



>EF  
Vostok Emerging Finance

---

# 2Q18 Results Presentation

---

---

# 2Q18 Financial Highlights

## Financial Result:

- Net result for 2Q18 was USD 7.93 million (mln) (2Q17: USD 7.62 mln). Earnings per share were USD 0.012 (2Q17: USD 0.004).
- Net result for the six-months period was USD 20.93 mln (1H17: 14.68 mln). Earnings per share were USD 0.032 (1H17: 0.022).
- The positive net result over the six-months period is primarily driven by the positive share price development in VEF's only listed equity holding, Tinkoff Bank and the mark up in valuation of TransferGo, iyzico, FinanZero and JUMO.

## Net Asset Value:

- NAV of VEF was USD 220.16 mln as at June 30, 2018 (December 31, 2017: USD 198.56 mln), an increase of 10.9% in USD over the six-months period 2018.
- NAV per share was USD 0.33 (December 31, 2017: USD 0.30) and SEK 2.98 per share (December 31, 2017: SEK 2.47 per share).

## 2Q18: Income Statement

| Expressed in USD thousands   | Jan 1, 2018-<br>Jun 30, 2018 | Jan 1, 2017-<br>Jun 30, 2017 | Apr 1, 2018-<br>Jun 30, 2018 | Apr 1, 2017-<br>Jun 30, 2017 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Results from financial assets at fair value through profit or loss | 21,976                       | 14,573                       | 7,771                        | 7,005                        |
| Dividend and coupon income   | 1,887                        | 1,395                        | 1,780                        | 1,316                        |
| <b>Total operating income</b>                                      | <b>23,863</b>                | <b>15,968</b>                | <b>9,551</b>                 | <b>8,321</b>                 |
| Operating expenses   | -2,844                       | -1,765                       | -1,524                       | -1,060                       |
| <b>Operating result</b>  | <b>21,019</b>                | <b>14,203</b>                | <b>8,027</b>                 | <b>7,261</b>                 |
| <b>Financial income and expenses</b>                               |                              |                              |                              |                              |
| Currency exchange gains/losses, net                                | -76                          | 477                          | -83                          | 362                          |
| <b>Net financial items</b>   | <b>-76</b>                   | <b>477</b>                   | <b>-83</b>                   | <b>362</b>                   |
| <b>Result before tax</b>   | <b>20,943</b>                | <b>14,680</b>                | <b>7,944</b>                 | <b>7,623</b>                 |
| Taxation   | -10                          | -                            | -10                          | -                            |
| <b>Net result for the period</b>                                   | <b>20,933</b>                | <b>14,680</b>                | <b>7,934</b>                 | <b>7,623</b>                 |

# 2Q18: Balance Sheet

| Expressed in USD thousands  | Jun 30, 2018   | Dec 31, 2017   |
|---|----------------|----------------|
| <b>NON-CURRENT ASSETS</b>   |                |                |
| <i>Tangible non-current assets</i>  |                |                |
| Property, plant and equipment   | 3              | -              |
| <b>Total tangible non-current assets</b>                                    | <b>3</b>       | <b>-</b>       |
| <i>Financial non-current assets</i>   |                |                |
| Financial assets at fair value through profit or loss                       | 212,216        | 189,406        |
| Other financial assets  | 11             | 10             |
| <b>Total financial non-current assets</b>                                   | <b>212,227</b> | <b>189,415</b> |
| <b>CURRENT ASSETS</b>   |                |                |
| Cash and cash equivalents   | 8,537          | 9,804          |
| Tax receivables   | 17             | 11             |
| Other current receivables   | 257            | 162            |
| <b>Total current assets</b>   | <b>8,811</b>   | <b>9,977</b>   |
| <b>TOTAL ASSETS</b>   | <b>221,041</b> | <b>199,392</b> |
| <b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b> | <b>220,159</b> | <b>198,557</b> |
| <b>CURRENT LIABILITIES</b>  |                |                |
| <i>Non-interest bearing current liabilities</i>                             |                |                |
| Other current liabilities   | 94             | 274            |
| Accrued expenses  | 788            | 562            |
| <b>Total current liabilities</b>  | <b>882</b>     | <b>835</b>     |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                           | <b>221,041</b> | <b>199,392</b> |

# 2Q18 Event Highlights

## Key Events during the Second Quarter












- Tinkoff paid a dividend of USD 0.31 per share on April 4, 2018, amounting to USD 0.93 mln. Another dividend of USD 0.24 per share was paid on June 21, 2018, at a value of USD 0.72 mln.
- During April 2018, VEF sold 250k shares in TCS Group Holding PLC, at a value of in total USD 4.98 mln.
- On May 14, 2018 TransferGo closed a new financing round in which VEF converted its outstanding loan note including accrued interest, and invested an additional USD 2.7 mln (EUR 2.25 mln).
- On June 18, 2018, Vostok Emerging Finance invested USD 15 mln into Mexican digital first unsecured lending platform Konfio.
- During the period, VEF has repurchased 984,722 Swedish Depository Receipts (SDRs) in the Company.

# 2Q18 Event Highlights

## Events after the End of Period

- After the end of the period, VEF has repurchased 276,139 Swedish Depository Receipts (SDRs) in the Company. The total number of outstanding SDRs of the Company, excluding repurchased SDRs, as at August 22, 2018 is 660,235,134.
- On July 9, Finja closed a new funding round, in which VEF invested an additional USD 1 mln.
- During July 2018, VEF sold 245k shares in TCS Group Holding PLC, at a value of in total USD 5.01 mln.
- On July 17 2018, VEF extended a convertible loan note to REVO/Sorsdata in the amount of USD 2.13 mln.

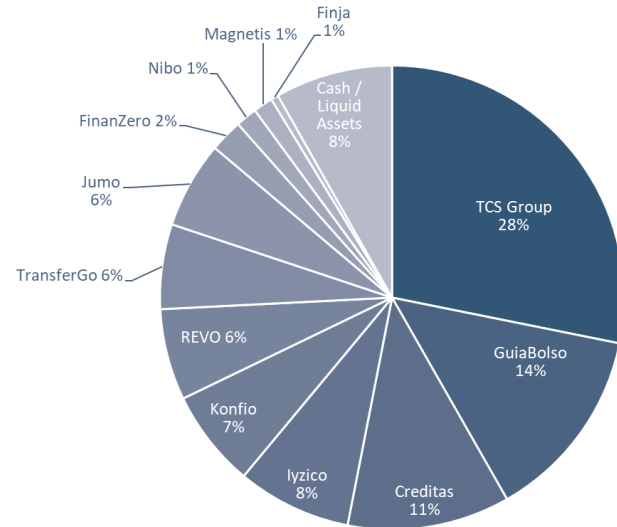
# VEF Portfolio

| Company  | Geography           | Business Type               | % Ownership | Gross Invested Amount (\$ mn) | June '18 Fair Value (\$ mn) | Investment Date |
|--|---------------------|-----------------------------|-------------|-------------------------------|-----------------------------|-----------------|
|  Tinkoff                                | Russia              | Digital Bank                | 1,6%        | 19,0                          | 62,2                        | 2007            |
|  GuiaBolso                              | Brazil              | Personal Finance Management | 10,9%       | 30,0                          | 30,0                        | Oct-17          |
|  credits                                | Brazil              | Secured Lending Platform    | 10,0%       | 25,0                          | 25,0                        | Dec-17          |
|  iyzico<br><small>easy checkout</small> | Turkey              | Payment Processing          | 20,1%       | 9,00                          | 17,6                        | Jan-17          |
|  konfio                                 | Mexico              | SME Lending                 | 11,7%       | 15,0                          | 15,0                        | Jun-18          |
| pebc+  | <sup>1</sup> Russia | Payments & Consumer Credit  | 25,0%       | 6,66                          | 14,0                        | Sep-15          |
|  JUMO                                   | Africa              | Mobile Money Marketplace    | 7,6%        | 11,6                          | 13,4                        | Oct-15          |
|  transferGo                             | Emerging Europe     | Cross-Border Remittances    | 17,5%       | 8,82                          | 13,0                        | Jun-16          |
|  FinanZero<br><small>com.br</small>     | Brazil              | Consumer Credit Marketplace | 23,7%       | 2,58                          | 5,04                        | 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          |
| <b>&gt;EF</b><br>Vostok Emerging Finance   |                     |                             |             |                               | <b>202,7</b>                |                 |

<sup>1</sup> committed follow on of \$3.3mn not yet included

# Portfolio Commentary

- At the end of Q2, we had 12 holdings in the portfolio, plus cash and liquid assets.
- TCS is our largest holding while there is a clear divide between our 8 larger and 4 smaller holdings today.
- Strong cash position (USD 18.1m) leaves us well positioned.
- We would expect the number of holdings and their relative size to grow over time.

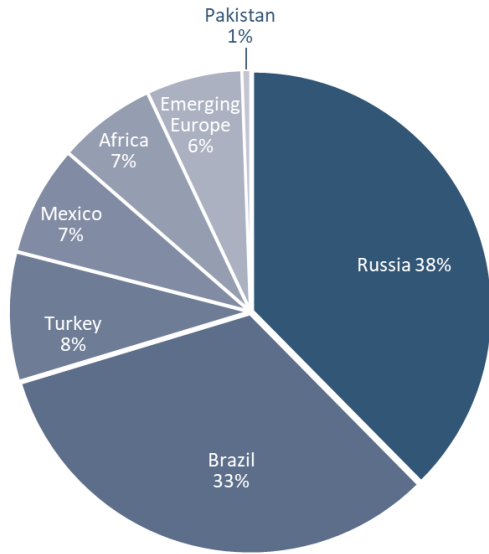


**VEF Portfolio as at June 30, 2018.**

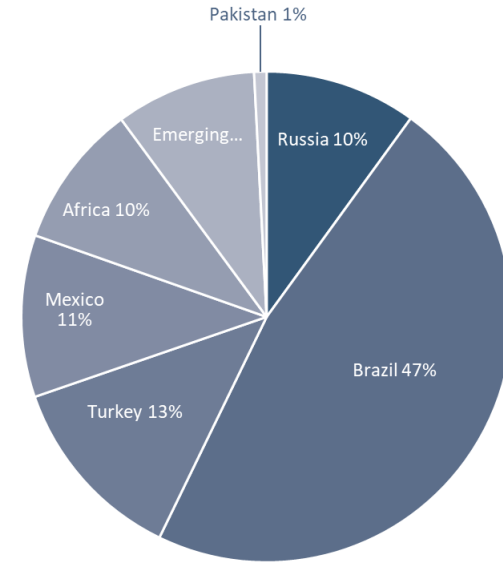
NAV: USD 220.7 mn



# Portfolio Distribution By Geography (ex cash)

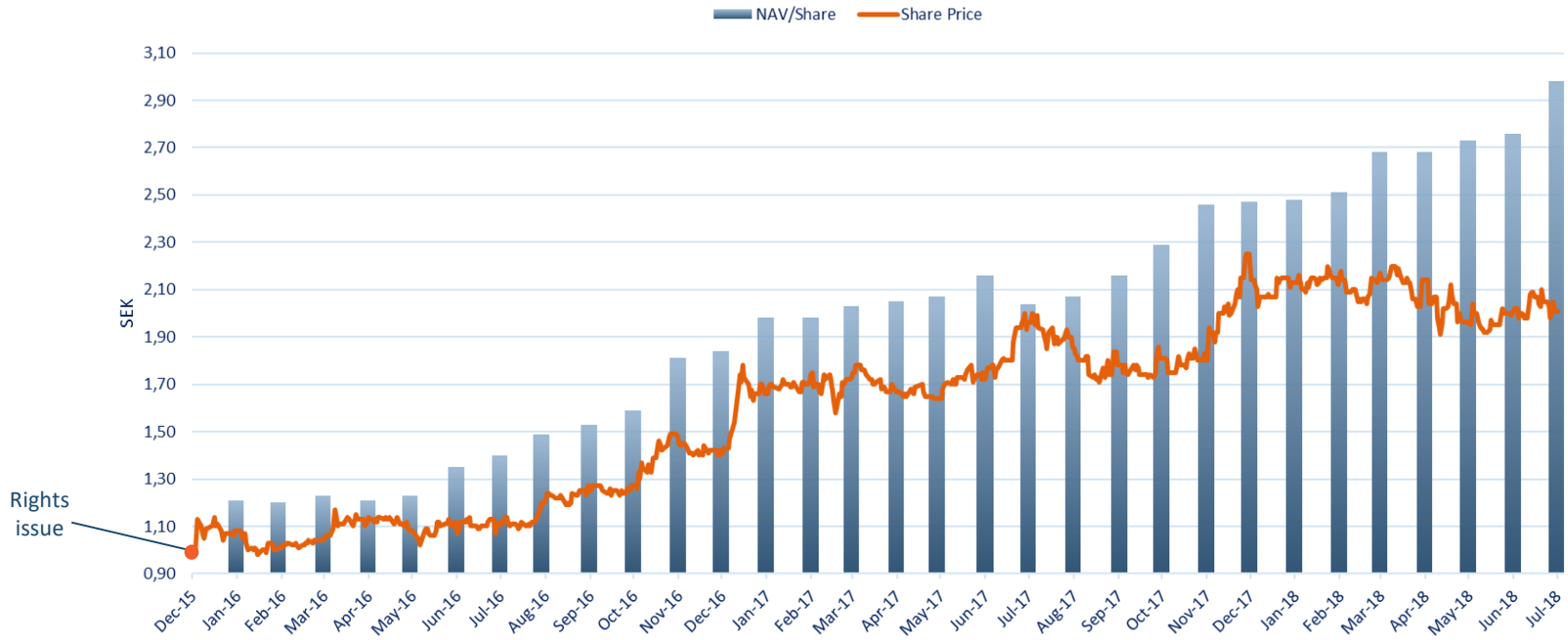


Including all investments



Excluding listed investments

# VEF Share Price and NAV/Share Evolution



| Date          | Latest Share Price (SEK) | NAV / Share (SEK) | Discount | NAV (USD mln) | Market Cap (SEK mln) | Market Cap (USD mln) |
|---------------|--------------------------|-------------------|----------|---------------|----------------------|----------------------|
| June 30, 2018 | 2.01                     | 2.98              | 32.8%    | 220.2         | 1,329.6              | 148.4                |

# VEF Shareholder Structure, Largest Shareholders

| Owner                    | Holding, SDRs      | Holding, %    |
|--------------------------|--------------------|---------------|
| Libra Fund               | 161,210,674        | 24.4%         |
| 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            | 27,968,400         | 4.2%          |
| Gemsstock                | 25,469,908         | 3.9%          |
| Bank Julius Baer & Co    | 18,354,000         | 2.8%          |
| LGT Bank                 | 18,011,000         | 2.7%          |
| <b>Largest owners</b>    | <b>484,311,836</b> | <b>76.0%</b>  |
| Other                    | 177,184,159        | 24.0%         |
| <b>Total</b>             | <b>661,495,995</b> | <b>100.0%</b> |

# “VEF - Investing in Leading Private Fintech Companies Across Emerging Markets”

## Geography

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

---

## Sector

We target all lines of financial services inclusive of payments, credit, mobile money and financial marketplaces. The “right” target sector is very market-dependent.

---

## Minority stakes and board seat

VEF targets sizeable minority stakes of 10–20% with board representation and tends to be an active, supportive shareholder.

---

## Private equity access vehicle

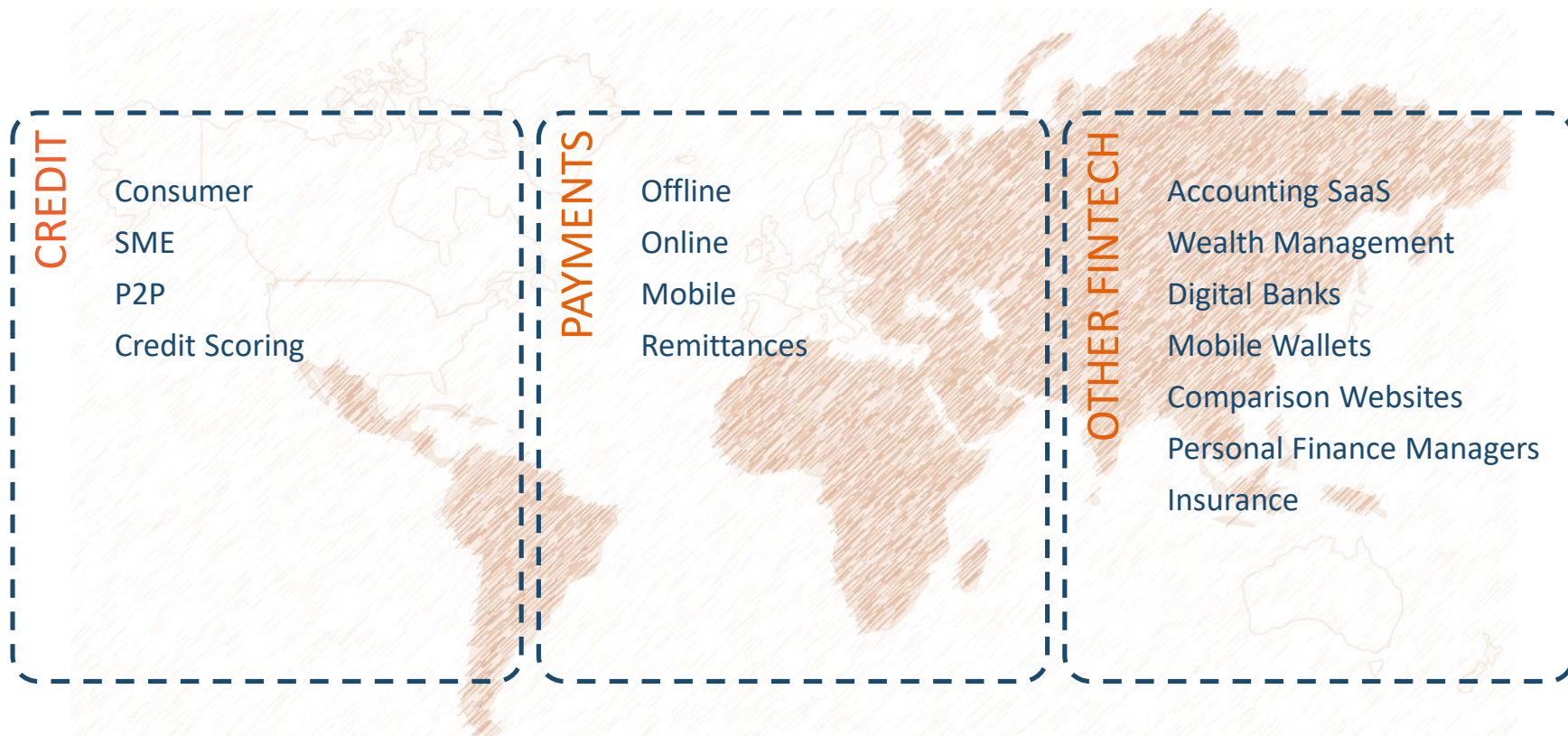
VEF is structured as a listed investment company while our mandate is to invest in emerging private companies.

---

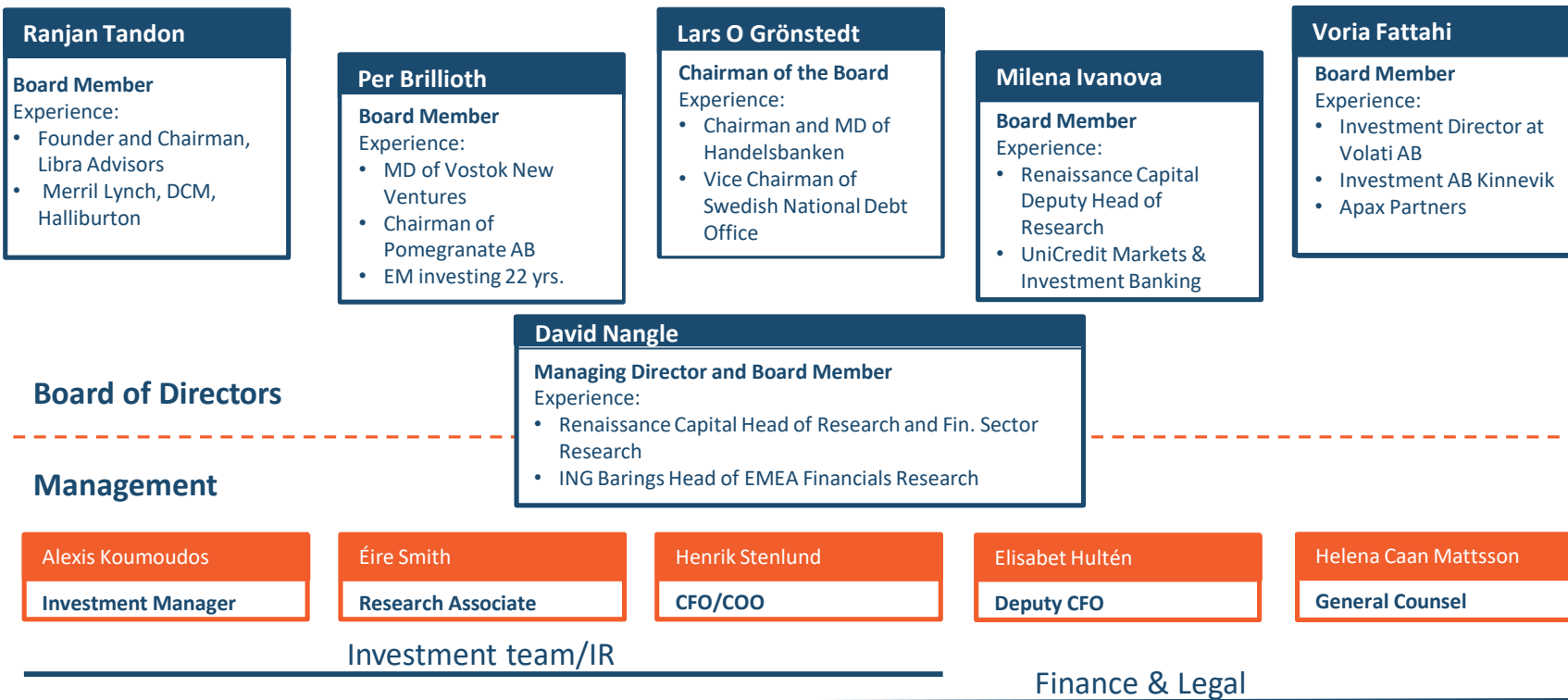
## Unique Fintech Investment

There are very few ways to play the growing fintech investment theme in public markets and even less in the emerging world. VEF is a unique access asset in this regard.

# Where Fintech Meets Emerging Markets



# Governance Structure





>EF  
Vostok Emerging Finance












---

## Our Portfolio Companies

---

---

# VEF Portfolio

| Company  | Geography       | Business Type               | % Ownership | Gross Invested Amount (\$ mn) | June '18 Fair Value (\$ mn) | Investment Date |
|--|-----------------|-----------------------------|-------------|-------------------------------|-----------------------------|-----------------|
|  Tinkoff                                | Russia          | Digital Bank                | 1,6%        | 19,0                          | 62,2                        | 2007            |
|  GuiaBolso                              | Brazil          | Personal Finance Management | 10,9%       | 30,0                          | 30,0                        | Oct-17          |
|  credits                                | Brazil          | Secured Lending Platform    | 10,0%       | 25,0                          | 25,0                        | Dec-17          |
|  iyzico<br><small>easy checkout</small> | Turkey          | Payment Processing          | 20,1%       | 9,00                          | 17,6                        | Jan-17          |
|  konfio                                 | Mexico          | SME Lending                 | 11,7%       | 15,0                          | 15,0                        | Jun-18          |
| pebc+ <sup>1</sup>   | Russia          | Payments & Consumer Credit  | 25,0%       | 6,66                          | 14,0                        | Sep-15          |
|  JUM                                    | Africa          | Mobile Money Marketplace    | 7,6%        | 11,6                          | 13,4                        | Oct-15          |
|  transferGo                             | Emerging Europe | Cross-Border Remittances    | 17,5%       | 8,82                          | 13,0                        | Jun-16          |
|  FinanZero<br><small>com.br</small>     | Brazil          | Consumer Credit Marketplace | 23,7%       | 2,58                          | 5,04                        | 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          |
| <b>&gt;EF</b><br>Vostok Emerging Finance   |                 |                             |             |                               | <b>202,7</b>                |                 |

<sup>1</sup> committed follow on of \$3.3mn not yet included



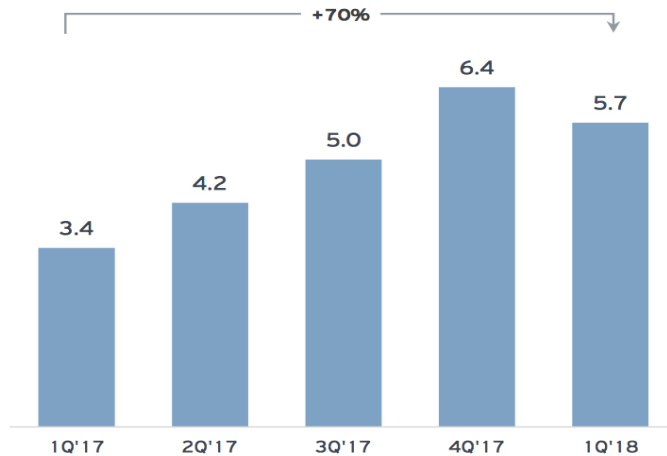
## Tinkoff Bank

### Key Facts

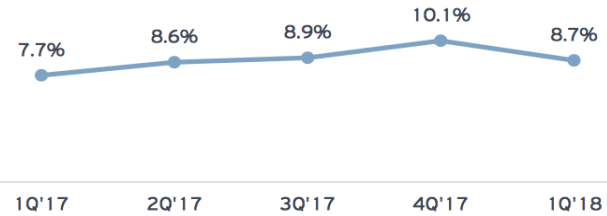
- **Business Type:** Digital Banking
- **Founded:** 2006 **Year of investment:** 2007
- **Ownership Stake:** 1.6%
- **Key region:** Russia



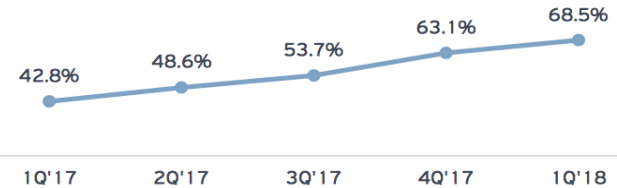
### NET INCOME



### RETURN ON ASSETS



### RETURN ON EQUITY

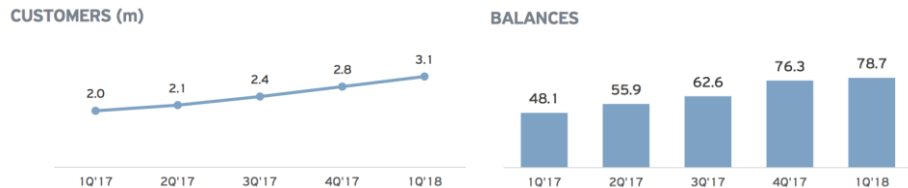


■ A net income of ₪5.7bn in 1Q'18 represents a 70% growth y-o-y

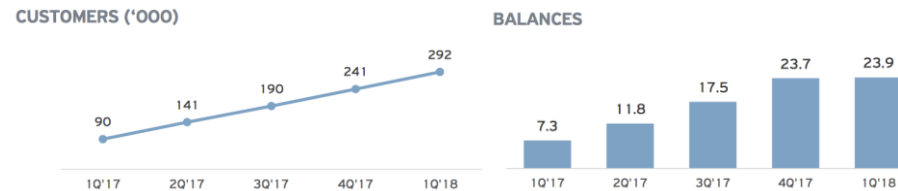
■ Our 1Q'18 ROE of 68.5% was also boosted by a IFRS 9 transition effect

## Value coming through in New Business Lines

### Current Accounts

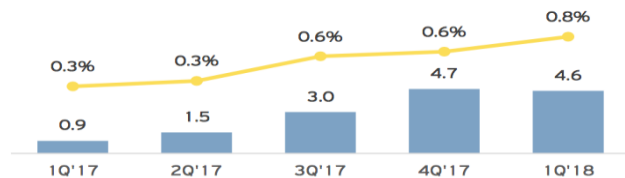


### SME

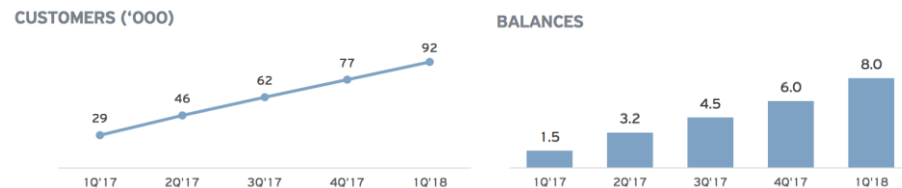


### Mortgages

#### VOLUME ORIGINATED AND MARKET SHARE

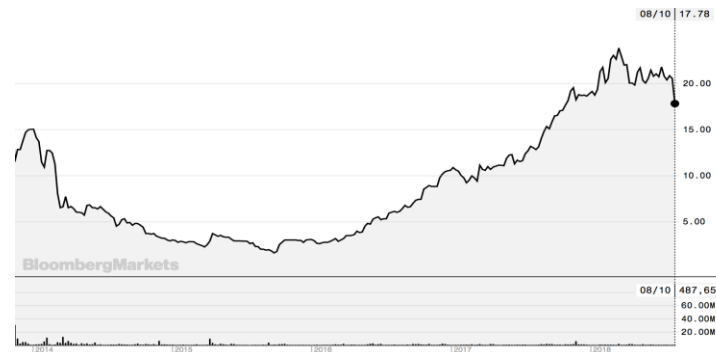


### Investments



## Sold down in Various Tranches:

- 2017 – Sold 2.3m shares, avg price \$16.81 (range \$11.47-\$20.10), yielding \$33.9m.
- 2018 – Sold 1.3m shares, avg net price \$20.47 (range \$19.94-\$22.00), yielding \$26.7m.



## Summary of TCS position:

- H1 2017 – 6.38m shares (100%)
- Sold – 3.6m shares (57%)
- Today we hold – 2.8m shares (43%)

## Tinkoff – Our First Exit

|                                     |             |
|-------------------------------------|-------------|
| Cost of position                    | USD 10.8 mn |
| Total proceeds from exited position | USD 63.8 mn |
| Date entered position               | 09/06/2015  |
| Date exited last shares             | 02/07/2018  |
| Years in position                   | 3.06        |
| IRR                                 | 79%         |
| CoC return                          | 5.9x        |

**Key Facts**

- **Type:** Personal finance management
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 10.9%
- **Key region:** Brazil



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

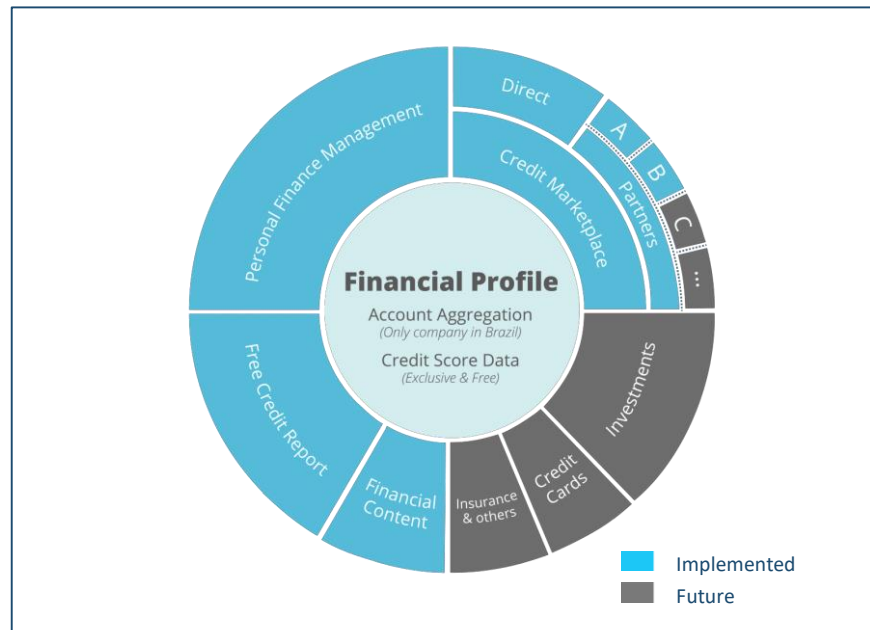
Have 3.5mn customers today of which more than 2.4mn have linked their bank data to GuiaBolso.

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.



# Creditas

## Key Facts

- **Type:** Secured consumer lending
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 10.0%
- **Key region:** Brazil



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

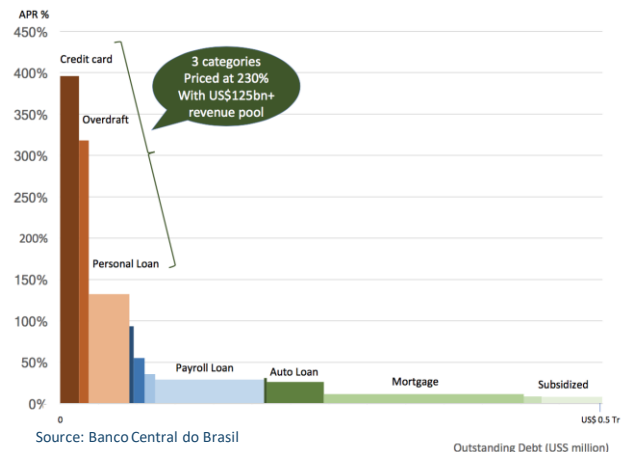
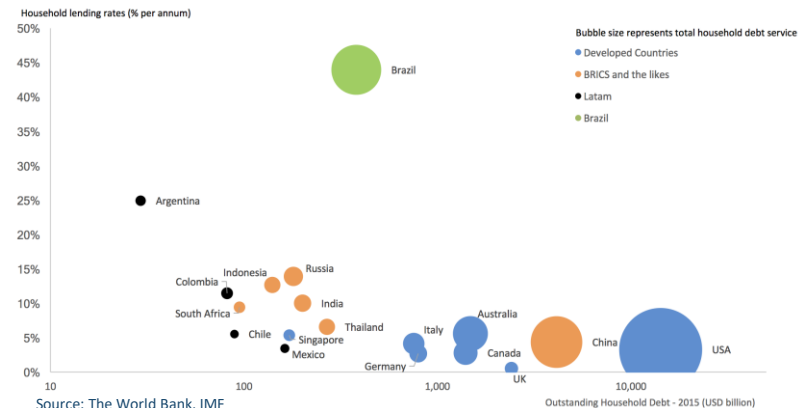
70% of homes and cars in Brazil are owned debt-free. Creditas allows consumers to use these assets to reduce high borrowing costs.

4

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

5

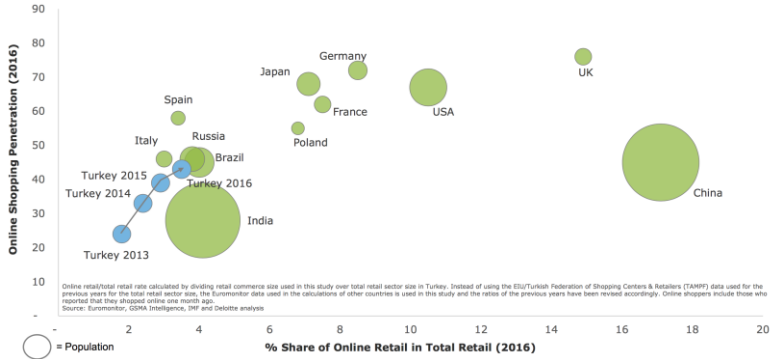
Strong management team of former consultants, founders and experience in secured lending credit businesses.



Key Facts

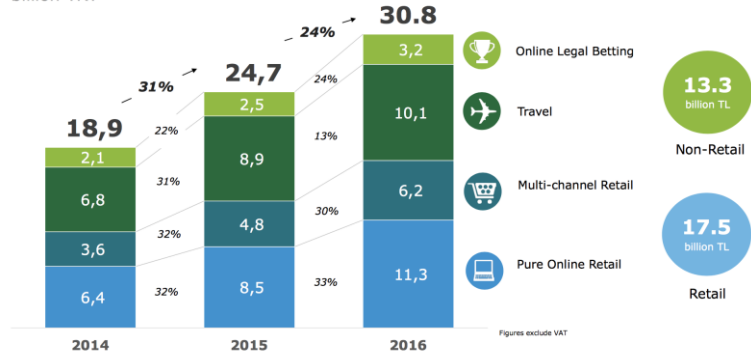
- **Type:** Payment Processor
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 20.1%
- **Key region:** Turkey

### E-Commerce Ecosystem and Scope (2016)



### E-Commerce Market Size in Turkey

billion TRY



- 1 Leading payment solutions provider for online retailers in Turkey.
- 2 Has over 18k live merchants and 325k seller accounts under marketplaces.
- 3 Turkey is the largest consumer card market in Europe yet remains under-penetrated in the rapidly growing online payments space.
- 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 Facts

- **Type:** Digital SME Lending
- **Founded:** 2014 **Year of investment:** 2018
- **Ownership Stake:** 11.7%
- **Key region:** Mexico



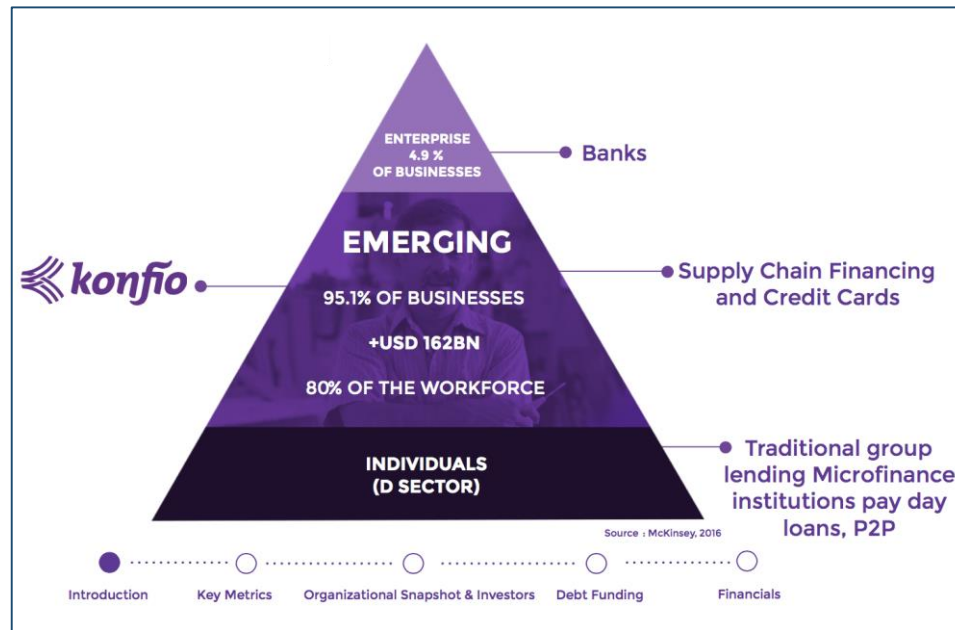
**1** A Mexican digital-first unsecured lending platform, with a mission to support the growth of Mexico's vast and underserved small business community.

**2** Mexico is Latin America's 2nd largest market with a population of 127mn (number 10 globally) and over 7mn SMEs.

**3** Within the Mexican SME credit space, Konfio focuses on the top end credit of the small business segment which is viewed as a USD 45bn opportunity.

**4** Konfio leverages tech, big data and recent Mexican fiscal control to offer loans to creditworthy customers historically underserved by traditional banks.

**5** Excellent founder and top management team with some of the strongest VCs in LatAm supporting their success.



## REVO

### Key Facts

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



1

Works with Russia's online 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.

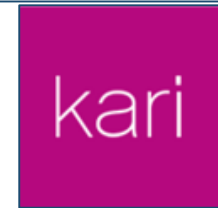
4

Customer data leveraged for direct marketing, promotion and loyalty programs.

5

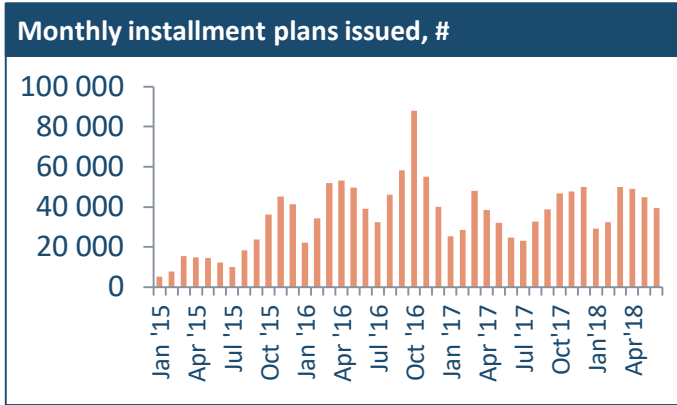
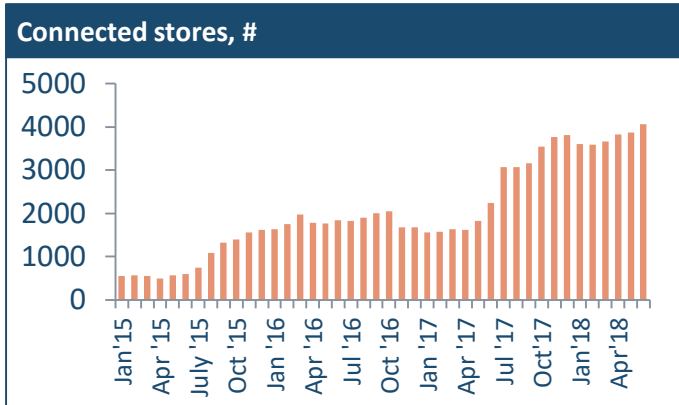
Similar to offline pay-later solutions in Turkey/Brazil and online solution of Affirm/Bread (US).

### Key Merchant Partners





| Metrics                                    | June 2015 | June 2016 | June 2017 | June 2018 |
|--|-----------|-----------|-----------|-----------|
| No. of active stores                       | 560       | 1,773     | 2,229     | 4,055     |
| No. of installments granted                | 12,185    | 39,183    | 24,885    | 39,359    |
| Avg. installment plan (Rub)                | 3,441     | 4,086     | 4,718     | 5,690     |
| Avg. duration of installment plan (months) | 4.6       | 4.8       | 4.6       | 4.9       |



# JUMO

Key  
Facts

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

- 1

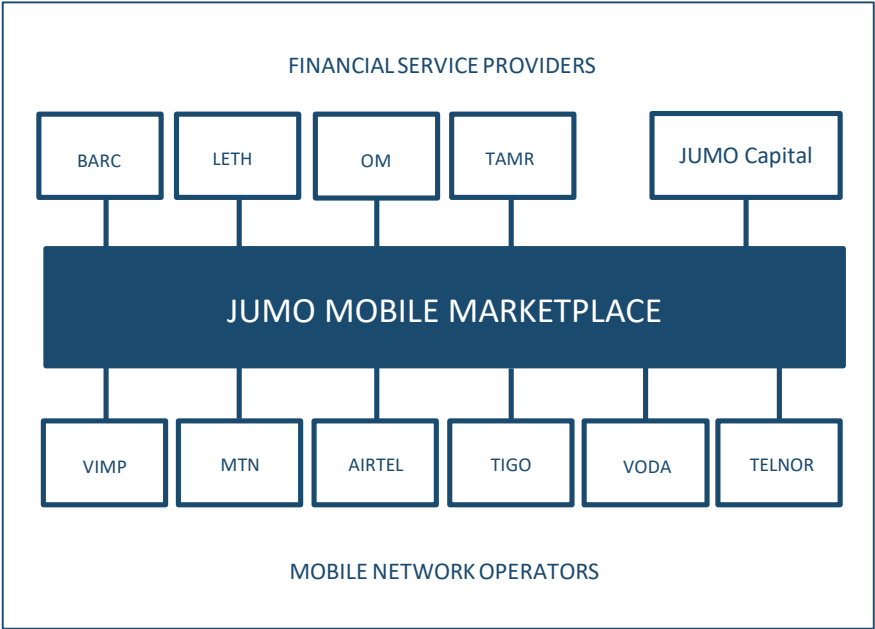
Largest-scale, low-cost, financial services platform for emerging markets.
- 2

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

Over 7.7mn unique customers to date with 2mn 90 day active. For 80% of our customers it is their first interaction with formal financial services.
- 5

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



## Key Facts

- **Type:** Cross Border Remittances
- **Founded:** 2012 **Year of investment:** 2016
- **Ownership Stake:** 17.5%
- **Key region:** EU



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.

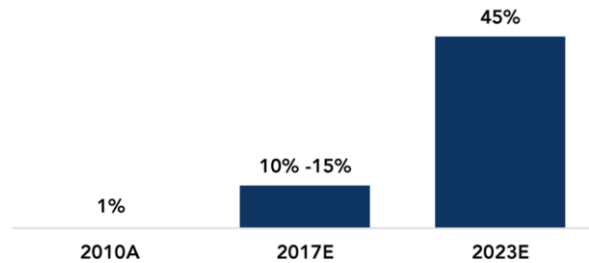
4

Deep bank integration facilitates fastest guaranteed settlement times amongst peers.

5

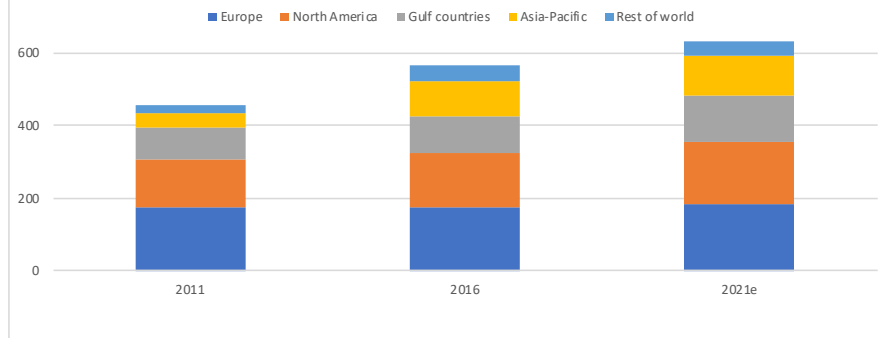
Global remittance volumes totaling \$600bn annually and digital growing share.

## Digital Percentage of Money Transfers



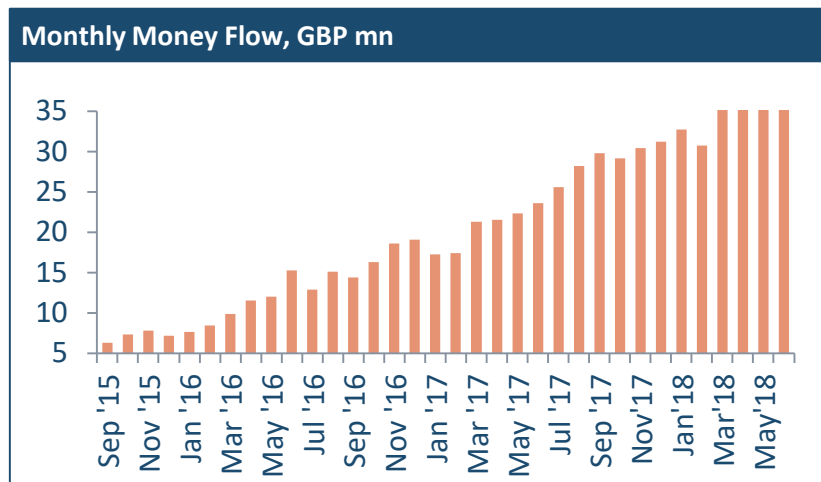
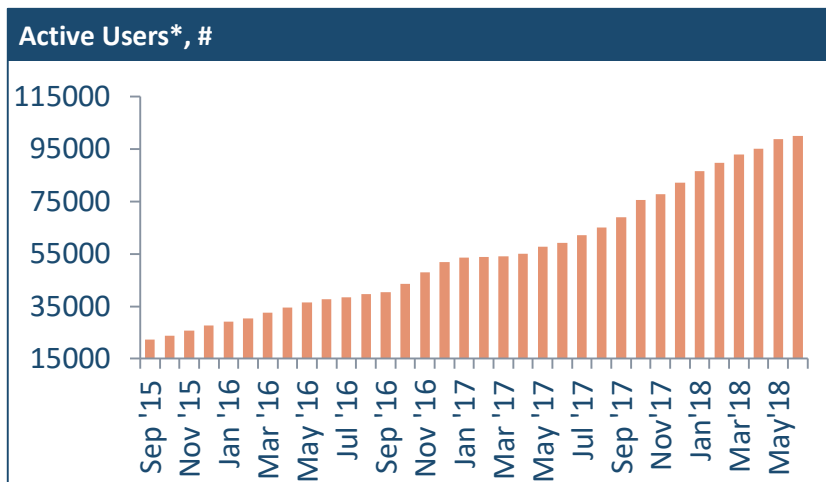
Source: FT Partners

## Remittance market size, by region of money sent (\$bn)



Source: World Bank

| Metrics                | June 2016 | June 2017 | June 2018 |
|------------------------|-----------|-----------|-----------|
| No. of active users*   | 37,645    | 59,253    | 100,124   |
| Money flow (GBP mn)    | 15.3      | 23.6      | 39.7      |
| Avg. ticket size (GBP) | 370       | 370       | 364       |

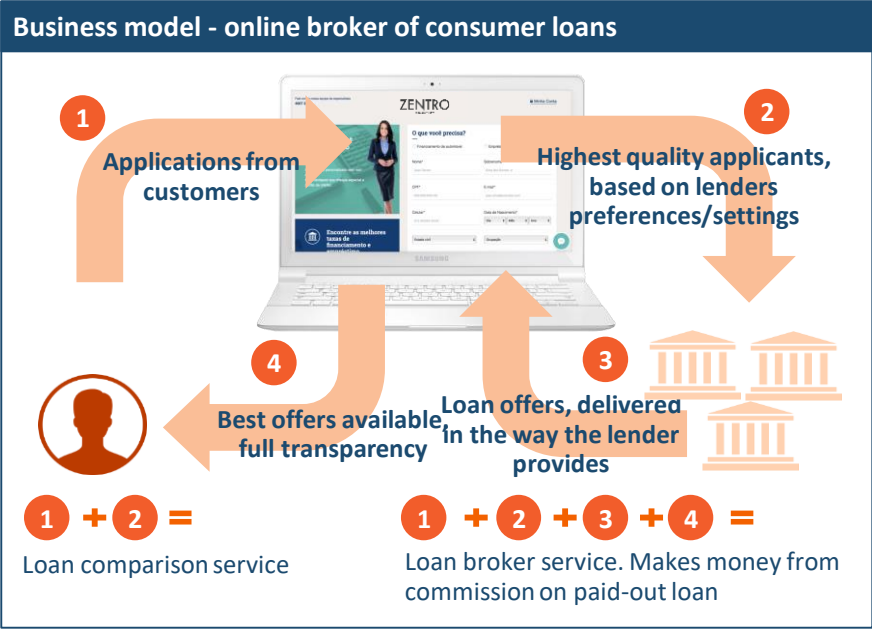


# FinanZero

Key Facts

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

- 1
 Pioneering digital 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.



# Nibo

## Key Facts

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



1

Leading Brazilian accounting SaaS provider for SMBs and accountants

2

Has over 21k paying SMBs serviced through 1k accountant customers

3

Large addressable market of +10mn SMBs with a regulatory requirement to employ accounting services in Brazil and ~ 100,000 accountants

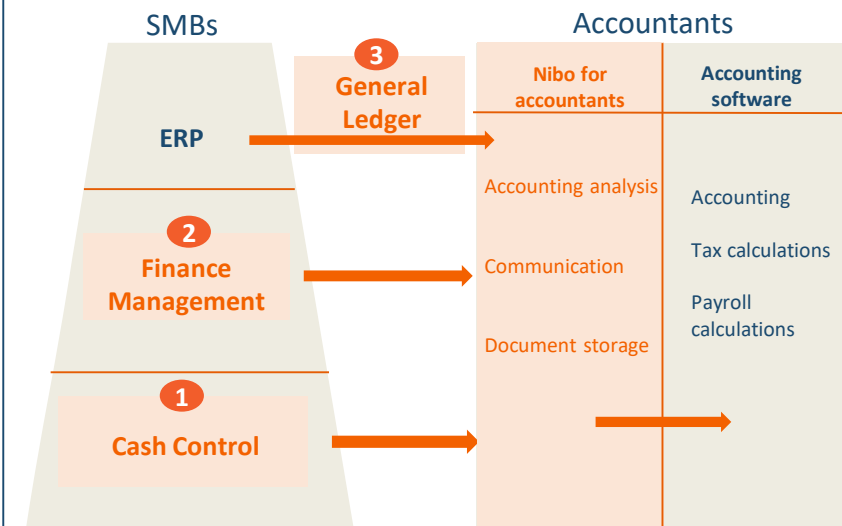
4

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 world's most complex tax and accounting market regulations in the world

## Nibo SaaS dashboard



## Magnetis

### Key Facts

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



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

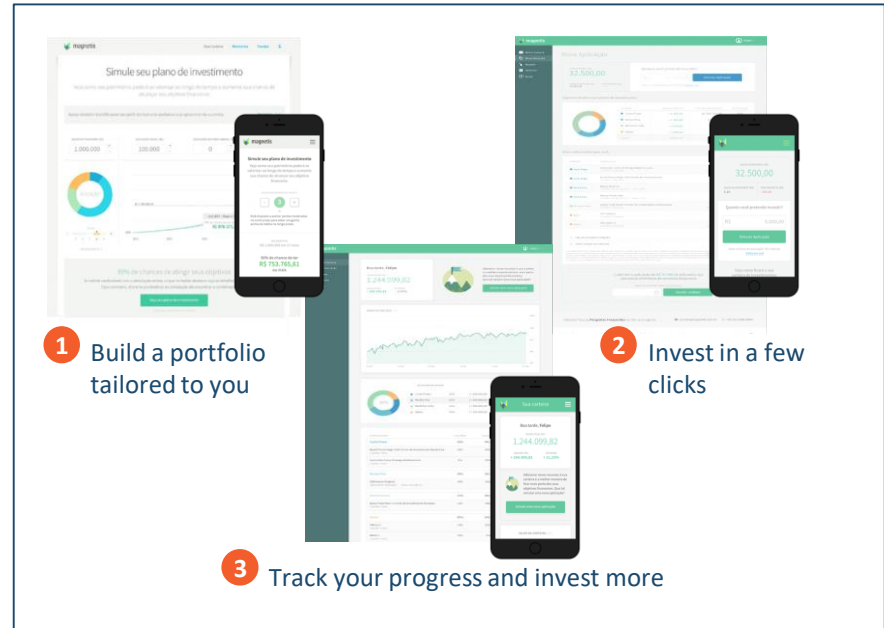
Addresses challenges faced by Brazilians to access minimum insured returns, because bank deposit savings rates are capped below this level.

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.



## Key Facts

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



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.

3

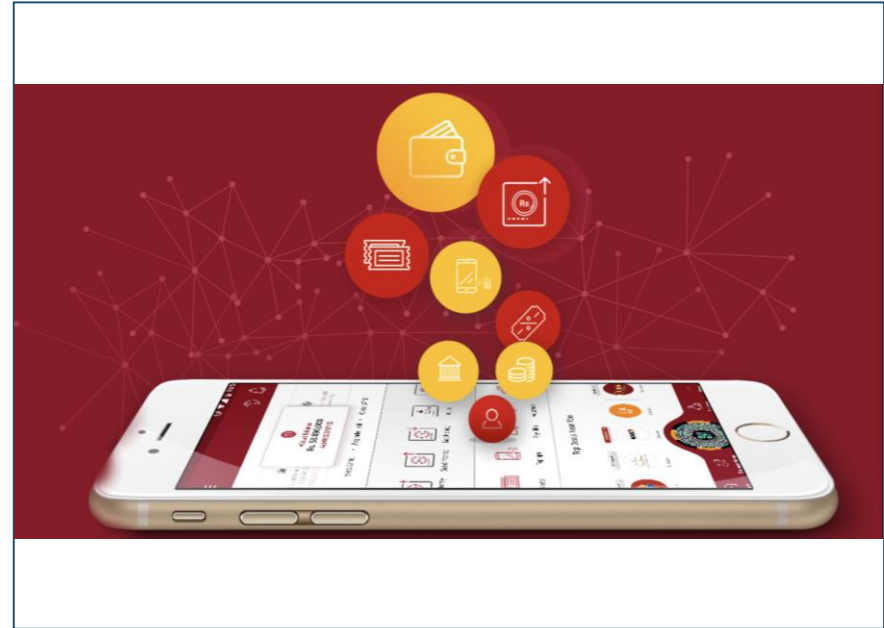
Payments freemium model at its base, credit, payroll and other financial add-ons to drive customer value and revenues.

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.







>EF  
Vostok Emerging Finance

---

# Outlook and Guidance 2018

---

---

# Opportunities and Outlook for 2018

## Strong portfolio

Strong portfolio of 12 holdings diversified across multiple scale geographies and lines of financial services.

---

## Of note ...

Tinkoff is a big win and exit for us. We have also seen mark-up in valuation in a number of other portfolio holdings.

---

## EMEA and Latin America

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

---

## Cash is King

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

---

## Well positioned

The long term structural opportunity remains sizeable despite a rise in macro concerns across parts of the emerging world in 2018.