

VEF and the Current Crisis

This is just another crisis in emerging markets

Gradual impact, time to prepare, positioned and ready

Defense first, survive and then thrive

VEF and its portfolio companies are well-funded

Focus on cash over growth in the short term

Fintech is a medium to long-term winner from this event

Opportunities already becoming evident, we remain patient

Fintech – The Future of Finance Has Become Clearer to All

- **A move by society to all things digital** given new working and social dynamics.
- **Major shift to digital channels for financial services** – customers are moving away from cash and no longer queuing in bank branches; increase in use of ecommerce and hence digital payments. Personal finance and wealth management tools are in vogue.
- We expect a **step-change and an acceleration of growth** in what was an already a set trend from offline to online financial services, and from cash to digital within the sector.
- This crisis is clearly **medium to long term positive for our investment thesis** and our reason to exist and mandate has become even more obvious.

1Q20 Financial Highlights and Key Developments

Net asset value

- NAV decreased by 25.3% during the quarter to USD 186.43 mln or USD 0.29 per share.
- In local currency, NAV decreased by 19.2% to SEK 1,879 mln or SEK 2.88 per share.
- Cash position at the end of 1Q20 was USD 24.0 mln.

Financial result

- Net result for 1Q20 was USD -62.17 million (mln) (1Q19: USD 1.56 mln).
- Earnings per share were USD -0,09 (1Q19: USD 0.00).

Key developments

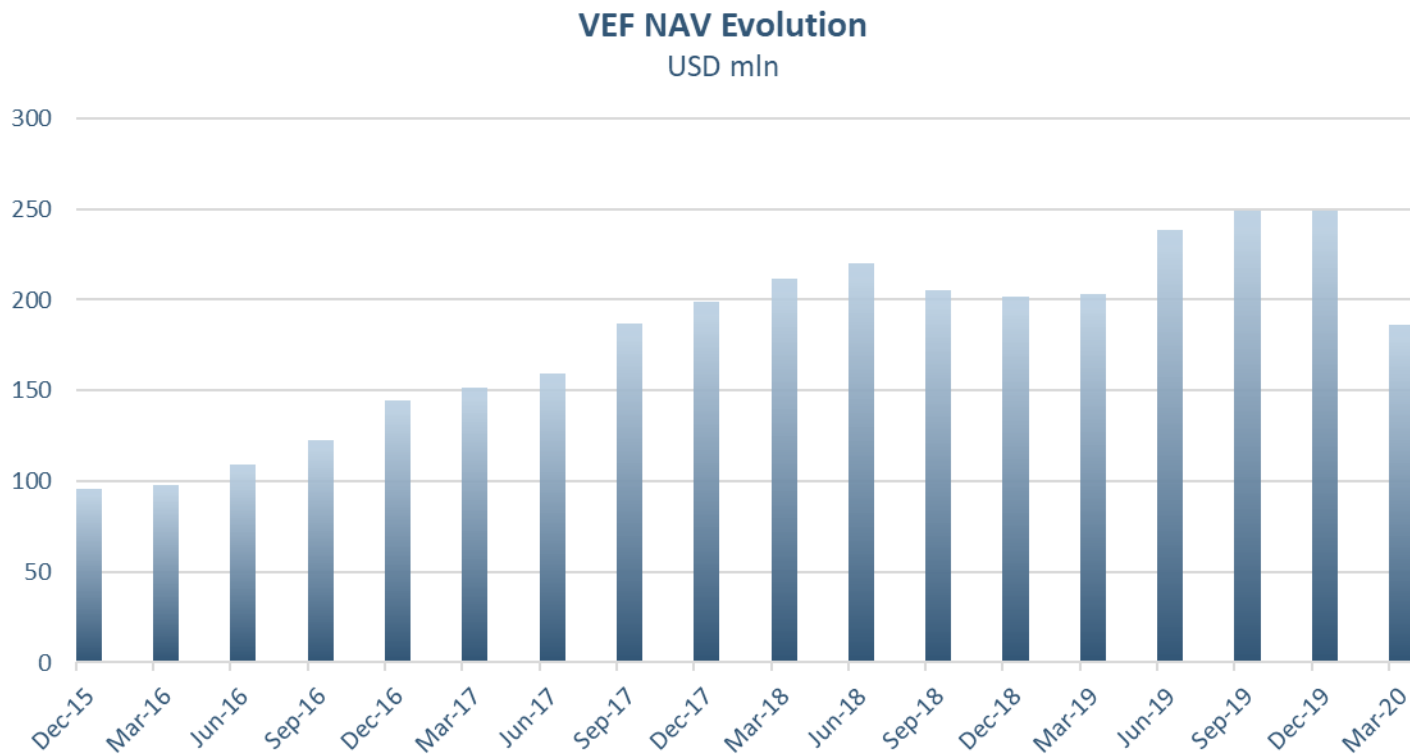
- New USD 13mln investment in Juspay, one of India's leading payment companies.
- Additional investment of USD 430k into portfolio company Finja.

Events after the period

- Additional investment of USD 2.1mln into portfolio company TransferGo.
- We continue to focus on our portfolio companies, stress testing risk, pricing and business plans following the outbreak of COVID-19.

	Dec 31, 2018	Dec 31, 2019	Mar 31, 2020
Net asset value (USD mln)	201.42	249.44	186.43
Net asset value (SEK mln)	1,806	2,325	1,879
Net asset value per share (SEK)	2.78	3.55	2.88
VEMF SDB share price (SEK)	1.75	2.94	1.99

VEF NAV Evolution Since Inception















1Q20 NAV Valuation Approach

Calibration methodology














- In light of the pandemic, 6 companies have now been valued using a new calibration methodology.
- Under this method, inputs used for each include Covid-19 risk adjusted revenue forecasts, currency moves and the implied revenue multiple paid at the time of the latest transaction relative to a relevant peer group adjusted for market moves in the same peer group as at March 31, 2020.
- Creditas, Konfio, TransferGo, Magnetis, FinanZero and Xerpa have all been valued using the calibration methodology, resulting in negative changes in fair value of all the companies, with the exception of TransferGo.

Quarter	Mark to model	Calibration methodology	Recent transaction
1Q20	5	6	1 (Juspay)
4Q19	5	0	6

1Q20 NAV Evolution Versus YE19

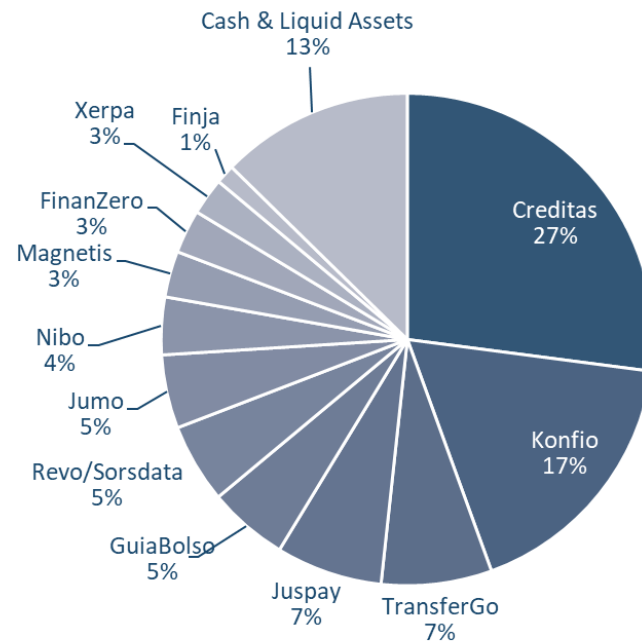
Company	Geography	Dec'19 Fair Value (USD mln)	Mar'20 Fair Value (USD mln)	QoQ Change (%)	QoQ Change (USD mln)	Valuation Method
 creditas	Brazil	73.2	50.4	-31%	-22.9	Calibration Methodology
 konfio	Mexico	41.6	32.4	-22%	-9.2	Calibration Methodology
 transferGo	Emerging Europe	12.6	13.5	8%	1.0	Calibration Methodology
 JUSPAY	India	-	13.0	-	-	Recent Transaction
 Guiabolso	Brazil	11.5	9.8	-15%	-1.8	MTM
 pebc+	Russia	16.2	9.7	-40%	-6.5	MTM
 JUMQ	Africa	16.9	9.0	-47%	-7.9	MTM
 nibo	Brazil	10.6	7.0	-34%	-3.6	MTM
 magnetis	Brazil	8.1	5.7	-30%	-2.4	Calibration Methodology
 FinanZero	Brazil	7.7	5.4	-30%	-2.3	Calibration Methodology
 XERPA	Brazil	8.5	4.5	-47%	-4.0	Calibration Methodology
 FINJA	Pakistan	3.4	2.3	-31%	-1.0	MTM
Liquidity Investments		34.5	20.8	-40%	-13.7	
Cash		5.6	3.2	-43%	-2.4	
Total investment portfolio		250.5	186.7	-25%	-63.8	
Other net liabilities		-1.0	-0.3			
Total NAV		249.4	186.4	-25%	-63.0	

VEF Portfolio

Company	Geography	Business Type	% Ownership	Invested Amount (USD mln)	Mar'20 Fair Value (USD mln)	Difference (%)	Difference (USD mln)	Investment Date
 creditas	Brazil	Secured Lending Platform	9.6%	48.5	50.4	3.8%	1.9	Dec-17
 konfio	Mexico	SME Lending	11.4%	27.5	32.4	17.7%	4.9	Jun-18
 transferGo	Emerging Europe	Cross-Border Remittances	15.4%	8.9	13.5	51.3%	4.6	Jun-16
 JUSPAY	India	Digital Payments	9.9%	13.0	13.0	-	-	Mar-20
 Guiabolso	Brazil	Personal Finance Management	10.9%	30.0	9.8	-67.5%	-20.2	Oct-17
 pebc+	Russia	Payments & Consumer Credit	25.0%	8.8	9.7	10.5%	0.9	Sep-15
 JUMQ	Africa	Mobile Money Marketplace	6.8%	14.6	9.0	-38.5%	-5.6	Oct-15
 nibo	Brazil	Accounting SaaS	20.1%	5.3	7.0	32.7%	1.7	Apr-17
 magnetis	Brazil	Digital Investment Advisor	17.5%	5.7	5.6	-0.7%	0.0	Sep-17
 FinanZero	Brazil	Consumer Credit Marketplace	18.0%	2.7	5.3	99.3%	2.7	Mar-16
 XERPA	Brazil	HR & Payroll Platform	16.0%	8.5	4.5	-46.9%	-4.0	Sep-19
 FINJA	Pakistan	Mobile Wallet & SME/Consumer Credit	20.4%	2.4	2.3	-3.5%	-0.1	Jul-16
 >EF Vostok Emerging Finance				175.9	162.5	-7.6%	-13.4	

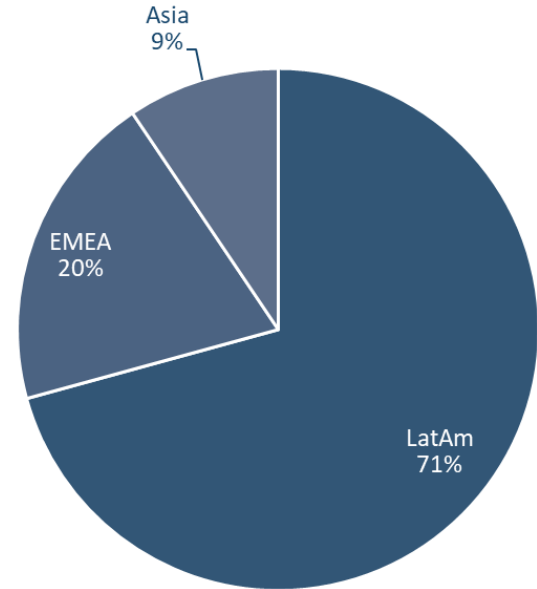
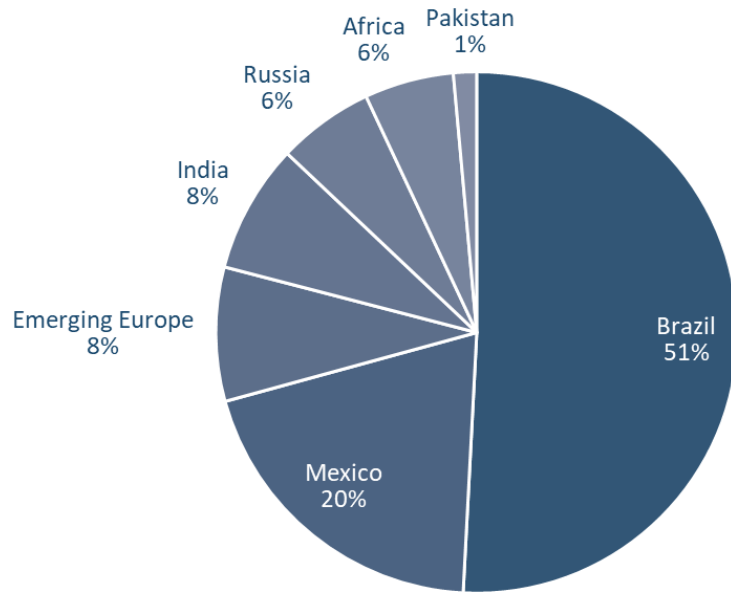
Portfolio Commentary

- Today we have 12 holdings in the portfolio, diversified by geography, business type and stage of development, with Jupsay the latest addition and our first investment in India.
- Exits – Completed exits of Tinkoff & iyzico in 2019, both yielding 60%+ IRRs each.
- Creditas and Konfio are the relative size portfolio champions with most likely impact on NAV evolution going forward.
- \$24 mn cash position at the end of 1Q20. Cash remains king in this crisis window.
- More focus today on working with current portfolio versus adding pipeline.



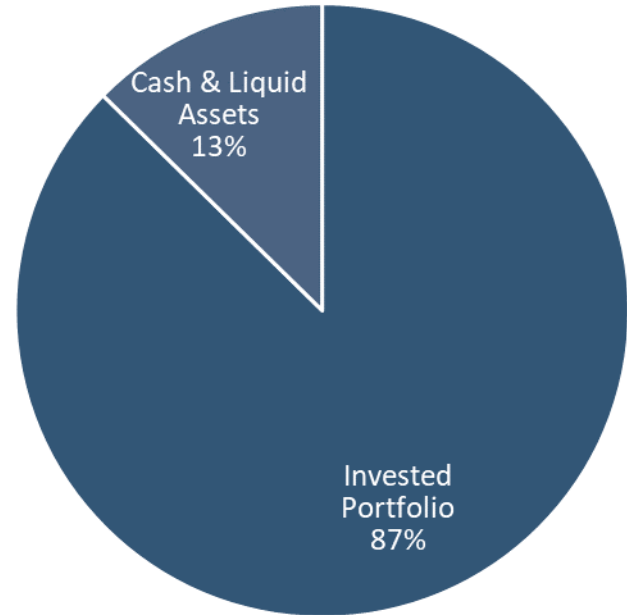
VEF Portfolio as at March 2020
NAV: \$186.4mn

Portfolio NAV Distribution by Geography (ex cash)



Cash Position & Invested Portfolio

- \$24mn cash position at end of 1Q20, which will trend to c. \$20mn through 2Q20 as we close 2 further portfolio company funding rounds.
- Cost-focused measures have seen expected 2020 cost budget of \$3-3.5mn, versus 2019 of \$5.7mn.
- There is no debt/leverage in the business today.
- The vast majority of our companies have adequate funding for a minimum of 12 months, many for longer and to breakeven.
- We are in a very strong position to see this crisis through and to take opportunities as they arise.



Juspay

Key Facts

- **Type:** Digital Payments
- **Founded:** 2012 **Year of investment:** 2020
- **Ownership Stake:** 9.9%
- **Key region:** India



1

Our first investment into India, Juspay is the country's leading mobile payments platform for online merchants.

2

India has one of the most advanced and complex electronic payment infrastructures globally, resulting in friction and challenges for merchants and banks in the country.

3

Juspay solves these challenges for customers with their unifying layer of products and value-added services, with more than 200 mln downloads of its SDK.

4

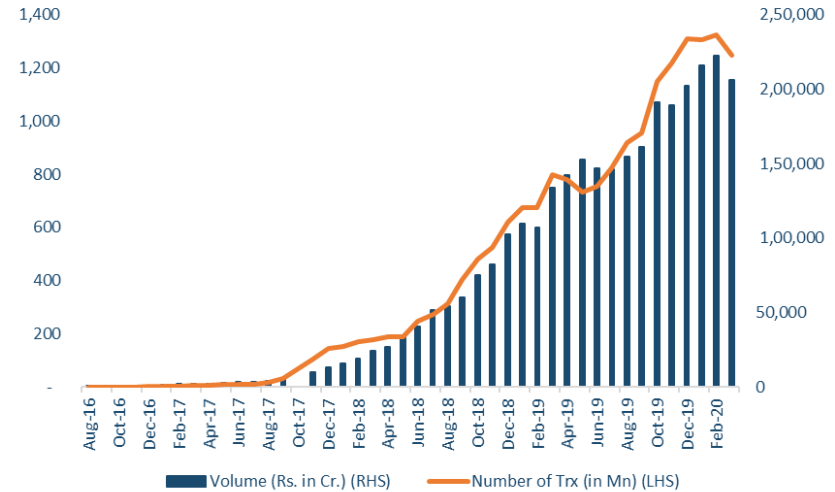
Juspay improves conversion rates for merchants and others in the payment value chain, facilitating more than USD 10 bln of annualized payment volume.

5

Based in Bangalore, Juspay is backed by Accel India, Wellington Management, and serves some of India's largest merchants including Amazon, Flipkart and Uber.

Growing Digitization of Indian Payments

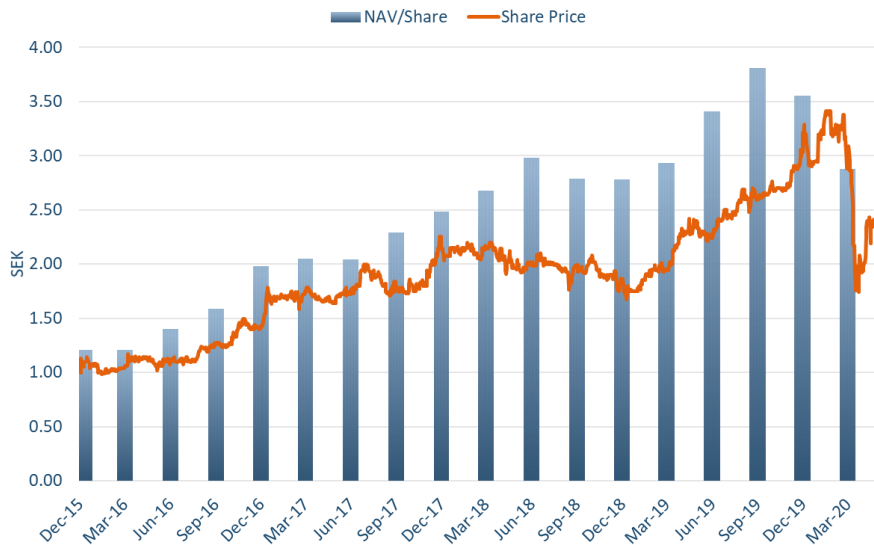
Volume and number of UPI transactions in India



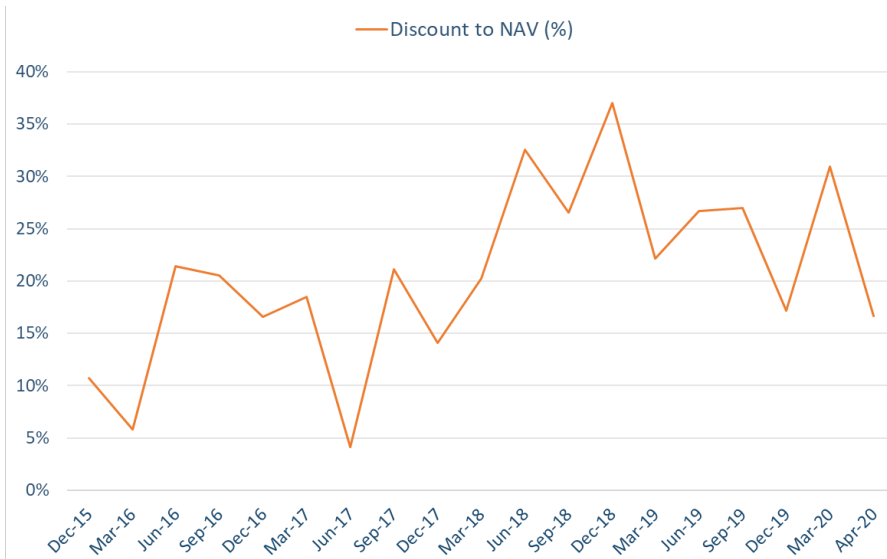
Source: National Payments Corporation of India (NPCI)

Share Price, NAV/Share and the Discount

Share Price, NAV/share



Discount to NAV



Date	Latest Share Price (SEK)	NAV/Share* (SEK)	Discount	NAV* (USD mln)	Market Cap (USD mln)
Apr 24, 2020	2.40	2.88	16.7%	186.4	158.8

* As at March 31, 2020

Outlook and Guidance for 2020

Crisis time – everything has changed

Everything has changed for both VEF and our portfolio companies - we have ripped up our plans and budgets for 2020 and gone on a war footing - focusing on cash, cash burn, capital, costs and funding, while prioritising runway and optionality.

VEF

Robust cash/capital position coming into this crisis while our cost base is procyclical and benefits from lower activity and performance. The team is well used to remote work and business has not missed a beat.

Portfolio

Our companies had the benefit of time to prepare and solid capital positions coming into this crisis. We are focusing on short-term trends and iterating forecasts as we go. The crisis should be a step change positive for their business models, while opportunities to emerge even better-positioned are clear.

NAV evolution

While confident we have a portfolio of companies positioned to come through this crisis stronger, volatile market forces will have a big say on the evolution of our NAV through 2020.

Investment thesis

In this first period of the crisis, we will continue to prioritise current portfolio work and opportunities over pipeline. Phase 2 of this crisis should see the kind of opportunities we thrive upon appear.

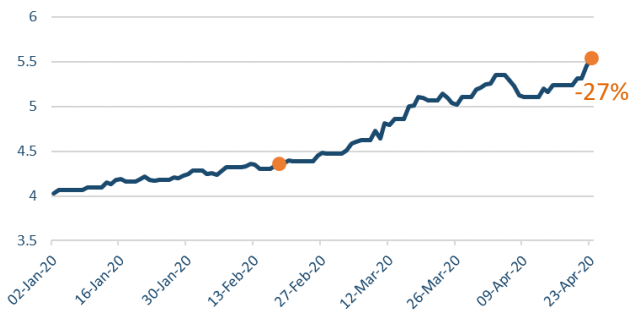


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Vostok Emerging Finance

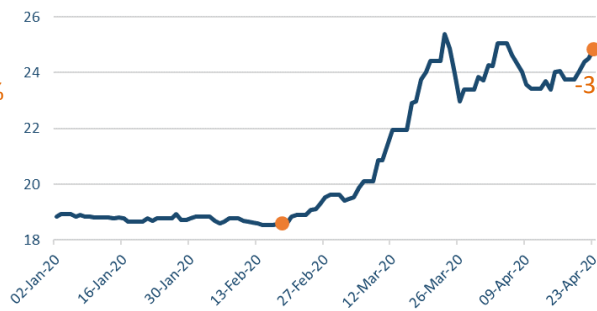
Appendix

Key VEF Currency trends, from Mid-February

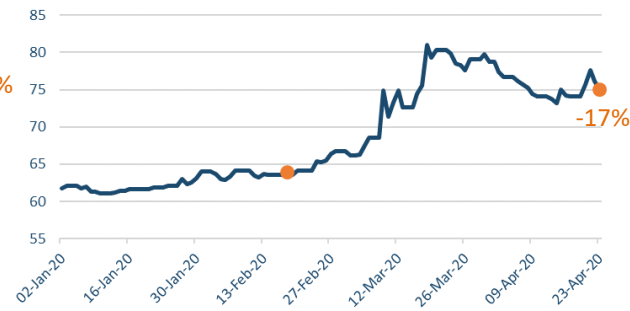
USD/BRL



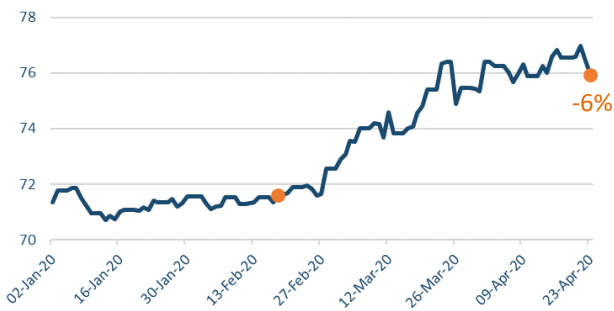
USD/MXN



USD/RUB



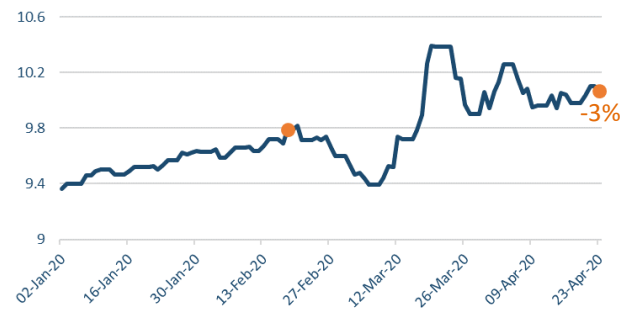
USD/INR



USD/PKR



USD/SEK

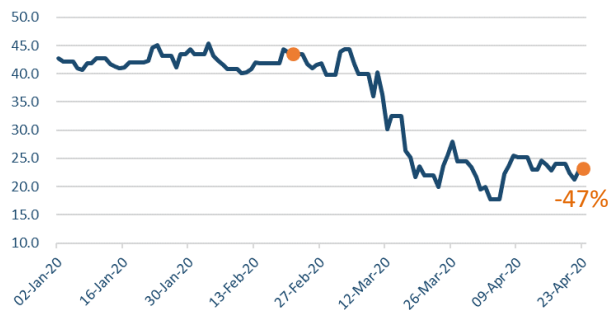


Benchmark Public Fintech Companies

PagSeguro



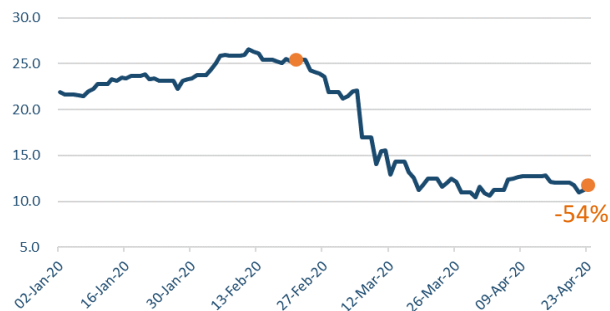
Stone Co



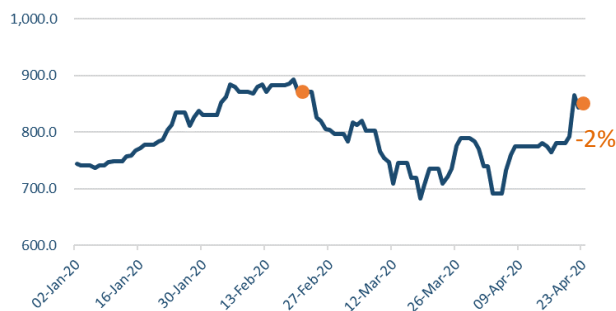
XP Investimentos



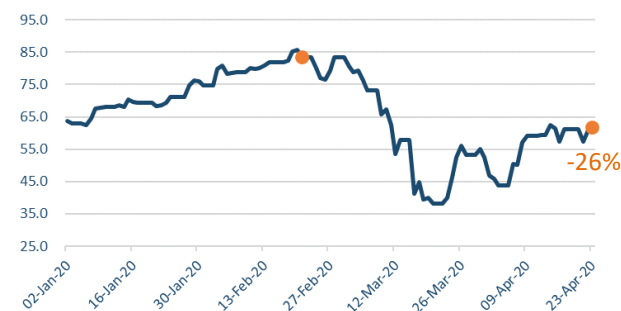
Tinkoff Bank



Adyen



Square



1Q20 Income Statement

Expressed in USD thousands	Note	Jan 1, 2020– Mar 31, 2020	Jan 1, 2019– Mar 31, 2019
Result from financial assets at fair value through profit or loss ¹	3	-61,775	2,096
Dividend and coupon income		97	153
Total operating profit		-61,678	2,249
Operating expenses			
General administrative expenses		-731	-525
Employee incentive programs	4	239	-240
Total operating expenses		-492	-765
Operating result		-62,170	1,484
Financial income and expenses			
Currency exchange gains/losses, net		11	83
Net financial items		11	83
Result before tax		-62,159	1,567
Taxation		-13	-5
Net result for the period		-62,172	1,562

1. Financial assets at fair value through profit or loss are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the year in which they arise.

1Q20 Balance Sheet

Expressed in USD thousands	Note	Mar 31, 2020	Dec 31, 2019
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		239	275
Total tangible non-current assets		239	275
Financial non-current assets			
Financial assets at fair value through profit or loss	3		
Equity financial assets		162,709	210,387
Liquid financial assets		20,849	34,521
Other financial assets		11	11
Total financial non-current assets		183,569	244,919
CURRENT ASSETS			
Cash and cash equivalents		3,150	5,562
Tax receivables		21	53
Other current receivables		152	135
Total current assets		3,323	5,750
TOTAL ASSETS		187,131	250,944
SHAREHOLDERS' EQUITY (including net result for the financial period)			
		186,428	249,439
NON-CURRENT LIABILITIES			
Interest bearing liabilities			
Long-term liabilities		97	118
Total non-current liabilities		97	118
CURRENT LIABILITIES			
Non-interest bearing current liabilities			
Other current liabilities		154	211
Tax expenses		–	53
Accrued expenses		452	1,123
Total current liabilities		606	1,387
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		187,131	250,944