

>EF

Vostok Emerging Finance



1Q18 Results Presentation

1Q18 financial highlights

- **Positive net result for 1Q18:**
 - ✓ 1Q18 was USD 13.01 mn and EPS was USD 0.02.
- The positive net result over the period is primarily driven by the share price development in Vostok Emerging Finance's ("VEF" or the "Company") only listed equity holding, Tinkoff Bank, and the mark up in valuation of FinanZero based on the latest transaction on March 23, 2018.
- **Net Asset Value:**
 - ✓ Grew to USD 211.82 mn as at 31 March 2018 (USD 198.56 mn as at 31 December 2017) .
 - ✓ Net asset value per share continued to grow to USD 0.32 as at 31 March 2018 (USD 0.30 as at 31 December 2017).

1Q18: Income Statement

(USD thousands)	Jan 1, 2018- Mar 31, 2018	Jan 1, 2017- Mar 31, 2017
Results from financial assets at fair value	14,205	7,568
Dividend and coupon income	107	79
Total Operating Income	14,312	7,647
Operating expenses	-1,321	-705
Operating result	12,991	6,942
Net financial items	15	115
Result before tax	13,006	7,056
Taxation	-	-
Net result for the period	13,006	7,056

1Q18: Balance Sheet

(USD thousands)	March 31, 2018	Dec 31, 2017
Tangible non-current assets	3	-
Financial non-current assets	205,766	189,415
Current assets	6,921	9,977
Total assets	212,691	199,392
Equity	211,818	198,557
Other current liabilities	178	274
Accrued expenses	695	562
Total equity and liabilities	212,691	199,392

1Q18 Event highlights












▪ Investments/Divestments through the quarter:

- ✓ Sale of 810k Tinkoff GDRs, at a value of USD 16.72 mn in February 2018.
- ✓ FinanZero – On March 23, 2018 FinanZero closed a financing round whereby VEF took up its rights and invested an additional USD 0.9 mn.

▪ Events after the end of period

- ✓ Tinkoff paid a dividend of USD 0.31 per share on April 4, 2018, amounting to USD 0.93 mn.
- ✓ During April 2018, VEF sold 250k shares in TCS Group Holding PLC, at a value of in total USD 4.98 mn.
- ✓ As at April 30, 2018, VEF's net asset value was USD 208.11 mn (SEK 1,806 mn at a USD/SEK exchange rate of 8.6774), or USD 0.31 per share (SEK 2.73).

Portfolio

Company	Geography	Business Type	% Ownership	Gross Invested Amount (\$ mn)	March '18 Fair Value (\$ mn)	Investment Date
 Tinkoff	Russia	Digital Bank	1.8%	19.1	71.4	2007
 GuiaBolso	Brazil	Personal Finance Management	10.8%	30.0	30.0	Oct-17
 credits	Brazil	Secured Lending Platform	10.3%	25.0	25.0	Dec-17
 pebc+ ¹	Russia	Payments & Consumer Credit	25.0%	6.66	14.2	May-15
 JUMO	Africa	Mobile Money Marketplace	7.6%	11.6	12.7	Oct-15
 iyzico easy checkout	Turkey	Payment Processing	20.1%	9.00	9.00	Oct-16
 transferGo	Emerging Europe	Cross-Border Remittances	9.8% ²	5.50	7.12	Jun-16
 FinanZero com.br	Brazil	Consumer Credit Marketplace	23.7%	2.58	5.40	Mar-16
 nibo	Brazil	Accounting Saas	15.5%	3.30	3.30	Apr-17
 magnetis	Brazil	Digital Investment Advisor	16.9%	3.00	3.00	Sep-17
 FINJA	Pakistan	Mobile Wallet	20.4%	1.00	1.15	Jul-16
					182.2	

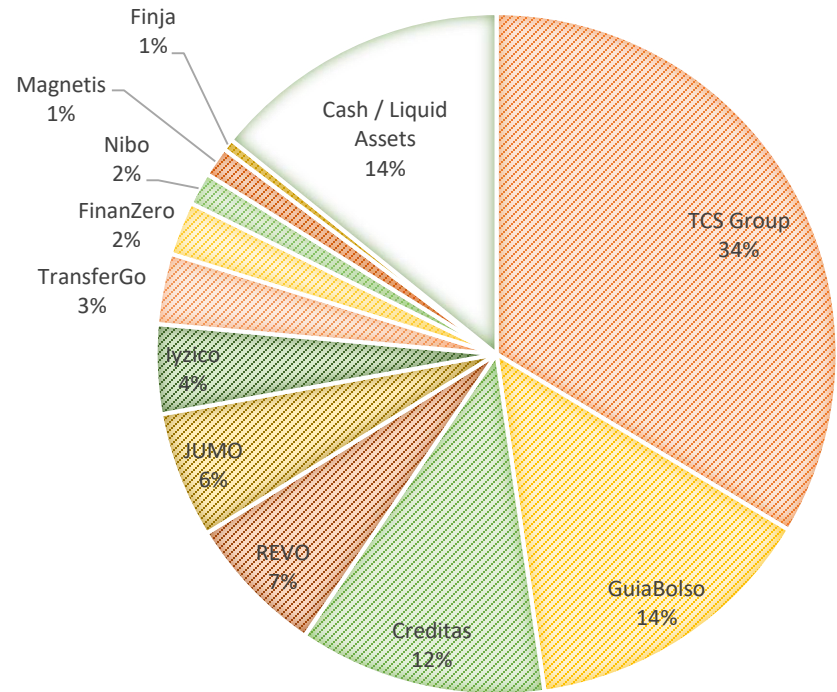
¹ committed follow on of \$3.3mn not yet included

² does not include conversion of convertible debt

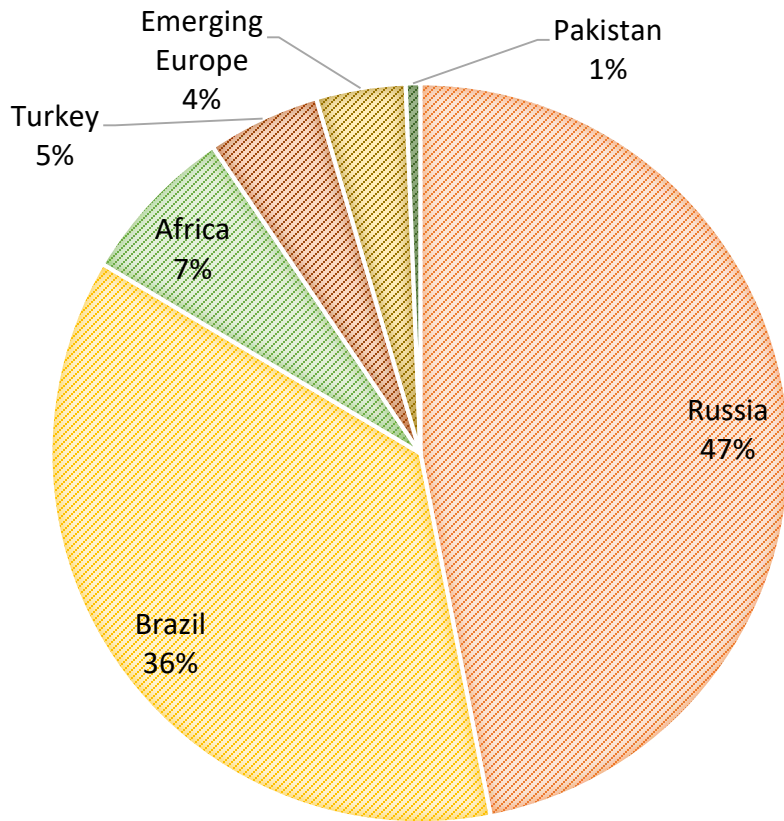
Portfolio commentary

- At the end of Q1, we had 11 holdings in the portfolio, plus cash and liquid assets.
- TCS is our largest holding while there is a clear divide between our 6 larger and 5 smaller holdings today.
- Strong cash position (USD 30.1mn) is a key strength of our business and leaves us well positioned.
- We would expect the number of holdings to grow and their relative size to grow over time.

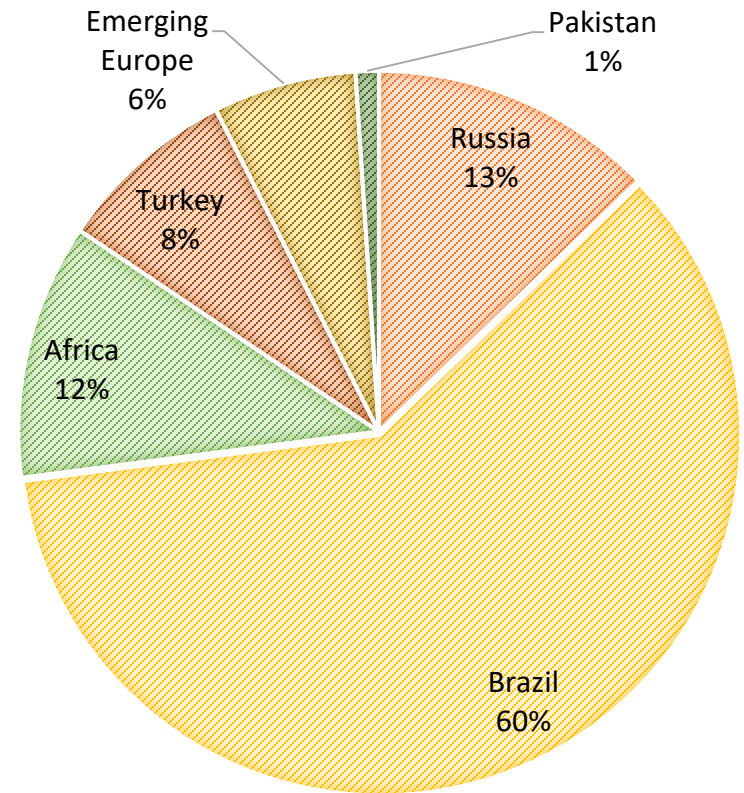
VEF Portfolio as at March 2018
NAV: USD 212.4mn



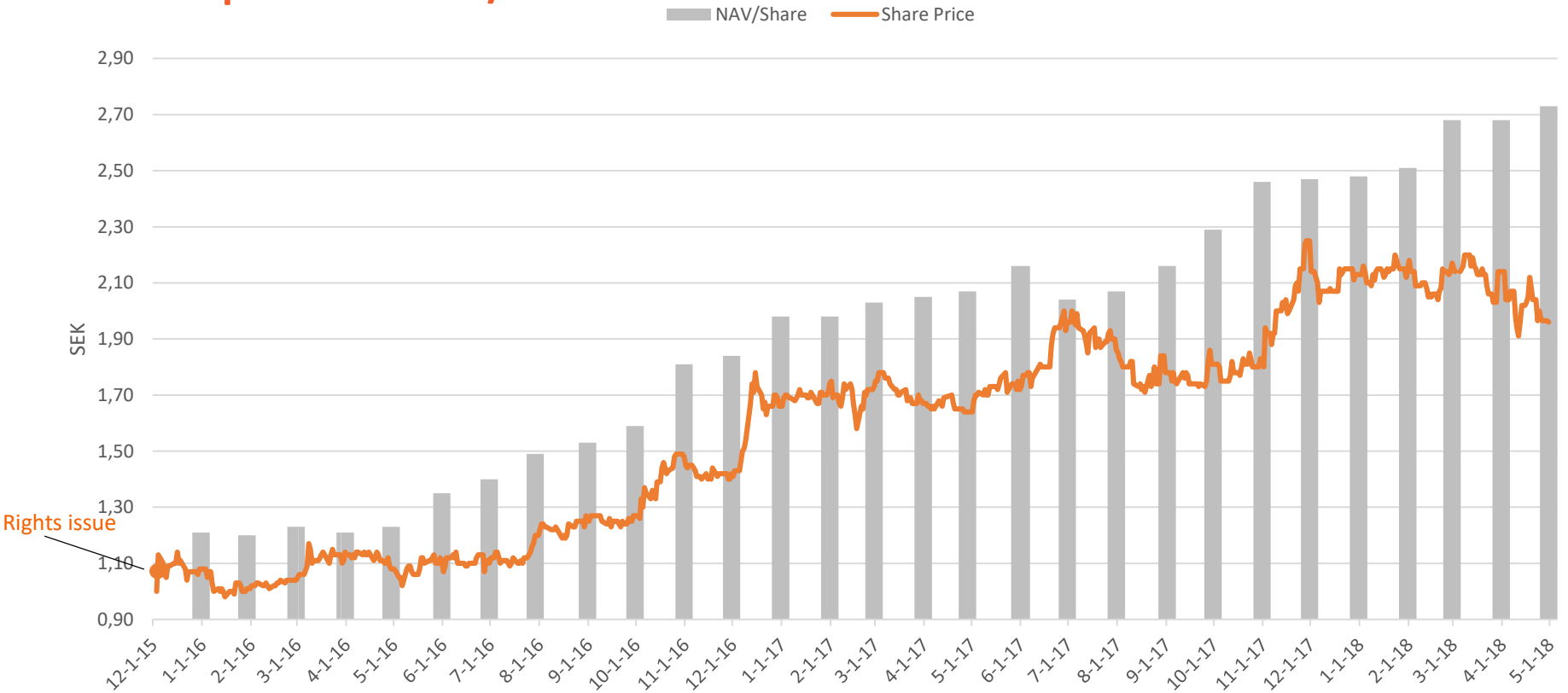
Portfolio Distribution (ex. cash)



(ex. TCS)



VEF share price and NAV/share evolution



Date	Latest Share Price (SEK)	NAV / Share (SEK)	Discount	NAV (USD mn)	Market Cap (SEK mn)	Market Cap (USD mn)
30/04/2018	1.96	2.73	28.2%	208.1	1,296	149.4

VEF shareholder structure

Owner	Largest Shareholders	
	Holding, SDRs	Holding, %
Libra Fund	156,110,674	23.6%
Fidelity FMR	66,149,599	10.0%
Fidelity FIL	60,248,714	9.1%
Swedbank Robur Funds	57,674,245	8.7%
Wellington Management	33,736,296	5.1%
Alecta Pension Insurance	33,500,000	5.1%
Ruane Cunniff	33,079,048	5.0%
Gemsstock	25,469,908	3.9%
Bank Julius Baer & Co	18,354,000	2.8%
LGT Bank	18,011,000	2.7%
Largest owners	502,333,484	75.9%
Other	159,162,511	24.1%
Total	661,495,995	100.0%

“Investing in leading fintech companies across emerging markets”

Geography

Within emerging and frontier markets, we focus on the more populous and scalable markets, cross-referenced against competition for opportunities

Sector

We target all lines of financial services inclusive of payments, remittances, mobile money, digital banks, financial marketplaces and consumer/SME credit

Minority stakes and board seat

VEF targets sizeable minority stakes of 10–20% with board representation where appropriate. We focus on equity investing, but have an ability to invest across the capital spectrum

Private equity access vehicle

While VEF itself is a listed investment company, our mandate is focused on investing in emerging private companies

Unique Fintech Investment

There are very few ways to play the growing fintech investment theme in public markets. VEF is a unique asset in this regard.

Where emerging markets meet fintech

CREDIT

Consumer
SME
P2P
Credit Scoring

PAYMENTS

Offline
Online
Mobile
Remittances

OTHER

SaaS
Wealth Management
Digital Banks
Equity Crowdfunding
Comparison Websites
Qualified Leads
Insurance

Ranjan Tandon

Board Member

- Experience:
- Founder and Chairman, Libra Advisors
 - Merrill Lynch, DCM, Halliburton

Per Brillioth

Board Member

- Experience:
- MD of Vostok New Ventures
 - Chairman of Pomegranate AB
 - EM investing 22 yrs.

Lars O Grönstedt

Chairman of the Board

- Experience:
- Chairman and MD of Handelsbanken
 - Vice Chairman of Swedish National Debt Office

Milena Ivanova

Board Member

- Experience:
- Renaissance Capital Deputy Head of Research
 - UniCredit Markets & Investment Banking

Voria Fattahi

Board Member

- Experience:
- Investment Director at Volati AB
 - Investment AB Kinnevik
 - Apax Partners

David Nangle

Managing Director and Board Member

- Experience:
- Renaissance Capital Head of Research and Fin. Sector Research
 - ING Barings Head of EMEA Financials Research

Board of Directors

Management

Alexis Koumoudos

Investment Manager

Éire Smith

Research Associate

Henrik Stenlund

CFO/COO

Elisabet Hultén

Deputy CFO

Helena Caan Mattsson












General Counsel

Investment team/IR

Finance & Legal

The Portfolio

Portfolio

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Six reasons why Brazil is a great fintech market:

1. **Scale** – with over 200mn inhabitants, Brazil is one of the world’s largest economies, and the kind of scalable emerging market we like to invest in.
2. **Online** – Brazil is one of the most ‘online’ markets in the world with high smartphone and internet penetration and a growing ecommerce market.
3. **Oligopolistic Banking Sector** – Brazil’s banking market is highly concentrated, with the top five banks holding 84% of total loans in the system, while fees and interest rates are some of the highest anywhere in the world. Yet, unlike many emerging markets, the Brazilian banking system is first-world in many aspects and its populous is experienced and comfortable in the use of a broad array of financial products
4. **Regulation** – The Central Bank of Brazil is very aware of the concentration of traditional financial service providers and are working to support the fintech ecosystem as a way of levelling the playing field and improving the financial well-being of the average Brazilian.
5. **People and ecosystem** – we have found many strong entrepreneurs and teams in Brazil and also a very supportive VC and investment ecosystem into which to invest and partner.
6. **Economic cycle** – Brazil is enjoying single-digit inflation and single-digit base interest rates, both of which are game changers for the financial system. In such a low rate environment, customers’ demands for better return and lower rate products are becoming more obvious and it is the numerous fintech companies that are driving the most attractive customer offerings in this brave new world of Brazilian rates.

Tinkoff Bank



Key Facts

- **Business Type:** Digital Banking
- **Founded:** 2006 **Year of investment:** 2007
- **Ownership Stake:** 1.6%
- **Key region:**

1 A market still dominated by old world financial institutions, but with Europe's largest online population.

2 The number 1 fintech and digital banking play in Russia.

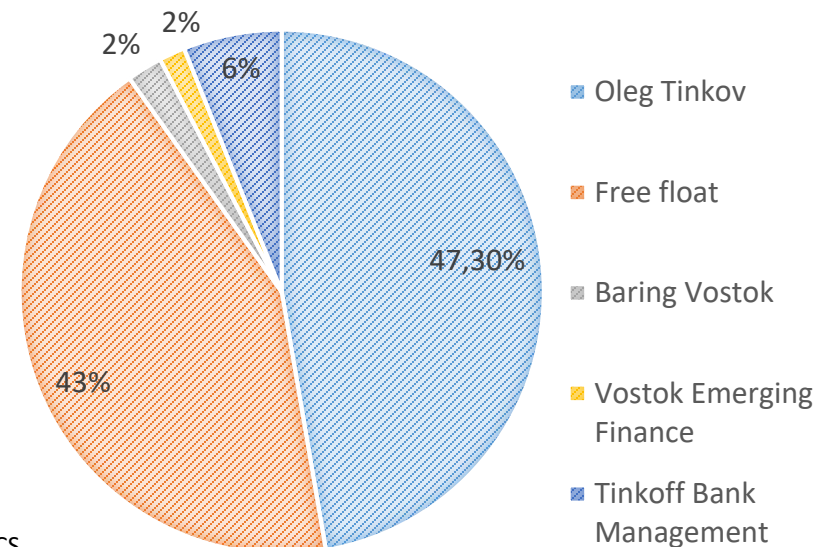
3 Continues to innovate, diversify and broaden product suite.

4 Consistency of a strong deep management bench.

5 Track record of growth and significant profitability.

Recent highlights

- # of current account customers passed 2.8m during 4Q17
- ROAE at 52.8% for 2017
- Dividend policy targeting quarterly payout of 50% of previous quarter's net income



Source: TCS

Tinkoff Bank



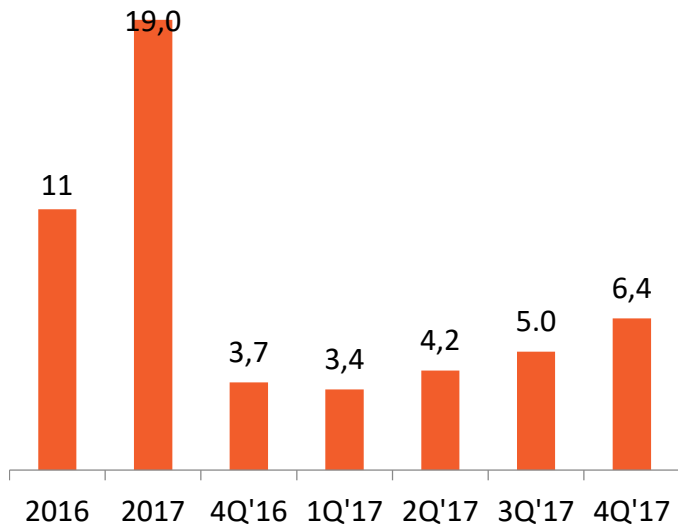
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Returns and Performance

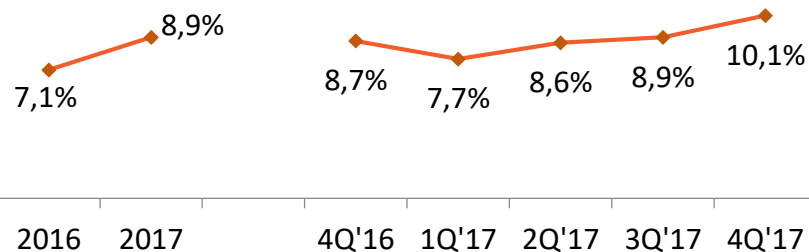
Net income (RUB bn)

Profit at RUB 6.4bn in 4Q17

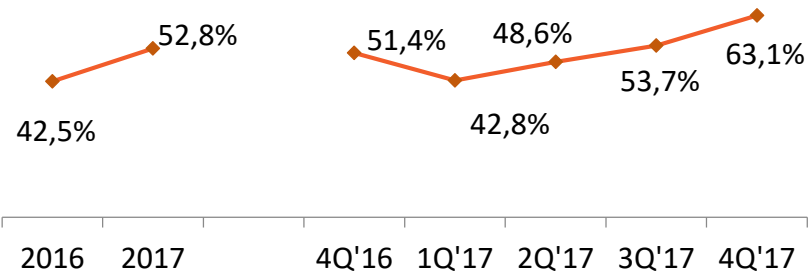


- Our 4Q'17 net income of RUB 6.4bn is a new quarterly record
- A net income of RUB 19.0bn for 2017 with ROAE of 52.8%

Return on assets



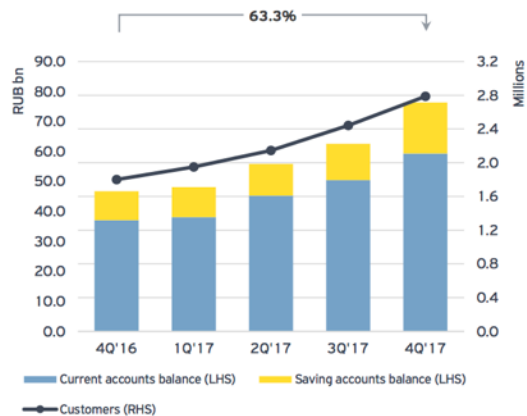
Return on equity



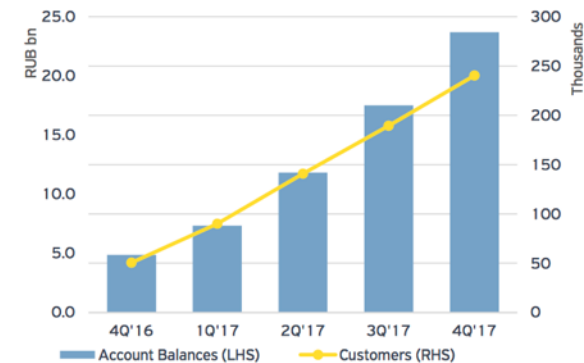
Tinkoff Bank - value coming through in new business lines



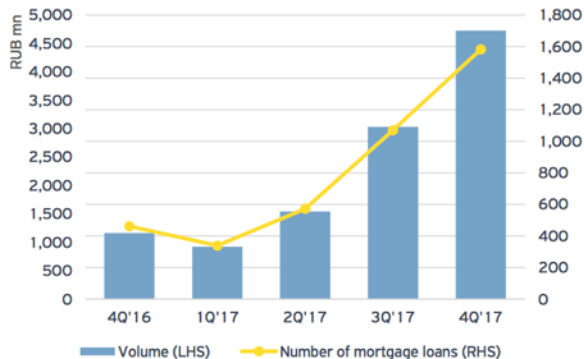
Current Accounts
BALANCES AND CUSTOMERS*



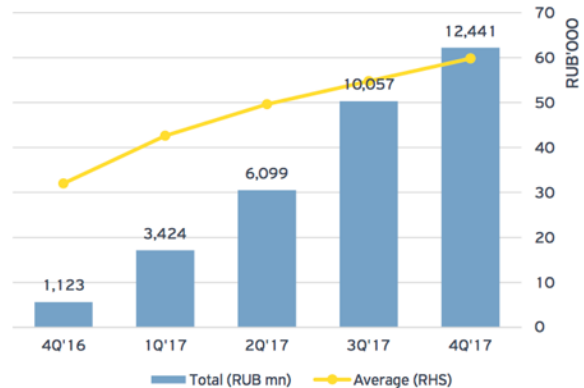
SME
SME ACCOUNTS BALANCES AND NUMBER OF CUSTOMERS*



Mortgages
MORTGAGE VOLUME ORIGINATED THROUGH TINKOFF.RU*



Investments
TURNOVER



Tinkoff Bank



First 2018 Interim Dividend Announcement

- In line with the Group's dividend policy, the Board of Directors on 9 March 2018 approved a first interim gross dividend for 2018 of USD 0.31 per share/GDR (with each GDR representing one share), with a total dividend payment of around USD 56.6 mn (RUB 3.2 bn).

Guidance for 2018

- Following strong underlying growth in 2017, the Group reaffirmed the following guidance for FY18:
 - net income to be at least RUB 24 bn.
 - net loan growth to be at least 25%.
 - cost of risk to be below 7%.
 - cost of borrowing to be around 6-7%.

Tinkoff Bank

Balancing Tinkoff as a core holding versus liquidity position

Key reasons we continue to hold

- Best fintech asset in Russia, core business on the up and we see as many separate fintech companies coming through there as we do in numerous fintech companies elsewhere.
- New business: real value creation. SME as an example can be \$500 mn business.
- Dividend Flow: healthy inflows paid quarterly and clear cost cover (\$3.8mn in 2017 for VEF).

Sold part of stake and why

- Sold 53% of position since H1 2017 in tranches.
- H1 2017 – 6.38m shares (100%)
- Sold – 3.38m shares (53%)
- Today we hold – 3m shares (47%)
- Rationale – Share price +79% in 2017, portfolio concentration risk and cash/pipeline needs.

Key risks

- Political, macro and potentially regulatory, all layered over a more full valuation.

GuiaBolso



Key Facts

- **Type:** Personal Finance Management
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 10.9%
- **Key region:**

1 Personal finance manager with the mission of transforming the financial well being of Brazilians. The Credit Karma of Brazil.

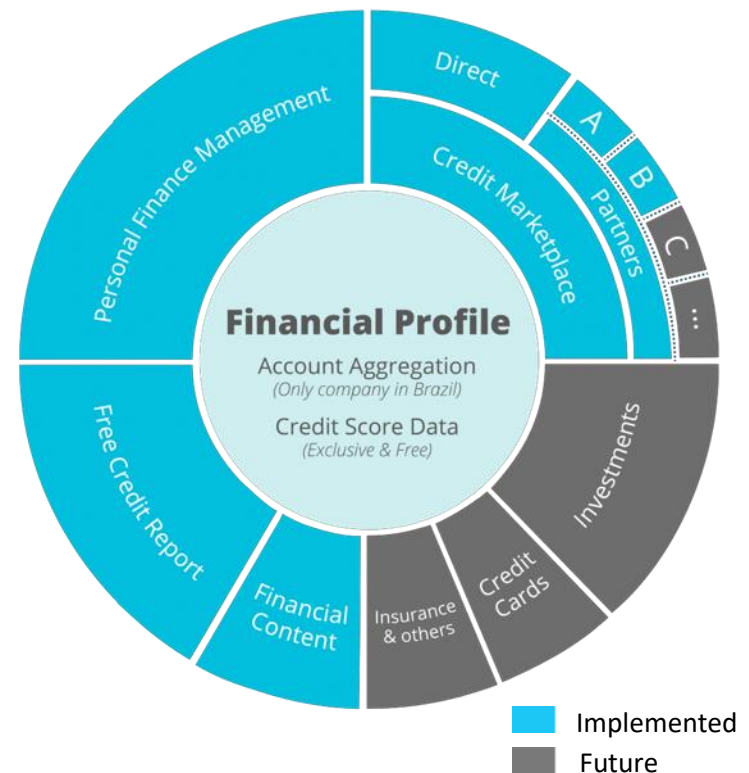
2 Leverage proprietary bank data aggregation technology to better inform and offer the most appropriate financial services suited to individuals.

3 Have over 3.5mn customers today of which more than 2.4mn have linked their bank data to GuiaBolso.

4 Principal revenue generation drive through their consumer credit marketplace. More segments to follow.

5 Very strong founding team, mix of former consultants and from successful startups.

Current and future segments



Creditas



Key Facts

- **Type:** Consumer Lending
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 10.2%
- **Key region:**

1 Creditas is a leading digital-first secured lending platform with the mission of reducing the Brazilian consumer debt burden.

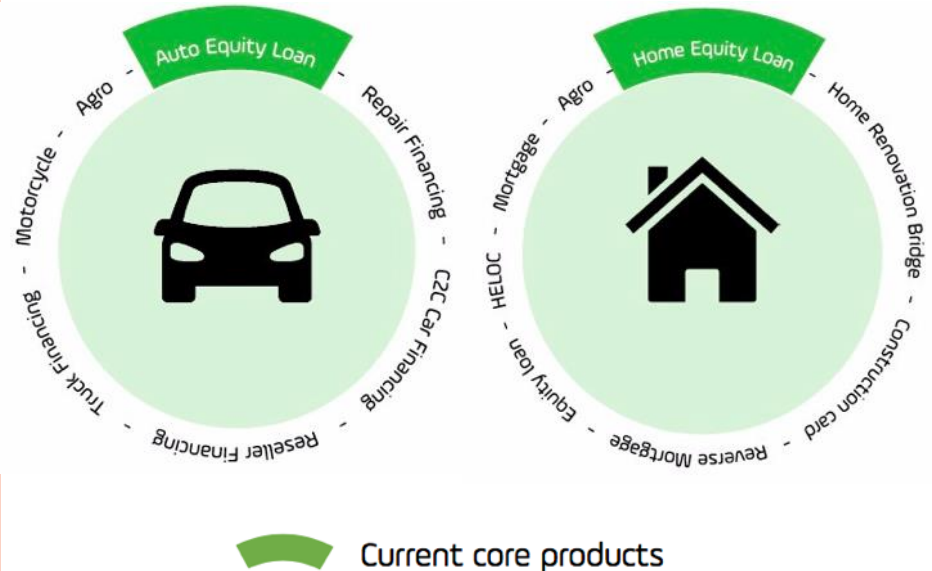
2 Secured lending represents a \$3tn opportunity in Brazil where consumers face some of the highest interest rates in the world.

3 70% of homes and cars in Brazil are owned debt-free. Creditas allows consumers to use these assets to reduce the high borrowing costs

4 Principal revenue generation driven through their home equity and auto-secured loans, with further segments to follow

5 Strong management team of former consultants, founders, and experience in secured lending credit businesses

Current and future segments



REVO



Key Facts

- **Type:** Merchant payments / consumer credit
- **Founded:** 2012 **Year of investment:** 2015
- **Ownership Stake:** 25%
- **Key region:**

- 1 Works with Russia's on and offline merchants at POS to increase conversion and basket size.
- 2 Focus on small ticket categories with \$100bn of annual sales and growing.
- 3 Provides instant pay-later solutions for the consumer.
- 4 Customer data leveraged for direct marketing, promotion and loyalty programs.
- 5 Similar to offline pay-later solutions in Turkey/Brazil and online solution of Affirm/Bread (US).

Key Merchant Partners

AVON



Детский мир

INCITY



MELON
FASHION GROUP

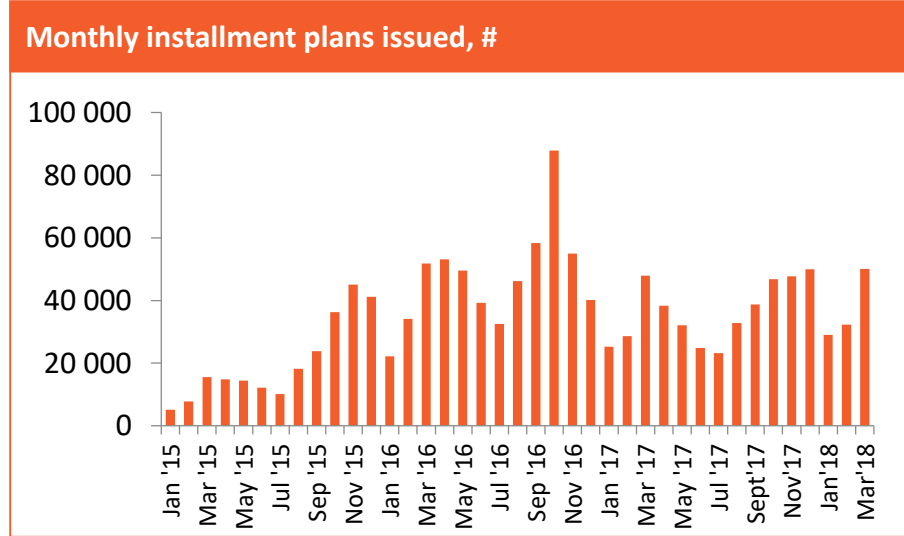
lamoda



REVO



Metrics	March 2015	March 2016	March 2017	March 2018
No. of active stores	546	1,941	1,633	3,663
No. of installments granted	15,522	51,756	47,916	50,115
Avg. installment plan (Rub)	3,541	4,225	5,142	5,693
Avg. duration of installment plan (months)	4.6	4.7	4.6	4.4



JUMO



Key Facts

- **Type:** Mobile Money Marketplace
- **Founded:** 2013 **Year of investment:** 2015
- **Ownership Stake:** 7.6%
- **Key region:**

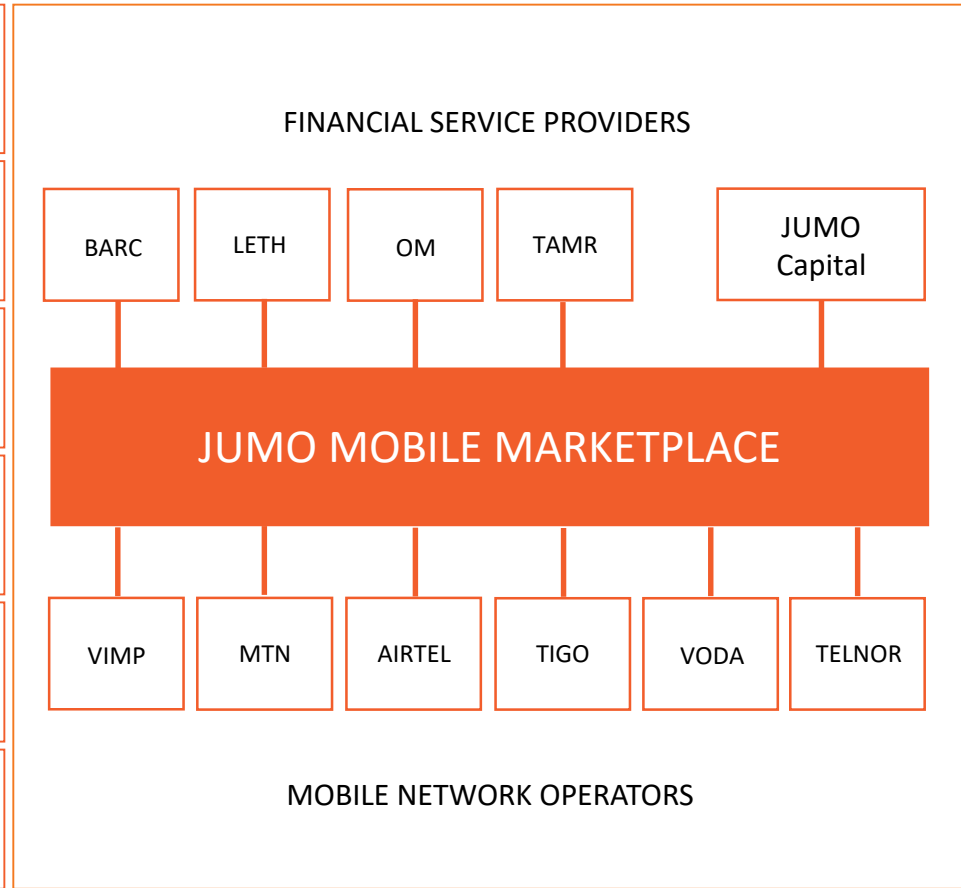
1 Largest-scale, low-cost, financial services platform for emerging markets.

2 Focus on key mobile money markets of Africa and sub-continent with an Asian growth story.

3 Integrates through MNOs with their client bases offering the product suite of FSPs through their marketplace.

4 Reached over unique 6mn customers to date with 1mn 90 day active. For 80% of customers it is their first interaction with formal financial services.

5 Model has no real peer today. Very strong and deep management bench.



Iyzico



Key Facts

- **Type:** Payment Processor
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 20.1%
- **Key region:**

1 Leading Turkish payment solution provider for online retailers.

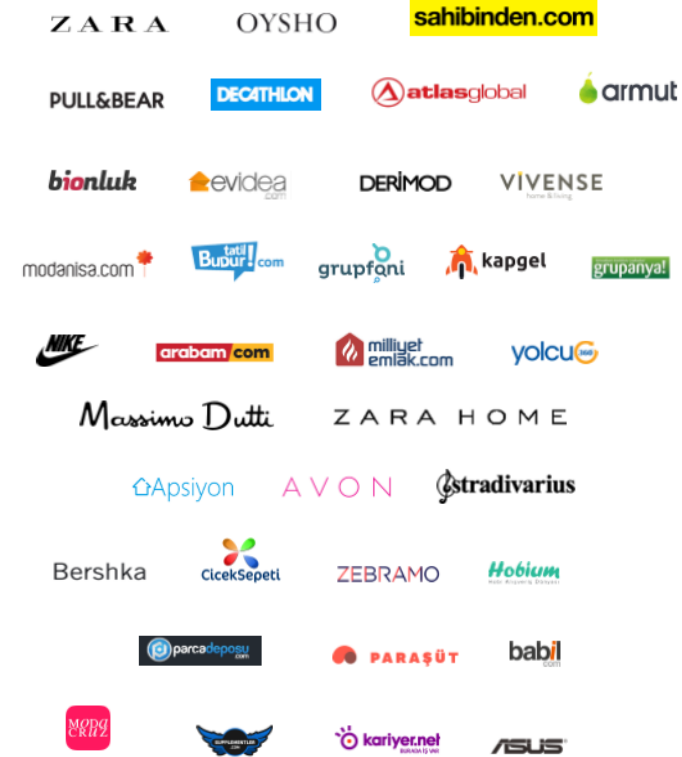
2 Has over 17k live merchants and 315k seller accounts under marketplaces.

3 Turkey is Europe's largest consumer card market that remains under-penetrated in online payments.

4 Payment volumes and revenue up triple digit % YoY.

5 Founding team have a successful track record and experience at global leaders in the space.

Key Merchant Partners



TransferGo



Key Facts

- **Type:** Cross Border Remittances
- **Founded:** 2012 **Year of investment:** 2016
- **Ownership Stake:** 9.8%
- **Key region:**

- 1 Low-cost cross-border remittance provider focusing on Western to Eastern Europe.
- 2 Targeting blue-collar workers, some of the most consistent and regular remittance customers.
- 3 High market share in key corridors resulting from focused approach to corridor roll-out.
- 4 Deep bank integration facilitates fastest guaranteed settlement times amongst peers.
- 5 Global remittance volumes totalling \$600b annually and digital growing share.

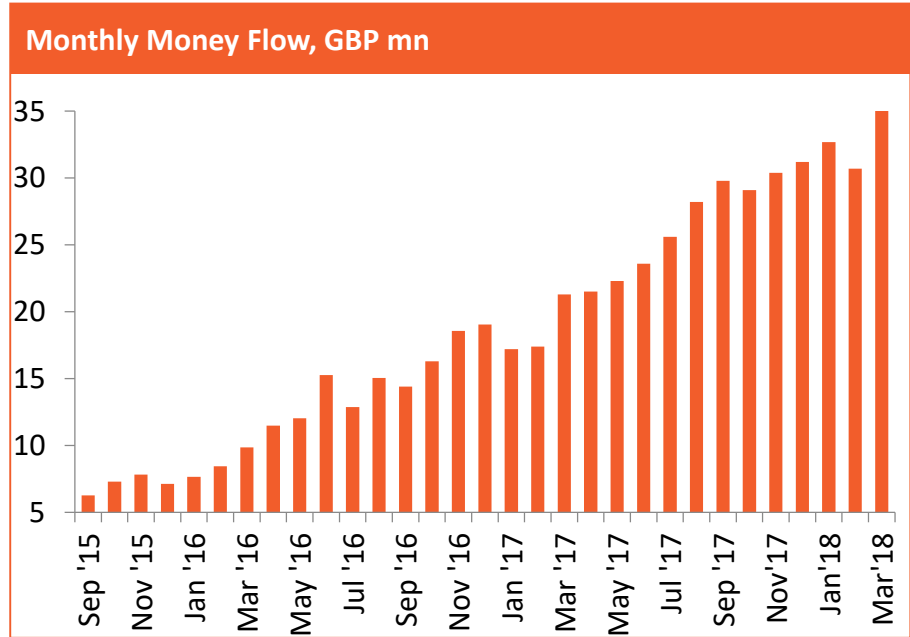
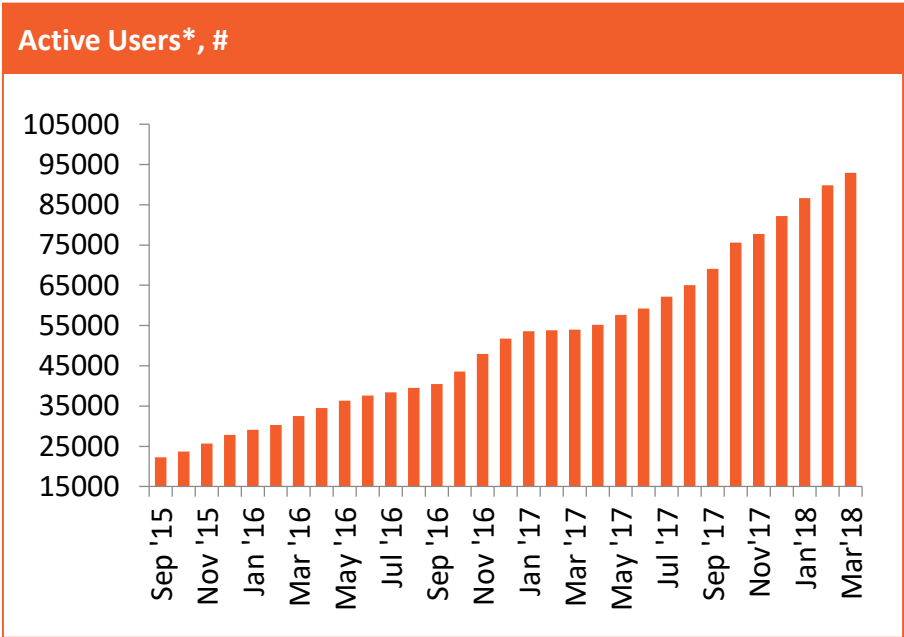
Global Remittance Volumes (\$bn)



TransferGo



Metrics	March 2018	March 2017	March 2016
No. of active users*	92,943	54,001	32,522
Money flow (GBP mn)	37.2	21.3	9.8
Avg. ticket size (GBP)	352	349	269



*Transacted over last 90 days

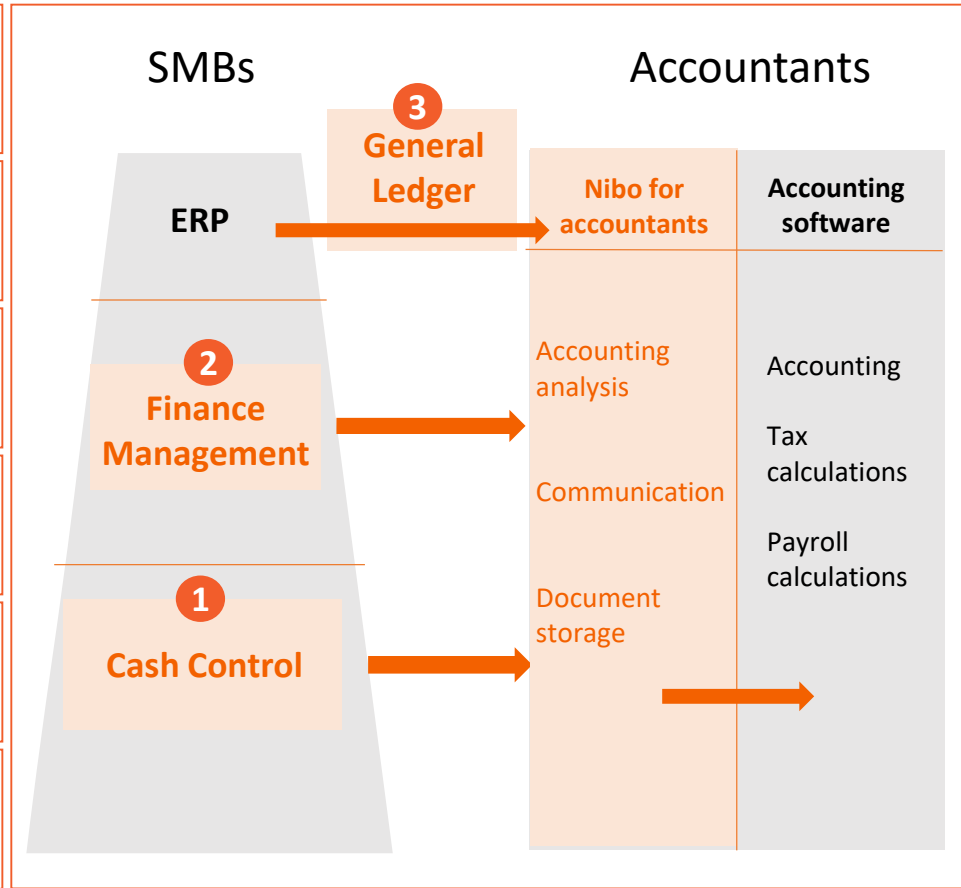
Nibo



Key Facts

- **Type:** Accounting SaaS
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 15.5%
- **Key region:** 🇧🇷

- 1 Leading Brazilian accounting SaaS provider for SMBs and accountants.
- 2 Has over 14k paying SMBs serviced through 1k accountant customers.
- 3 Large addressable market of over 10mn SMBs with a regulatory requirement to employ accounting services in Brazil and about 100,000 accountants.
- 4 Proven model seen scale and succeed in other markets, ex. Intuit (US) and Xero (NZ).
- 5 Strong team, and business model driven by one of the most complex tax and accounting market regulations in the world.



Magnetis



Key Facts

- **Type:** Digital investment advisor
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 16.9%
- **Key region:** 🇧🇷

1 Leading Brazilian digital investment advisor, offering automated investment portfolios tailored to clients requirements.

2 Large addressable market of US\$720 bn (retail money invested across fixed income, funds and in savings accounts).

3 Addresses challenges faced by Brazilians to access minimum insured returns, because bank deposit savings rates are capped below this level.

4 Strong team with vast experience of investing in Brazil and in depth knowledge of regulatory architecture and requirements.

5 Early mover in a space with limited competition and following a model that has scaled well in developed markets.

The image displays the Magnetis digital investment advisor interface across multiple devices. On the desktop, the main screen shows a 'Simule seu plano de investimento' (Simulate your investment plan) section with a balance of R\$ 1.000.000 and a projected return of R\$ 200.000. Below this, there are charts and a '100% de chances de atingir seus objetivos' (100% chance of achieving your goals) statement. On the mobile phone, the interface shows a 'Simule seu plano de investimento' screen with a balance of R\$ 753.765,81 and a projected return of R\$ 150.000. Another mobile phone shows a 'Investir em alguns cliques' (Invest in a few clicks) screen with a balance of R\$ 32.500,00 and a 'Quanto você pretende investir?' (How much do you intend to invest?) input field. A third mobile phone shows a 'Suas cartilhas' (Your brochures) screen with a balance of R\$ 1.244.099,82 and a '+11,23%' return. The desktop screen also shows a 'Suas cartilhas' section with a balance of R\$ 1.244.099,82 and a '+11,23%' return. The desktop screen also shows a 'Investir em alguns cliques' section with a balance of R\$ 32.500,00 and a 'Quanto você pretende investir?' input field. The desktop screen also shows a 'Suas cartilhas' section with a balance of R\$ 1.244.099,82 and a '+11,23%' return.

- 1 Build a portfolio tailored to you
- 2 Invest in a few clicks
- 3 Track your progress and invest more

FinanZero

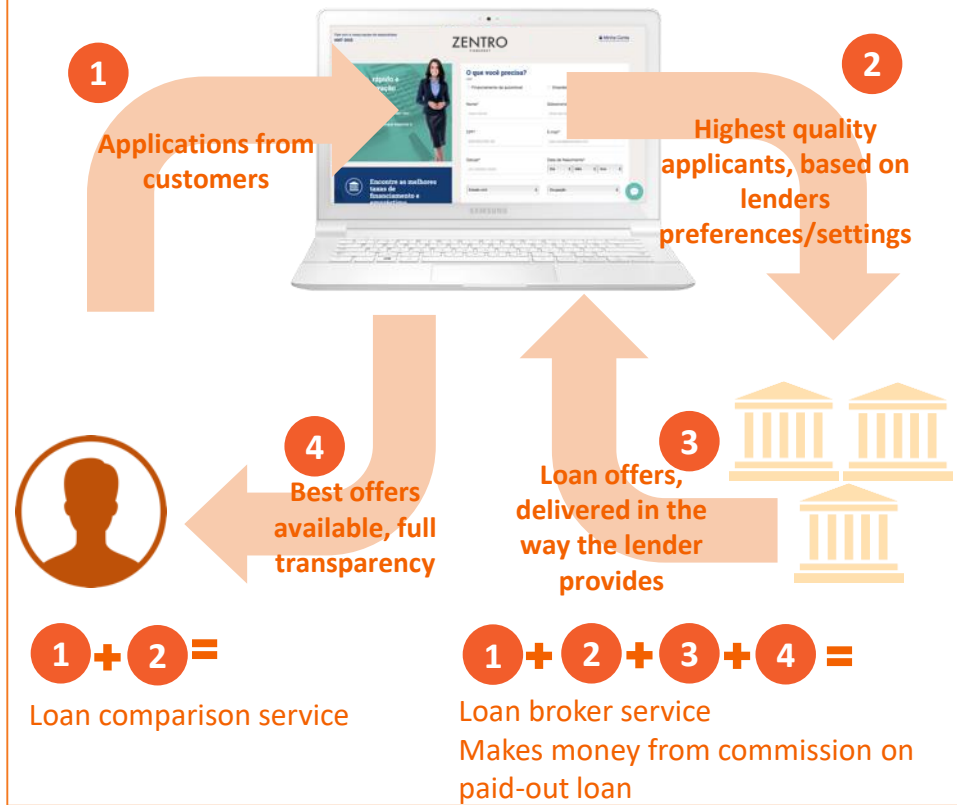


Key Facts

- **Type:** Consumer Loan Marketplace
- **Founded:** 2016 **Year of investment:** 2016
- **Ownership Stake:** 23.7%
- **Key region:**

- 1 Pioneering marketplace for consumer loans in Brazil.
- 2 Partnered with 20 banks and credit institutions offering most suitable loans for consumer.
- 3 Fully integrating with banks handling lending process from start to finish.
- 4 Proven model seen scale and succeed in other markets, i.e. Lendo in Sweden.
- 5 Founding team have a successful track record and experience from leading consumer loan broker in Sweden

Business model - online broker of consumer loans



Finja



Key Facts

- **Type:** Mobile payments and loans marketplace
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 20.4%
- **Key region:** 🇵🇰

- 1 Pakistan, a scale emerging market, running behind India in fintech evolution, but catching up.
- 2 Finja, leading mobile wallet play in Pakistan, with both a merchant and consumer focus. 143k downloads to date.
- 3 Payments freemium model at its base, credit, payroll and other financial add-ons to drive customer value and revenues.
- 4 Quality partners in FINCA Microfinance Bank and Descon Group which are key to local success.
- 5 Strong founding team with experience in mobile wallets, online marketplaces and financial products in Pakistan.



Outlook and Guidance

Opportunities and outlook for 2018

...

Strong portfolio of 11 holdings diversified across multiple scale geographies and lines of financial services.

...

Of note - Tinkoff big win for us. Seen significant mark-up in Revo and FinanZero. GuiaBolso/Creditas are recent landmark transactions.

...

EMEA and Latin America core regions of strength, with some of the best fintech assets in these geographies in our portfolio.

...

Strong cash and near cash position leaves us well positioned for new opportunities as well as supporting existing investments.

...

The long term structural opportunity remains sizeable and we are very well positioned to continue to benefit from it.