



The emerging market fintech investor

Results presentation

3Q 2020

3Q20 Highlights

EM Fintech and COVID-19

- The ongoing disruption caused by COVID continues to drive positive momentum behind the shift to digital financial services by all

Heightened Sector M&A Activity

- We see an increased level of IPO/M&A activity across the emerging market fintech space – positive for sector exit liquidity and increased transparency to the inherent value in our portfolio

NAV

- In 3Q20, NAV reached an all-time high driven by continued strong performance across the portfolio

Creditas

- VEF's stake valuation in portfolio North Star, Creditas, increased 26% QoQ to USD 102m – Creditas now accounts for 38% of total NAV
- In their first press release to the market, Creditas stated it reached BRL 1b loan portfolio and revenues of BRL 260m in the year to 1H20, growing 100%+ YoY, despite COVID headwinds

Pipeline

- Pipeline work intensified through 3Q20, and we expect to convert new investments in the coming months

3Q20 Financial Highlights

NAV

- NAV up 20% QoQ to USD 268.2m
- In local currency, NAV up 16% to SEK 2,409m or SEK 3.63 per share
- Cash position of USD 20.2m

Financial Result

- 3Q20: Net result USD 44.4m (3Q19: USD 10.7m), EPS of USD 0.07 (3Q19: USD 0.02)
- 9M20: Net result USD 19.0m (9M19: USD 47.8m), EPS of USD 0.03 (9M19: USD 0.07)

	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Net asset value (USDm)	248.9	223.2	268.2
Net asset value (SEKm)	2,441	2,086	2,409
Net asset value per share (SEK)	3.78	3.15	3.63
VEMF SDB share price (SEK)	2.76	2.14	2.57

NAV Up 20% QoQ to a Fresh High of USD 268.2m

VEF NAV Evolution (USDm)

Q1

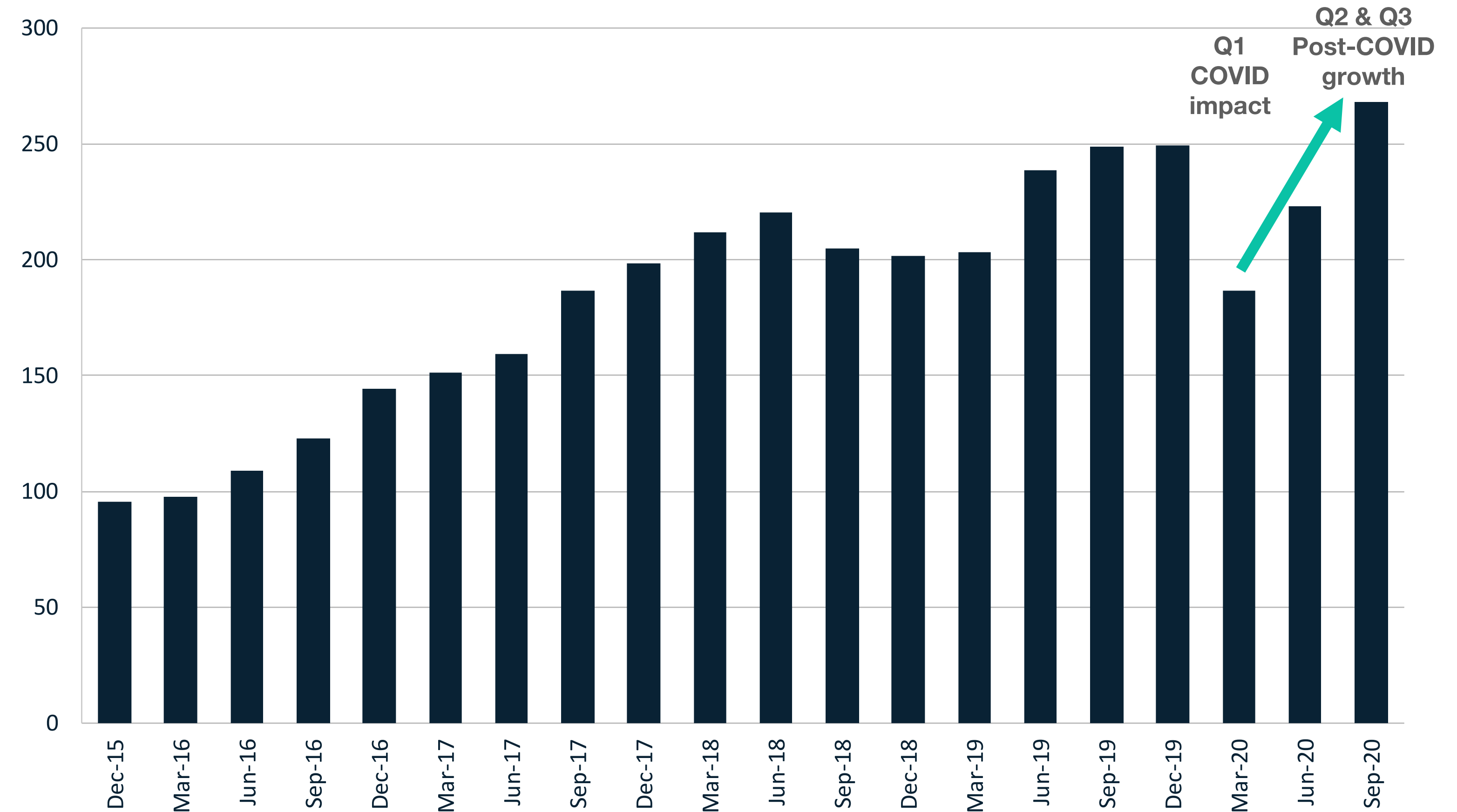
- COVID-19 impact; NAV decrease of 25%

Q2












- Clarity and confidence returns; 20% NAV recovery

Q3

- Portfolio back on a growth footing; NAV growth of 20%



3Q20 NAV Evolution QoQ

Company	Geography	Business Type	Fair Value (USDm)		QoQ Change		Valuation Method
			2Q20	3Q20	(%)	(USDm)	
 creditas	Brazil	Secure Lending Platform	80.7	102.1	26.5%	21.4	MTM
 konfio	Mexico	Diversified Financials for SMBs	28.1	40.3	43.4%	12.2	MTM
 transferGo	Emerging Europe	Cross-Border Remittances	21.4	25.2	17.4%	3.7	MTM
 nibo	Brazil	Accounting SaaS for SMBs & Accountants	11.3	13.1	15.7%	1.8	MTM
 JUSPAY	India	Mobile Payments Platform	13.0	13.0	—	—	Latest transaction
 pebco+	Russia	Payments & Consumer Credit	10.2	11.6	13.3%	1.4	MTM
 FinanZero	Brazil	Consumer Credit Marketplace	7.6	9.0	18.2%	1.4	MTM
 Guiabolso	Brazil	Personal Finance Manager	9.6	8.7	-8.9%	-0.9	MTM
 JUMO	Africa	Mobile Money Marketplace	7.5	8.6	14.1%	1.1	MTM
 magnetis	Brazil	Digital Investments	6.6	7.7	16.3%	1.1	MTM
 XERPA	Brazil	HR & Payroll Management	4.5	4.9	8.5%	0.4	MTM
 FINJA	Pakistan	Digital Lending & Payments	2.5	4.2	70.2%	1.7	MTM
Liquidity investments			18.0	18.0	-0.1%	-0.1	
Cash			2.5	2.1	-15.9%	-0.4	
Total investment portfolio			223.6	268.4	20.0%	44.8	
Other net liabilities			-0.4	-0.2			
Total NAV			223.2	268.2	20.1%	44.9	

Creditas – North Star Investment and Driving NAV

Creditas recently published the company’s first press release, detailing the company’s performance over the last 12 months

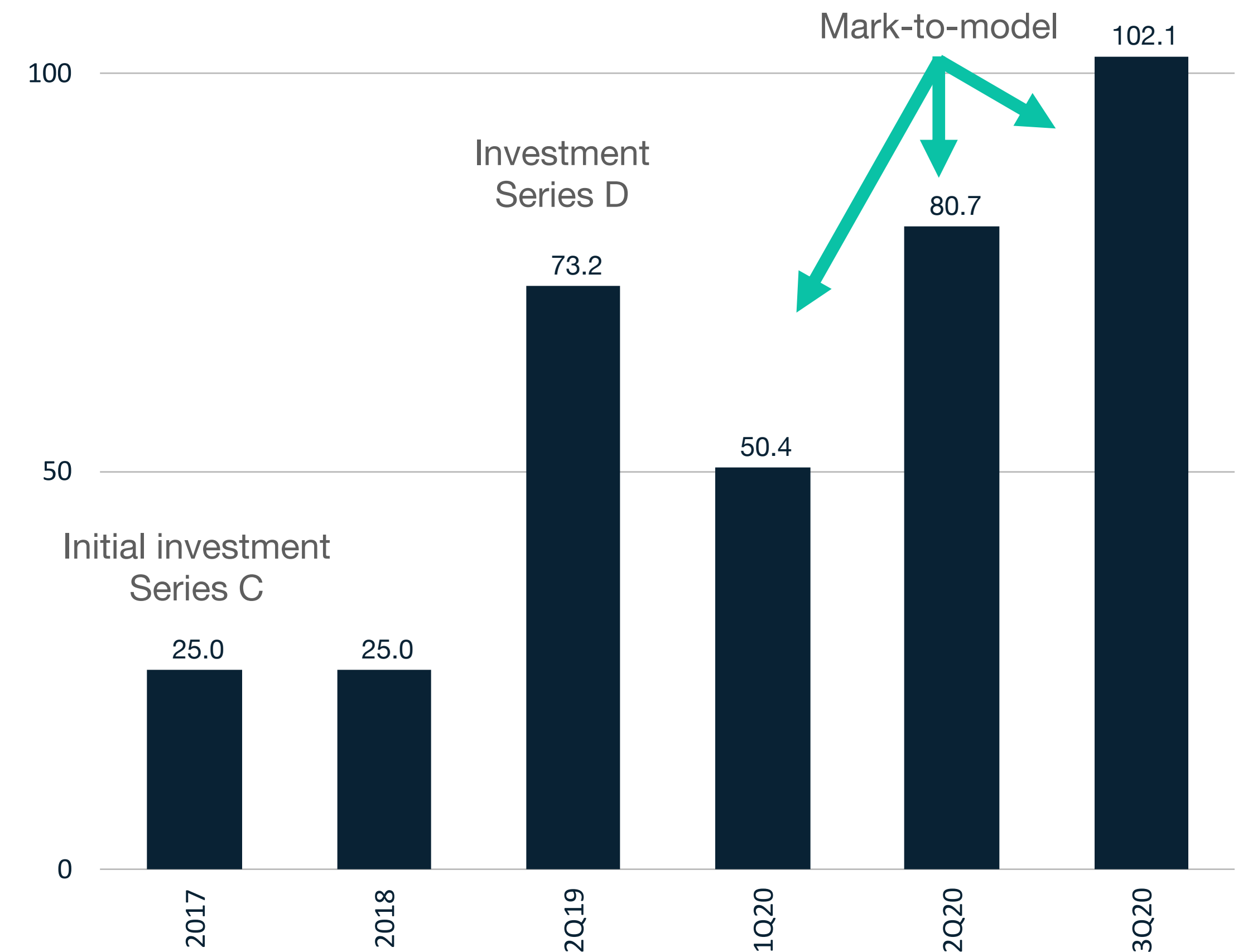
As of August 2020,

- Loan portfolio had surpassed BRL 1b – growth of 2.2x YoY, despite COVID-19
- Annual revenues of BRL 260m, a 2.4x increase YoY
- Capital issuances to investors totalled BRL 438m in 1H20, and BRL 400m expected in Q3 alone

Product launches

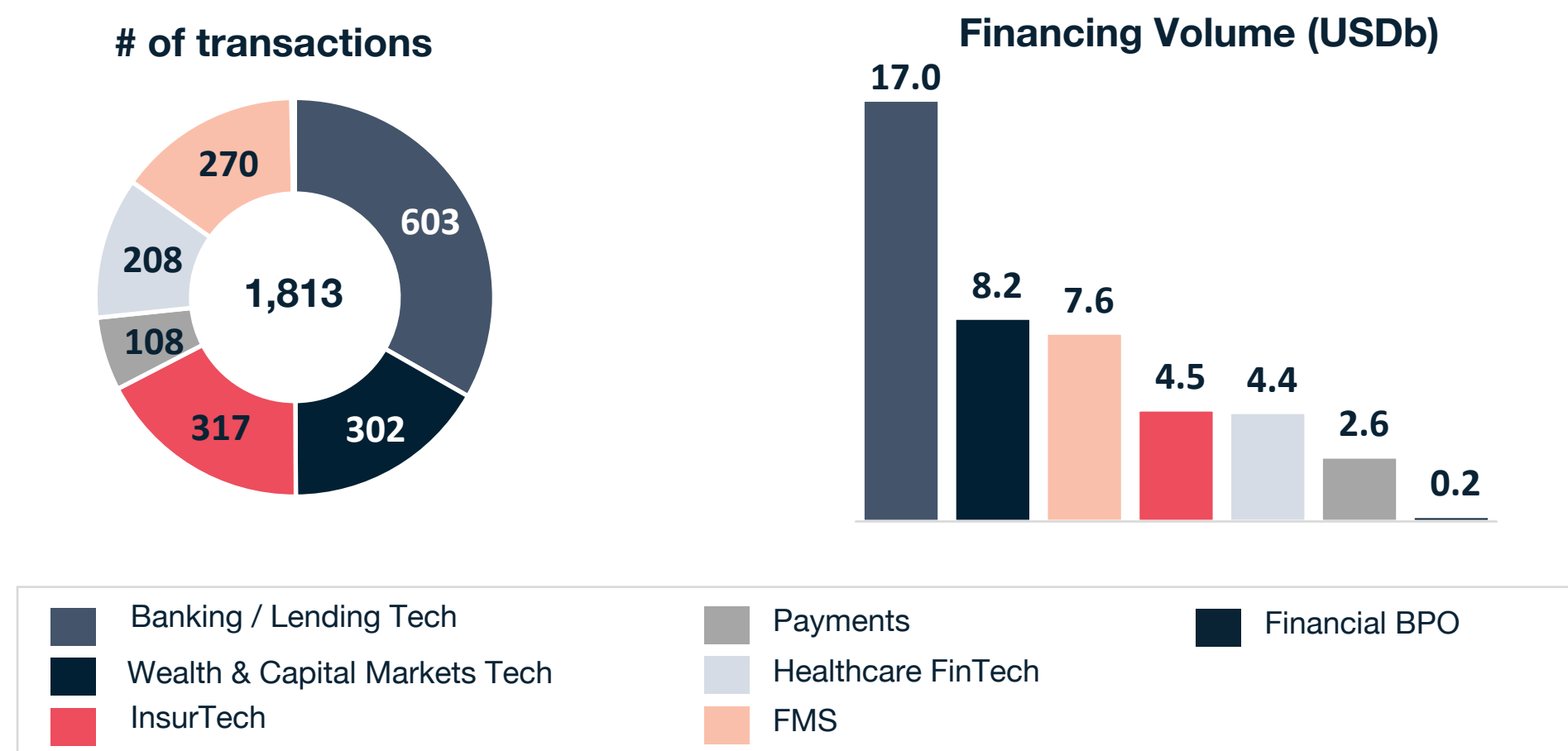
- Private payroll lending
- Auto financing
- Creditas Store
- Creditas Home
- International expansion into Mexico with four products: home equity, auto equity, auto financing and private payroll loans

Creditas Stake Valuation Since Initial Investment (USDm)

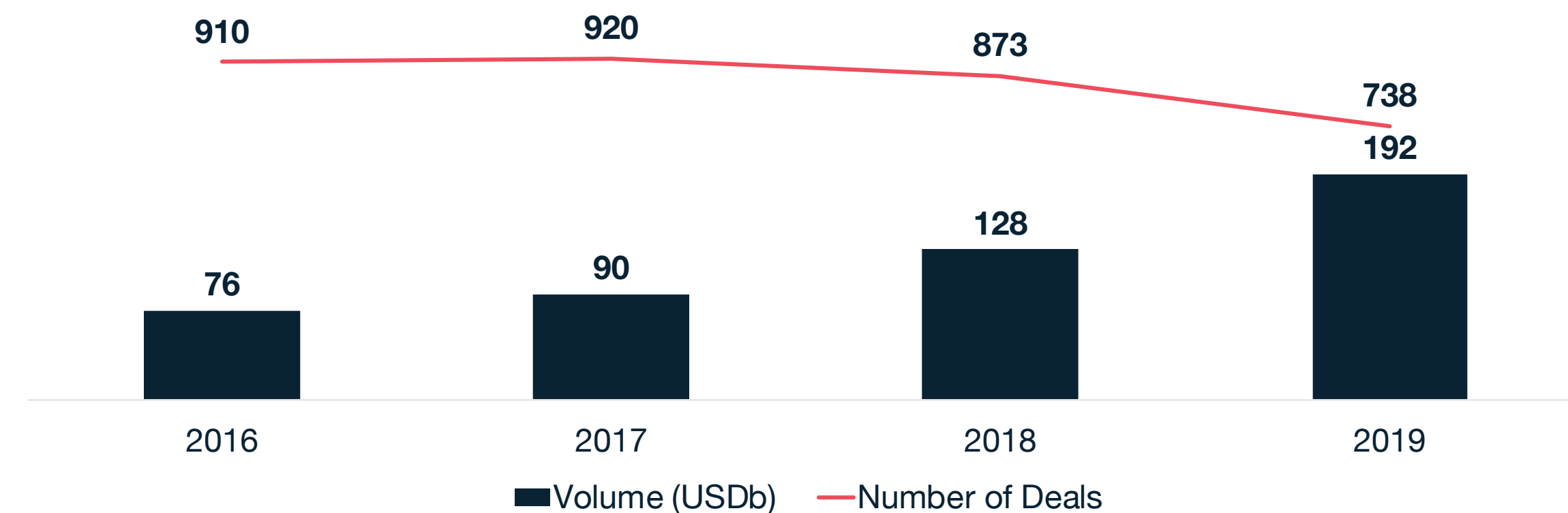


Corporate Action – High Level of IPO and M&A Activity Across Our Investment Theme

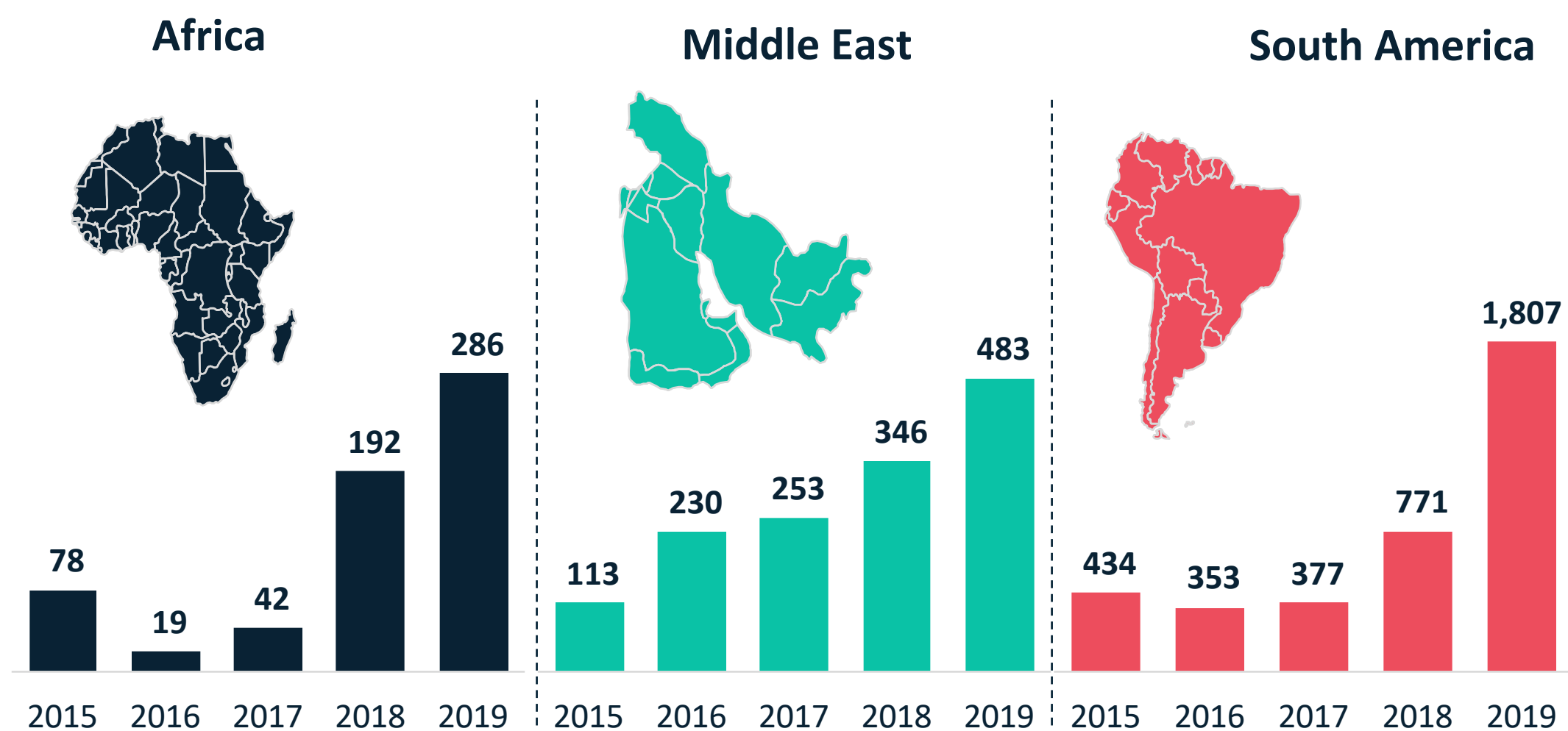
Fintech Funding in 2019¹



Global Fintech M&A²



Fintech Financing Activity by Region – Volume (USDm), 2019¹



Recent EM Fintech Exits

IPO				M&A			
Company	Valuation	Offer Size	Year	Target	Acquirer	Price	Year
蚂蚁金服 ANT FINANCIAL	USD 300b	USD 34b	2020	linx	stone	USD 1.1b	2020
Kaspi.kz	USD 6.5b	USD 870m	2020	paystack	stripe	USD 200m	2020
stone	USD 6.1b	USD 1.4b	2018	iyzico	PayU	USD 165m	2019
pagseguro VOL	USD 6.8b	USD 2.7b	2018	consinco	TOTVS	USD 49m	2019

Pipeline Heating Up

Work on pipeline across the geographies of Mexico, Brazil, India and frontier markets Egypt and Pakistan intensified through Q3 and we expect to convert new investments in the coming months.



Portfolio Mix and Commentary

Portfolio Evolution Through 2020

- We have 12 holdings as of 3Q20, diversified by geography, business type and stage of development.
- In 2020, we made our first investment in India: Invested USD 13m in Juspay, one of the country's leading payments companies.

Portfolio Focus And Concentration

- Brazil and broader LatAm account for 59/75% of our geographic spread.
- Creditas is our clear largest holding at 38% of NAV and continuing to compound off a larger base
- Top 2 holdings are 53% / top 5 are 72% of NAV

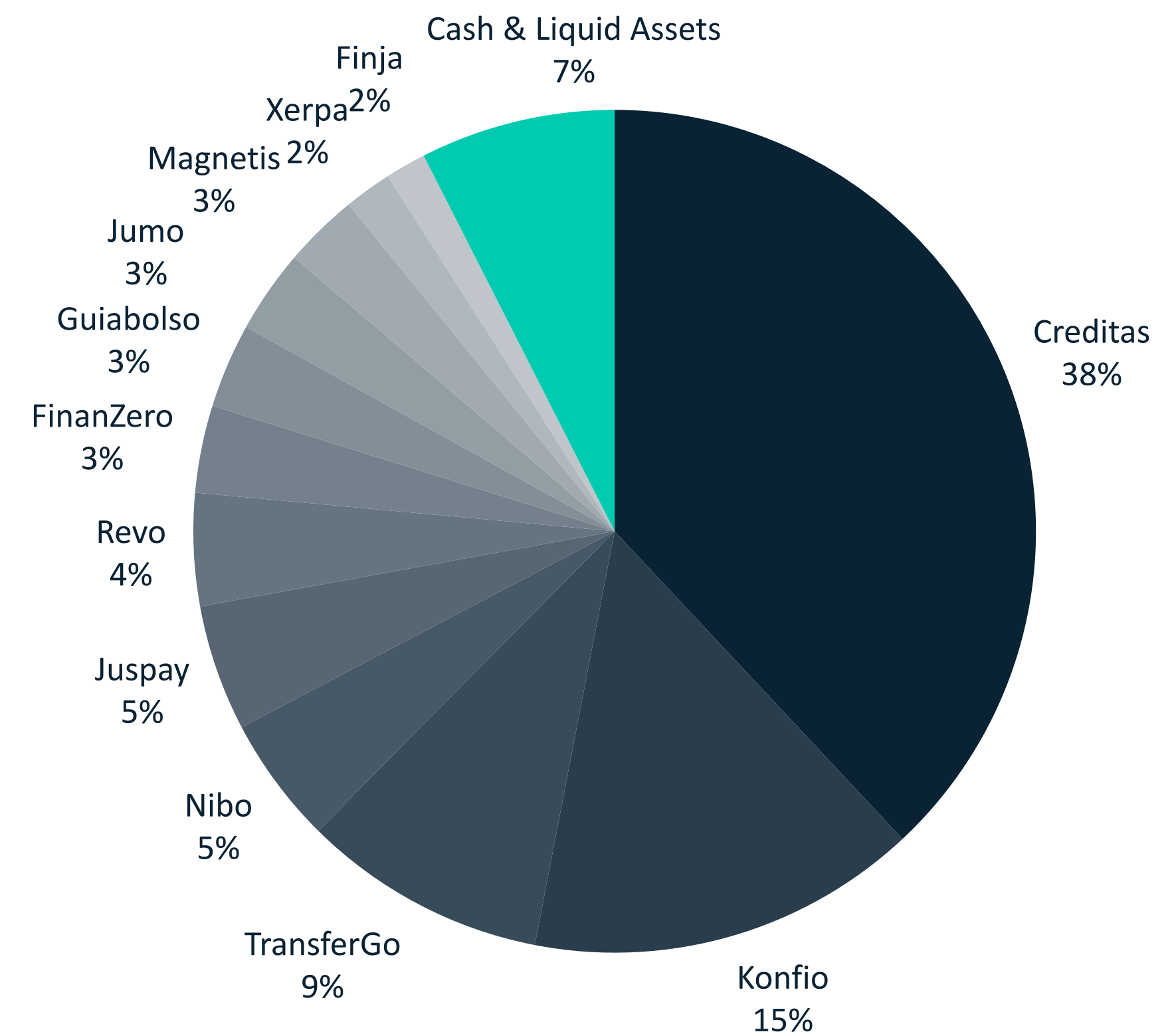
Cash Position

- USD 20.2m cash position at the end of 3Q20

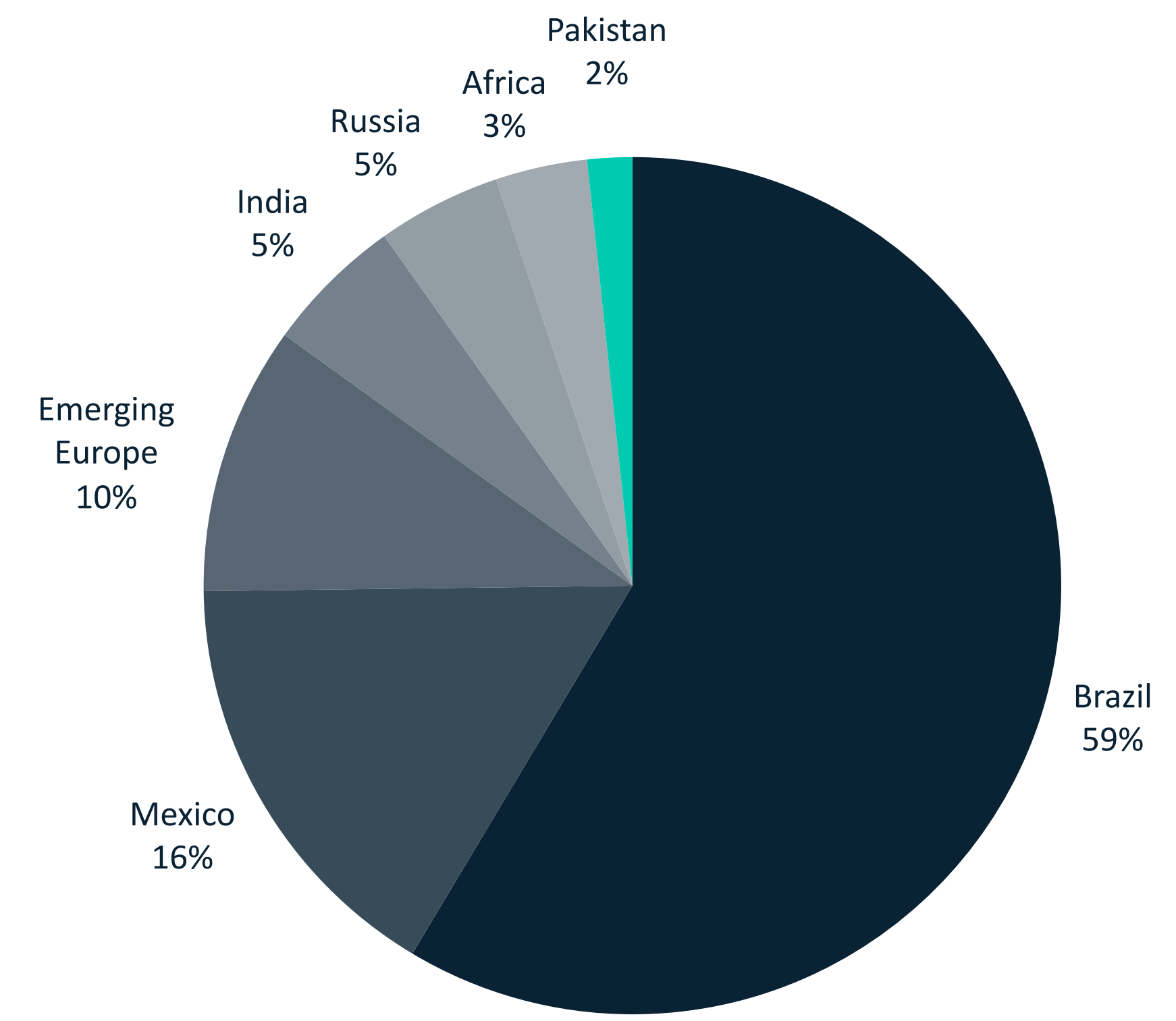
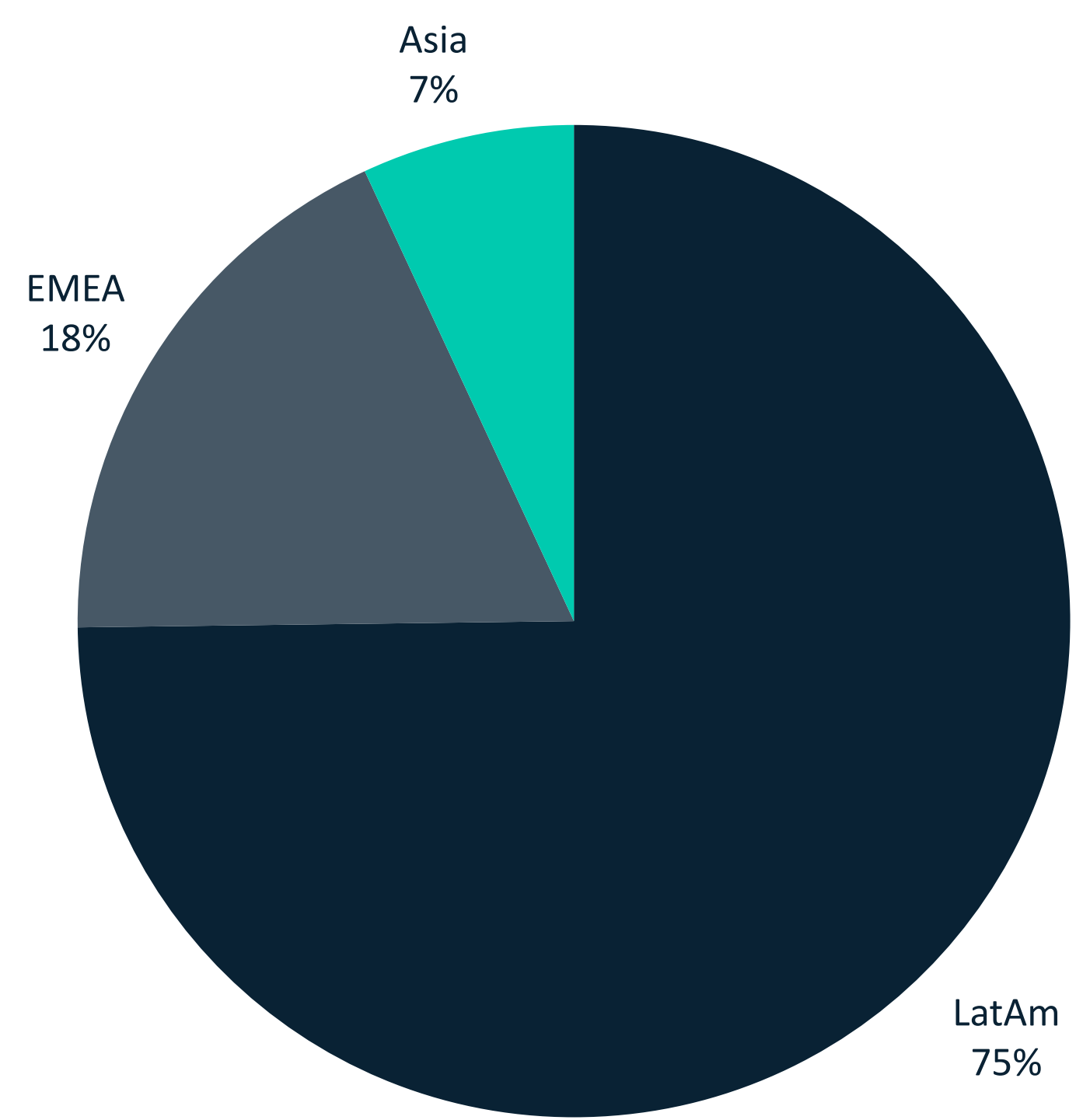
Pipeline

- Pipeline at its most exciting as it has been in recent times and we expect to convert new investments the coming months

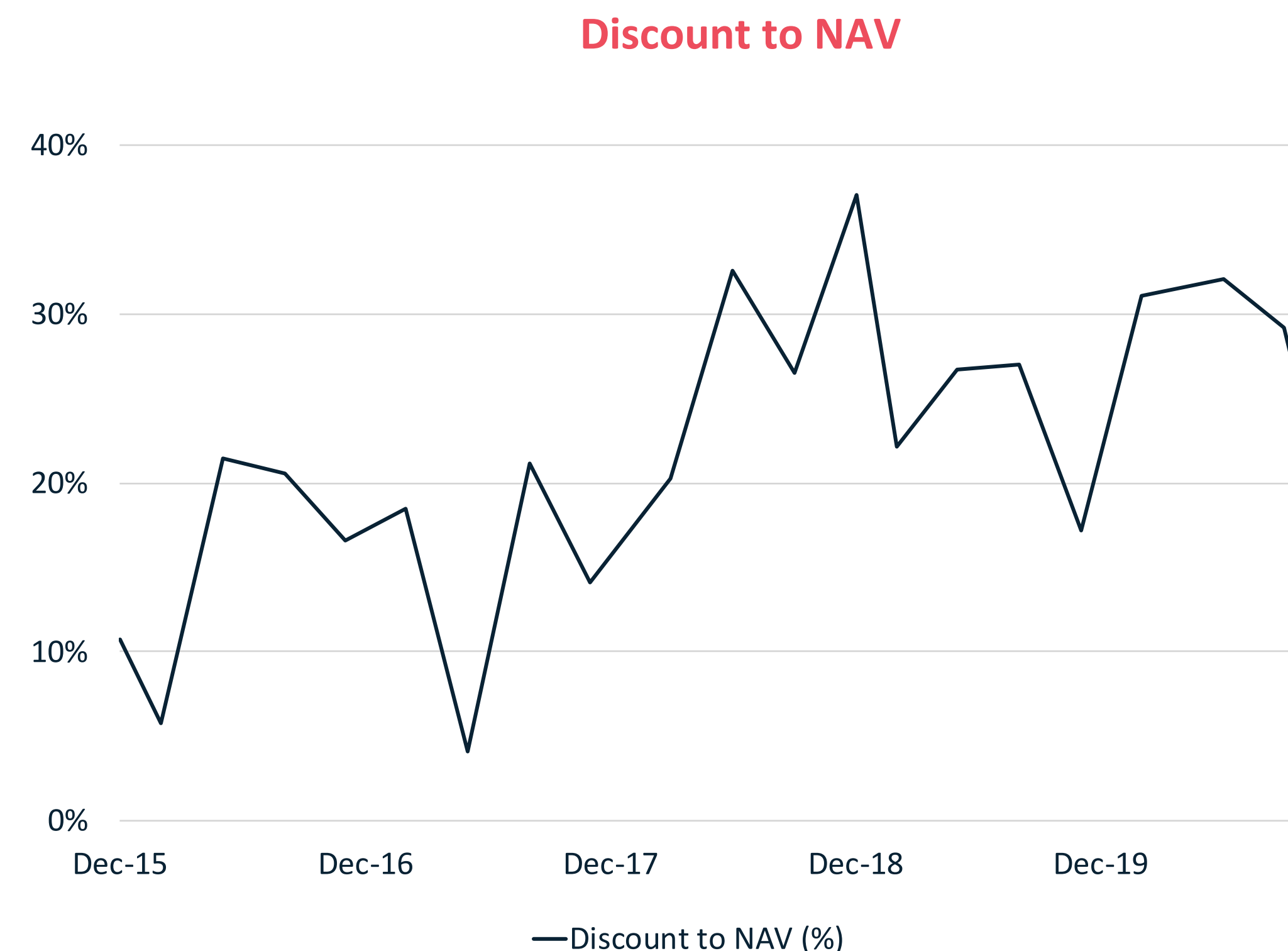
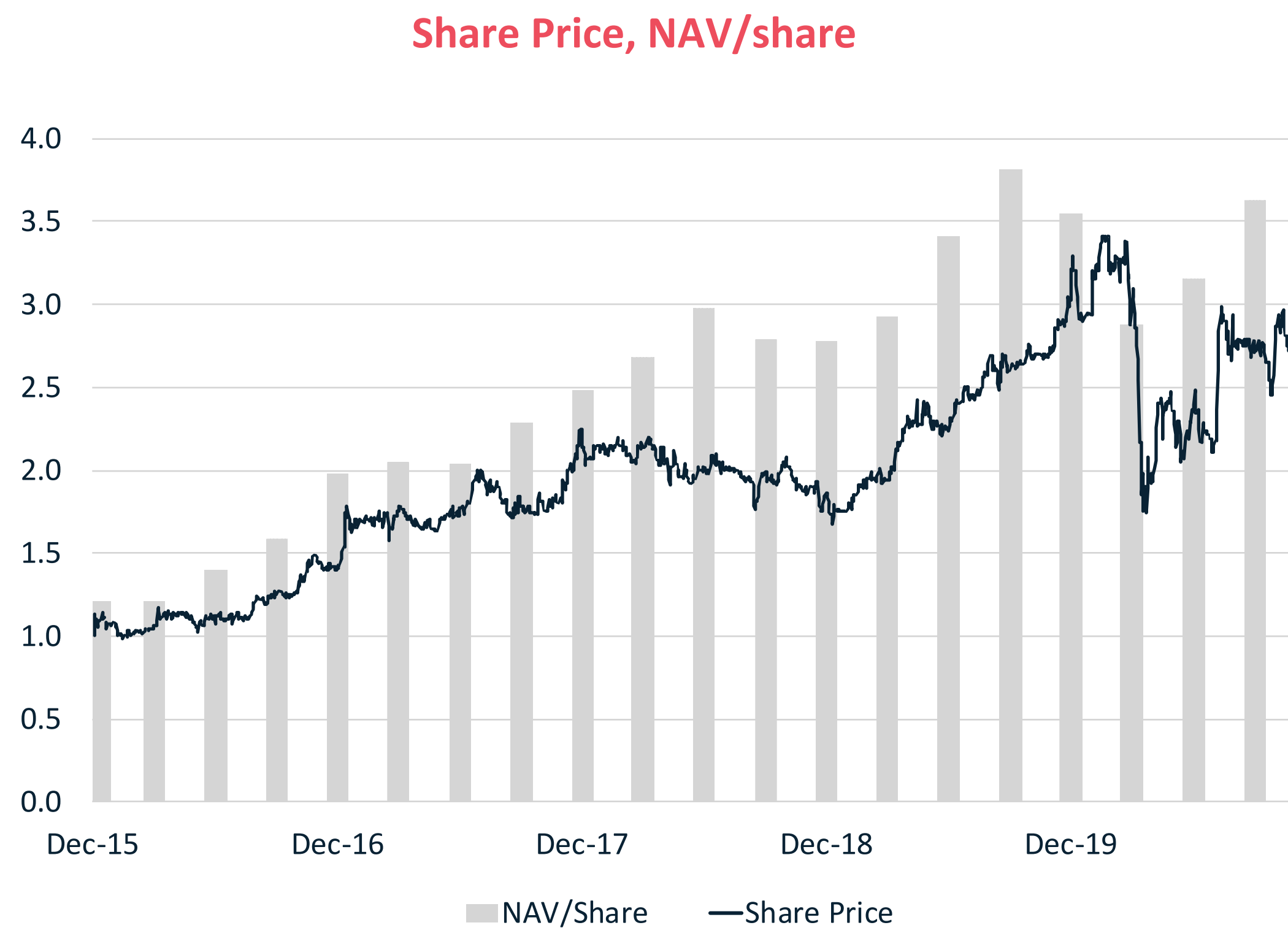
VEF NAV as at September 30th 2020 USD 268.2m



Portfolio NAV Distribution by Geography, ex cash



Share Price, NAV/Share and the Discount



Date	Latest Share Price (SEK)	NAV/Share* (SEK)	Discount	NAV* (USDm)	Market Cap (USDm)
Nov 3, 2020	2.78	3.63	23%	268.2	208.6

*As at Sep 30, 2020

Outlook and Guidance to YE20 and beyond



Digital Finance, a COVID Winner

We expect the on-going disruption caused by COVID to maintain the momentum behind the shift to digital financial services by all, a trend that many of VEF's portfolio companies should continue to benefit from.



Corporate Action, Gradually Then Suddenly

We expect the increased level of IPO/M&A activity across the emerging market fintech space to continue, driven by a combination of low rates, an abundance of capital and attractiveness of opportunity space – positive for sector exit liquidity and transparency for the inherent value in our portfolio.



NAV, a Strong Basis for Continued Growth

While 2Q20 saw initial recovery of portfolio company trends and overall NAV, Q3 was a return to a growth narrative. We are encouraged by all we see in our portfolio to expect this trend to continue into Q420 and 2021.



Creditas, Compounding From a Larger Base

VEF's position in portfolio North Star, Creditas, increased 26% QoQ to USD 102m – Creditas now accounts for 38% of total NAV. Growing at a run-rate north of 100% YoY, we are starting to enjoy a larger base effect, from what is still early days of their journey into a scale opportunity space.



Investment Pipeline

Pipeline work intensified through 3Q20 and encouraged by what we see, we would expect to convert new investments in the coming months.

Key Risks

Uncertain macro and markets outlook from ongoing COVID spread.

Appendix

3Q20 Income Statement

Expressed in USD thousands	Note	9M 2020	9M 2019	3Q 2020	3Q 2019
Result from financial assets at fair value through profit or loss ¹	3	21,124	51,471	45,196	11,689
Dividend and coupon income		294	461	97	210
Other income		72	–	12	–
Total operating profit		21,490	51,932	45,305	11,899
Operating expenses	4	-2,748	-4,224	-862	-1,329
Total operating expenses		-2,748	-4,224	-862	-1,329
Operating result		18,742	47,708	44,443	10,570
Financial income and expenses					
Interest income/expense, net		-5	–	-2	–
Currency exchange gains/losses, net		269	138	3	-32
Net financial items		264	138	1	-32
Result before tax		19,006	47,846	44,445	10,538
Taxation		-23	-89	-16	156
Net result for the period		18,983	47,757	44,429	10,694
Earnings per share (in USD) ²		0.03	0.07	0.07	0.02
Diluted earnings per share (in USD) ³		0.03	0.07	0.07	0.02

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.

3Q20 Balance Sheet

Expressed in USD thousands	Note	Sep 30, 2020	Dec 21, 2019
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		217	275
Total tangible non-current assets		217	275
Financial non-current assets			
Financial assets at fair value through profit or loss	3		
Equity financial assets		248,236	210,387
Liquid financial assets		18,033	34,521
Other financial assets		10	11
Total financial non-current assets		266,279	244,919
CURRENT ASSETS			
Cash and cash equivalents		2,141	5,562
Tax receivables		43	53
Other current receivables		75	135
Total current assets		2,259	5,750
TOTAL ASSETS		268,755	250,944
SHAREHOLDERS' EQUITY (including net result for the financial period)		268,174	249,439
NON-CURRENT LIABILITIES			
Interest-bearing liabilities			
Long-term (lease) liabilities		76	118
Total non-current liabilities		76	118
CURRENT LIABILITIES			
Non-interest-bearing current liabilities			
Other current liabilities		132	211
Tax expenses		59	53
Accrued expenses		314	1,123
Total current liabilities		505	1,387
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		268,755	250,944