



The emerging market fintech investor

# Results Presentation

2Q24

## Key events of the quarter



### 2Q24 NAV: robust portfolio performance, offset by FX headwinds

NAV ended the quarter at USD 436.6 mln, down 2.5% QoQ and +14% from its 4Q22 lows. Headwinds from Latin American FX muted continued strong delivery across the portfolio.



### Creditas: first profitable quarter and re-accelerating growth

Creditas released headline 1Q24 IFRS results, which marked an important milestone achieving its first profitable quarter. In tandem, they have begun to re-accelerate growth, while gross margins are back within the 40-45% steady-state range. These results give confidence in Creditas' ability to deliver profitable growth at scale.

Management is back communicating its IPO intentions, most recently on Bloomberg and at investor events.



### Portfolio: majority breakeven, growth back in focus

We are very happy with the quality of the companies that dominate our portfolio, and their delivery/outlook as we move through 2024. With >90% at break even<sup>1</sup>, we expect portfolio revenue and gross profit growth for NTM of c. 30% / 60%, providing a healthy valuation and NAV tailwind.



### Second sustainability bond impact and allocation report

Following our sustainability bond refinancing in 4Q23, we released our second sustainability bond impact and allocation report. Proceeds from the sustainability bonds have been fully allocated to portfolio companies that derive 90% or more of their revenues from one or several sustainable finance categories.



### Eventful macro/political in our core markets throughout 2Q24

Indian and Mexican elections were held during 2Q24, with incumbent ruling parties voted back into power. Policy and transition uncertainty tends to unnerve markets in these windows. Risk that fiscal constraints in Brazil may limit near term interest rate moves also grabbed the headlines. The most visible market impact was a c.10% weakening of the MXN and BRL versus the USD in the quarter.

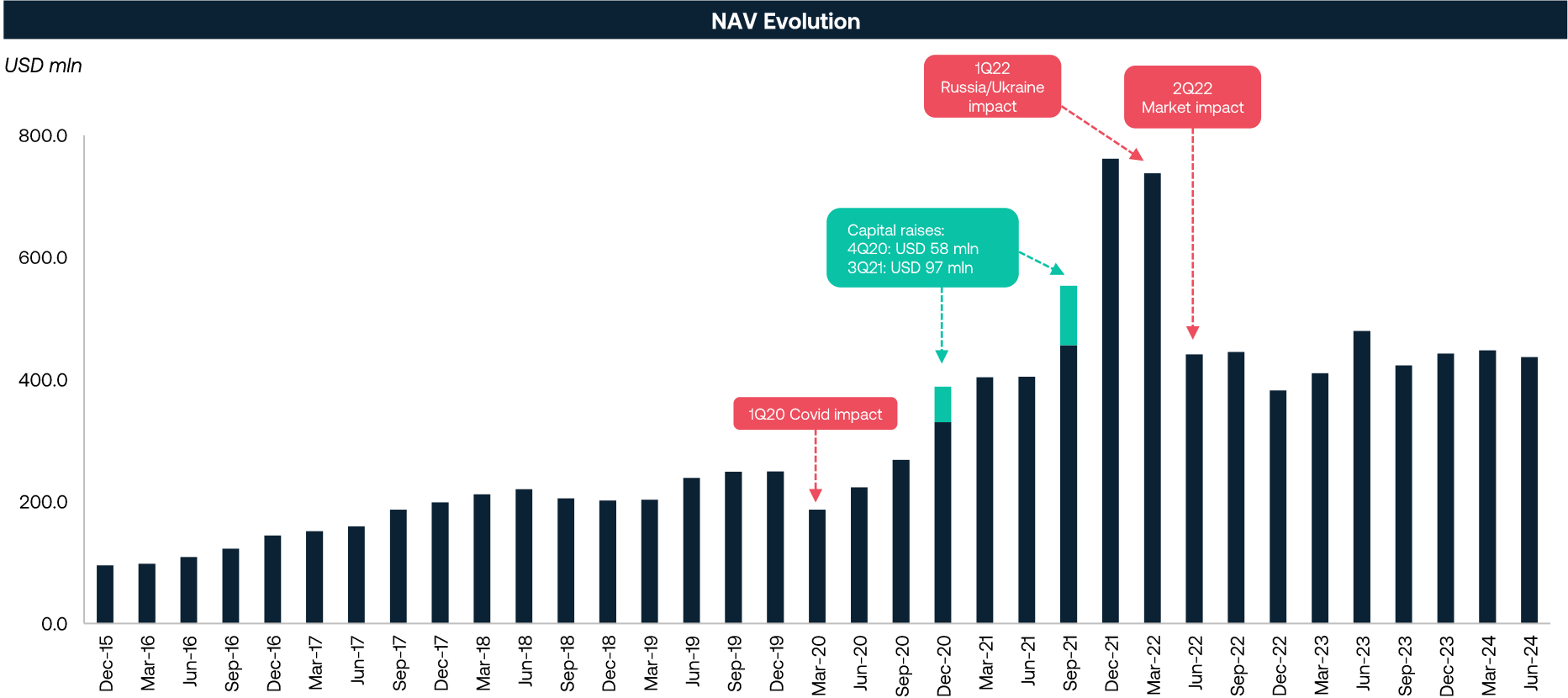
### NAV

- NAV of VEF's portfolio as at 1H24 is USD 436.6 mln. NAV per share has decreased by 1% to USD 0.42 per share during 1H24.
- In SEK, NAV equals 4,632 mln. NAV per share has increased by 4% to SEK 4.45 per share during 1H24.
- Cash position, including liquidity investments, was USD 15.8 mln at the end of 1H24.

### Financial result

- Net result for 2Q24 was USD -11.2 mln (2Q23: 68.7). Earnings per share were USD -0.01 (2Q23: 0.07).
- Net result for 1H24 was USD -5.9 mln (1H23: 97.2). Earnings per share were USD -0.01 (1H23: 0.09).

	FY21	FY22	FY23	2Q24
NAV (USD mln)	761.7	381.8	442.2	436.6
NAV (SEK mln)	6,885	3,981	4,441	4,632
NAV per share (USD)	0.73	0.37	0.42	0.42
NAV per share (SEK)	6.61	3.82	4.26	4.45
VEFAB share price (SEK)	6.05	2.45	1.84	2.42



## Elevated market volatility with mixed performance through the second quarter

Nasdaq and S&P 500 continued to post gains driven largely by big tech and AI enthusiasm, whilst broader indices showed mixed performance. Higher-for-longer narrative is weighing on rate-sensitive stocks with fintech indices down 8-9%

### Global Fintech Indexes

ARKF

**+93%**  
2023

**-8%**  
2Q24

**+1%**  
YTD 2024

FINX

**+33%**  
2023

**-9%**  
2Q24

**-1%**  
YTD 2024

### Market Indexes

Nasdaq

**+43%**  
2023

**+8%**  
2Q24

**+18%**  
YTD 2024

S&amp;P 500

**+24%**  
2023

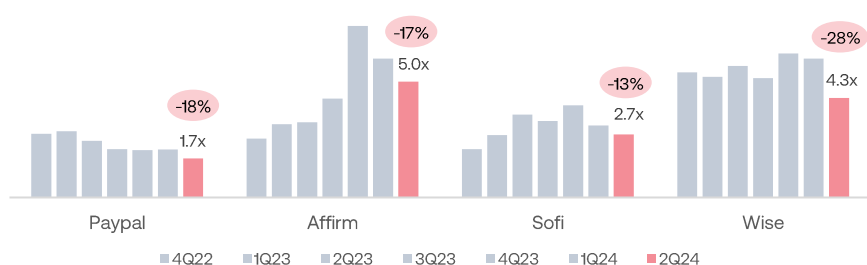
**+4%**  
2Q24

**+14%**  
YTD 2024

### Developed Markets

#### EV / NTM revenue multiple evolution

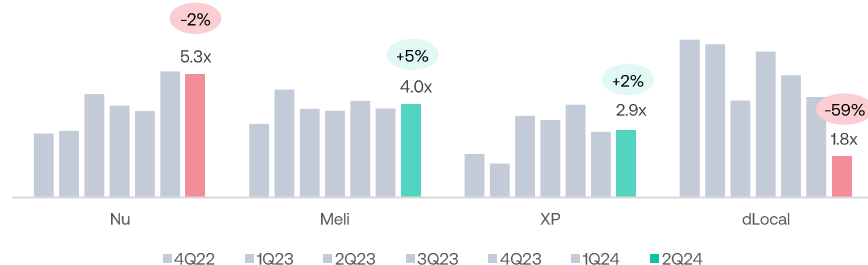
xNTM Revenue










### LATAM Fintech

#### EV / NTM revenue multiple evolution








xNTM Revenue



## Evolution of our valuation marks in 2Q24

Fair value USD (mln)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	QoQ % change	YoY % change	2Q24 % of holdings
 Creditas	195.9	211.3	193.1	198.7	212.9	183.5	188.8	215.5	215.9	0.2%	1.5%	47.1%
 Konfio	61.1	61.1	40.1	48.9	85.6	79.8	95.3	75.5	75.5	-0.1%	-11.8%	16.5%
 JUSPAY	47.5	47.5	47.5	62.8	74.9	66.5	74.1	72.5	70.1	-3.4%	-6.4%	15.3%
 transferGo	18.1	16.9	16.3	16.2	21.8	30.9	27.0	36.6	36.7	0.0%	68.3%	8.0%
 GRINGO	12.2	12.2	12.2	20.6	18.8	17.3	17.3	17.3	17.2	-0.6%	-8.7%	3.7%
 sollfácil	20.0	20.0	20.0	20.0	20.0	11.6	15.6	15.4	15.2	-1.6%	-24.1%	3.3%
 nibo	6.7	6.7	6.8	9.5	10.2	11.2	12.7	12.1	11.2	-7.7%	9.9%	2.4%
Other <sup>1</sup>	46.8	41.7	39.7	33.6	34.1	31.1	29.1	21.4	16.9	N/A <sup>2</sup>	N/A <sup>2</sup>	3.7%
<b>Total portfolio companies (incl. exits)</b>	<b>408.3</b>	<b>417.5</b>	<b>375.8</b>	<b>410.3</b>	<b>478.2</b>	<b>432.1</b>	<b>460.0</b>	<b>466.5</b>	<b>458.6</b>	<b>-1.7%</b>	<b>-4.1%</b>	<b>100.0%</b>

# Valuation approach and key take-aways

Company	2Q fair value (USD mln)	Change QoQ (USD mln)	Valuation methodology	Multiple	Comments / Last transaction details
 credits	215.9	+0.5	MTM	Rev + GP	-
 Konfio	75.5	-0.0	MTM	Rev + GP	-
 JUSPAY	70.1	-2.4	MTM	Rev + GP	-
 transferGo	36.7	+0.0	Latest trx	-	USD 10 mln funding round closed Mar-24
 GRINGO	17.2	-0.1	Latest trx	-	Series C funding round closed Sep-23
 solfácil	15.2	-0.2	MTM	Rev + GP	-
 nibo	11.2	-0.9	MTM	Rev + GP	-
Other <sup>1</sup>	16.9	-4.6	Various	-	-

## Portfolio valuation shifting back to marks validated by recent and sizeable latest transactions



### Latest transaction

13% of holdings reflects very **recent and significant transactions** overlaid with implied MTM sense check<sup>2</sup>

 transferGo

TransferGo USD 10 mln  
Mar 2024

 GRINGO

Gringo Series C round  
Sep 2023

## Majority of MTM holdings now incorporating multiples further down the P&L



### Mark-to-model

87% of holdings are valued based on **mark-to-model valuation**<sup>2</sup>

90%+

of MTM valuations now incorporating multiples further down the P&L<sup>3</sup>

 credits

 Konfio  JUSPAY  
 solfácil  nibo

<sup>1</sup>Includes all companies individually valued at less than 1% of the total portfolio and portfolio company valuations that cannot be disclosed due to regulatory restrictions

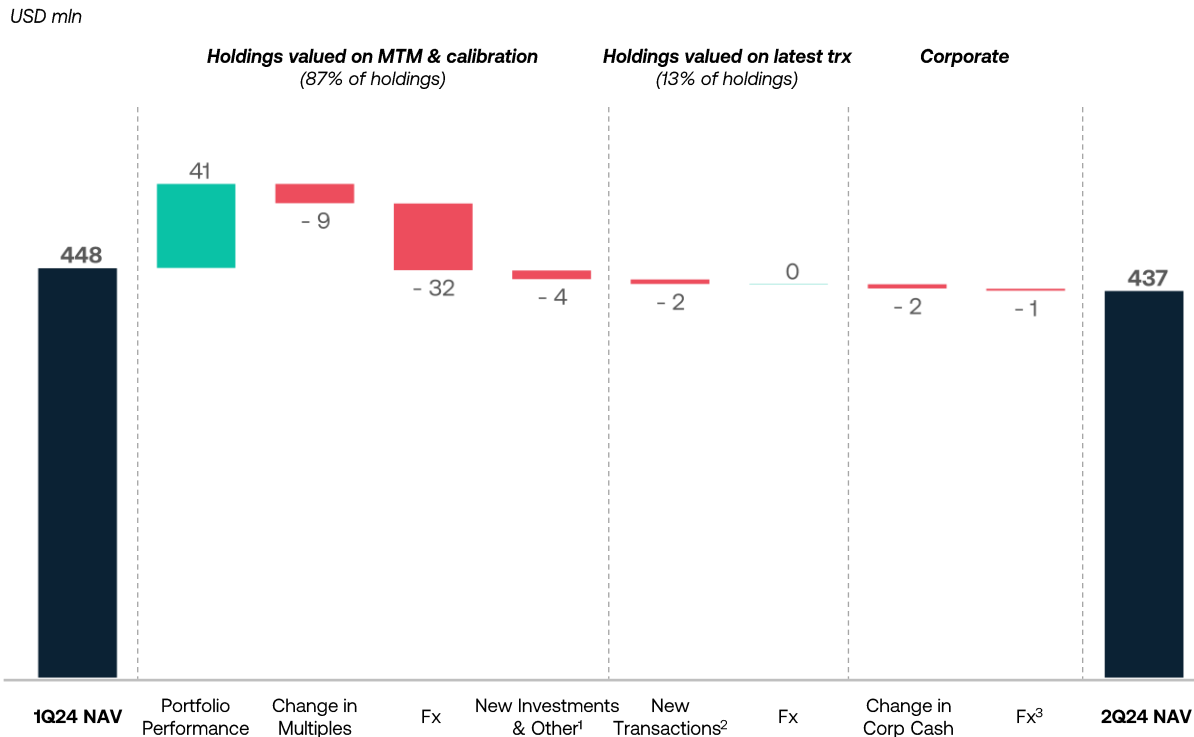
<sup>2</sup>13% / 87% of holdings based on NAV contribution

<sup>3</sup>Over 90% on NAV contribution basis

## 2Q24 NAV Evolution

Continued positive contribution from underlying portfolio performance, offset by a contraction in public market multiples and Fx headwinds through the quarter

### 2Q24 NAV Bridge



### Key takeaways

- Total USD NAV ended the quarter at **USD 436.6 mln, down USD 11.0 mln / 2.5% QoQ**
- **C. 90% of the holdings valuation is tied directly to public market trading** which accounted for the majority of 2Q24 NAV evolution, within which:
  - Underlying **portfolio performance remains robust**, delivering positive NAV contribution
  - **Change in multiples** reflects impact of recent market volatility **including a number of key fintech comps**
  - **Fx** primarily attributable to the **depreciation of the BRL and MXN** in the quarter
  - Other relates to dilution and aggregate changes in net cash positions of portfolio companies
- **New transactions** reflects the **net impact of new valuation marks and accretion/dilution** from latest funding rounds
- Change in corporate cash a function of ongoing opex and coupon payments
- Fx losses attributable to the net translation effect on our sustainability bond and liquidity balances

<sup>1</sup>Includes new investments made during the quarter, changes in net cash/debt position at portfolio companies and any accretion/dilution of our position

<sup>2</sup>Includes new investments made during the quarter, changes to valuation based on latest transactions and any accretion/dilution of our position

<sup>3</sup>Relates to the net translation effect on our sustainability bond and liquidity balances



# High quality portfolio, delivering robust profitable growth



## Quality

**Confident with the quality** of the companies that dominate our portfolio **and their delivery/outlook** as we move through 2024  
Many moving parts which define our success over time, but **quality performing compounding assets form the basis of that success**

## Profitable & self-sustaining



**>90%** of the portfolio are now **self-sustaining** having already reached breakeven/profitability<sup>1</sup>



Top 3 portfolio companies all reached sustained BE/profitability

## Robust growth

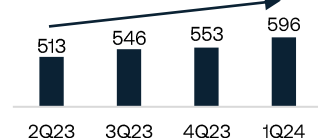


**~ 30%** portfolio weighted NTM revenue growth  
**~ 60%** portfolio weighted NTM gross profit growth



**Re-acceleration of growth**  
Consistent quarterly origination growth since 2Q23  
Targeting 25-30%+ profitable growth

**Credits quarterly originations**  
BRL mln



## Raising fresh capital

Portfolio companies **well capitalized across the board**  
Stand-out fundraises from **Gringo and TransferGo bringing fresh capital at up-valuation rounds** from previous and were priced above our/VEF most recent valuation marks



**TransferGo USD 10 mln round**  
Mar 2024

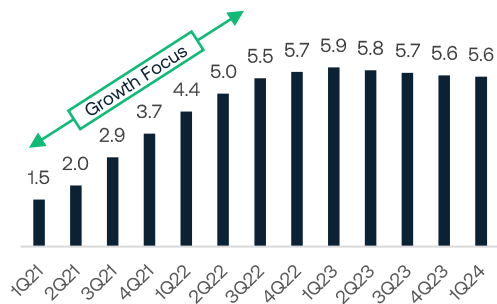


**Gringo Series C round**  
Sep 2023

## 1Q24 update – first full quarter of profitability

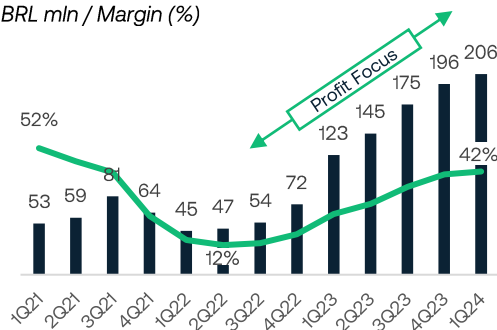
### Portfolio Under Management

BRL bln



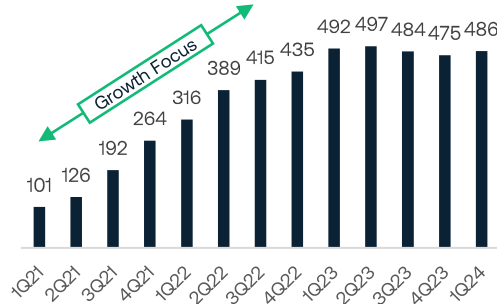
### Gross Profit

BRL mln / Margin (%)



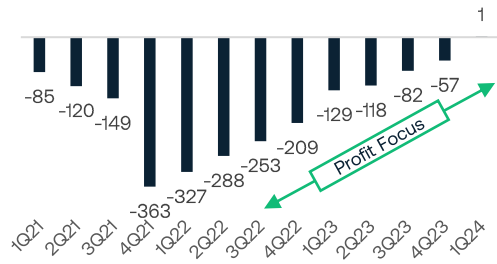
### Revenues

BRL mln



### Net Income Adjusted

BRL mln



## Summary overview

### Strong delivery - first full quarter of profitability

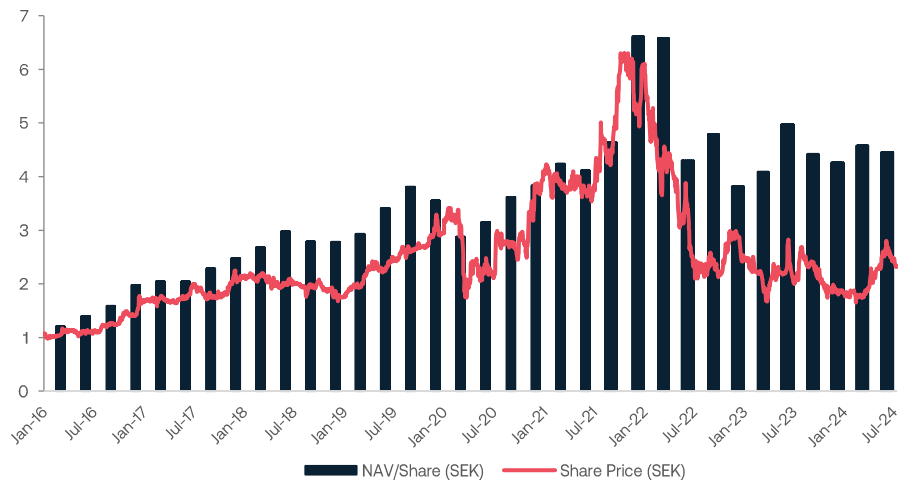
- **Portfolio and top-line remain stable:** 1Q24 portfolio and revenues broadly flat QoQ as profitability remained core priority
- **Focus on portfolio repricing and credit quality to increase gross profit:** margins bottomed at 12.1% in 2Q22 but have now recovered to 42.5%, within the 40-45% steady state target. Gross profit for the quarter was a record BRL 206 mln, +68% YoY
- **Disciplined cost base:** significant reduction in CAC to lowest ever levels (driven by increased automation and returning/repeating users) and rationalized overheads. Costs below Gross Profit have come down to BRL 205 mln in 1Q24 from BRL 252 mln a year ago in 1Q23 (-19% YoY)
- **First full quarter of profitability:** after achieving operational breakeven in Dec-23, Creditas have reversed net losses from BRL 363 mln in 4Q21 to Adj. Net Income profitability in 1Q24

### Well positioned to re-accelerate growth

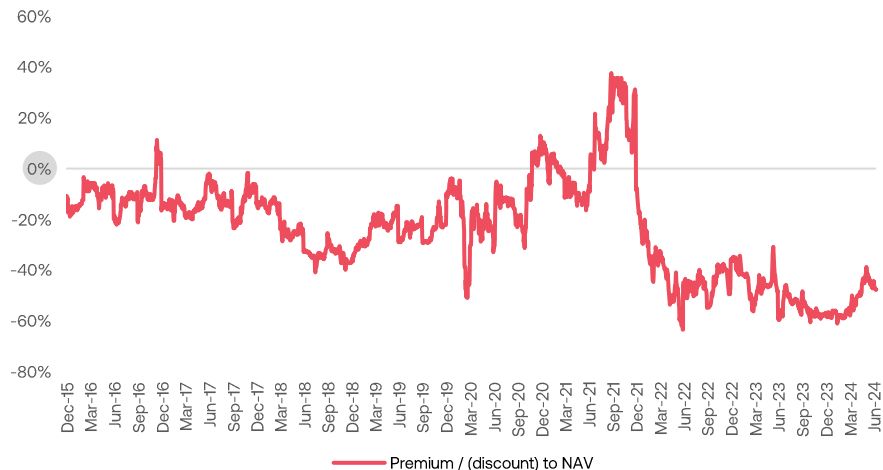
- Foundations in place to take advantage of new cycle with attractive tailwinds to deliver profitable growth at scale
  - Target annual growth rate of 25%+ whilst maintaining profitability
  - Margin profile will also continue to evolve through continued portfolio repricing, lower impact of frontloading IFRS provisions, falling CAC and operational leverage

# Share price, NAV/share and the premium/discount

## NAV/share & share price development



## Premium/(Discount) to NAV



**\$437M**  
NAV (2Q24)

**\$231M**  
Market cap<sup>1</sup>

**SEK 4.45**  
NAV/share (2Q24)

**SEK 2.33**  
Share price<sup>1</sup>

# Closing the discount to NAV

NAV growth and portfolio exits/partial exits will be the key catalysts in closing the discount to NAV

## Persistent discounts, differentiation emerging

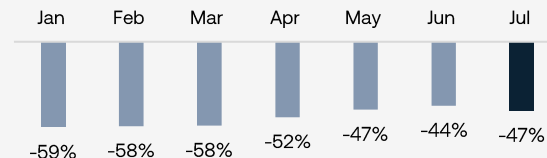
Discounts persist across the broader investment company/VC universe

Discounts are narrowing, gradually

The market is beginning to differentiate between those with exits (announced or expected), portfolio quality and NAV growth, and those without

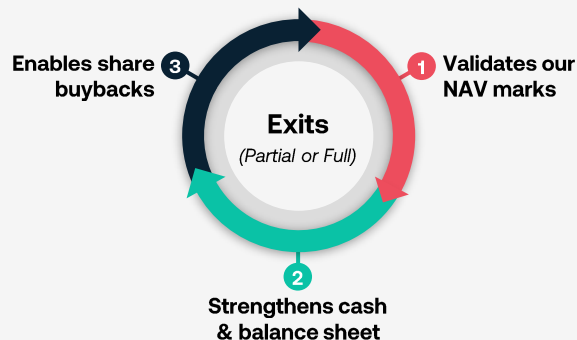
### VEF discount to NAV

Average monthly discount, 2024 YTD



## VEF's strategy to narrow the discount & get back to investing

- 1 NAV growth and portfolio performance – affirms conviction in the quality and valuation of the portfolio
- 2 Portfolio exits/partial exits – unlock a powerful flywheel to close discount...



- 3 Get back to investing – a new cycle of EM Fintech opportunities is emerging, a multi-year secular growth opportunity

- 1 **Validates our NAV marks**  
Reflects the true valuation at which we can crystallize our investments
  - 2 **Strengthens cash & balance sheet**  
Ability to repay debt, and paves the path to get back on the front foot investing
  - 3 **Enables share buybacks**  
Further support in narrowing the discount, with attractive IRR for VEF and our shareholders
- Confident we can deliver exits in 2024/25**

# Capital position – comfort with controllables

Solid cash position to cover coupon payments and opex

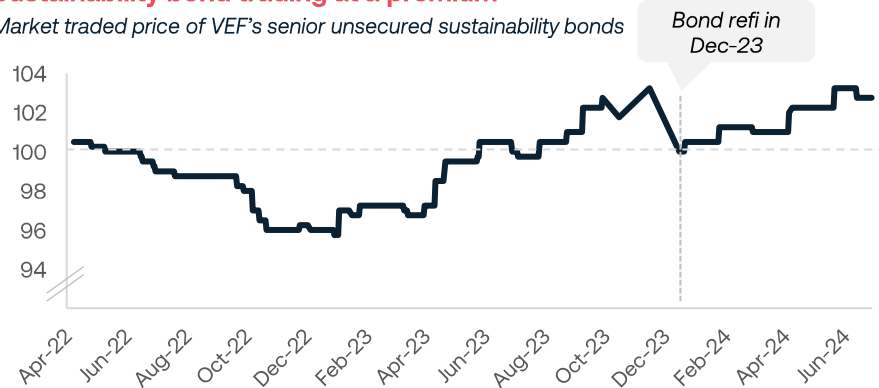
## Expected cashflows to YE24

USD mln



## Sustainability bond trading at a premium

Market traded price of VEF's senior unsecured sustainability bonds



### VEF sustainability bond

- SEK 400 mln outstanding
- Frame of SEK 1,000 mln
- Interest: Stibor 3m + 650 bps paid quarterly
- Maturity: Dec 2026

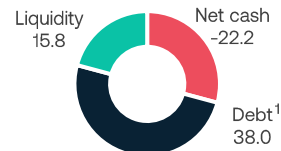
Liquidity to NAV ratio of 4%



Comfortable debt to NAV ratio of 9%



Net cash position of USD -22.2 mln



# VEF's second sustainability bond impact and allocation report



SEK 500 mln of sustainability bonds outstanding, fully allocated in line with our sustainability bond framework

## Sustainability bond allocation

*Proceeds from the sustainability bonds have been fully allocated to portfolio companies that derive 90% or more of their revenues from one or several sustainable finance categories*

**Konfio'**

244 mln



**solfácil**

181 mln



**rupeek**

64 mln



**ahaana**

10 mln



**Total allocation (SEK):**

**500 mln**

## Sustainability bond framework

*The framework was developed in accordance with the Sustainability Bond Guidelines, adhering to both the Social Bond Principles and the Green Bond Principles, published in 2023 and in 2021, respectively by the ICMA<sup>1</sup>*



### Financial inclusion

- Enabling improved access to financial products: savings, insurance, loans & payments



### Financial fairness and wellness

- Enabling improved financial fairness, health and wellbeing: lowering the price of financial products, improved access to financial products & transparent fee structures/costs



### Financial infrastructure and enablement

- Enabling the development of services related to financial infrastructure buildout in areas such as payments




### Renewable energy


- Improve access to renewable energy sources through financing and/or distribution solutions offering private individuals the opportunity to install solar cells or wind power

# VEF investment case and outlook


## It's all about the portfolio:




**Quality** - If there is one message we continue to share with investors, it is that we are confident with the quality of the companies that dominate our portfolio and their delivery/outlook as we move through 2024. A business like ours has many moving parts which define its success over time, but quality performing compounding assets form the basis of that success.



**Profitable** - Our portfolio has a much more balanced risk/reward than in the past, with over 90% of the portfolio already reaching break-even<sup>1</sup>. The remainder are on a clear path to that destination with current capital or have comfortable runway.




**Growing** - With break even broadly achieved, sustainable growth is in focus. Key names like Creditas, Konfio and TransferGo are successfully reigniting growth, while at Juspay and Gringo, strong growth continues unabated. On a weighted basis, we expect average portfolio revenue and gross profit growth for NTM of c.30% / 60%.




**Raising fresh capital** - TransferGo raised USD 10 mln and Gringo USD c.30 mln in recent quarters. Both rounds were up-valuation rounds from previous and were priced above our/VEF most recent valuation marks. We expect to see more in 2024/25, as recovery in the venture industry gains momentum.

## NAV tailwinds



2023 saw 16% YoY growth in NAV (USD 60.4 mln). Confidence in our NAV evolution from here is based upon forecastable growth outlook for the portfolio.

## Balance sheet and traded discount are strategic priorities for 2024



Top priority is to strengthen our balance sheet. We are confident we can deliver portfolio exits in 2024/25. In tandem, after a strong 1H24, we focus on continuing to lower our traded discount to NAV. From there, we see a path to get back on the front foot investing, as we identify next generation winners for our portfolio.

# Appendix








## 2Q24 income statement

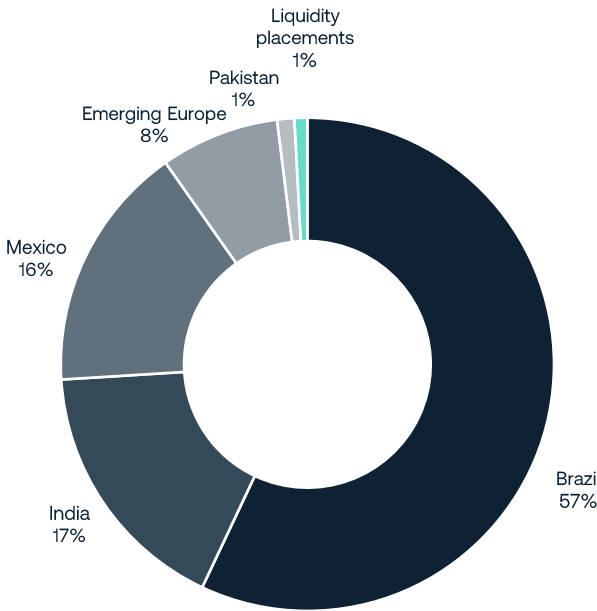
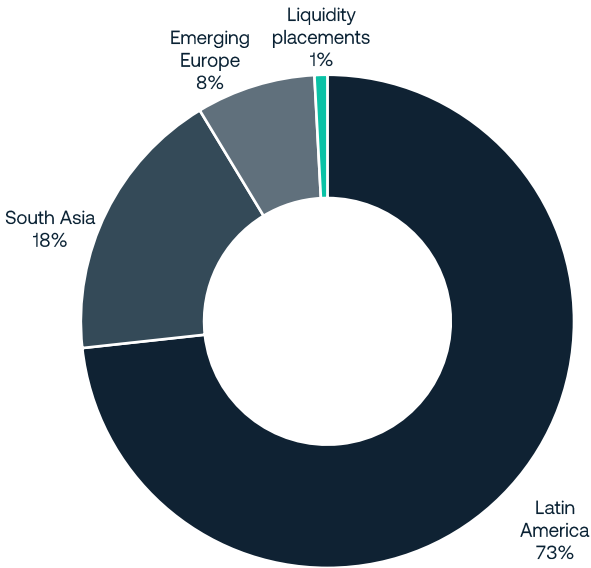
KUSD	Note	1H 2024	1H 2023	2Q 2024	2Q 2023
Result from financial assets at fair value through profit or loss	4	-1,298	101,952	-7,804	69,664
Other income		-	18	-	18
Administrative and operating expenses		-3,813	-3,744	-2,135	-1,324
<b>Operating result</b>		<b>-5,111</b>	<b>98,226</b>	<b>-9,939</b>	<b>68,358</b>
<b>Financial income and expenses</b>					
Interest income		289	112	132	107
Interest expense		-2,210	-2,707	-1,102	-1,423
Currency exchange gains/losses, net		1,318	1,597	-111	1,743
<b>Net financial items</b>		<b>-603</b>	<b>-998</b>	<b>-1,081</b>	<b>427</b>
<b>Result before tax</b>		<b>-5,714</b>	<b>97,228</b>	<b>-11,020</b>	<b>68,785</b>
Taxation		-197	-54	-191	-54
<b>Net result for the period</b>		<b>-5,911</b>	<b>97,174</b>	<b>-11,211</b>	<b>68,731</b>
Earnings per share, USD	9	-0.01	0.09	-0.01	0.07
Diluted earnings per share, USD	9	-0.01	0.09	-0.01	0.07

## 2Q24 balance sheet

KUSD	Note	Jun 30, 2024	Dec 31, 2023
<b>NON-CURRENT ASSETS</b>			
<b>Tangible non-current assets</b>			
Property, plant and equipment		80	100
<b>Total tangible non-current assets</b>		<b>80</b>	<b>100</b>
<b>Financial non-current assets</b>			
Financial assets at fair value through profit or loss	4		
Equity financial assets		458,603	460,020
Liquid financial assets		4,001	3,893
Other financial assets		35	35
<b>Total financial non-current assets</b>		<b>462,639</b>	<b>463,948</b>
<b>CURRENT ASSETS</b>			
Tax receivables		112	277
Other current receivables		141	191
Prepaid expenses		173	123
Cash and cash equivalents		11,821	17,708
<b>Total current assets</b>		<b>12,247</b>	<b>18,299</b>
<b>TOTAL ASSETS</b>		<b>474,966</b>	<b>482,347</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>		<b>436,555</b>	<b>442,229</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term liabilities	6	36,937	38,891
<b>Total non-current liabilities</b>		<b>36,937</b>	<b>38,891</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		62	40
Tax liabilities		29	64
Other current liabilities		977	195
Accrued expenses		406	928
<b>Total current liabilities</b>		<b>1,474</b>	<b>1,227</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>474,966</b>	<b>482,347</b>

## VEF portfolio summary

Company	Country	Segment	Investment date	Ownership %	Invested amount (USD mln)	2Q24 fair value (USD mln)
 <b>creditas</b>	Brazil	Asset focused ecosystem	Dec-17	8.8%	108.4	215.9
<b>Konfio</b>	Mexico	Diversified FS for Mexican SMEs	Jun-18	10.3%	56.5	75.5
 <b>JUSPAY</b>	India	Mobile payments platform	Apr-20	10.2%	21.1	70.1
 <b>transferGo</b>	Emerging Europe	Cross-border remittances	Jun-16	11.3%	13.9	36.7
 <b>GRINGO</b>	Brazil	Super-app for drivers	Feb-22	9.9%	15.2	17.2
 <b>selfácil</b>	Brazil	Solar energy financing platform	Mar-22	2.6%	20.0	15.2
<b>nibo</b>	Brazil	Accounting SaaS provider for SMEs & accountants	Apr-17	20.1%	6.5	11.2
<b>Other<sup>1</sup></b>					48.5	16.9
						<b>USD 458.6 mln</b> (excl. cash and liquid assets)





Thank you

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