



>EF
Vostok Emerging Finance

2Q19 Results Presentation

2019 Highlights

2 Portfolio Exits in 2019: Tinkoff & iyzico

- Tinkoff Bank: 6.1x CoC return and 65% IRR
- iyzico: 3.1x CoC return and 63% IRR

Creditas: Recent investment round led by SoftBank

- Our largest portfolio company, Creditas, recently raised a USD 231 mln Series D investment round led by SoftBank.

Brazilian Fintech: A growing focal point of our investment thesis

- Brazil is the most exciting fintech market globally. VEF is one of the best plays on this theme, with 5 investments and over half of our NAV focused here.

NAV and Share Price Performance

- NAV is up **18.5%** YTD
- Share price is up **48.6%** YTD

2Q19 Financial Highlights

Net asset value

- NAV of VEF's portfolio increased by 17% during the quarter to USD 238.7 mln or USD 0.37 per share.
- In local currency, NAV was SEK 2,212 mln and SEK 3.41 per share.
- Cash position at the end of 2Q19 was USD 25.2 mln pre-iyzico fund flows.

Financial result

- Net result for 2Q19 was USD 35.5 mln (2Q18: USD 7.9 mln). EPS were USD 0.05 (2Q18: USD 0.01).
- Net result for 1H19 was USD 37.1 mln (1H18: 20.9 mln). EPS were USD 0.06 (1H18: 0.03).

	June 30, 2018	Dec 31, 2018	June 30, 2019
Net asset value (USD mln)	220.16	201.42	238.67
Net asset value (SEK mln)	1,973	1,806	2,212
Net asset value per share (SEK)	2.98	2.78	3.41
VEMF SDB share price (SEK)	2.01	1.75	2.50

2Q19 Income Statement

Expressed in USD thousands	Jan 1, 2019– Jun 30, 2019	Jan 1, 2018– Jun 30, 2018	Apr 1, 2019– Jun 30, 2019	Apr 1, 2018– Jun 30, 2018
Result from financial assets at fair value through profit or loss ¹	39,934	21,976	37,836	7,771
Dividend and coupon income	251	1,887	97	1,780
Total operating profit	40,185	23,863	37,933	9,551
Operating expenses				
General administrative expenses	-1,946	-1,935	-1,446	-877
Employee incentive programs	-1,101	-909	-861	-647
Total operating expenses	-3,047	-2,844	-2,307	-1,524
Operating result	37,138	21,019	35,626	8,027
Financial income and expenses				
Currency exchange gains/losses, net	170	-76	115	-83
Net financial items	170	-76	115	-83
Result before tax	37,308	20,943	35,741	7,944
Taxation	-245	-10	-240	-10
Net result for the period	37,063	20,933	35,501	7,934

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.

2Q19 Balance Sheet

Expressed in USD thousands	Jun 30, 2019	Dec 31, 2018
NON-CURRENT ASSETS		
Tangible non-current assets		
Property, plant and equipment	124	146
Total tangible non-current assets	124	146
Financial non-current assets		
Financial assets at fair value through profit or loss		
Equity financial assets	218,248	152,002
Liquid financial assets	13,077	44,896
Other financial assets	16	18
Total financial non-current assets	231,341	196,916
CURRENT ASSETS		
Cash and cash equivalents	12,091	5,479
Tax receivables	46	23
Other current receivables	271	101
Total current assets	12,408	5,603
TOTAL ASSETS	243,873	202,665
SHAREHOLDERS' EQUITY (including net result for the financial period)	238,670	201,422
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Other current liabilities	4,868	163
Tax expenses	–	–
Accrued expenses	335	1,080
Total current liabilities	5,203	1,243
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	243,873	202,665



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VEF Business Overview and Update

VEF – Emerging Markets Fintech Investors

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. We are active and supportive shareholders.

Private equity access vehicle

VEF is structured as a listed investment company while our mandate is to invest in emerging private companies. Permanent capital is a unique positive given our mandate.

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

Credit

Consumer
SME
P2P
Credit Scoring

Payments

Offline
Online
Mobile
Remittances

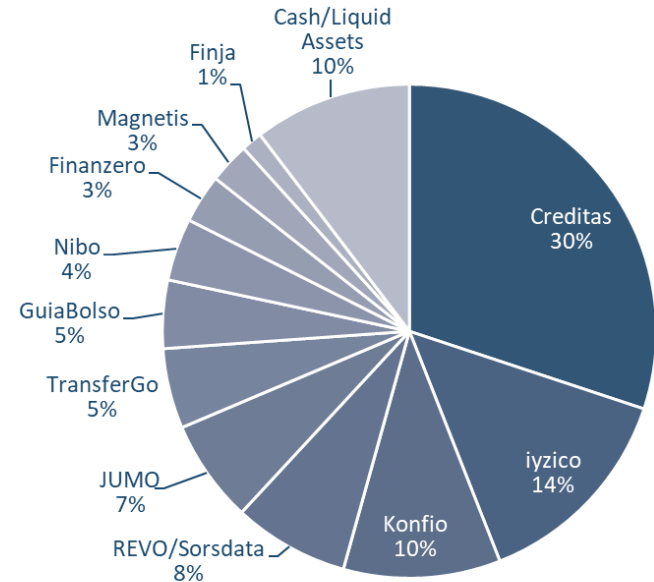
Other Fintech

Accounting SaaS
Wealth Management
Digital Banks
Mobile Wallets
Comparison Websites
Personal Finance Managers
Insurance

Portfolio Commentary

As at June 30th, 2019

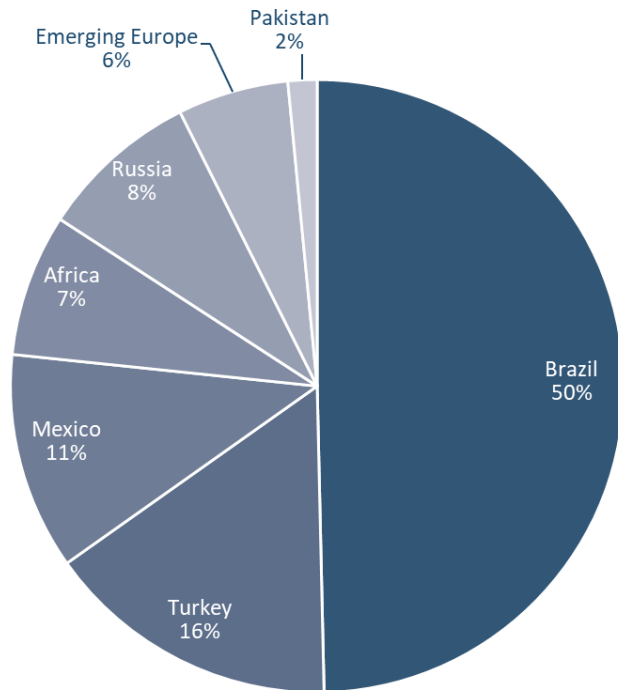
- There were 11 holdings in the portfolio, diversified by geography, business type and stage of development.
- Exits – Completed/announced exits of Tinkoff & iyzico in 1H19, both yielding 60%+ IRRs each.
- Creditas and Konfio are starting to emerge as the relative size portfolio champions with most likely impact on NAV evolution going forward.
- USD 25.2 mln capital position pre-fund flows from iyzico sale.
- Pipeline remains healthy and our options and opportunities to continue to deploy capital in a value accretive way are very clear.














VEF Portfolio as at June 30th, 2019.

NAV: USD 238.7 mln

Portfolio NAV Distribution by Geography (ex cash)



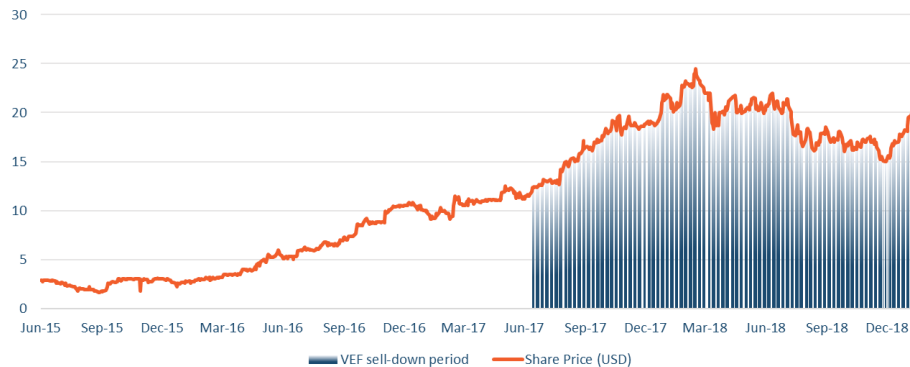
VEF Portfolio

Company	Geography	Business Type	% Ownership	Invested Amount (USD mln)	Jun'19 Fair Value (USD mln)	Investment Date
 creditas	Brazil	Secured Lending Platform	9.7%	48.5	73.2	Dec-17
 iyzico	Turkey	Payment Processing	21.1%	11.0	33.9	Jan-17
 konfio	Mexico	SME Lending	11.7%	25.0	25.0	Jun-18
 pebc+	Russia	Payments & Consumer Credit	25.0%	8.8	18.4	Sep-15
 JUMO	Africa	Mobile Money Marketplace	6.8%	14.6	16.4	Oct-15
 transferGo	Emerging Europe	Cross-Border Remittances	16.2%	8.9	12.8	Jun-16
 Guiabolso	Brazil	Personal Finance Management	10.9%	30.0	10.9	Oct-17
 nibo	Brazil	Accounting SaaS	20.1%	5.3	10.0	Apr-17
 FinanZero	Brazil	Consumer Credit Marketplace	18.0%	2.7	7.8	Mar-16
 magnetis	Brazil	Digital Investment Advisor	16.9%	3.7	6.5	Sep-17
 FINJA	Pakistan	Mobile Wallet	20.4%	2.0	3.3	Jul-16
>EF Vostok Emerging Finance					218.2	

Tinkoff Exit – 65% IRR

Return on Investment	
Cost of position (USD mln)	19
Total proceeds (USD mln)	116.8
Date entered position	Jun-15
Date exited position	Feb-19
Years in position	3.6
IRR	65%
CoC return	6.1x

TCS Share Price History (USD)



Tinkoff – Russia’s largest digital bank

Exit Rationale

1. A publicly listed security

We are focused on investing in the private space, providing access for shareholders to the fast-growth EM fintech space they cannot otherwise access, so the public holding was always short-to-medium term in nature.

2. Significant return on capital

The return on the position had gone significantly north of our benchmark goals at a time when public markets have entered volatile territory.

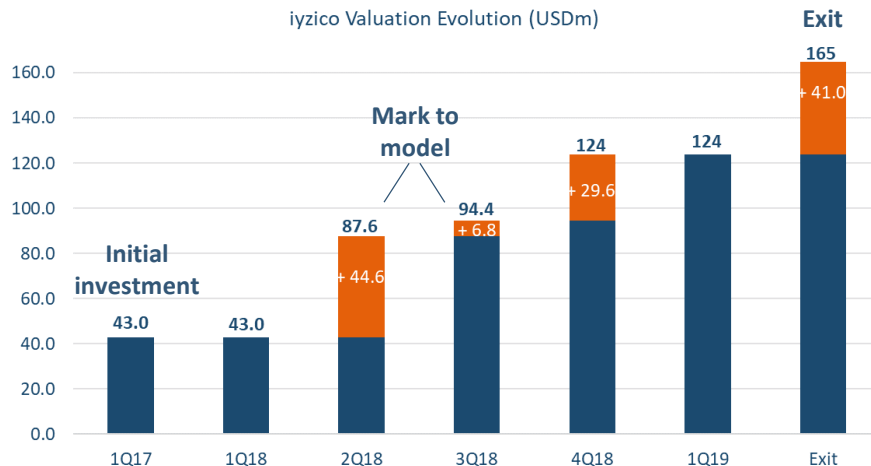
3. Allocation of capital

We look at Tinkoff and compare it to our alternatives – 1) putting more money into our current portfolio companies, 2) investing in new companies and 3) buying back our own shares in the market. It is a good time for us to have a strong capital position to work with.

iyzico Exit – 63% IRR

Return on Investment	
Cost of position (USD mln)	11
Total proceeds (USD mln)	33.9
Date entered position	Jan-17
Date exited position	Sep-19
Years in position	2.3
IRR	63%
CoC return	3.1

iyzico Valuation Evolution (USDm)



iyzico – Turkey’s leading online payments solution

Exit Rationale

1. Founders desire to sell

In general, we back great entrepreneurs and look to stay with them through to the point of their exit. In this instance, after much healthy board debate, the founders felt exiting was the right path. We saw the logic and were happy to back them on this decision.

2. Significant return on capital

The return on capital on the position is significant and comfortably north of our benchmark goals.

3. Turkey is a market, similar in many ways to Russia, that offers up fewer opportunities to exit quality assets versus others like Brazil or South Africa which have a more robust exit ecosystem through the cycle.



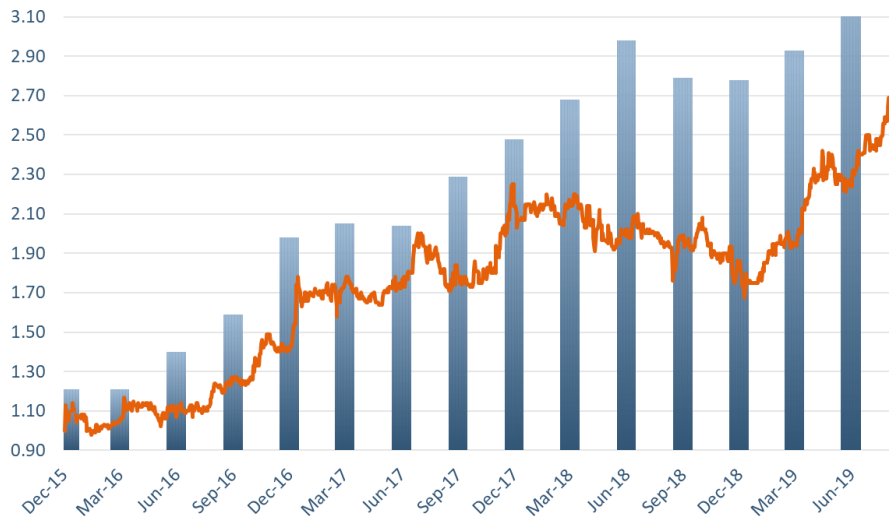
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VEF Shares and Corporate Governance

Share Price, NAV/Share and the Discount

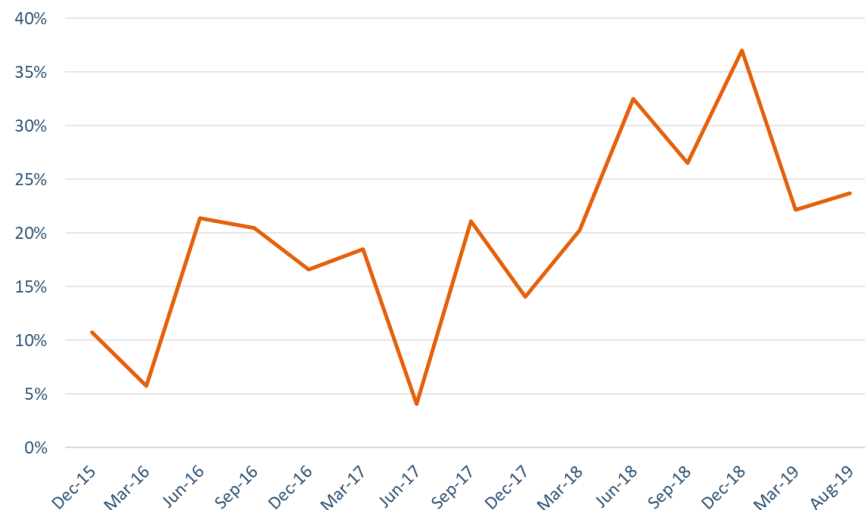
Share Price, NAV/share

NAV/Share (SEK) Share Price (SEK)



Discount to NAV

Discount to NAV (%)

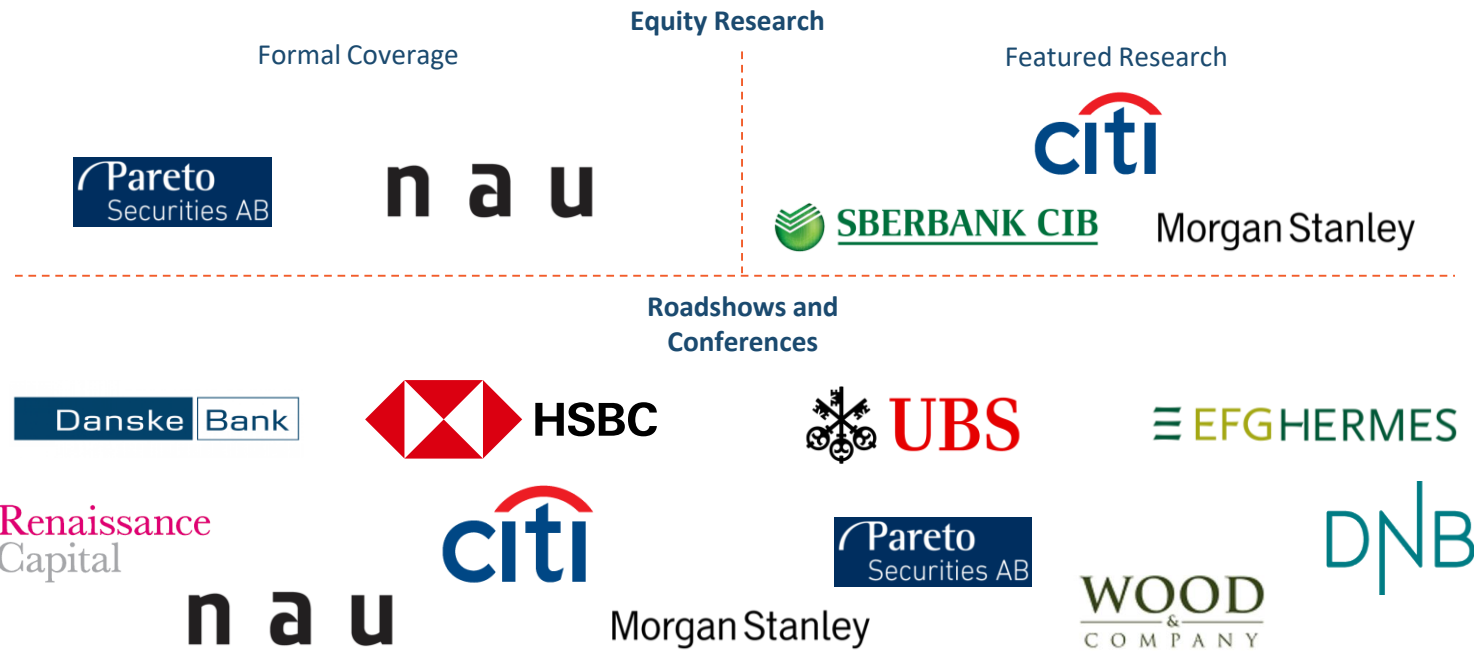


Date	Latest Share Price (SEK)	NAV / Share * (SEK)	Discount	NAV * (USD mln)	Market Cap (USD mln)
Aug 9, 2019	2.60	3.41	23.8%	238.7	180.1

* As at June 30, 2019

Our IR and Marketing Focus to Date

Investor marketing and conversion has been excellent, the story resonates and we have a growing following in the market. We continually have new smaller shareholders in the base while a number of size investors are looking for blocks.



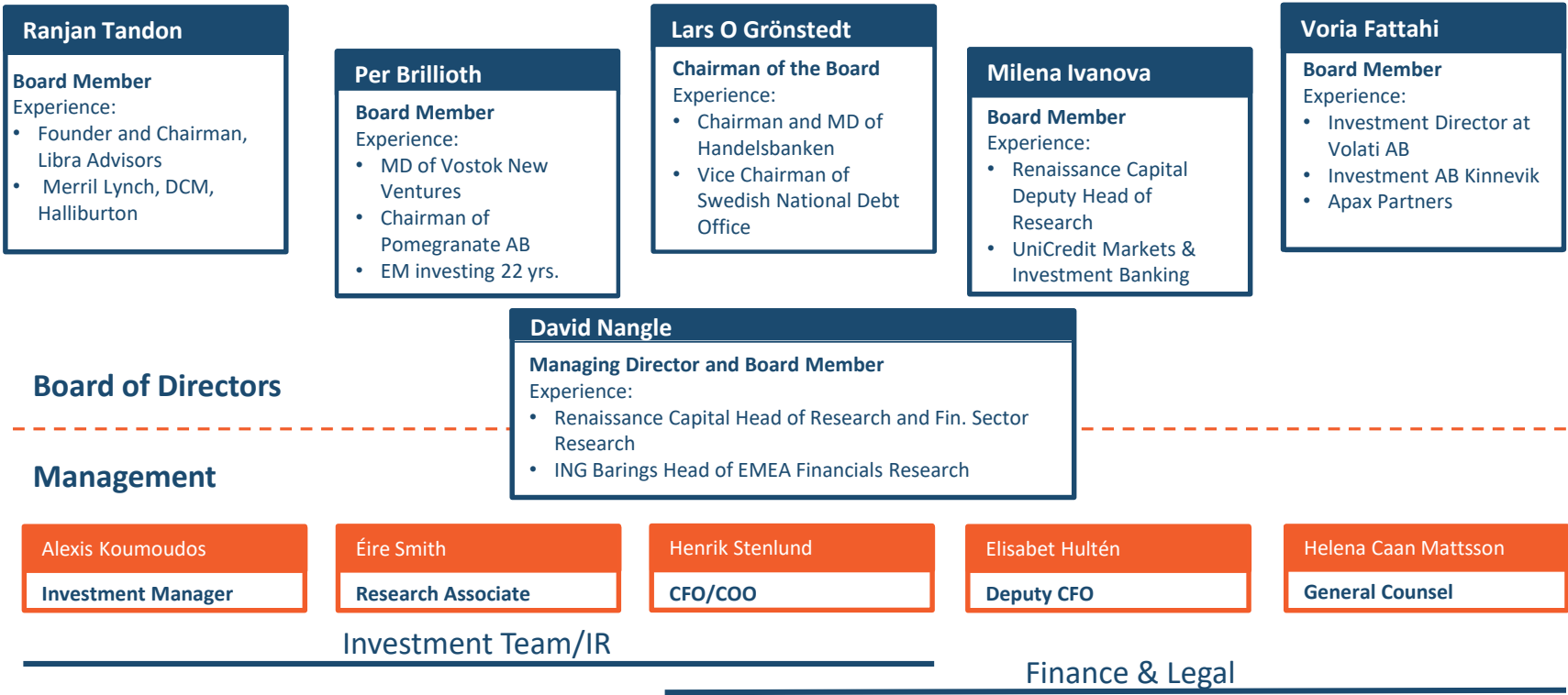
VEF Shareholder Structure

Owner	Holding, SDRs	Holding, %
Libra Fund*	161,110,674	24.4%
Ruane Cunniff & Goldfarb*	118,888,736	18.0%
Fidelity FIL	66,149,599	10.0%
Swedbank Robur Funds	57,674,245	8.7%
Wellington Management*	33,736,296	5.1%
Alecta Pension Insurance	33,500,000	5.1%
Bank Julius Baer & Co	18,354,000	2.8%
LGT Bank	18,011,000	2.7%
Handelsbanken Luxembourg	15,288,000	2.3%
Avanza Pension	9,157,076	1.4%
10 Largest Holders	531,869,626	80.4%
Other	129,626,369	19.6%
Total Shares	661,495,995	100.0%

*Holding as per the latest notification to the Company.

Based on Euroclear Sweden AB data and holdings known to the company. Including foreign nominees.

Governance Structure
















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Our Portfolio Companies

VEF Portfolio

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Creditas

Key Facts

- **Type:** Secured consumer lending
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 9.7%
- **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 USD 3 tln opportunity in Brazil where consumers face some of the highest interest rates in the world.

3

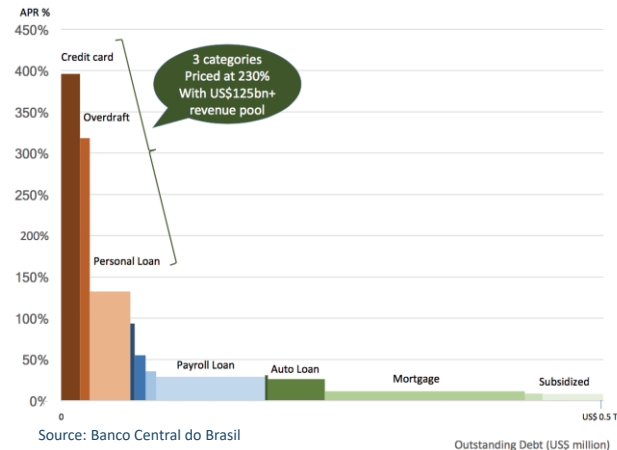
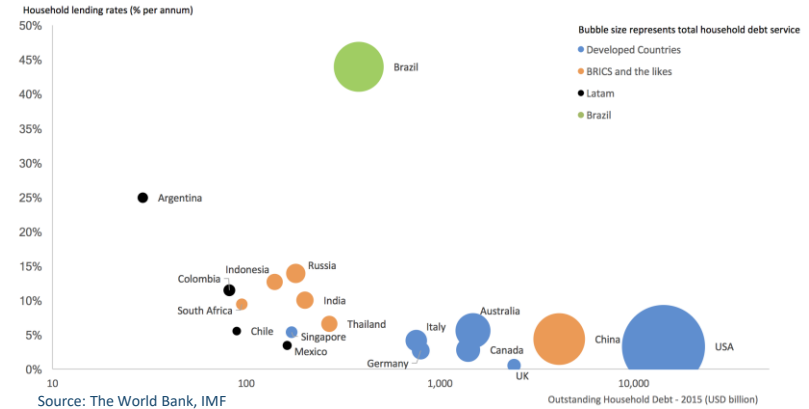
70% of homes and cars in Brazil are owned debt-free. Creditas allows consumers to use these assets to reduce high borrowing costs.

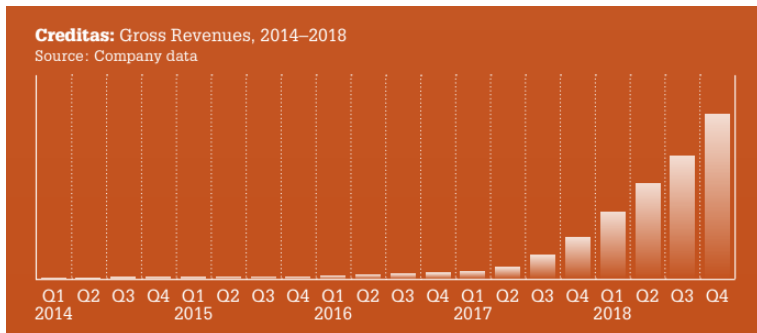
4

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.





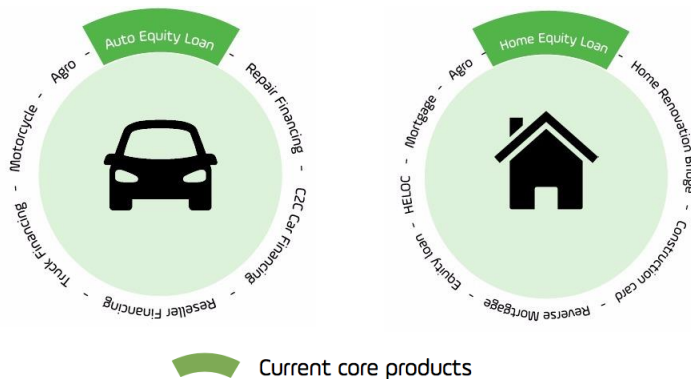
PagSeguro

NYSE’s Biggest IPO Since Snap Is \$2.3 Billion for Brazil Fintech

By [Felipe Marques](#)

24 January 2018, 12:28 GMT Updated on 24 January 2018, 16:42 GMT

- ▶ Payment processor PagSeguro priced its shares above range
- ▶ It's the largest IPO by a Brazilian company since 2011



XP Investimentos

MARKET NEWS MAY 12, 2017 / 2:39 AM / A YEAR AGO

Brazil's Itaú acquires 49.9 percent in XP Investimentos for \$2 billion

Reuters Staff

1 MIN READ



Key Facts

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



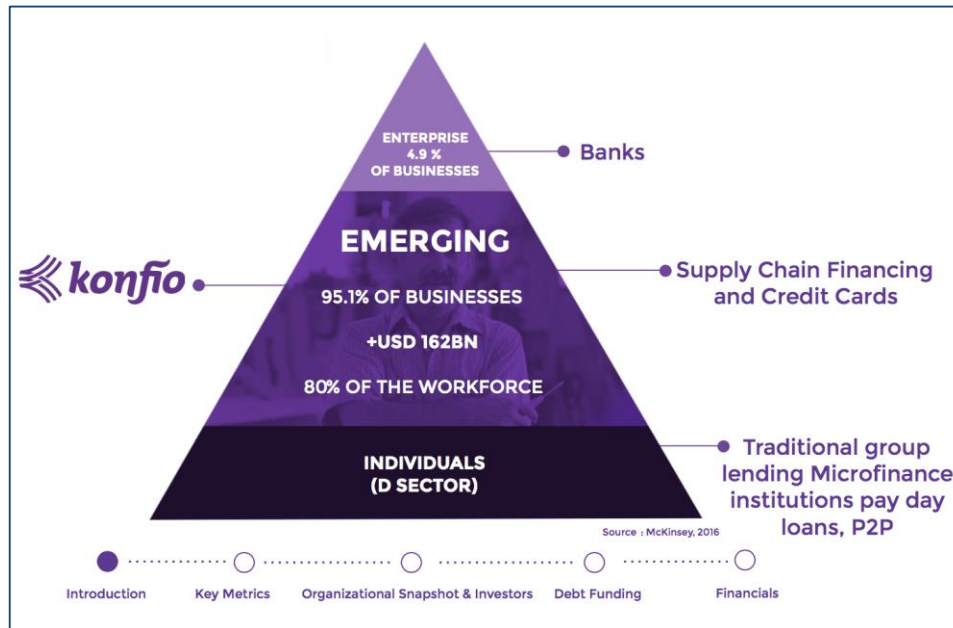
1 Konfio is a digital-first unsecured lending platform, with a mission to support the growth of Mexico's vast and underserved small business community.

2 Mexico is Latin America's 2nd largest market with a population of 127mln (number 10 globally) and over 7mln 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 45 bln 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

Revo provides financing options for leading merchants in Russia, allowing millions of shoppers to buy now and pay later.

2

Works with Russia's online and offline merchants to increase conversion and basket size, focused on small-ticket categories with USD 100 bln of annual sales and growing.

3

Transaction volumes grew more than 70% in 2018, with over 850 new stores also added to the platform.

4

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

5

Similar to offline pay-later solutions in Turkey/Brazil and online solution of Affirm and Klarna in the US and Europe.

Key Merchant Partners

AVON



INCITY



adidas



lamoda



Key Facts

- **Type:** Mobile Money Marketplace
- **Founded:** 2013 **Year of investment:** 2015
- **Ownership Stake:** 6.8%
- **Key region:** South Africa



1

Jumo is the largest and fastest-growing technology platform operating inclusive mobile financial services marketplaces in emerging markets.

2

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

3

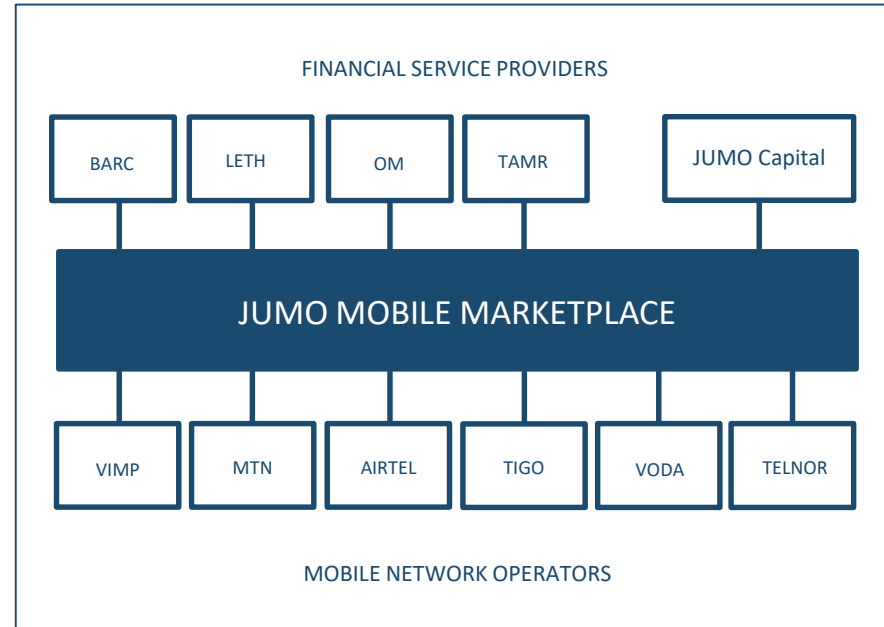
Integrates through MNOs with their client bases offering the product suite of FSPs through their marketplace.

4

Over 11.5mln unique customers to date with 4.4mln 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.



TransferGo



Key Facts

- **Type:** Cross Border Remittances
- **Founded:** 2012 **Year of investment:** 2016
- **Ownership Stake:** 16.2%
- **Key region:** EU



1

TransferGo is a rapidly-growing, 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 in the world.

3

High market share in key corridors resulting from focused approach to corridor roll-out.

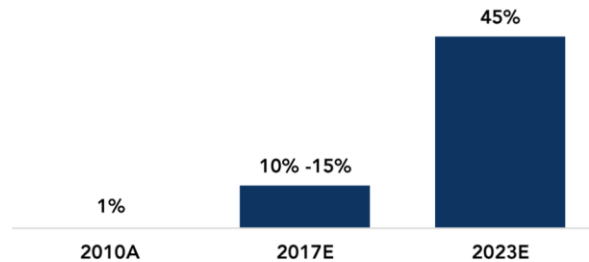
4

Deep bank integration facilitates the fastest guaranteed settlement times amongst peers.

5

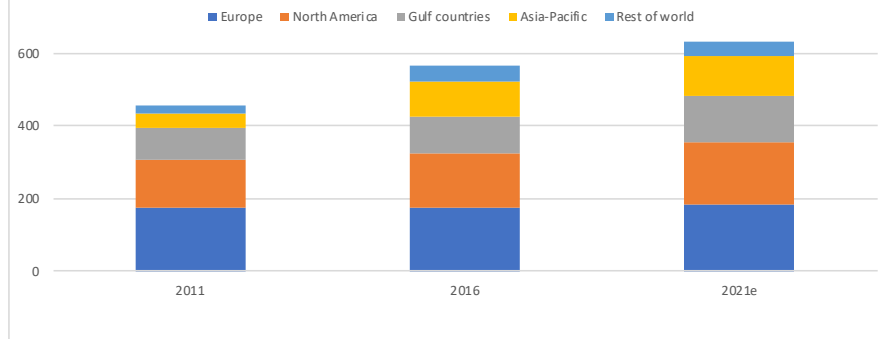
Global remittance volumes total USD 689 bln annually, with the share of digital money transfers growing rapidly.

Digital Percentage of Money Transfers

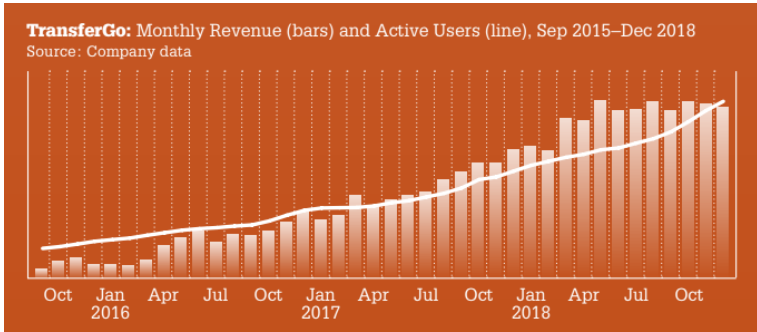


Source: FT Partners

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

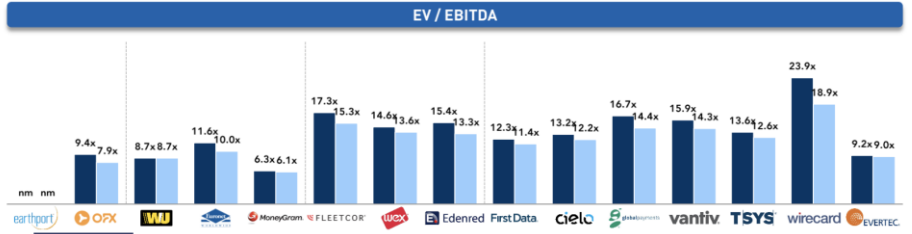
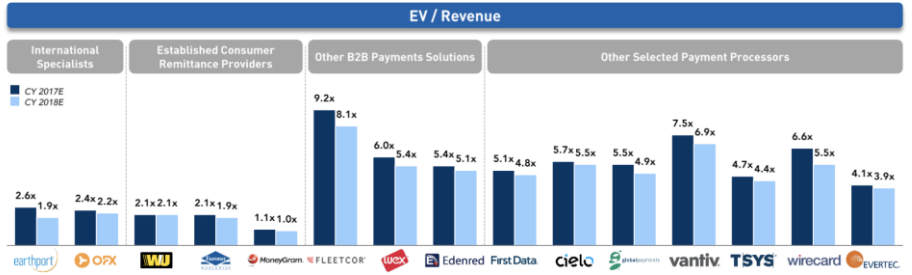
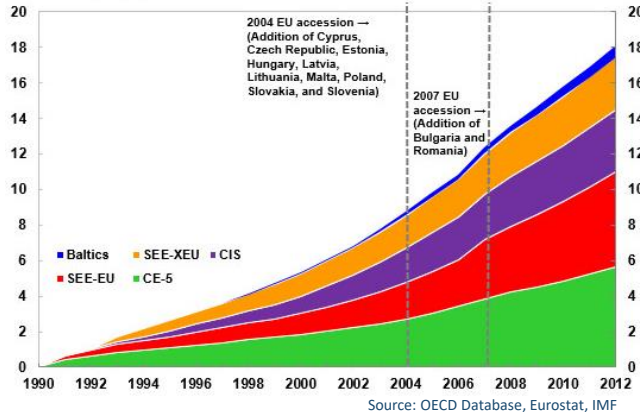


Source: World Bank



From East to West

Between 1990 and 2012, almost 20 million people left from Central, Eastern and Southeastern Europe.
 (millions of people)



Source: Wall Street Research, Reuters and Capital IQ, updated as of November 2, 2017.
 Note: nm signifies negative value or value of >50.

Guiabolso

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 to users.

3

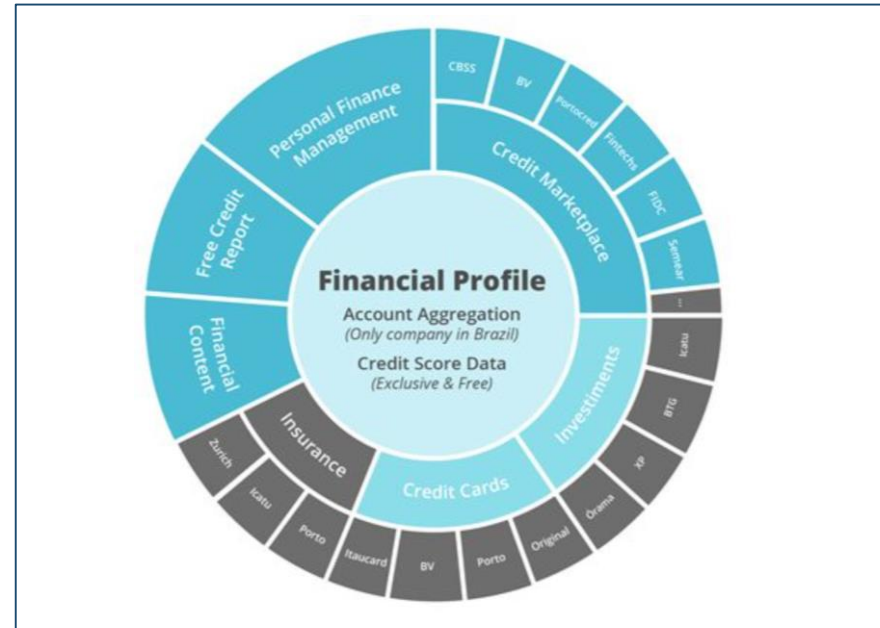
Have 5.3mln customers today of which more than 3.3mln have linked their bank data to Guiabolso.

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.



Nibo

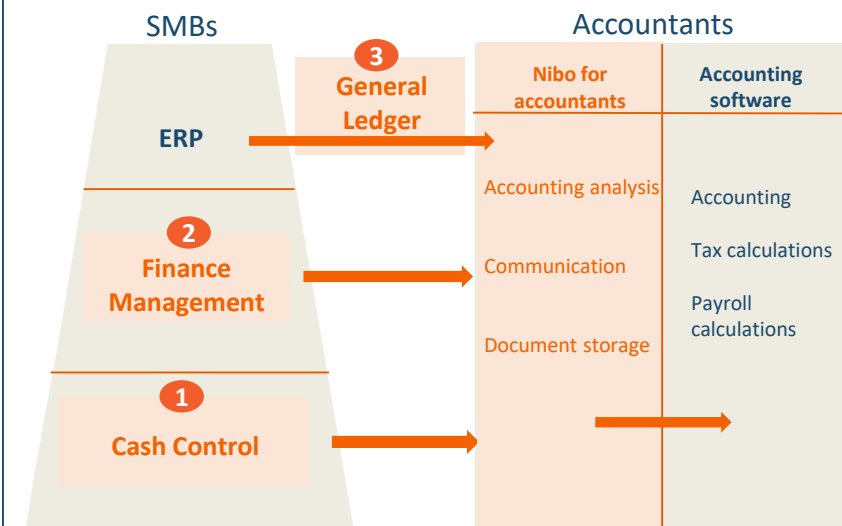
Key Facts

- **Type:** Accounting SaaS
- **Founded:** 2012 **Year of investment:** 2017
- **Ownership Stake:** 20.1%
- **Key region:** Brazil



- 1 Nibo is the leading Brazilian accounting SaaS provider for SMBs and accountants.
- 2 Has over 100k paying SMBs serviced through 1.9k accountant customers.
- 3 Large addressable market of +10mln SMBs with a regulatory requirement to employ accounting services in Brazil and ~100k 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



FinanZero

Key Facts

- **Type:** Consumer Loan Marketplace
- **Founded:** 2016 **Year of investment:** 2016
- **Ownership Stake:** 18.0%
- **Key region:** Brazil



1

FinanZero is a pioneering digital marketplace for consumer loans in Brazil.

2

Partnered with 35 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



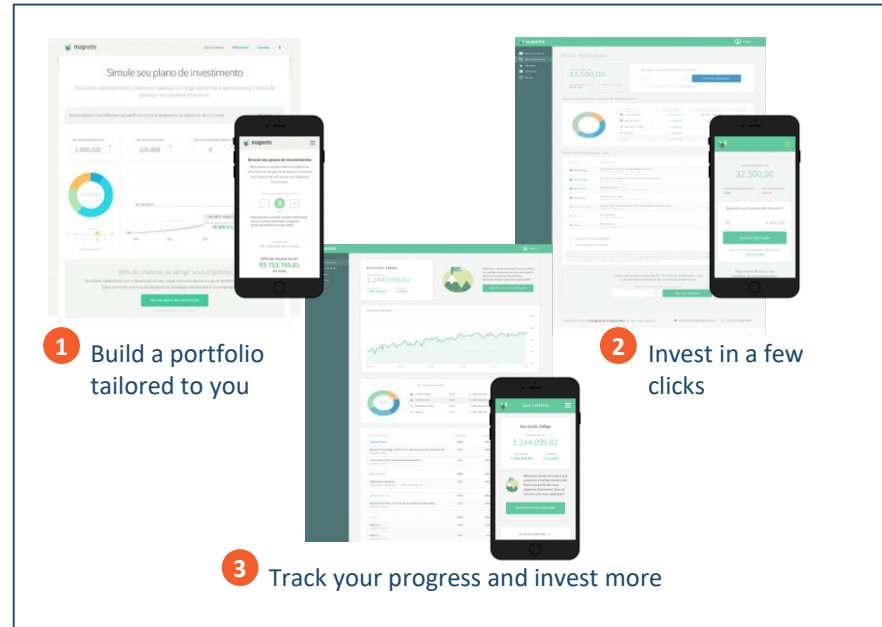
Magnetis

Key Facts

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



- 1 Magnetis is the leading Brazilian digital investment advisor, offering automated investment portfolios tailored to clients requirements.
- 2 Large addressable market of USD 720 bln (retail money invested across fixed income, funds and in savings accounts).
- 3 Addresses challenges faced by Brazilians to access minimum insured returns, as 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 in a space with limited competition.
- 5 Recently announced strategic partnership agreement with GPS Investimentos, a Julius Baer Group company, accompanied by a funding round.



Key Facts

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



1

Pakistan is a scale emerging market running behind India in fintech evolution, but is catching up.

2

Finja is a leading mobile wallet play in Pakistan, with both a merchant and consumer focus.

3

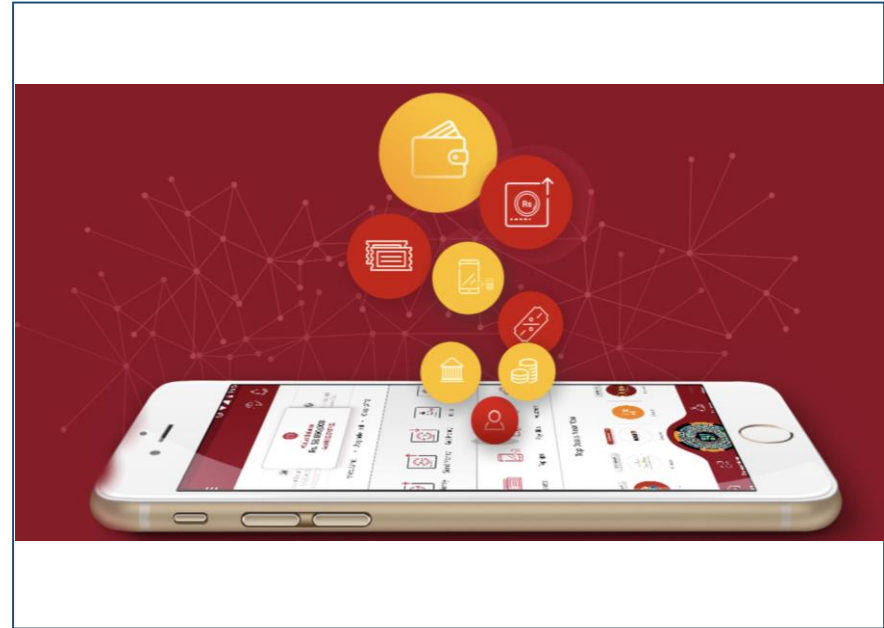
Payments freemium model at its base, credit, payroll and other financial add-ons to drive customer value and revenues.

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.





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Outlook and Guidance 2019

Outlook for 2019 and beyond

Exciting diversified portfolio

VEF has assembled an exciting and diversified fintech portfolio, with sizable holdings in some of the best fintech assets across the emerging world.

Exits and large funding rounds

2019 saw our first 2 portfolio exits: Tinkoff (Russia) and iyzico (Turkey), both generating 60%+ IRRs, while Softbank recently led a \$231mn mega funding round in portfolio favourite, Creditas (Brazil), putting it in a very strong position to win the secured credit opportunity in Brazil .

Brazil a growing focus

EMEA and Latin America are core regions of strength, while at a country level Brazil continues to be our EM market of choice, accounting for c. 50% of our NAV. We have strong belief in the future of scale frontier markets like Egypt and Pakistan. We continue to be patient with India.

NAV on the up, strong cash position

Since inception our NAV is up over 3x with our share price tracking it. Strong cash and near cash position leaves us well placed for new opportunities as well as supporting existing investments.

Well-positioned

We are more convinced than ever by the long-term structural growth story that is EM fintech, and VEF is extremely well-positioned for continued value creation.