or designated as hedging instruments, and for the latter, by the nature of the hedged risk. Gains and losses arising from fair value changes in trading derivatives are recognized in the consolidated statement of profit or loss and included within "Interest income."

f) Recognition of revenue and expenses

Revenue is recognized to the extent that it is probable that the economic benefit is transferred to the Group whether with contract signing, performance of services, transfer of property to customer and that the Revenue may be reliably measured. The criteria of recognition are specified by product as follows must be complied with before the Revenue is recognized:

(i) Interest income and expenses

For all financial instruments measured at amortized cost, the interest income or expenses are recorded using an accrual basis. The calculation considers all contractual terms of the financial instrument.

(ii) Fee and commission income

Fee and commission income are recognized at the time the related service with Origination, broker insurance and fees related to business partnerships rebates is rendered, provided that the revenue can be reliably measured, it is probable that the Company will receive the economic benefits associated with the transaction.

(iii) Expenses and cost recognition

Administrative expenses, operation expenses and costs related to the origination are recorded when they are incurred, under the accrual method, and are recognized in the statement of profit or loss simultaneously, regardless of payment.

(iv) Vehicle sales

The Company recognizes revenue and its cost when their value can be reliably measured considering future safety conditions that can be met for each of its activities.

The cost of inventories is based on the cost attributed for each vehicle, considering the cost of acquisition of each unit. In addition, there is a complete review and evaluation of the sale, carried out with the cost.

The sales revenue is recognized when the significant risks and rewards of ownership of the asset are transferred to the buyer, which usually takes place on delivery.

(v) Commissions - broker insurance

Brokerage commissions for intermediation in the sale of insurance are recognized in the statement of profit or loss according to the completion of the services provided after acceptance by the contracting party and issuance of the policy.

(vi) Commissions from sales of insurance products

To a lesser extent, the Company is remunerated for offering insurance-related products, which are offered to the insured. It is also received in commission mode and recognized after completion of the services provided and acceptance by the contracting party.

h) Lease liabilities

The Company leases mostly real estate to carry out its activities. Initial recognition occurs when the contract is signed, recorded in Other Liabilities, which corresponds to the total future payments at present value as a contra entry against the Right to Use Assets, amortized on a straight-line basis over the lease term and tested annually to identify possible losses by reducing the recoverable amount. The financial expense corresponding to the interest on the lease liability is recognized in the financial expense item in the Consolidated statements of profit or loss.

i) Property and Equipment

Property and equipment are accounted for at cost excluding expenditures with maintenance, minus accumulated depreciation, and impairment. Changes in the estimated useful life or depreciation method are treated as changes in accounting estimates. Depreciation is calculated using the straight-line method to write items down to a residual value over their estimated useful life. Property and equipment are written off on disposal or when future economic benefits are no longer expected in its use. Any gain or loss generated on the asset's disposal (calculated as the difference between the disposal proceeds and the asset's carrying amount) is recognized as 'other operating income' in the statements of profit or loss when the asset is disposed.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

- Furniture - 10 years
- Leasehold improvement - 10 years
- Communication equipment - 10 years
- Computer equipment - 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

j) Intangibles Assets

Intangible assets are recorded at cost and include acquired assets and software. An intangible asset is recognized only when its cost can be reliably measured, and it is likely that the future economic benefits expected which are assigned to them shall be carried out.

The amortization expenses of intangible assets with definite useful lives are recognized in the statements of profit or loss in administrative expenses, consistent with the function of the intangible asset. The estimated useful lives of intangible assets for current and comparative periods are as follows:

- Customer relations - 4 years
- Software - 5 years
- Brand – 5/12.5 years

The intangible assets with indefinite useful lives are not amortized but tested annually to identify possible impairment losses, which are recognized in the statements of profit or loss by the carrying amount of the asset that exceeds its recoverable value.

k) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The method involves recognizing identifiable assets (including intangible assets previously unrecognized) and liabilities (including contingent liabilities but excluding future restructuring) of the business acquired at fair value. The Purchase and Sale Agreement for the Bcredi, Minuto and Volanty acquisitions provides part of payments of the acquisitions through the issuance of shares. Shares issued as part of the purchase consideration are measured at fair value at the issuance date.

Some acquisitions include targets for achievement of goals and the retention of key executive as conditions of part of the acquisition agreement. If the arrangement under which contingent payments are automatically forfeited if employment terminates, it should be recorded as compensation for post-combination services, therefore should not be considered as part of acquisition price.

Any excess of the consideration transferred over the fair value of the net identifiable assets acquired is recognized as goodwill. If the consideration transferred is lower than the fair value of the net identifiable assets acquired, the gain on the acquisition is recognized directly in the statements of profit or loss in the year of the acquisition.

Goodwill acquired in a business combination is initially accounted at cost, representing the excess of the acquisition price of the business combination over the net fair value of the identifiable assets and liabilities assumed.

After initial recognition, goodwill is measured at cost and reduced by any accumulated impairment losses. Goodwill is reviewed for impairment annually, or even more frequently, if events or changes in circumstances indicate that the carrying amount may be below the recoverable amount.

l) Impairment of non-financial assets

Assets that have an indefinite life, such as goodwill, are not subject to amortization and are tested annually for impairment or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Assets that are subject to depreciation or amortization are tested for impairment annually or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Impairment is recognized if the asset's carrying amount exceeds its recoverable amount, which is the higher of the fair value of an asset less costs to sell and its recoverable value in use.

The impairment methodology is based on the evaluation of the investee's or cash generating units ("CGU") results, their business plans and the return capacity of the amounts invested.

m) Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements, except when the Company's management believes that their realization is virtually certain.

Contingent liabilities mainly arise from administrative proceedings and lawsuits, inherent to the normal course of business. These contingencies are assessed based on management's best estimates, with the support of legal counsel. When it is probable that financial resources will be required to settle the obligations and the amount can be reasonably estimated, a provision is recognized. Whether the loss is classified as possible, the amounts and details are disclosed in the notes to the financial statements. Contingencies classified as remote are neither provisioned nor disclosed.

n) Income taxes

Creditas Holding was incorporated in the Cayman Islands, where does not impose corporate income taxes or capital gains taxes. In Brazil, the country in which its most significant subsidiaries operate, the income tax is composed of the corporate income tax (IRPJ) and the social contribution on net income (CSLL).

Income tax expense comprises current and deferred tax. It is recognized in profit or loss, for income tax the rate used is 15% plus a 10% on annual taxable income exceeding BRL 240 and 9% for social contribution.

Current and deferred tax assets and/or liabilities are offset only if certain criteria are met.

Current tax

Allowances for income tax and social contribution are recognized based on accounting profit adjusted as provided by tax law and is the best estimate of the tax amount expected to be paid or received.

Deferred tax

Deferred income tax and social contribution are calculated on the value of temporary differences and tax loss carryforwards and are recognized whenever the realization of those amounts is deemed probable.

Deferred tax assets and liabilities are measured at the tax rate which is expected to be applicable in the year in which the asset is realized or the liability is settled, based on the tax rates (and tax law) that were enacted on the balance sheet date.

Current tax and deferred tax related to items recognized directly in the shareholders' equity are also recognized in the shareholders' equity and not in the Statement of income or loss.

A deferred income tax and social contribution asset is recognized for tax losses and deductible temporary differences when it is probable that future taxable profits will be available and against which they will be used. Deferred income tax and social contribution assets are reviewed at each reporting date and will be reduced to the extent that their realization is no longer probable.

o) Uncertainty treatment of taxes on net income

In compliance with international standards, particularly IFRIC 23 - 'Uncertainty over Income Taxes,' the Group adopts specific procedures to determine provisions for taxes to be held for uncertain tax positions, monitoring the interpretation of tax legislation and decisions from tax and judicial authorities, so that we can adjust any prior judgments. These adjustments may also result from our tax planning or resolution of controversies. The evaluation of each uncertain tax treatment, whether individual or in aggregate, follows the approach determined by international standards to better anticipate the resolution of uncertainty. Following analysis, the Group has not identified uncertainties that could impact on our operational results related to tax positions.

p) Share-based payment

Creditas Group has granted common stock options (SOP) and Restricted Share Units (RSUs) to certain executives and employees under existing Share Plans and RSU Plan.

SOPs and RSUs are generally granted as part of:

- i. The basic remuneration package of employees, in addition to their respective salaries and other benefits; or
- ii. A bonus payment arrangement, rather than the basic employee compensation. Objectively, in this case, SOPs and RSUs are granted as either an incentive for certain key employees to remain on the Subsidiary's staff or a reward for their efforts to improve Creditas Group performance.

The definition of Performance Condition is in accordance with each of RSU contracts, there are three scenarios for RSUs, which are:

- i. Performance-based vesting condition;
- ii. Time vesting condition; and
- iii. Earn out vesting conditions in the SPA and RSUs will only be fully vested when they have both performance vested.

The RSUs will only be fully recognized when both conditions are met.

Share-based payment is booked by the value of equity instruments granted; this expense is recognized during the vesting period of the right to exercise the instruments. The total amount to be expensed is determined by reference to the fair value of the share-based payment in the date of grant and vesting conditions (when an employee remains with the company for specific period of time).

The methodology used by the Company to measure the fair value of the share-based payment is the Black-Scholes model. The Black-Scholes model is used for valuing straightforward options, the management understands that this model is more adequate and will be used to reassess fair value for subsequent reporting periods.

q) Convertible Notes

Recognized as Liability

The liability component of a compound financial instrument is initially recognized at fair value. The fair value of the liability portion of a convertible debt instrument is determined using discounted cash flows, considering the market interest rate for a debt instrument with similar characteristics, but not convertible. The equity component is initially recognized as the difference between the total amount received by the Group upon issuance of the instrument, and the fair value of the recognized financial liability component. If the fair value of the convertible note is higher than the comparison value with the non-convertible debt, recognition in equity is not necessary.

Recognized as Equity

In line with IAS 32, the convertible notes were directly recognized in the Company's equity at the time of issuance, as part of shareholders' equity. This accounting treatment reflects the Company's intention to allow the conversion of the notes into preferred shares, as per the conditions established in the issuance contract. All decisions related to conversion are under the exclusive control of the Company.

3.1. New or Revised Accounting Pronouncements Adopted in 2024

The following new or revised standards have been issued by the IASB and have been effective, but they have not had an impact for the period covered by these financial statements:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Liabilities with Covenants
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 - Statement of Cash Flows and Financial Instruments

3.2. Other Standards and Interpretations Not Yet Effective

These changes will be effective from future periods with optional use for 2024. Analyses regarding potential disclosure changes will be completed by the effective date of the standard.

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments - Effective from January 1, 2026.
- IFRS 18 - Presentation of Financial Statements replaces IAS 1 - Effective from January 1, 2027

4. Operating segments

Management considers the entire Group as a single reportable operating segment, monitoring operations, making resources allocation decisions, and evaluating performance. Management analyzes relevant financial data on a Consolidated basis for all subsidiaries.

The Group's income, results and assets for this single reportable segment can be determined by reference to the consolidated statements of profit or loss and other comprehensive income or loss, as well as the Consolidated statements of financial position and other explanatory information.

5. Cash and cash equivalents

The short-term investments correspond to bank Certificates of Deposit (CDBs) and fixed income securities, with an average yield of the Interbank Deposit Certificate (DI) and daily liquidity.

	2024	2023
Cash and bank deposits	100,262	247,480
Short term investments	467,536	263,272
Total	567,798	510,752

The balances are distributed among the following functional currencies:

	2024	2023
BRL	443,373	408,072
USD	109,179	84,400
MXN	12,119	16,882
EUR	3,127	1,398
Total	567,798	510,752

6. Financial assets at fair value through profit and loss

The amount of financial instruments at fair value through profit and loss are presented below:

	2024	2023
Securities	59,608	45,636
Federal government bonds	49,622	81,956
Money market accounts	2,110	1,737
Equity securities ⁽¹⁾	-	4,031
Total	111,340	133,360

⁽¹⁾ From September 2019, the Group held an investment in Black, White and Shelby (Yuca), an early-stage co-living startup domiciled in Brazil and categorized as Level 3 for fair value metrics. This investment has since been written off.

The financial assets have maturity up to March 2030.

For the year ended December 31, 2024, and 2023, there were no transfers between levels.

7. Derivative financial instruments

In December 2024, Creditas Soluções Financeiras Ltda. formalized a “Foreign Exchange Option”, designed to mitigate the cash flow exposure of its Holding company, Creditas Financial Solutions Ltd., to foreign exchange fluctuations concerning USD 60,000 in debt instruments (Bonds). The aggregate premium disbursed for the dollar call option amounted to BRL 15,300, with settlement occurring in two tranches: BRL 9,450 in December 2024 and BRL 5,850 in January 2025, as further detailed in Note 29 - Subsequent Events. This Agreement was settled with Andbank (Brasil) S.A. and duly registered with B3 S.A. The table below presents the position in derivative financial instruments as of December 31, 2024, and 2023:

Notional USD	Notional BRL	Transaction date	Due date	31/12/2024	31/12/2023
				Fair value	Fair value
35,000	216,731	26/12/2024	15/12/2027	9,450	-
			Total	9,450	-

8. Loan portfolio

The following tables summarize outstanding loans to customers. The loans are in its majorities to Brazilian customers and are denominated in BRL and accrue fixed or floating interest rates.

I) Loan portfolio	2024	2023
Loans to customers	5,690,686	5,310,875
Loans to related parties	52,659	62,010
(-) Allowance for expected credit losses	(619,821)	(698,351)
Total loan portfolio net	5,123,524	4,674,534

II) Loans by stage net of expected credit loss

Stage 1	4,522,703	3,965,444
Stage 2	440,595	537,139
Stage 3	160,226	171,951
Loans to Customers	5,123,524	4,674,534

III) Net changes in expected credit loss

Initial Balance	(698,351)	(686,736)
Provisions	(586,676)	(698,065)
Write-off net recovery	639,568	624,488
Reversals	25,638	61,962
Final Balance	(619,821)	(698,351)

The loan portfolio's maturity extends to 2045 for Home Equity, 2030 for Auto and Payroll Employee Benefits, and 2027 for other segments. A maturity breakdown is provided below:

IV) Breakdown by maturity

	2024							
	Home equity		Auto equity and finance		Private Employee Benefits		Others	
	Amount	%	Amount	%	Amount	%	Amount	%
in up to a year	53,755	2.00%	230,184	11.94%	88,955	7.91%	2,203	27.37%
one to two years	87,885	3.28%	551,537	28.60%	288,784	25.67%	4,855	60.32%
two to three years	110,914	4.14%	533,731	27.68%	312,651	27.79%	993	12.32%
three to four years	112,164	4.18%	312,562	16.21%	252,761	22.47%	-	0.00%
four to five years	114,906	4.28%	275,013	14.26%	168,760	15.00%	-	0.00%
Over 5 years	2,202,454	82.12%	25,318	1.31%	12,960	1.15%	-	0.00%
Total	2,682,078	100%	1,928,345	100%	1,124,871	100%	8,051	100%

	2023							
	Home equity		Auto equity and finance		Private Employee Benefits		Others	
	Amount	%	Amount	%	Amount	%	Amount	%
in up to a year	35,278	1.67%	136,780	6.27%	143,247	14.20%	10,249	14.28%
one to two years	41,298	1.96%	607,751	27.85%	206,497	20.46%	21,340	29.73%
two to three years	31,130	1.48%	760,475	34.85%	274,174	27.17%	34,739	48.40%
three to four years	49,805	2.36%	563,195	25.81%	311,782	30.90%	-	0.00%
four to five years	63,586	3.01%	101,762	4.66%	72,172	7.15%	5,450	7.59%
Over 5 years	1,888,544	89.52%	12,368	0.57%	1,263	0.13%	-	0.00%
Total	2,109,641	100%	2,182,331	100%	1,009,135	100%	71,778	100%

V) Reconciliation of the gross portfolio segregated by stages:

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at December 31, 2023	4,139,834	589,915	643,136	5,372,885
Transfer to Stage 1	-	(123,807)	(9,361)	(133,168)
Transfer to Stage 2	(357,763)	-	(6,961)	(364,724)
Transfer to Stage 3	(365,633)	(71,267)	-	(436,899)
Transfer from Stage 1	-	357,763	365,633	723,396
Transfer from Stage 2	123,807	-	71,267	195,074
Transfer from Stage 3	9,361	6,961	-	16,322
Write-off net recovery	-	-	(757,651)	(757,651)
Acquisitions/ (Settlements)	1,156,025	(237,236)	209,321	1,128,110
Balances at December 31, 2024	4,705,631	522,329	515,384	5,743,345

	2023			
	Stage 1	Stage 2	Stage 3	Total
Balances at December 31, 2022	4,424,187	560,162	480,295	5,464,644
Transfer to Stage 1	-	(20,300)	(1,854)	(22,154)
Transfer to Stage 2	(509,831)	-	(259)	(510,090)
Transfer to Stage 3	(386,148)	(4,722)	-	(390,870)
Transfer from Stage 1	-	509,831	386,148	895,979
Transfer from Stage 2	20,300	-	4,722	25,022
Transfer from Stage 3	1,854	259	-	2,113
Write-off net recovery	-	-	(768,572)	(768,572)
Acquisitions/ (Settlements)	589,472	(455,315)	542,656	676,813
Balances at December 31, 2023	4,139,834	589,915	643,136	5,372,885

VI) Reconciliation of expected credit loss segregated by stages:	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at December 31, 2023	(174,390)	(52,776)	(471,185)	(698,351)
Transfer to Stage 1	-	4,170	1,546	5,716
Transfer to Stage 2	70,452	-	1,048	71,500
Transfer to Stage 3	289,995	51,862	-	341,857
Transfer from Stage 1	-	(70,452)	(289,995)	(360,447)
Transfer from Stage 2	(4,170)	-	(51,862)	(56,032)
Transfer from Stage 3	(1,546)	(1,048)	-	(2,594)
Write-off net recovery	-	-	639,568	639,568
Acquisitions/ (Settlements)	(363,270)	(13,490)	(184,278)	(561,038)
Balances at December 31, 2024	(182,929)	(81,734)	(355,158)	(619,821)

	2023			
	Stage 1	Stage 2	Stage 3	Total
Balances at December 31, 2022	(200,780)	(51,597)	(434,359)	(686,736)
Transfer to Stage 1	-	114	115	229
Transfer to Stage 2	39,603	-	9	39,612
Transfer to Stage 3	294,439	1,558	-	295,997
Transfer from Stage 1	-	(39,603)	(294,439)	(334,042)
Transfer from Stage 2	(114)	-	(1,558)	(1,672)
Transfer from Stage 3	(115)	(9)	-	(124)
Write-off net recovery	-	-	624,488	633,094
Acquisitions/ (Settlements)	(307,423)	36,761	(365,441)	(644,709)
Balances at December 31, 2023	(174,390)	(52,776)	(471,185)	(698,351)

a) Loans to related parties

As of December 31, 2024, the Group has a BRL 52,659 loan to Clikalia SA, (BRL 62,010 as of December 31, 2023). Clikalia SA is a joint venture between Creditas Financial Solutions LLC. and Clikalia Holdco S.A. The conditions are TIIE+ 7% annual rate.

b) Provision Model Modification

In 2024, the IFRS 9 provision model for Auto Equity was enhanced to increase the accuracy of future loss estimates. The new model utilizes the complete historical data of the portfolio, advanced predictive analysis, and updated macroeconomic parameters, allowing for a more precise estimation of potential losses. Aligned with the IFRS 9 guidelines, and similar to the previous model, the new model also incorporates the parameters of PD (Probability of Default), EAD (Exposure at Default), and LGD (Loss Given Default), and includes forward-looking analysis. Improvements to the estimation determination model were adopted prospectively.

9. Bond instruments

On December 20, 2024, Creditas repurchased a portion of its outstanding bonds issued in 2023 (note 15b - Financial liabilities at amortized cost), totaling USD 22.5 million (BRL 142,162), with an annual interest rate of 13%. In accordance with IFRS 9, bond issuance costs of BRL 7,996 were recorded as prepayment expenses. Therefore, as of December 31, 2024, the Group's assets were BRL 150,158 (BRL 0 as of December 31, 2023).

10. Tax credits

The balance of recoverable taxes refers to the withholding taxes on the invoices of services rendered. As of December 31, 2024, the Group has tax credits of BRL 62,374 (BRL 25,133 as of December 31, 2023).

11. Investments

On July 18, 2023, the Banco Central do Brasil (BACEN) approved the acquisition of a 12.51% equity stake in Oxy Companhia Hipotecária. On December 27, 2024, the Company made an investment in Brazil Finance Group or BFG INVESTMENT in the amount of SEK 20,063, equivalent to USD 1,825, converted at the exchange rate of December 31, 2024. This resulted in a total of BRL 11,305, representing a 4.78% equity stake.

	OXY Companhia Hipotecária S.A.	Brazil Finance Group AB	Total
Balance as at December 31, 2023	4,642	-	4,642
Acquisition of investments	-	11,305	11,305
Share of profit of equity-accounted investees	540	-	540
Dividends received	(315)	-	(315)
Balances at December 31, 2024	4,866	11,305	16,171

12. Property and equipment

Changes in property and equipment for the year ended as of December 31, 2024, and 2023, are as follows:

	Furniture	Leasehold improvements	Rights of use (Note 16)	Communication Equipment	Computers Equipment	Total
Balances at December 31, 2023	586	1,322	22,813	291	22,500	47,512
Additions	187	-	-	-	-	187
Disposals	(39)	-	-	-	(10,503)	(10,542)
Depreciation	(127)	(178)	(22,813)	(56)	(3,200)	(26,374)
Balances at December 31, 2024	607	1,144	-	235	8,797	10,783
Balances at December 31, 2022	221	21,848	103,780	5,120	38,047	169,016
Additions	929	-	40,515	-	-	41,444
Disposals	(312)	(20,321)	(94,198)	(4,824)	(3,026)	(122,681)
Depreciation	(252)	(205)	(27,284)	(5)	(9,653)	(37,399)
Impairment	-	-	-	-	(2,868)	(2,868)
Balances at December 31, 2023	586	1,322	22,813	291	22,500	47,512

13. Intangible assets and Goodwill

Changes in intangible assets for the year ended as of December 31, 2024, and 2023 are as follows:

	Goodwill	Customer relations	Software	Brand	Total
Balances at December 31, 2023	349,886	23,065	19,946	4,952	397,849
Disposals	-	(11)	(1,243)	(86)	(1,340)
Amortization	-	(3,141)	(3,584)	(41)	(6,766)
Balances at December 31, 2024	349,886	19,913	15,119	4,825	389,743
Balances at December 31, 2022	476,568	33,730	12,373	11,060	533,731
Acquisitions	-	-	13,458	-	13,458
Disposals	-	(8,258)	(263)	(5,970)	(14,491)
Amortization	-	(2,407)	(5,622)	(138)	(8,167)
Impairment loss assets	(126,682)	-	-	-	(126,682)
Balances at December 31, 2023	349,886	23,065	19,946	4,952	397,849

Goodwill arising on the acquisition of subsidiaries and intangible assets allocated in business combination

Goodwill arising on the difference between the amount paid upon the acquisition of investments in subsidiaries and the fair value of assets and liabilities is classified in intangible assets, in the consolidated financial statements. Part of goodwill arising on the acquisition of subsidiaries was allocated to identifiable intangible assets with finite and indefinite useful lives, after an analysis of the acquired assets.

	Goodwill and allocated intangible assets
Credito	37,096
Bcredi and Kzas	124,812
Minuto	163,325
Total	325,232

Goodwill impairment testing per type

The Company carries out impairment testing for its assets at least once a year or when there are indications of impairment. In the year ended December 31, 2024, and 2023, the Company reviewed events related to its acquisitions that could impact the expected recovery of non-financial assets.

For the year ended December 31, 2024, the Company did not recognize any impairment losses on assets (BRL 126,682 as of December 31, 2023). In the 2024 impairment test, the following growth assumptions were used in the calculations:

Creditoo	Bcredi	Minuto
1. Growth rate in perpetuity at 3.50%, and discount rate applied (WACC) at 20.83%	1. Growth rate in perpetuity at 3.50%, and discount rate applied (WACC) at 14.20%	1. Growth rate in perpetuity at 3.50%, and discount rate applied (WACC) at 18.50%
2. Net revenue with an annual average growing 27% in the first year, 19% in the second, 11% in the third, 3% in the fourth, and perpetuity of 4% per year	2. Net revenue with annual average growing 38% in the first year, 28% in the second, 21% in the third, 16% in the fourth, and perpetuity of 3.5% per year	2. Net revenue with an annual average growing 9.60% in the first year, 25% in the second, 27% in the third, 25% in the fourth, and perpetuity of 3.5% per year

In the 2023 impairment test, the following growth assumptions were used in the calculations:

Creditoo	Bcredi	Minuto
1. Growth rate in perpetuity at 3.50%, and discount rate applied (WACC) at 19.16%	1. Growth rate in perpetuity at 3.50%, and discount rate applied (WACC) at 13.79%	1. Growth rate in perpetuity at 3.50%, and discount rate applied (WACC) at 19.19%
2. Net revenue with annual average growing 49% in the first year, 19% in the second, 9% in the third, 4% in the fourth, and perpetuity of 3.5% per year	2. Net revenue with an annual average growing 22% in the first year, 15% in the second, 11% in the third, 7% in the fourth, and perpetuity of 3.5% per year	2. Net revenue with an annual average growing 49% in the first year, 38% in the second, 26% in the third, 15% in the fourth, and perpetuity of 3.5% per year

14. Accounts payable

The table below presents the payment amounts due to suppliers located in Brazil (Domestic), the United States, and Mexico (Foreign).

	2024	2023
Domestic trade accounts payables	70,615	54,140
Foreign suppliers	3,469	4,707
Others	-	9
Total	74,085	58,856

15. Financial liabilities at amortized cost

Below is the opening balance of financial liabilities, measured at amortized cost, for December 2024 and 2023. The interest recognized related to these liabilities was BRL 608,776 as of December 31, 2024 (BRL 702,706 as of December 31, 2023).

	2024	2023
Financial obligation to FIDC quota-holders (a)	3,338,958	3,080,725
Commercial Andbank Agreement (b)	1,609,613	1,272,113
Borrowings and financing (c)	901,401	651,731
Commercial OXY Agreement	109,664	91,143
Total	5,959,636	5,095,713

a) Financial obligation to FIDC quota-holders

	Index	Rate	2024	2023
Senior	IPCA	5.22% to 9.75%	1,644,111	1,305,971
Senior	CDI	2.50% to 5.50%	1,085,677	1,286,622
Mezzanine	CDI	4.50% to 7.75%	305,170	253,070
Mezzanine	IPCA	7.27% to 11%	304,485	235,927
Total			3,339,443	3,081,589
Expected credit loss attributable to senior and mezzanine ⁽¹⁾			(485)	(864)
Total			3,338,958	3,080,725

⁽¹⁾ Due to the structure of the FIDCs, the junior quotas held by the Group do not support losses in the senior and mezzanine quotas beyond the excess spread that it is entitled to. As a result, such embedded credit risk features amounted to BRL 485 as of December 31, 2024 (BRL 864 as of December 31, 2023).

CDI Rate is the Brazilian interbank deposit rate, which is an average of interbank overnight rates in Brazil.

IPCA is the Brazilian Broad Consumer Price Index, which is measured by IBGE between in each calendar month.

The maturity of these financial obligations is up to the year 2030 in Auto and in Payroll, and 2045 in Home Securitizations.

Description	2024	2023
Opening balance	3,081,589	4,539,841
Issuance	1,371,883	686,177
Interest	447,197	555,940
Settlement	(853,525)	(1,902,835)
Interest payments	(707,701)	(797,533)
Closing balance	3,339,443	3,081,589

b) Commercial Andbank Agreement

On July 6, 2022, Creditas Soluções Financeiras LTDA. and Banco Andbank Brasil S.A. entered into a commercial partnership agreement, which establishes the terms and conditions of the rights and responsibilities of the parties involved.

The agreement comprises three key areas: (i) the retention of the risks and benefits of the Creditas operation assigned to Andbank, (ii) payment of an “incentive fee” by Creditas to Andbank for the partnership’s results, and (iii) reimbursement of Andbank’s costs and expenses to implement or adapt its structure to perform the activities defined in the agreement.

As part of this agreement, Creditas committed to repurchase the credit rights in the event of contract termination or default, and to provide continuous collection services, thereby retaining most of the risks and benefits associated with the operation. In accordance with IFRS 9 (Financial Instruments), the Group is required to recognize the financial assets and liabilities of this operation, as well as the associated revenues, expenses, and expected losses, in its financial statements.

Additionally, under the terms of the agreement, Creditas must provide support and reimburse Andbank for costs, expenses, and expenditures incurred in connection with the implementation or adaptation the Credit Portfolio at Andbank. As of December 31, 2024, Creditas recognized payables in BRL 86,065 (BRL 92,635 as of December 31, 2023) to Andbank.

As of December 31, 2024, Creditas had originated BRL 1,303,614, in accordance with the commercial agreement with Andbank, as compared to BRL 1,140,836 during December 31, 2023. The agreement confers upon Creditas all associated rights and responsibilities. Therefore, total consolidated liabilities were BRL 1,609,613 on December 31, 2024 (BRL 1,272,113 on December 31, 2023).

c) Borrowings and financing

As of December 31, 2024, and 2023, loans and borrowings are comprised of:

	Original Currency	Nominal Interest Rate	Year of Maturity	Face Value at Original Currency	Carrying Amount (BRL)	
					2024	2023
Senior Unsecured Bonds	USD	10.50%	2028	60,000	372,622	-
Transaction costs ⁽¹⁾	USD	-	2028	(1,175)	(7,103)	-
Corporate Debt	BRL	CDI+10%	2027	300,005	259,260	349,228
Senior Unsecured Bonds ⁽²⁾	USD	13.00%	2026	40,000	252,790	178,770
Transaction costs ⁽¹⁾	USD	-	2026	(1,322)	(4,203)	(5,493)
Warehousing Facility MX ⁽³⁾	MXN	17.50%	2027	128,333	28,035	28,191
Warehousing Facility BR	BRL	CDI + 4%	2027	155,808	-	101,035
Total					901,401	651,731

⁽¹⁾ In accordance with IFRS 9, bond issuance costs were recorded as a reduction of the bond liability. Consequently, the BRL 5,493 balance previously classified as “Prepayment expenses” on December 31, 2023, was reclassified, resulting in a total bond issuance cost of BRL 4,203 on December 31, 2024, related to the Senior Unsecured Bonds of USD 40,000 and of BRL 7,103 for Senior Unsecured Bonds of USD 60,000.

⁽²⁾ In November 2023 the Company issued a USD 40 million bond. Simultaneously with the issuance, USD 22.5 million was repurchased, resulting in an accounting effect where this amount remains recorded both as a financial asset (note 9) and as financial liability. Since this structure was arranged with the issuer, the analysis should be conducted on a consolidated basis, as the interest earned on the asset offsets the corresponding interest on the liability. Therefore, the net debt amount to be considered is USD 17.5 million with an annual interest rate of 13%, reflecting the Company’s actual financial exposure. This accounting treatment ensures greater transparency and alignment in the presentation of the Company’s indebtedness.

⁽³⁾ In 2024, the company renegotiated its loans with BBVA Bank, resulting in an increase of the original balance of MXN 97,222. The renegotiations involved two additional amounts of MXN 19,444 and MXN 11,666, both in current currency. In addition to the balance increase, the loan maturity dates were extended. For clarity and transparency purposes, these renegotiations are highlighted as ‘issuances’ in the subsequent financial tables.

Below the years' transactions:

	Corporate Debt	Senior Unsecured Bonds	Warehousing Facility MX	Warehousing Facility BR	Total
Balances at December 31, 2023	349,228	173,277	28,191	101,035	651,731
Issuance	-	364,262	9,290	-	373,552
Interests	67,328	28,317	4,604	4,265	104,514
Exchange rate variation ⁽¹⁾	-	79,675	(3,499)	-	76,177
Amortization ⁽²⁾	-	(2,956)	-	-	(2,956)
Payments	(157,296)	(28,469)	(10,551)	(105,300)	(301,616)
Balances at December 31, 2024	259,260	614,106	28,035	-	901,401

	Corporate Debt	Senior Unsecured Bonds	Warehousing Facility MX	Warehousing Facility BR	Total
Balances at December 31, 2022	-	-	53,266	130,214	183,480
Issuance	300,005	166,802	28,191	-	494,998
Interests	54,862	6,798	3,095	19,792	84,547
Amortization	-	(323)	-	-	(323)
Payments	(5,639)	-	(56,361)	(48,971)	(110,971)
Balances at December 31, 2023	349,228	173,277	28,191	101,035	651,731

⁽¹⁾ The value corresponds to the variation of the USD/BRL exchange rate. Such variation is recognized exclusively within the statement of equity, specifically within the Cumulative Translation Adjustment (CTA), and is not recorded within the income statement.

⁽²⁾ This value represents the amortization of prepaid expenses related to the bond issuance, recognized as a reduction of liabilities, as previously detailed under "Transaction costs".

16. Leases

The Company recognized right-of-use assets and leased liabilities upon the contract's effective date. The primary lease agreements pertained to rentals at the WeWork condominium and Creditas Auto's vehicle sales stores, with an average duration of five years. As detailed in Note 12 – Property and Equipment, write-offs related to store handovers were also reflected in the lease liabilities. In December 2024, the WeWork condominium lease agreement was terminated, resulting in a zero balance for the lease liability:

a) Right-of-use

Balances at December 31, 2023	22,813
Depreciation	(22,813)
Balances at December 31, 2024	-
Balances at December 31, 2022	103,780
Additions	40,515
Disposals	(94,198)
Depreciation	(27,284)
Balances at December 31, 2023	22,813

b) Liabilities

Balances at December 31, 2023	28,194
Disposals	(17,285)
Interests	1,735
Principal payments	(12,644)
Balances at December 31, 2024	-
Balances at December 31, 2022	140,189
Additions	33,718
Disposals	(120,883)
Interests	4,920
Principal payments	(29,750)
Balances at December 31, 2023	28,194

17. Convertible Notes

In July 2023, the Company issued primary convertible notes for a total amount of USD 8,000. The maturity date is forty-eight (48) months after the date of issuance and the interest in the principal amount of the notes accrued at 15% annual rate.

As of December 31, 2024, the Company's convertible notes totaled BRL 58,967 (BRL 62,587 as of December 31, 2023).

18. Contingencies

Creditas may be involved in labor, civil, and tax legal proceedings as a normal part of its activities. Any probable contingencies associated with these proceedings are classified as provisions for contingencies and are allocated in the line of Other Liabilities in the Balance Sheet. The total of contingencies is BRL 11,888 (BRL 6,122 as of December 31, 2023), as detailed below:

	2024		2023	
	Civil	Labor	Civil	Labor
Initial balance	975	2,368	5	205
Additions	2,124	3,622	970	2,206
Monetary update	11	548	-	2
(Reversals)	(921)	(1,553)	-	(45)
Balance as at end of period	2,189	4,985	975	2,368

Tax provisions correspond to the principal amount of taxes involved in administrative or judicial tax proceedings that are considered Legal Obligations under IAS 37:

	2024	2023
	Tax	
Initial balance	2,779	1,364
Additions	1,530	1,193
Monetary update	405	222
Balance as at end of period	4,714	2,779

Contingencies without provision recognized in the balance sheet

Amounts involved in administrative and judicial arguments with the risk of loss estimated as possible are not provided for. They are mainly composed of:

	2024		2023	
	Civil	Labor	Civil	Labor
Initial balance	2,230	20,848	2,363	15,952
Additions	1,233	18,974	1,298	14,046
Monetary update	-	1,253	37	102
(Reversals)	(2,211)	(13,952)	(1,468)	(9,252)
Balance as at end of period	1,252	27,123	2,230	20,848

The Company has a tax process related to the risk of loss estimated as possible regarding to the Service Tax (ISS) of the city of São Paulo - SP for the period from 2017 to 2020, as described below:

	2024	2023
	Tax	
Initial balance	14,100	7,627
Monetary update	1,527	6,473
Balance as at end of period	15,627	14,100

19. Equity

a) Issued Capital

Classes of shares

(i) Ordinary shares

Non-redeemable ordinary shares are entitled to receive dividends, participate in the liquidation of the Company and vote at meetings.

As mandatory, ordinary shares each have the right of one vote in the general meeting resolutions and participate with preferred shares in the distribution of profits. Ordinary Shares are not redeemable at the option of the holder or the Company.

(ii) Preferred shares

Preferred shares were issued in several classes, all having preference in the receipt of dividends and the liquidation of the Company, in accordance with the order of preference established in the Company's Article of Association.

In addition, preferred shares have:

- Voting rights on some matters
- Right to appoint members of the board of Directors
- Protective rights against dilution, drag along and rights of refusal and co-sale
- Right to non-cumulative dividends, when distributed by the Company, equal to 8% of its issue prices

The holders of the preferred shares shall have the conversion right by dividing the applicable original issue price for each series by the applicable conversion price for each series (the "Conversion Rate"). Any downward adjustment of the Conversion Price of any series of the preferred shares may be waived by the consent or vote of the holders of at least a majority of the then outstanding preferred shares of such series.

Preferred shares do not have redemption rights at the option of their holders or the Company and are automatically converted into ordinary shares at the Conversion Rate upon the occurrence of an initial public offering (IPO) or liquidation event for a specified number of ordinary shares.

b) Equity

As of December 31, 2024, the Company's share capital was BRL 3,023,446 (BRL 3,038,608 as of December 31, 2023).

	2024	2023
Share Capital	3,023,446	3,038,608
Other Equity	1,306,789	1,286,899

Capital Stock – Number of Shares

	Ordinary Shares	Preferred Shares	Total
At December 31, 2022	3,714,481	11,932,552	15,647,033
Ordinary Shares	(180,101)	(1,918,004)	(2,098,105)
At December 31, 2023	3,534,380	10,014,548	13,548,928
Preferred Shares	-	(2,026)	(2,026)
At December 31, 2024	3,534,380	10,012,522	13,546,902

c) Other comprehensive income

Other comprehensive income is related to the "Currency translation adjustment - CTA". Assets and liabilities denominated in non-BRL, currencies are translated at rates of exchange prevailing on the date of consolidated statements, while revenues and expenses are translated at average rates of exchange for the year. The currency translations adjustments are as below:

	2024	2023
Other comprehensive Income	10,062	12,190

Rates of Exchange USD

	2024	2023
Closing rate of	6.1923	4.8413
Average rate	5.3920	4.9953

Rates of Exchange EUR

	2024	2023
Closing rate of	6.4363	5.3516
Average rate	5.8296	5.4023

Rates of Exchange MXP

	2024	2023
Closing rate of	0.2986	0.2856
Average rate	0.2943	0.2818

d) Other Equity

The Company issued convertible notes as part of its fundraising strategy to finance its operational and expansion activities. These notes were issued in three tranches:

Date of issuance	Amount in USD	Amount in BRL
November 2022	77,600	375,685
July 2023	188,216	911,214
Balances at December 31, 2023	265,816	1,286,899
April 2024	3,958	19,890
Balances at December 31, 2024	269,774	1,306,789

These notes were directly recognized in the Company's equity at the time of issuance, in accordance with International Accounting Standards (IAS 32 - Financial Instruments: Presentation). The notes will automatically convert into Preferred Shares upon the final maturity date event.

20. Share-based payment arrangement

As of December 31, 2024, and 2023, the Group had the following share-based payment arrangements.

(a) Equity-settled share-based payment arrangements

The Group recognized the amount in the statements of changes in equity of BRL 6,952 on December 31, 2024 (BRL 82,164 on December 31, 2023).

Share option programs (equity-settled)

On May 6, 2015, and July 10, 2019, the Group established share option programs that entitle key management personnel to purchase shares in the Company.

Under these programs, holders of vested options are entitled to purchase shares at the market price of the shares at grant date. Currently, these programs are limited to key management personnel and other senior employees.

The key terms and conditions related to the grants under these programs are as follows; all options are to be settled by the delivery of shares.

Options to key management personnel program	Number of instruments	Vesting conditions	Contractual life of options
On July 10, 2019	500,000	4 years of service and performance conditions related to Soft Bank returns over series D investment.	10 years
On December 17, 2020	125,000	Option Pool increase	
Options to senior Employee program			
On May 6, 2015	356,952	4 years of service, with 30% granted upon completing the 1st year and the remainder granted monthly until completing the period.	10 years
On Feb 16, 2017	(64,326)	Option Pool decrease	
On May 6, 2019	66,262	Option Pool increase	
On December 17, 2020	125,000	Option Pool increase	
On January 27, 2022	707,339	Option Pool increase	

b) Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes model. Service and non-market performance conditions attached to the arrangements were not considered in measuring fair value. The Group recognized the amount in the statements of changes in equity of BRL 8,089 on December 31, 2024 (BRL 82,164 on December 31, 2023).

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share option programs	Key management personnel		Senior employees	
	2024	2023	2024	2023
Fair value at grant date (average)	USD 5.13	USD 25.77	USD 101.06	USD 111.32
Share price at grant date (average)	USD 8.34	USD 36.80	USD 159.15	USD 168.87
Exercise price	USD 7.90	USD 46.02	USD 182.41	USD 182.56
Expected volatility (average)	66.00%	81.00%	74.00%	79.00%
Expected life	4 years	4 years	4 years	4 years
Risk-free interest rate (based on government bonds)	2.32%	1.51%	2.24%	1.90%

Expected volatility has been based on an evaluation of the historical volatility of the Company's peers share price.

(b) Reconciliation of outstanding share options

Share option programs	Number of options	2024	
		Average exercise price	
		BRL	USD
Outstanding at January 1, 2024	406,918	952.96	196.84
Forfeited during the year	(92,734)	1,261.37	203.70
Granted during the year	95,974	825.99	133.39
Exercised during the year	(30,484)	421.01	67.99
Outstanding at December 30, 2024	379,674	1,107.31	178.82

Share option programs	Number of options	2023	
		Average exercise price	
		BRL	USD
Outstanding at January 1, 2023	587,137	268.35	55.43
Forfeited during the year	(179,376)	932.58	192.63
Granted during the year	35,924	1,065.09	220.00
Exercised during the year	(36,767)	824.42	170.29
Outstanding at December 31, 2023	406,918	952.96	196.84

(c) Restricted share units granted for deals (RSU)

As of December 31, 2024, the Group has recognized in profit and loss results Restricted Share BRL 20,471 (BRL 91,728 as of December 31, 2023).

21. Loss per share

Basic loss per share is calculated by dividing the attributable to shareholders of the Company by the weighted average number of ordinary shares excluding ordinary outstanding shares by the Company and held as treasury shares, if any. Diluted loss per share is calculated by adjusting the weighted average number of ordinary outstanding shares and the SOP and RSU's issued with the potential to be converted into share capital.

The net loss and share data used in the basic and diluted loss per share calculations are as follows:

	2024	2023
Attributable to shareholders of the Company	(142,939)	(1,154,191)
Total weighted average of ordinary outstanding shares	1,549,900	1,523,990
Loss per share - basic and diluted (BRL)	(0.0922)	(0.7573)

The Company has SOP and RSU instruments that will become ordinary shares if exercised, acquired or converted. The weighted average of ordinary outstanding shares used to calculate both basic and diluted losses per share attributable to shareholders of the Company are the same, the instruments were considered anti-dilutive because they would reduce the loss by share. These instruments were considered anti-dilutive because they would reduce the loss by share.

22. Revenues

The Group disaggregates revenue in two major products and services:

	2024	2023
Interest revenue ⁽¹⁾	1,792,138	1,784,177
Fees and Commission revenue ⁽²⁾	235,131	164,233
Total	2,027,269	1,948,410

⁽¹⁾ Mainly comprises the interest accrual of loans to customers.

⁽²⁾ Consists mostly of the total revenues from servicing, origination, broker insurance and fees related to business partnerships.

The Group's business is predominantly concentrated in Brazil, generating over 99% of its revenue from a diverse customer base without significant concentration.

23. Expenses

	2024	2023
General and Administrative expenses	(791,886)	(1,091,828)
Salaries, charges, and benefits	(393,941)	(446,997)
Loans structuring costs	(126,723)	(117,896)
Software and Telecommunication Expenses	(95,794)	(103,055)
Servicing and FIDC Expenses ⁽¹⁾	(83,949)	(130,794)
Amortization and Depreciation	(33,140)	(28,274)
Third party services ⁽²⁾	(25,678)	(51,362)
Share based payments	(27,423)	(173,891)
Facilities	(788)	(39,323)
Other	(4,450)	(236)
Marketing expenses	(149,352)	(109,964)
Marketing expenses	(149,352)	(109,964)
Other Expenses	(60,265)	(80,271)
Others	(60,265)	(80,271)
Total	(1,001,503)	(1,282,063)

⁽¹⁾ Consists of expenses related to funds operating fees.

⁽²⁾ Third party services are related to accounting, legal and technology advisors.

24. Financial Result

Financial income	2024	2023
Interest from short-term investments	19,877	43,770
Income from bond instruments ⁽¹⁾	495	-
Others	216	120
Total	20,588	43,890
Financial expenses	2024	2023
Borrowings interest expenses	(114,249)	(95,655)
Financial transaction tax	(2,808)	(2,676)
Promissory Note	(3,264)	(21,157)
Loss on other financial assets	-	(180,904)
Fees for settlement of quotas	-	(10,967)
Financial lease interest expense	-	(5,909)
Others	(2,931)	(53,722)
Total	(123,252)	(370,990)

⁽¹⁾ This amount represents interest accrued on the repurchased bond described in note 9 - Bond instruments.

25. Derivative financial instruments

In September 2021, Creditas entered into an agreement with Nu Holdings Ltd. (“Nu”) through which Nu would distribute certain financial products offered by Creditas to its customers. The agreement also provides that Nu would invest up to USD 200,000 (BRL 1,111,780) in Creditas’ securitization vehicles, becoming the holder of the senior quotas of the FIDCs. Nu was granted warrants that provide the right to acquire an equity interest, on a fully diluted basis, under a pre-agreed valuation, proportional to 50% of the amount invested in the securitization vehicles and products distributed.

As of December 31, 2024, the notional value is USD 100,000 (BRL 555,890) and the fair value amounted to USD 0 a (BRL 0), (as of December 31, 2023, USD 21,557 (BRL 104,449)). The amount recognized in the result related to this operation in 2024 was BRL 104,449 (BRL 43,135 as of December 31, 2023).

26. Income Taxes

a) Reconciliation of income tax expense and social contribution

The reconciliation of income tax and social contribution as follows:

	2024	2023
Loss before income taxes	(141,478)	(1,146,882)
Statutory rate ⁽¹⁾	34%	34%
Tax using the Company’s domestic tax rate	48,103	389,478
Temporary differences related to allowances for expected credit losses	(116,761)	(133,569)
Taxes credits recognized / (not recognized)	(130,519)	(224,487)
Different tax rates for companies abroad	94,448	15,056
Other group companies result with tax implications	124,589	(37,929)
Others	(21,322)	(15,858)
Income tax for the period	(1,461)	(7,309)
Effective tax rate	-22%	-2%

⁽¹⁾ Current rates: (i) 25% for income tax; (ii) 9% for social contribution.

b) Unrecognized deferred taxes assets

The Group has accumulated tax losses whose tax effects have resulted in an unrecognized deferred tax asset in the amount of BRL 1,110,543 as December 31, 2024 (compared to BRL 980,025 on December 31, 2023). Although these losses can be used

indefinitely to offset future taxable profits of the companies in which they arose, the Group has not recognized any deferred tax assets related to these losses. This is because the losses cannot be used to offset taxable profits between subsidiaries, and there is no other evidence of recoverability in the near future.

The Group does not have a time limit for the use of deferred tax assets. However, for Brazilian entities, the use of deferred tax assets related to tax loss and negative bases of social contribution is limited to 30% of taxable profit per year. Despite the limitations, the Group continues to assess the recoverability of these deferred tax assets on an ongoing basis and will recognize them in the future if it becomes more likely than not that they will be utilized.

27. Financial instruments accounting classifications and fair values

The following table shows the amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Balances at December 31, 2024	Carrying amount			Fair Value	Hierarchy Level
	Mandatorily at FVTPL - others	Financial assets at amortized cost	Other financial liabilities		
Financial assets measured at fair value					
Short term investments	467,536	-	-	467,536	2
Securities	59,608	-	-	59,608	2
Federal government bonds ⁽¹⁾	49,622	-	-	49,622	2
Money market accounts ⁽¹⁾	2,110	-	-	2,110	1
Derivative financial instruments ⁽²⁾	9,450	-	-	9,450	3
Financial assets not measured at fair value					
Loans to customers ⁽³⁾	-	5,123,524	-	5,960,689	2
Bond Instruments	150,158	-	-	150,158	2
Accounts receivable ⁽⁴⁾	-	25,694	-	25,694	2
Financial liabilities not measured at fair value					
Financial liabilities at amortized cost ⁽³⁾	-	-	5,959,636	6,067,751	2
Accounts payable ⁽⁴⁾	-	-	74,085	74,085	2
Convertible Notes ⁽⁴⁾	-	-	58,967	58,967	2

Balances at December 31, 2023	Carrying amount			Fair Value	Hierarchy Level
	Mandatorily at FVTPL - others	Financial assets at amortized cost	Other financial liabilities		
Financial assets measured at fair value					
Short term investments	263,272	-	-	263,272	2
Federal government bonds ⁽¹⁾	81,956	-	-	81,956	2
Securities	45,636	-	-	45,636	1
Equity Securities ⁽¹⁾	4,031	-	-	4,031	3
Money market accounts ⁽¹⁾	1,737	-	-	1,737	2
Financial assets not measured at fair value					
Loans to customers ⁽³⁾	-	4,674,534	-	5,490,755	2
Accounts receivable ⁽⁴⁾	-	28,008	-	28,008	2
Financial liabilities measured at fair value					
Derivative financial instruments ⁽¹⁾	-	-	104,449	104,449	3
Financial liabilities not measured at fair value					
Financial liabilities at amortized cost ⁽³⁾	-	-	5,095,713	5,424,912	2
Accounts payable ⁽⁴⁾	-	-	58,856	58,856	2
Convertible Notes ⁽⁴⁾	-	-	62,587	62,587	2

⁽¹⁾ Financial assets and derivatives at fair value through profit and loss are measured at fair value. Unlisted securities are classified as Level 2, for those the fair value is determined using valuation techniques which employ the use of market observable inputs (CDI rate) and credit risk arises from the Group's exposures to third parties. For Level 3, for current market transactions or observable data are not available it requires a degree of judgment and estimation. The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active.

⁽²⁾ The methodology used by the Company to measure the fair value is the Black-Scholes model.

⁽³⁾ Loans to Customers and Financial Liabilities at amortized cost are measured at amortized cost as they are held to collect contractual cash flows. Fair value is estimated by discounting future cash flows using market rates for similar items. The fair value is estimated considering a net present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets with an average rate of 27.35% to 35.98%, varying by product for the year ended December 31, 2024 (22.53% to 30.00% for the year ended December 31, 2023), adjusted by an illiquidity factor.

⁽⁴⁾ Accounts receivable, accounts payable, other liabilities and other financial assets are measured at amortized cost. Since the amounts are expected to be settled in a short term, less than three months in most cases, the fair value is a reasonable approximation as the carrying amount.

28. Risk management

The Group's activities expose it to a variety of financial risks and operational risk: credit risk, market risk (including cash flow or fair value interest rate risk, and Inflation sensitivity), liquidity risk, operation risk and foreign exchange rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by policies approved by the Board of Directors. Which is evaluated and hedges financial risks in close co-operation with the Group's operating units.

a) Credit Risk

Credit risk is the risk of a counterparty failing to fulfill its obligations from a loan, leading to a financial loss. Credit risk arises from the Company's exposures to third parties, including cash and cash equivalents, accounts receivable, deposits in banks and other financial institutions, as well as from its operational activities, primarily related to personal loan products (accounts receivable), including outstanding receivables and commitments. The credit risk for customer loans is directly linked to the possibility of default on guarantees.

The Group restricts exposure to credit risks associated with cash and cash equivalents by investing in first-tier financial institutions with remuneration in short-term securities.

The Group uses internal customer information, statistical models, and other quantitative analyses to determine the risk profile of each customer. The information gathered is used to manage the credit risk of the portfolio and to assess expected credit losses, with periodic assessment of changes in provision values.

Credit risk management is based on several pillars, as described below:

- Statistical models for risk measurement and classification, and a conservative collateral policy
- Monitoring of the portfolio's risk profile through a prospective view to anticipate potential risks and imbalances
- Evaluation of collateral and other risk mitigation instruments
- Use of statistical models that include projection of default probabilities, as well as default recovery levels

The Company rigorously controls customer and counterparty credit exposure, acting to manage expected default levels in a timely manner. Losses are based on the customer's payment history and expected payment patterns by risk and transaction profile.

The Group assets are mainly related to secured loans and are mostly based on Brazil.

Balances at December 31, 2024	Less than one year	Between 1 and 2 years	Over 2 years	Total
Financial assets at fair value through profit and loss	111,340	-	9,450	120,790
Financial assets at amortized cost	360,311	982,523	3,956,542	5,299,376
Balances at December 31, 2023	Less than one year	Between 1 and 2 years	Over 2 years	Total
Financial assets at fair value through profit and loss	129,329	-	4,031	133,360
Financial assets at amortized cost	311,247	762,911	3,628,383	4,702,542

b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with changes in market prices. Market risk comprises mainly two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans to customers, financial liabilities at amortized cost and deposits.

The management also monitors and manages market risk by using the Value at Risk (VaR) methodology which is a measure of the potential loss on loans due to adverse market movements based on historical data and are used to estimate the potential financial loss incurred.

Interest rate and Inflation sensitivity

The Group's interest rate and inflation risks arises mainly from loans to customers and financial liabilities at amortized cost. Loans and financial liabilities at amortized cost are mainly exposed to interest rate fluctuations in the CDI and IPCA and rates that are determined respectively by Brazilian Central Bank and Instituto Brasileiro de Geografia e Estatística ("IBGE").

The table below presents a sensitivity analysis of the financial instruments as of December 30, 2024, which demonstrates risks that may generate material losses to the Company, according to the assessment made by Management, the probable scenario is over a horizon of 12 months, with projected rates: CDI – 10.88% and IPCA – 4.83% per year. The remaining scenarios have been stressed by factors of 25% (possible) and 50% (remote), were used considering the scenario of the last year in Brazil where these rates practically doubled within 12 months.

Transactions	Carrying amount	Rate	Scenario probable	Scenario possible	Scenario remote
Loans to customers ⁽¹⁾	2,102,132	IPCA	354,736	380,126	405,516
Loans to customers	3,641,213	Pre-fixed	1,437,402	1,437,402	1,437,402
Financial Liabilities at amortized cost	(1,390,847)	CDI + Spread	(237,458)	(275,289)	(313,120)
Financial Liabilities at amortized cost	(1,948,596)	IPCA + Spread	(221,675)	(245,211)	(268,746)
Financial Liabilities at amortized cost ⁽²⁾	(259,260)	CDI + Spread	(67,328)	(74,380)	(81,432)
Financial Liabilities at amortized cost	(2,361,418)	Pre-fixed	(178,121)	(178,121)	(178,121)
Total			1,087,557	1,044,528	1,001,500

⁽¹⁾ Amount refers to the home portfolio.

⁽²⁾ Amount refers to Corporate Debt.

The following table presents the movement between the scenarios:

Δ Scenario Probable				
Transactions	Rate	Scenario probable	Scenario possible	Scenario remote
Loans to customers ⁽¹⁾	IPCA	-	25,390	50,780
Loans to customers	Pre-fixed	-	-	-
Financial Liabilities at amortized cost	CDI + Spread	-	(37,831)	(75,662)
Financial Liabilities at amortized cost	IPCA + Spread	-	(23,536)	(47,071)
Financial Liabilities at amortized cost ⁽²⁾	CDI + Spread	-	(7,052)	(14,104)
Financial Liabilities at amortized cost	Pre-fixed	-	-	-
Total		-	(43,029)	(86,057)

⁽¹⁾ Amount refers to the home portfolio.

⁽²⁾ Amount refers to the Corporate Debt.

Rate source: IPCA from the Focus report of the Central Bank of Brazil – BACEN, and CDI according to B3 S.A reference rates, both available on the websites of the respective institutions as of December 30, 2024.

The Group also maintain an amount of Cash and Cash Equivalents outside Brazil as of December 30, 2024, the table below

presents a sensitivity analysis of cash and financial instruments as of December 30, 2024, which demonstrates the gains material to the Company. Investments contracted in Brazilian Reais are mainly exposed to changes in the CDI rate.

These rates were used after analysis carried out internally and with the variation that occurred in recent years:

Transactions	Carrying amount	Rate	Scenario probable	Scenario possible	Scenario remote
Cash and Financial assets at fair value through profit and loss	679,138	CDI	19,877	38,350	56,822

The following table presents the movement between the scenarios:

Δ Scenario Probable				
Transactions	Rate	Scenario probable	Scenario possible	Scenario remote
Cash and Financial assets at fair value through profit and loss	CDI	-	18,473	36,945

c) Liquidity Risk

The Group manages liquidity risk by maintaining reserves of cash. The Group continuously monitors actual and projected cash flows and matches the maturity profile of its financial assets and liabilities to ensure that it has enough funds to honor its obligations to third parties and meet its operational needs.

The Group invests surplus cash in interest-bearing financial investments, selecting instruments with appropriate maturity or enough liquidity to provide adequate margin as determined by the forecasts.

The Group's financial liabilities at amortized cost refer to senior and mezzanine quotas of FIDCs and CRIs. For each one of the securitization vehicles in Note 15, it is only required to comply with the amortization of those amounts to the extent of the liquidation of the Group's active credit portfolio, without effecting the junior quota holders due to the non-existence of any type of recourse to the holders. Additionally, loans to customers are legally segregated in the FIDCs; cash flows from them are also maintained in segregated bank accounts to make the payments on the senior and mezzanine quotas.

The table below analyzes the Group's financial liabilities through to contractual maturity.

Balances at December 31, 2024	Less than one year	Between 1 and 2 years	Over 2 years	Total
ASSETS				
Cash and cash equivalents	567,798	-	-	567,798
Financial assets at fair value through profit and loss	111,340	-	9,450	120,790
Financial assets at amortized cost	360,311	982,523	3,956,542	5,299,376
LIABILITIES				
Accounts payable	74,085	-	-	74,085
Tax obligations	39,949	-	-	39,949
Labor and social security liabilities	76,702	-	-	76,702
Other liabilities	101,481	-	-	101,481
Financial liabilities at amortized cost	336,420	1,049,280	4,573,937	5,959,636
Balances at December 31, 2023				
ASSETS				
Cash and cash equivalents	510,752	-	-	510,752
Financial assets at fair value through profit and loss	129,329	-	4,031	133,360
Financial assets at amortized cost	311,247	762,911	3,628,383	4,702,542
LIABILITIES				
Accounts payable	55,260	3,596	-	58,856
Tax obligations	43,285	-	-	43,285
Labor and social security liabilities	63,834	-	-	63,834
Other liabilities	97,124	-	-	97,124
Financial liabilities at amortized cost	903,129	1,662,467	2,530,117	5,095,713

d) Fraud Risk

The Group's exposure to operational risk from fraud is the risk of misuse, or wrongful or criminal deception which will lead to a financial loss for one of the parties involved on a transaction. Fraud involving personal loans includes subscription fraud and auto and familiar fraud (when an individual acquires one of the Group products with the intention of not paying).

The Group's fraud risk management policies are geared towards identifying and analyzing the transactions, to set appropriate controls and monitor all risks. Fraud Risk policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

e) Foreign Exchange Rate Risk

The functional currency of the subsidiaries is generally the currency of the country in which they are located. Management decided not to hedge foreign exchange exposure originated by investments in Spain, United States and Mexico. As a result, the financial statements may present significant gains or losses due to translation of the financial statements of the subsidiaries due to the significance of these operations compared to Group's.

f) Operational Risk

Operational risk as the possibility of losses resulting from external events or failure, weakness or inadequacy of internal processes, people, or systems. It includes legal risk associated with the lack or deficiency in contracts, our failure to comply with the applicable legal provisions and indemnities for damages to third parties arising from our activities.

The Group has an operational risk and internal control structure designed for the identification and assessment of operational risks, as well as the evaluation of the design and effectiveness of the internal controls structure. This structure also governs the preparation and periodic testing of the business continuity plan and for coordinating risk assessment in new product launches and significant changes in existing processes. The Group's first line of defense and within the risk management process, includes for each business area mechanisms for identifying, measuring, evaluating, monitoring, and reporting operational risk events.

29. Related parties

Related parties' transactions are entered into the normal course of business at prices and terms approved by the Group's management.

As of December 31, 2024, and 2023, the Group maintains related parties' transactions:

a) Transactions with related parties

Loans to customers ⁽¹⁾	2024	2023
Clikalia S.A.	52,659	62,010

Convertible Notes	2024	2023
Shareholders	1,433,309	1,326,972

Interest income ⁽²⁾	2024	2023
Clikalia S.A.	1,239	9,441

Financial Expenses	2024	2023
Convertibles - Shareholders	(9,994)	(1,372)

⁽¹⁾ Related parties of Loans to customers with parent company Clikalia. The interest rate is TIIE + 7% annual rate. This contract started in September 2021.

⁽²⁾ Interest income generated in the operation of Cost of banking to originate the contracts.

In 2024, foreign exchange differences resulting from intercompany loans between Group entities with different functional currencies are recognized as 'financial income/(expenses)' in the statement of profit or loss.

b) Key management compensation

Management includes the legal directors of the Company and key executives of the Group, compensation consists of fixed compensation, long term incentives and benefits plus any correlating social or labor charges. The provisions for such charges are below:

	2024	2023
Salaries, benefits, and charges	(15,775)	(16,354)
Share based payments	(27,423)	(54,533)
Total	(43,198)	(70,887)

30. Subsequent events

As mentioned in Note 7 – Derivative Financial Instruments – detailed below is the breakdown of the second installment, settled in January 2025, related to the dollar call option:

				31/01/2025
Notional USD	Notional BRL	Transaction date	Due date	Fair value
25,000	145,753	07/01/2025	15/12/2027	5,850