



> EF
Vostok Emerging Finance

Results Presentation | Q2 2020

2Q20: Strong Quarter and Company Stress Test – More Clarity and Confidence in All

Q1

- COVID-19 presented a wide range of potential outcomes for 2020.
- Outlook was unclear - hence we planned for the worst while mapping out a broad range of scenarios.
- Focus on portfolio defence and securing/maintaining solid cash/capital positions.
- VEF and our portfolio companies were prepared and well-positioned for this stress test.
- 25% NAV haircut taken.

Q2

- Q2 was a more confident affair with more clarity and predictability, with more data points to hand.
- Portfolio delivery has been at the upper end of a range of forecasted scenarios, with Creditas, Juspay and TransferGo stand-out names in this regard.
- Company performance in June/July broadly back to January/February levels.
- 20% NAV recovery QoQ.

Bottom Line

- We are very encouraged by all we have seen in our portfolio through this window; our confidence is growing, while naturally we remain cautious and vigilant given top-down dynamics.

Fintech: The World Is Moving Faster Than Ever Towards a Digital Financial Future

Across the globe, customers are moving away from cash and substituting to plastic, are no longer queuing in bank branches and using digital alternatives instead, while ecommerce and digital payments have seen increased adoption.

The digitization of financial services has seen a **step-change and an acceleration of growth** through this window, in what was an already a secular trend towards a digital financial future.

We have experienced this trend across our focus markets, segments and portfolio companies alike. This crisis is **medium to long term positive for our investment thesis** and our investment mandate has become even more obvious.

2Q20 Financial Highlights and Key Developments

HIGHLIGHTS DURING THE QUARTER

- Strong performance by VEF's portfolio companies through this volatile window, led by Creditas, leading to a healthy quarterly recovery in USD NAV.
- During the second quarter VEF invested an additional USD 2.1 mln in TransferGo and USD 1.2 mln in Nibo, as part of broader funding rounds in the respective companies. Both investments were in the form of convertible loans.

NET ASSET VALUE

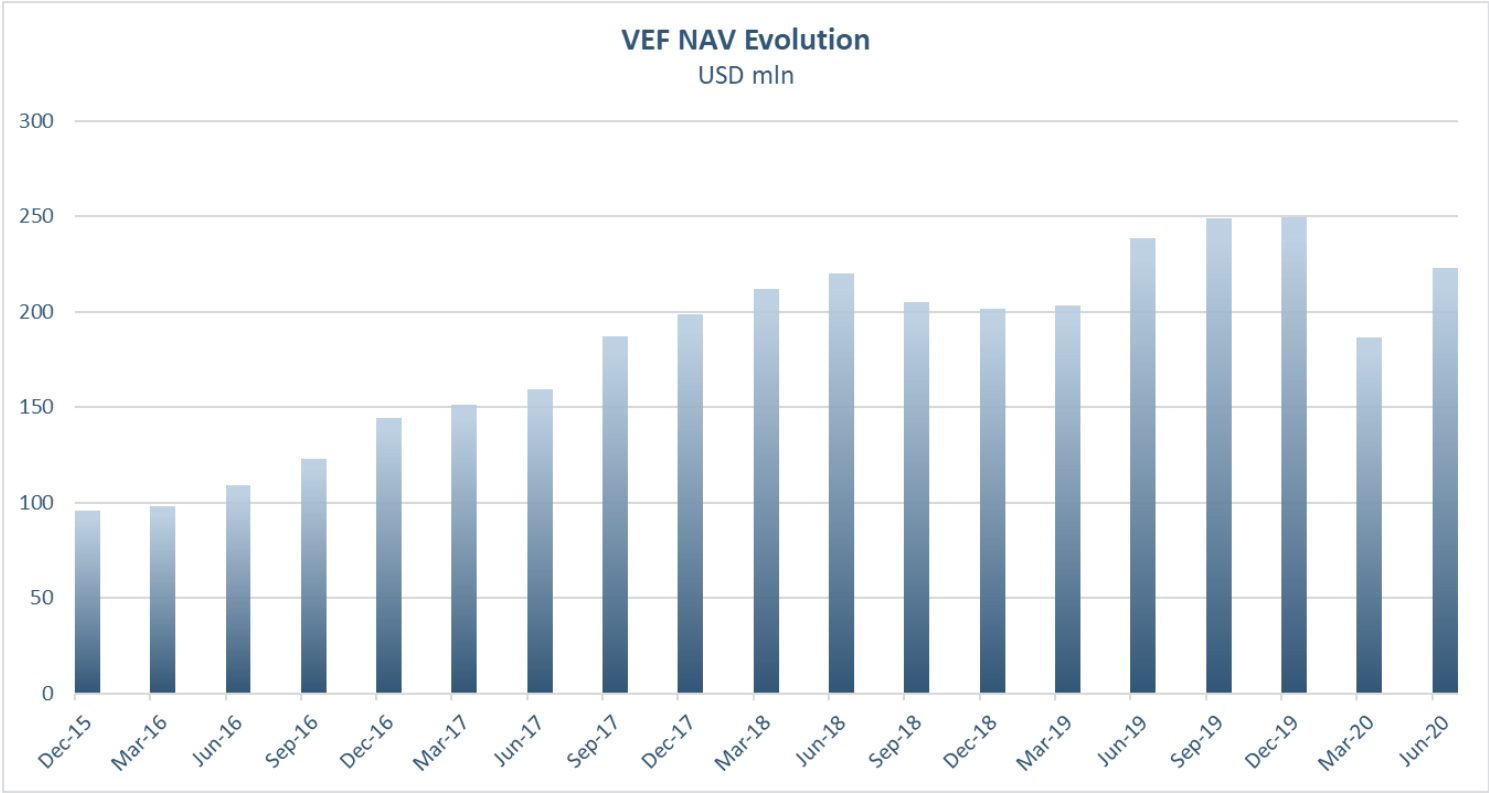
- NAV of VEF's portfolio increased by 19.7% during 2Q20 to USD 223.2 mln or USD 0.34 per share.
- In local currency, NAV increased by 11.0% to SEK 2,086 mln or SEK 3.15 per share.
- Cash position, including liquidity investments, at the end of 2Q20 was USD 20.6 mln.

FINANCIAL RESULT













- Net result for 2Q20 was USD 36.7 mln (2Q19: USD 35.5 mln). Earnings per share were USD 0.06 (2Q19: USD 0.05).
- Net result for 1H20 was USD -25.4 mln (1H19: USD 37.1 mln).
- Earnings per share were USD -0.04 (1H19: USD 0.06).

	YE 2018	Q2 2019	YE 2019	Q1 2020	Q2 2020
Net asset value (USD mln)	201.4	238.7	249.4	186.4	223.2
Net asset value (SEK mln)	1,806	2,212	2,325	1,879	2,086
Net asset value per share (SEK)	2.78	3.41	3.55	2.88	3.15
VEMF SDB share price (SEK)	1.75	2.50	2.94	1.985	2.14













NAV Evolution Since Inception



2Q20 NAV Evolution QoQ

Company	Geography	Fair Value (USD mln)		QoQ Change		Valuation Method
		1Q20	2Q20	(%)	(USD mln)	
 creditas	Brazil	50.4	80.7	60.3%	30.4	MTM
 konfio	Mexico	32.4	28.1	-13.2%	-4.3	Calibration Methodology
 transferGo	Emerging Europe	13.5	21.4	58.2%	7.9	MTM
 JUSPAY	India	13.0	13.0	-	-	Recent Transaction
 nibo	Brazil	7.0	11.3	60.5%	4.3	MTM
 pebc+	Russia	9.7	10.2	5.3%	0.5	MTM
 Guiabolso	Brazil	9.8	9.6	-1.6%	-0.2	MTM
 FinanZero	Brazil	5.4	7.6	39.5%	2.1	MTM
 JUMQ	Africa	9.0	7.5	-16.6%	-1.5	MTM
 magnetis	Brazil	5.7	6.6	16.7%	0.9	Calibration Methodology
 XERPA	Brazil	4.5	4.5	0.7%	0.0	Calibration Methodology
 FINJA	Pakistan	2.3	2.5	5.0%	0.1	MTM
Liquidity Investments		20.8	18.0	-13.4%	-2.8	
Cash		3.2	2.5	-19.2%	-0.6	
Total investment portfolio		186.7	223.6	19.8%	36.9	
Other net liabilities		-0.3	-0.4			
Total NAV		186.4	223.2	19.7%	36.8	

VEF Portfolio

Company	Geography	Business Type	Investment Date	% Ownership	Invested Amount (USD mln)	Jun'20 Fair Value (USD mln)	Dif. (%)	Dif. (USD mln)
 creditas	Brazil	Secured Lending Platform	Dec-17	9.6%	48.5	80.7	66%	32.2
 konfio	Mexico	SME Lending	Jun-18	11.4%	27.5	28.1	2.1%	0.6
 transferGo	Emerging Europe	Cross-Border Remittances	Jun-16	15.4%	11.0	21.4	94%	10.4
 JUSPAY	India	Digital Payments	Mar-20	9.9%	13.0	13.0	-	-
 nibo	Brazil	Accounting SaaS	Apr-17	20.1%	6.5	11.3	74%	4.8
 pebc+	Russia	Payments & Consumer Credit	Sep-15	25.0%	8.8	10.2	16%	1.4
 Guiabolso	Brazil	Personal Finance Management	Oct-17	10.9%	30.0	9.6	-68%	-20.4
 FinanZero	Brazil	Consumer Credit Marketplace	Mar-16	18.0%	2.7	7.6	184%	4.9
 JUMO	Africa	Mobile Money Marketplace	Oct-15	6.8%	14.6	7.5	-49%	-7.1
 magnetis	Brazil	Digital Investment Advisor	Sep-17	17.5%	5.7	6.6	17%	0.9
 XERPA	Brazil	HR & Payroll Platform	Sep-19	16.0%	8.5	4.5	-47%	-4.0
 FINJA	Pakistan	Mobile Wallet & SME/Consumer Credit	Jul-16	20.4%	2.4	2.5	1.3%	0.03
>EF Vostok Emerging Finance					179.2	203.0	13.3%	23.8

Portfolio Mix and Commentary

Current Holdings and New Investments

- We have 12 holdings in our portfolio as of 2Q20, diversified by geography, business type and stage of development.
- In April 2020, we made our first investment in India:
 - Invested USD 13 mln in Juspay, one of the country's leading payments companies.
- Credits is starting to emerge as the relative size portfolio champions with most likely impact on NAV evolution going forward.

Value Creation

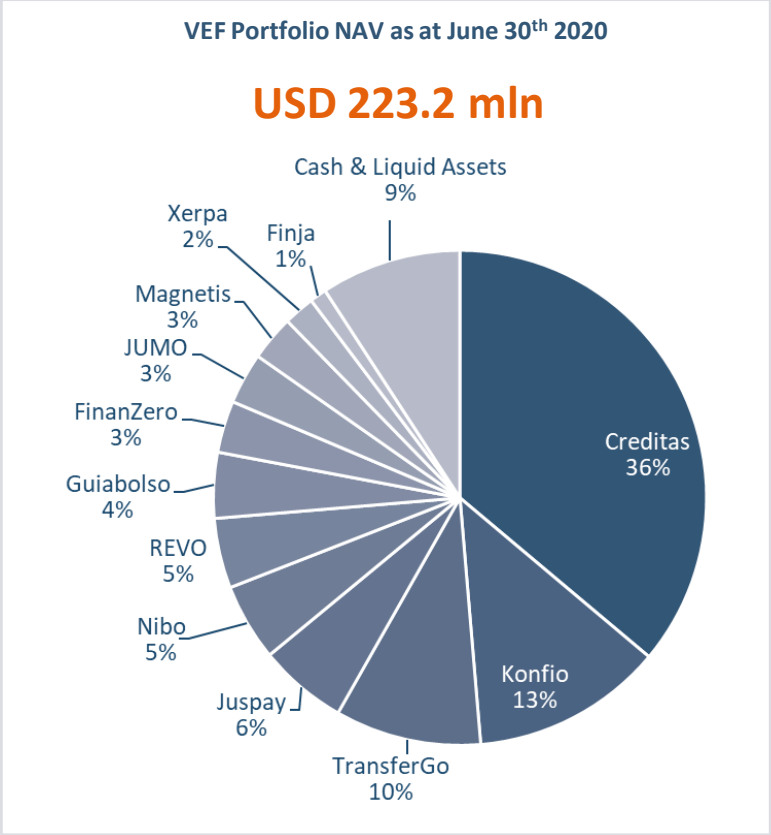
- Completed exits of Tinkoff and iyzico in 2019.
- Gross realized IRR of 65% (cumulatively on both exits).

Cash Position

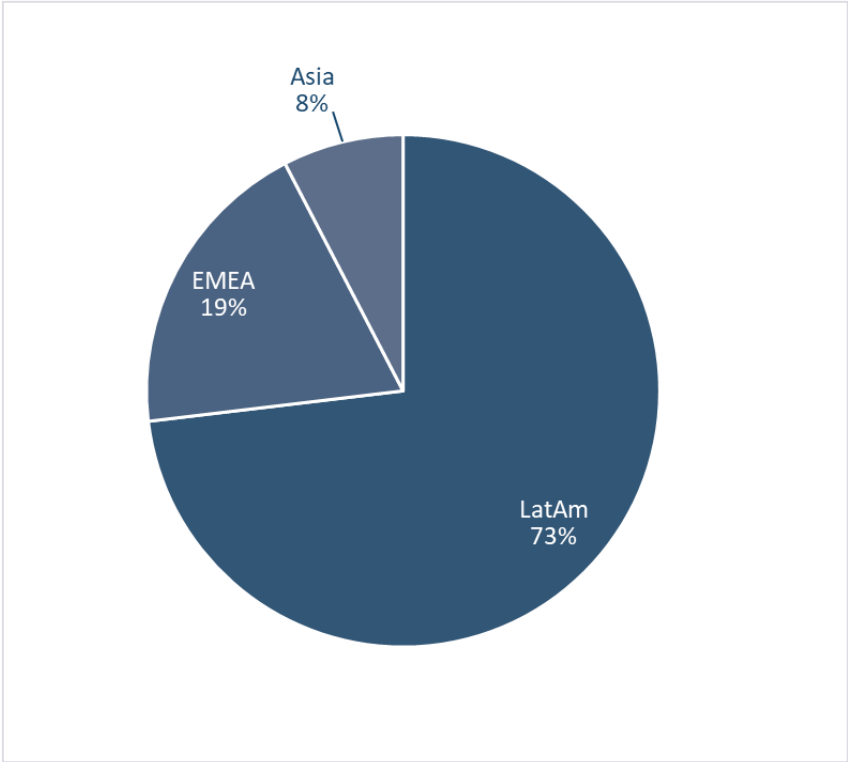
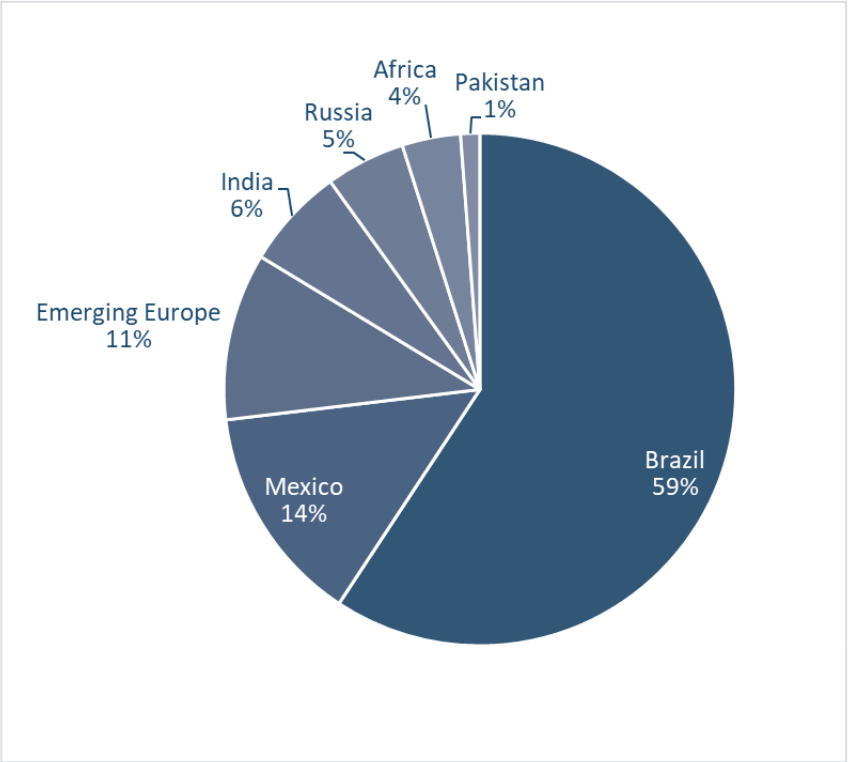
- USD 20.6 mln cash position at the end of 2Q20.

Current Focus

- More focus YTD on current portfolio. Pipeline starting to heat up again.

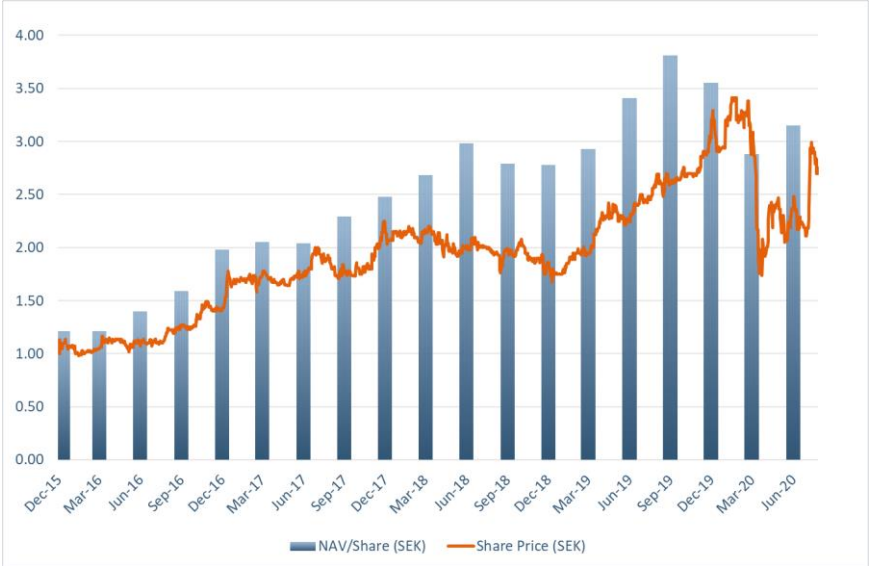


Portfolio NAV Distribution by Geography, ex cash

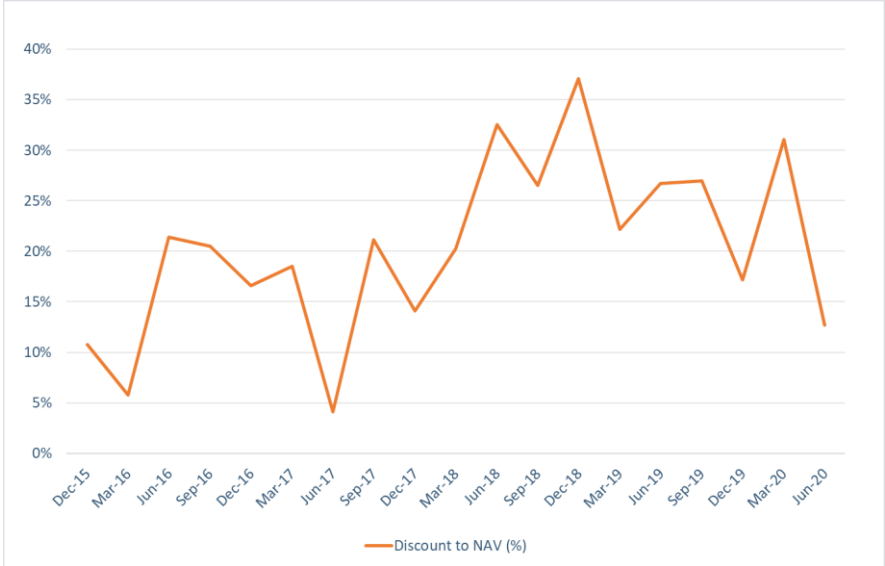


Share Price, NAV/Share and the Discount

Share Price, NAV/share



Discount to NAV



Date	Latest Share Price (SEK)	NAV/Share* (SEK)	Discount	NAV* (USD mln)	Market Cap (USD mln)
Jul 27, 2020	2.75	3.15	12.7%	223.2	208.6

* As at June 30, 2020

Outlook and Guidance for 2020



Robust 2Q20 performance

A healthy stress test and strong portfolio reaction. Our clarity and confidence has recovered, supported by a growing shift towards digital financial services globally.



Has led to a more positive outlook for 2H20 (versus 1Q20)

Robust performance of our portfolio companies during COVID to date bodes well for ongoing company growth/recovery into 2H20 and beyond. We clearly remain vigilant in a fast-moving environment.



Creditas, delivering and growing in importance for VEF

Creditas (36% of NAV) & digital payments (Juspay & TransferGo, 16% of NAV) were standouts through the period and are growing in importance for us.



2Q20 NAV recovery and 2H20 outlook

2Q20 saw a 20% NAV clawback following logical 1Q20 haircut. We are optimistic on this trend continuing, clear caveat being the many and uncertain top-down moving parts.



Investment pipeline

Growing opportunity to deploy capital effectively in current and new assets. We remain patient with a high investment bar.



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Appendix

2Q20 Income Statement

Expressed in USD thousands	Note	1H 2020	1H 2019	2Q 2020	2Q 2019
Result from financial assets at fair value through profit or loss ¹	3	-24,072	39,934	37,703	37,836
Dividend and coupon income		197	251	100	97
Other income		60	–	60	–
Total operating profit		-23,815	40,185	37,863	37,933
Operating expenses	4	-1,886	-3,047	-1,395	-2,307
Total operating expenses		-1,886	-3,047	-1,395	-2,307
Operating result		-25,701	37,138	34,468	35,626
Financial income and expenses					
Interest income/expense, net		-3	–	-3	–
Currency exchange gains/losses, net		265	170	254	115
Net financial items		262	170	251	115
Result before tax		-25,439	37,308	37,719	35,741
Taxation		-7	-245	-7	-240
Net result for the period		-25,446	37,063	36,712	35,501

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.

2Q20 Balance Sheet

Expressed in USD thousands	Note	Jun 30, 2020	Dec 31, 2019
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		244	275
Total tangible non-current assets		244	275
Financial non-current assets			
Financial assets at fair value through profit or loss	3		
Equity financial assets		203,026	210,387
Liquid financial assets		18,047	34,521
Other financial assets		10	11
Total financial non-current assets		221,083	244,919
CURRENT ASSETS			
Cash and cash equivalents		2,545	5,562
Tax receivables		32	53
Other current receivables		343	135
Total current assets		2,920	5,750
TOTAL ASSETS		224,247	250,944
SHAREHOLDERS' EQUITY (including net result for the financial period)		223,236	249,439
NON-CURRENT LIABILITIES			
Interest-bearing liabilities			
Long-term liabilities		90	118
Total non-current liabilities		90	118
CURRENT LIABILITIES			
Non-interest-bearing current liabilities			
Other current liabilities		177	211
Tax expenses		56	53
Accrued expenses		688	1,123
Total current liabilities		921	1,387
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		224,247	250,944