



The emerging market fintech investor

Results Presentation

4Q20

4Q20 Highlights

Strong Finish In Banner Year For All Things Digital

- Q4 ended 2020 on a strong note as our companies continue to benefit from the shift to digital financial services across the emerging world, which saw a step change in growth through 2H20 due to COVID-19.

NAV

- 4Q20 NAV/share rose to a fresh all-time high of SEK 3.83 and NAV to USD 388.1m, driven by continued strong performance across the portfolio. In USD terms, NAV/share grew 24% YoY to USD 0.47.

Creditas

- VEF's lighthouse investment, Creditas, closed a Series E funding round of USD 255m, valuing the company at USD 1.75b. VEF invested an additional USD 25m as part of the round and Creditas now accounts for 44% of total NAV.

VEF Share Placement

- VEF raised SEK 522m (USD 61m) in November via a direct market placement, with support of existing and new investors to continue its investment mandate in EM Fintech.

New Name - VEF

- At the Special General Meeting (SGM) in October, Vostok Emerging Finance resolved to change the Company's name to VEF.

4Q20 Financial Highlights

NAV

- NAV increased during 4Q20 to USD 388.1m
- In local currency, NAV increased to SEK 3,178m. NAV/share increased by 6% to SEK 3.83
- In USD terms, NAV/share grew 24% YoY to USD 0.47
- Cash position at 4Q20 end was USD 52.4m

Financial Result

- 4Q20: Net result USD 60.5m (4Q19: USD 0.77m), EPS of USD 0.08 (4Q19: USD 0.00)
- FY20: Net result USD 79.5m (FY19: USD 48.5m), EPS of USD 0.11 (FY19: USD 0.07)

	4Q19	3Q20	4Q20
NAV (USDm)	249.4	268.2	388.1
NAV (SEKm)	2,325	2,409	3,178
NAV per share (SEK)	3.55	3.63	3.83
NAV per share (USD)	0.38	0.40	0.47
VEFL SDB share price (SEK)	2.94	2.57	4.04

NAV Reaches a New High of USD 388.1m

VEF NAV Evolution (USDm)

Q1

- COVID-19 impact; NAV decrease of 25%

Q2

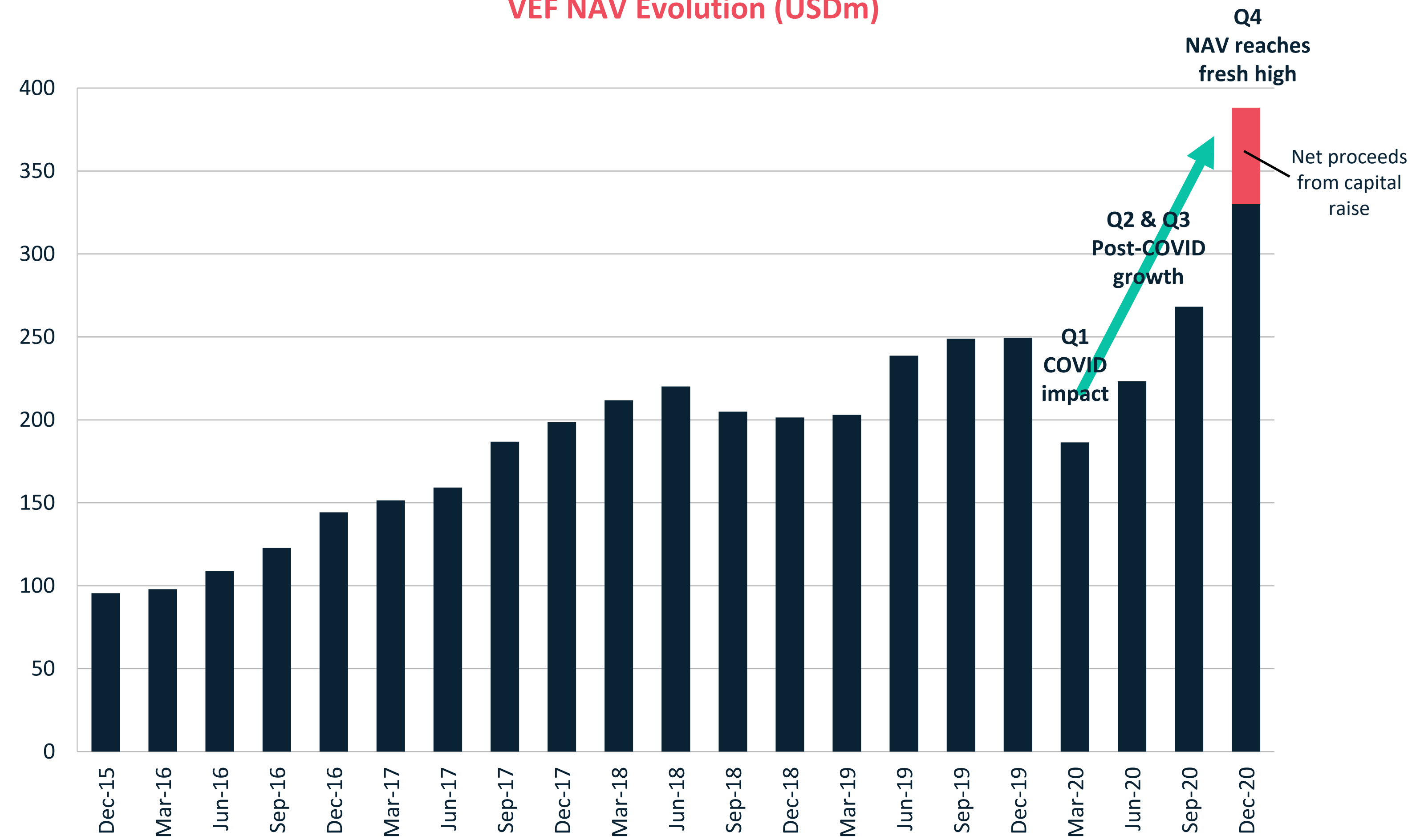
- Clarity and confidence returns coupled with market recovery; 20% NAV recovery

Q3

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

Q4

- NAV growth of 45% QoQ to USD 388.1m, part driven by capital raise



Note: growth metrics displayed are in USD terms

4Q20 NAV Evolution

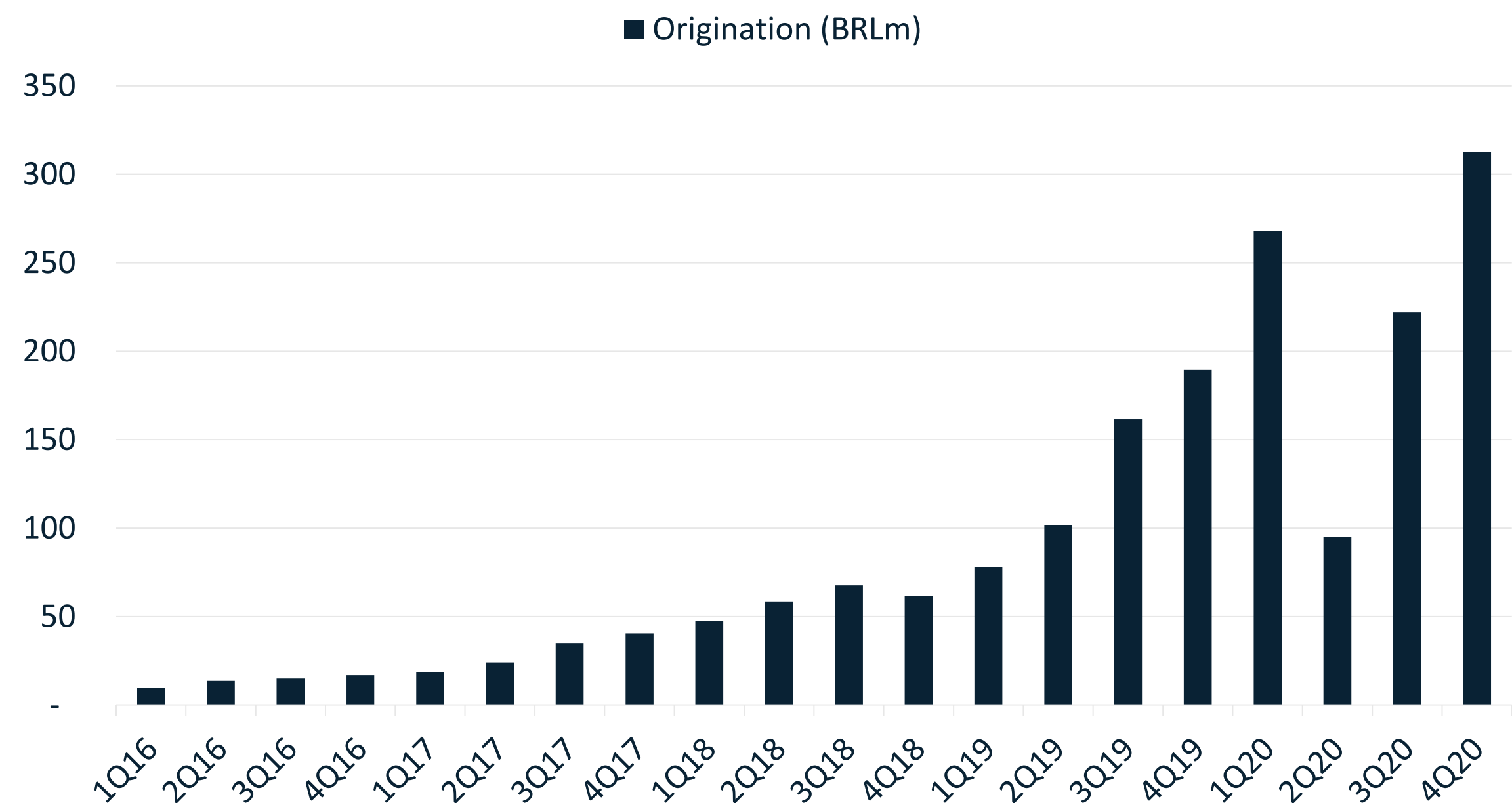
Company	Fair value Dec 31, 2020 (TUSD)	Net invested amount (TUSD)	Investment/ divestments 2020	Change in fair value 4Q 2020 (TUSD)	Change in fair value 2020 (TUSD)	Fair value Dec 31, 2019 (TUSD)	Valuation method
Creditas	189,023	73,356	24,856	42,088	70,921	73,246	Latest transaction
Konfio	48,504	27,500	—	8,225	6,925	41,579	Mark-to-model
TransferGo	28,634	11,037	2,111	3,467	13,968	12,555	Mark-to-model
Juspay	17,372	13,000	13,000	4,372	4,372	—	Mark-to-model
Nibo	13,610	6,500	1,200	544	1,791	10,619	Mark-to-model
REVO	11,083	6,664	-3,017 ^a	2,515	-2,144	16,244	Mark-to-model
FinanZero	9,933	2,671	—	976	2,205	7,728	Mark-to-model
JUMO	9,540	14,614	—	989	-7,335	16,875	Mark-to-model
Magnetis	8,330	5,668	—	635	222	8,108	Mark-to-model
Finja	6,748	3,172	925	2,067	2,434	3,389	Latest transaction
Xerpa	5,758	8,500	—	828	-2,742	8,500	Mark-to-model
Guiabolsó	5,417	30,000	—	-3,330	-6,128	11,545	Mark-to-model
Liquidity investments	48,205	46,965	13,500	172	183	34,521	
Investment portfolio	382,157	249,647	52,575	63,548	84,672	244,908	
Cash and cash equivalents	4,224					5,562	
Total investment portfolio	386,381					250,470	
Other net assets/liabilities	1,685					-1,031	
Total Net Asset Value	388,066					249,439	

Key facts

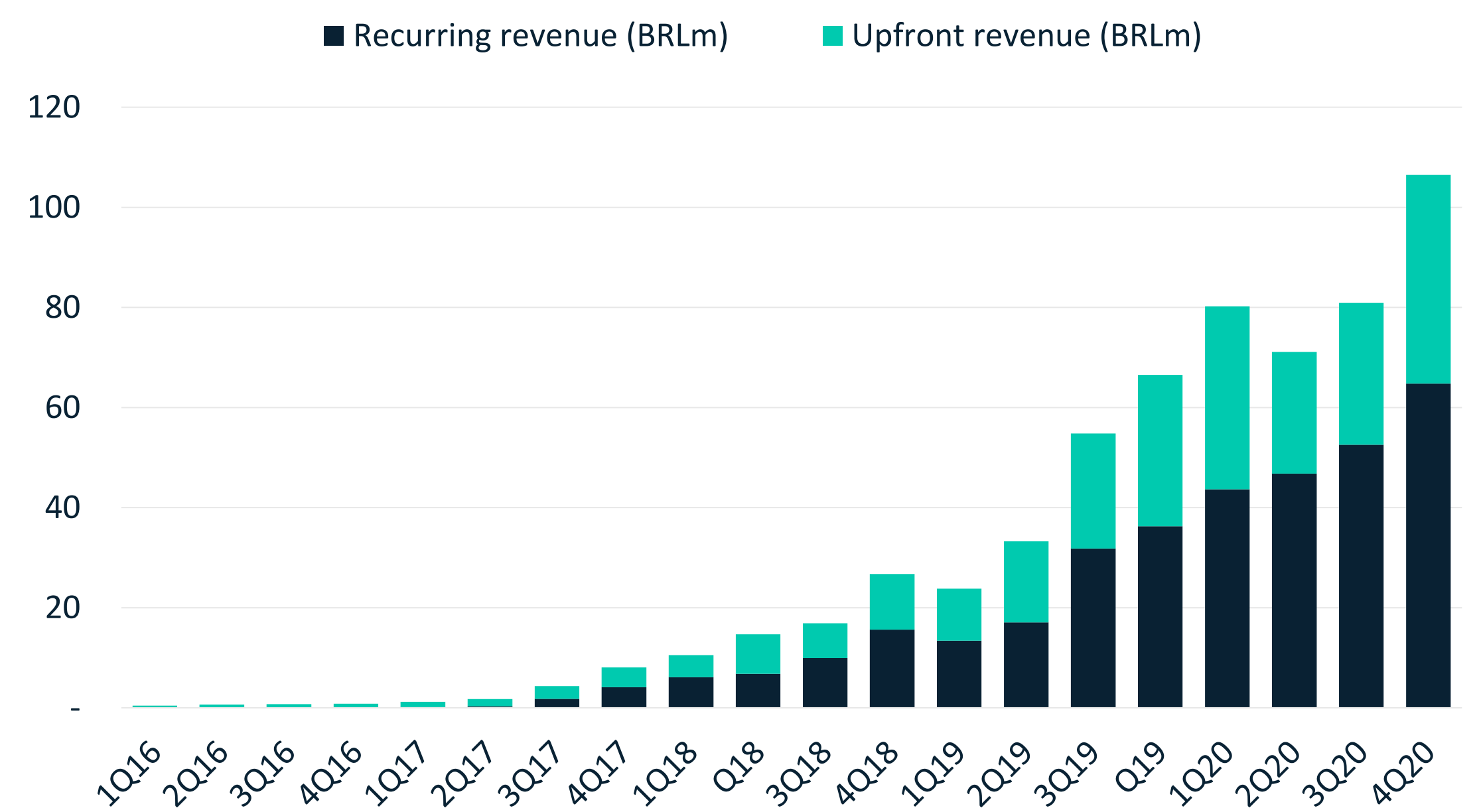
Focus	Secured Consumer Lending
Founded	2012
Key region	Brazil
Share of NAV:	44%

Fair value	USD 169.0 mln
Investment	USD 73.5 mln
Ownership stake	9.8%
Year of investment	2017

Origination



Revenue



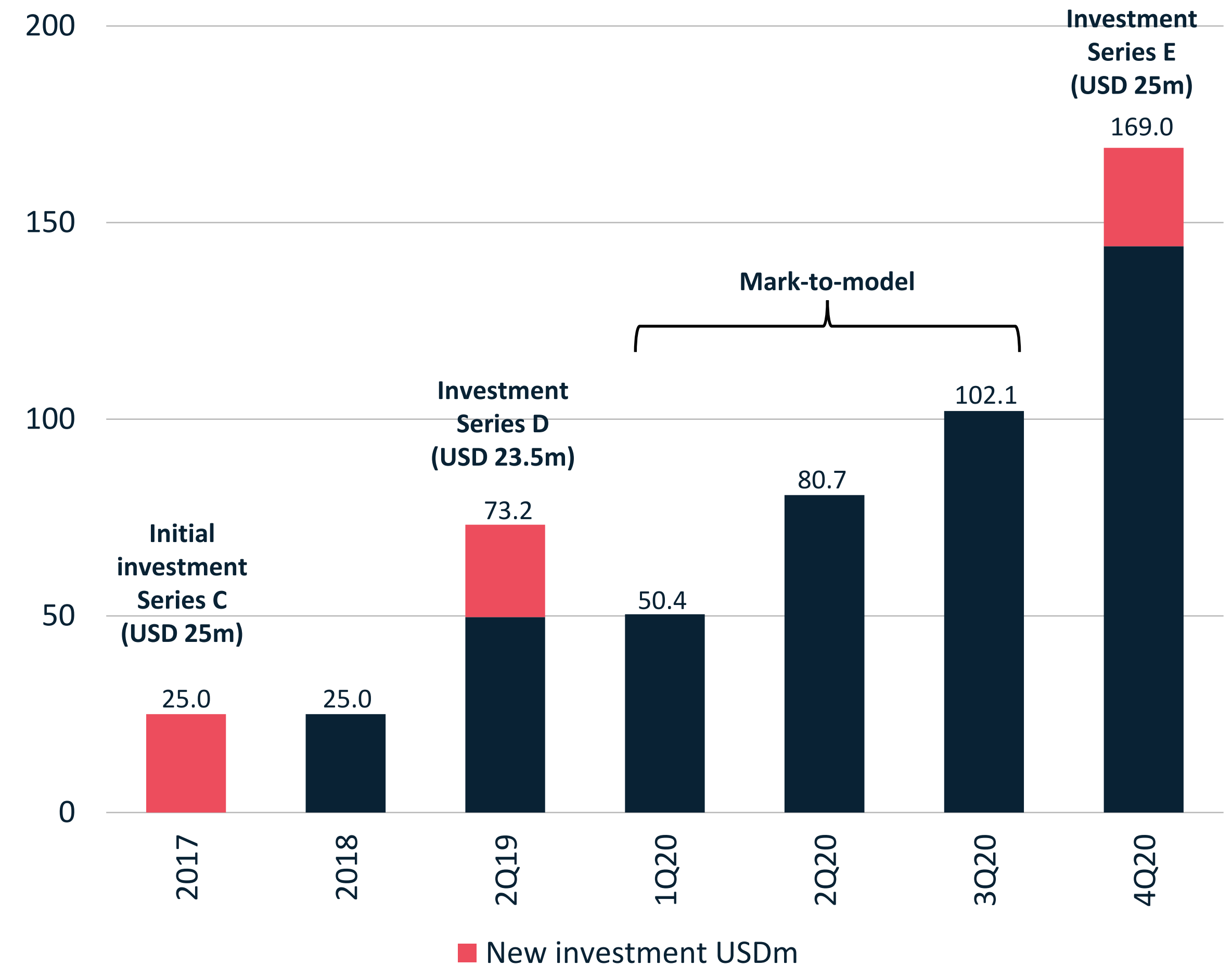
“In early March, due to the pandemic, we preferred to be cautious, as we did not know how the markets would react. Although our pace slowed, we have continued growing and this allowed us to monitor credit quality and capital markets liquidity. Both have remained very strong for Creditas and, in July, we returned to hyper-growth keeping the plan to triple in size in the next 12 months”, comments Sergio Furio, Creditas CEO.

Creditas – North Star Investment and Driving NAV

Series E Fundraising

- In 4Q20 Creditas raised a USD 255m Series E funding round, giving the business a USD 1.75b post-money valuation.
- New investors include LGT Lightstone, Tarsadia Capital, e.ventures, Sunley House and Wellington Management.
- Post the fundraising, Creditas now accounts for 44% of VEF’s NAV.
- Now on a path towards IPO, Creditas has begun to share quarterly results of key operational metrics, with the objective of increasing transparency to the market, something which we welcome as a listed investment company.

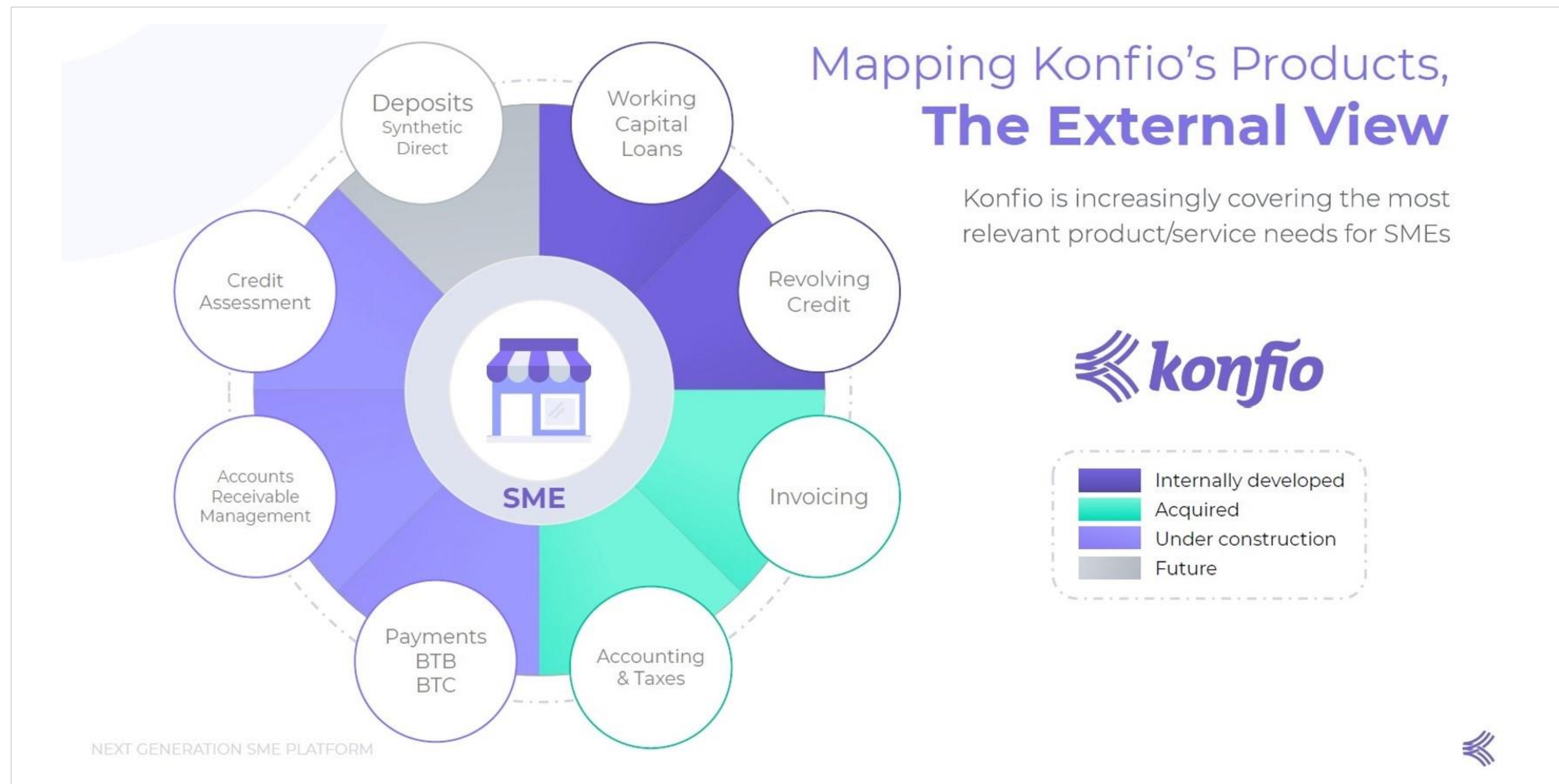
Creditas Stake Valuation Since Initial Investment (USDm)



Key facts

Focus	Diversified financial services for Mexican SMEs
Founded	2014
Key region	Mexico
Share of NAV:	13%

Fair value	USD 48.5 mln
Investment	USD 27.5 mln
Ownership stake	11.0%
Year of investment	2018



Key facts

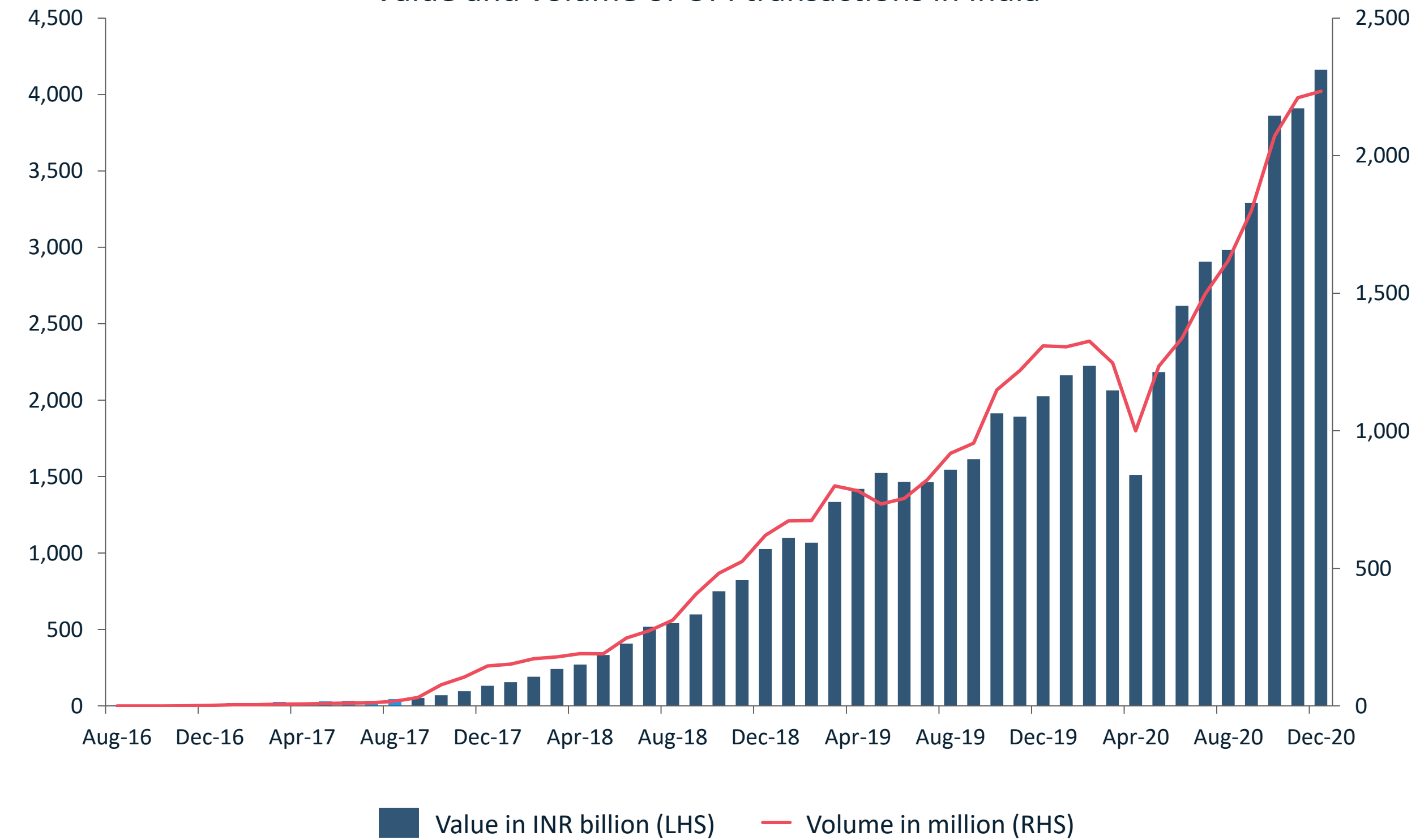
Focus	Mobile Payments
Founded	2012
Key region	India
Share of NAV:	4%

Fair value	USD 17.4 mln
Investment	USD 13.0 mln
Ownership stake	9.9%
Year of investment	2020

- Our first investment into India, Juspay is the country's leading mobile payments platform for online merchants
- India has one of the most advanced and complex electronic payment infrastructures globally, resulting in friction and challenges for merchants and banks in the country
- Juspay solves these challenges for customers with their unifying layer of products and value-added services, with more than 200 mln downloads of its SDK
- Juspay improves conversion rates for merchants and others in the payment value chain, facilitating more than USD 20 bln of annualised GMV and 5m transactions per day
- Based in Bangalore, Juspay is backed by Accel India, Wellington Management, and serves some of India's largest merchants including Amazon, Flipkart and Uber

Growing digitization of Indian payments

Value and volume of UPI transactions in India



Key facts

Focus	Accounting SaaS provider for SMEs & Accountants	Fair value	USD 13.6 mln
Founded	2012	Investment	USD 6.5 mln
Key region	Brazil	Ownership stake	20.1%
Share of NAV:	4%	Year of investment	2017



Customers	300k	300k
Addressable SMEs	10m+	600k
Implied market share	3.0%	50%
Max growth potential	34x	2x
Valuation / current market cap (USD)	60m	2.9b
Valuation vs. Nibo		49x

Portfolio Mix and Commentary

Portfolio Evolution Through 2020

- We have 12 holdings as of 4Q20, 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 55/68% of our geographic spread.
- Creditas is our clear largest holding at 44% of NAV and continuing to compound off a larger base
- Top 2 holdings are 57% / top 5 are 72% of NAV

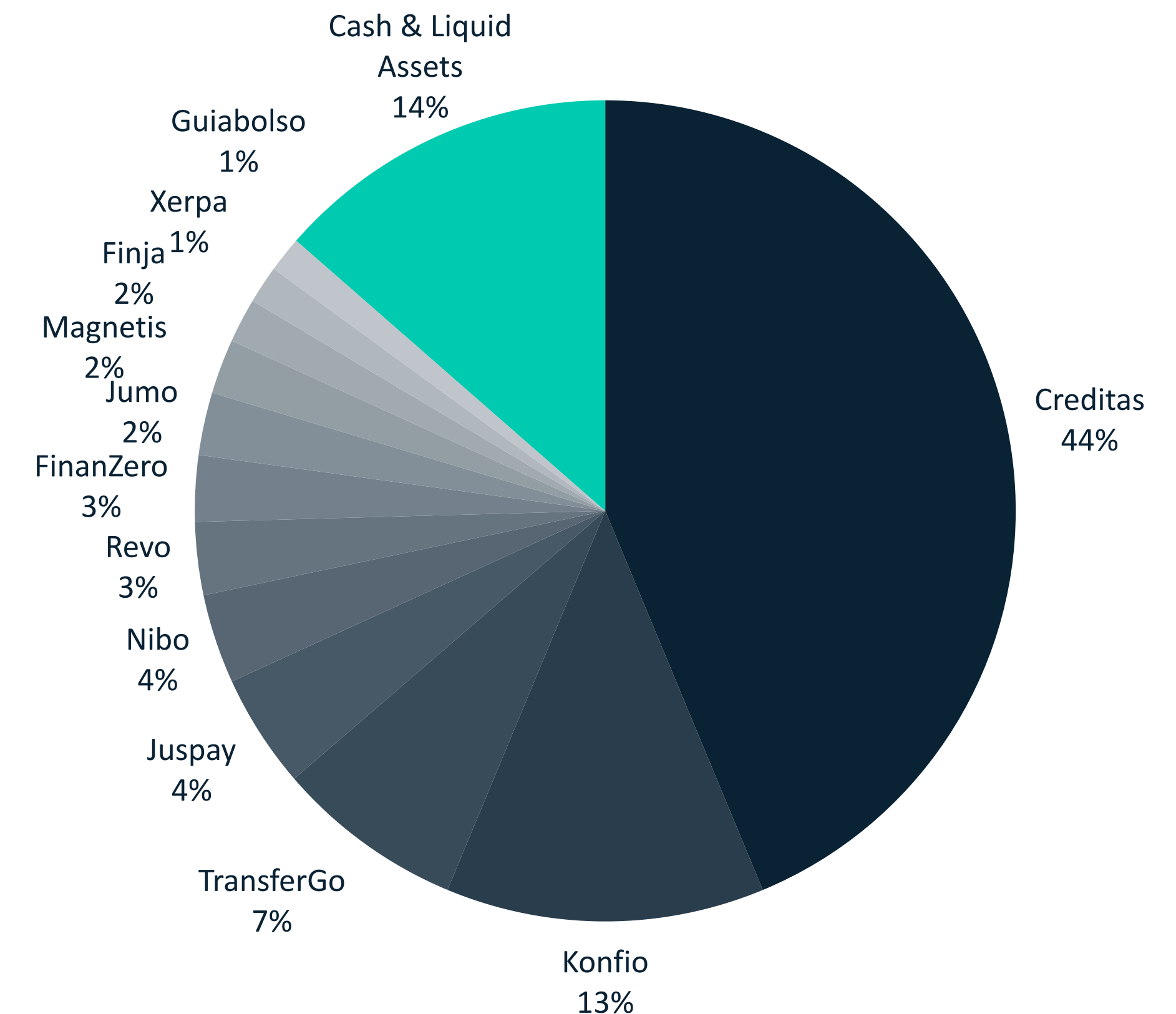
Cash Position

- USD 52.4m cash position at the end of 4Q20

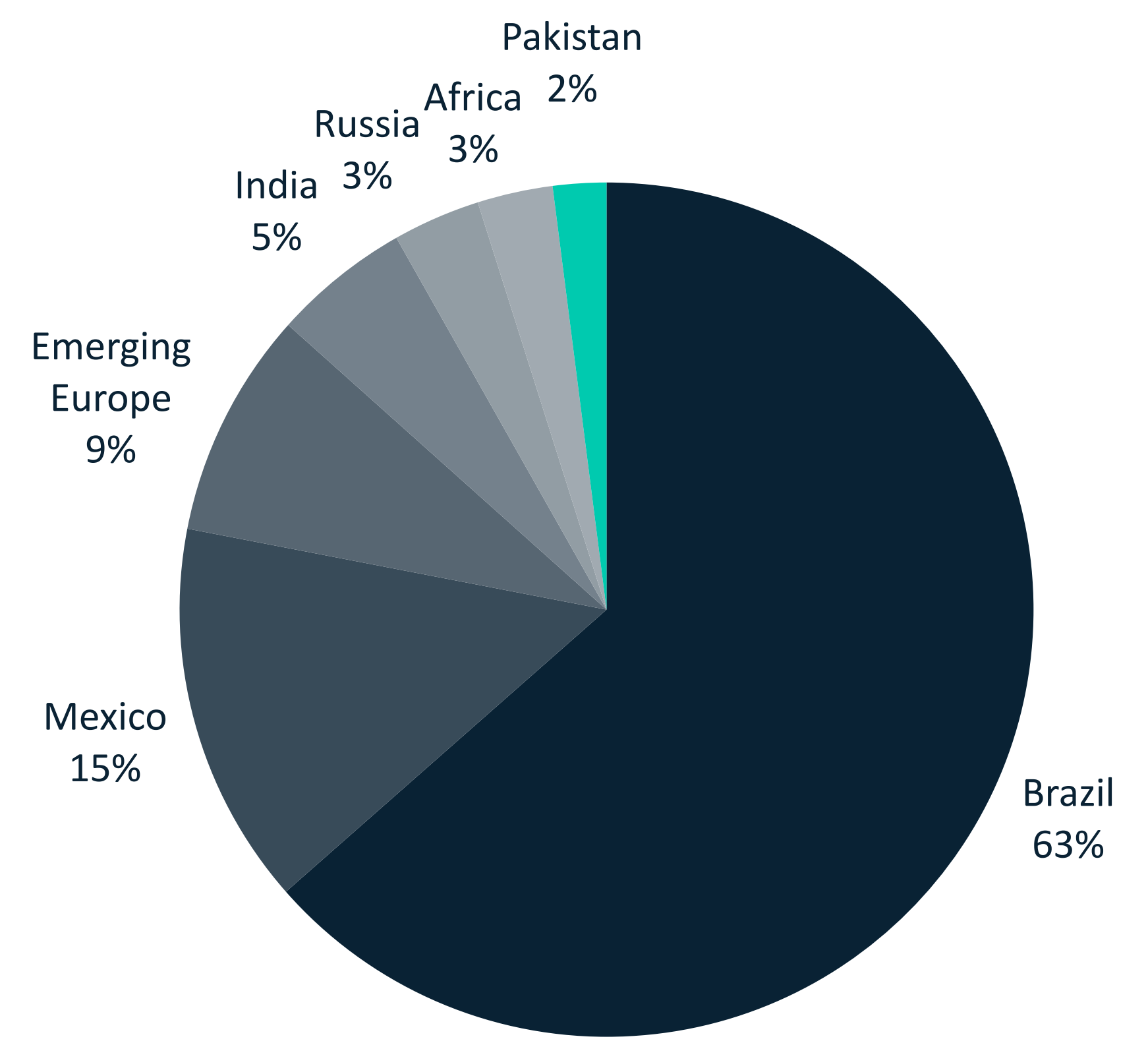
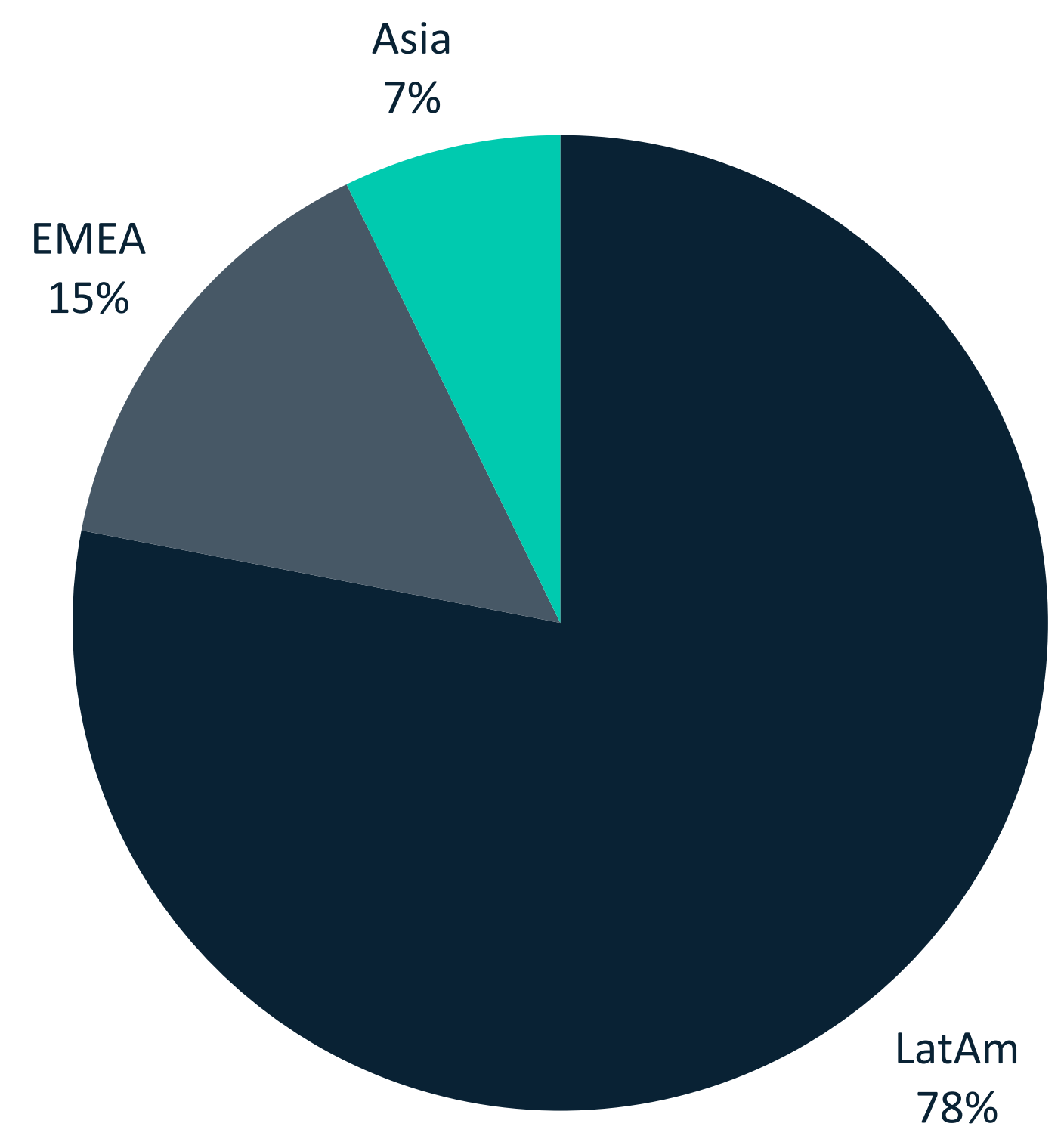
Pipeline

- 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 4Q20
USD 388.1m



Portfolio NAV Distribution by Geography - ex Cash



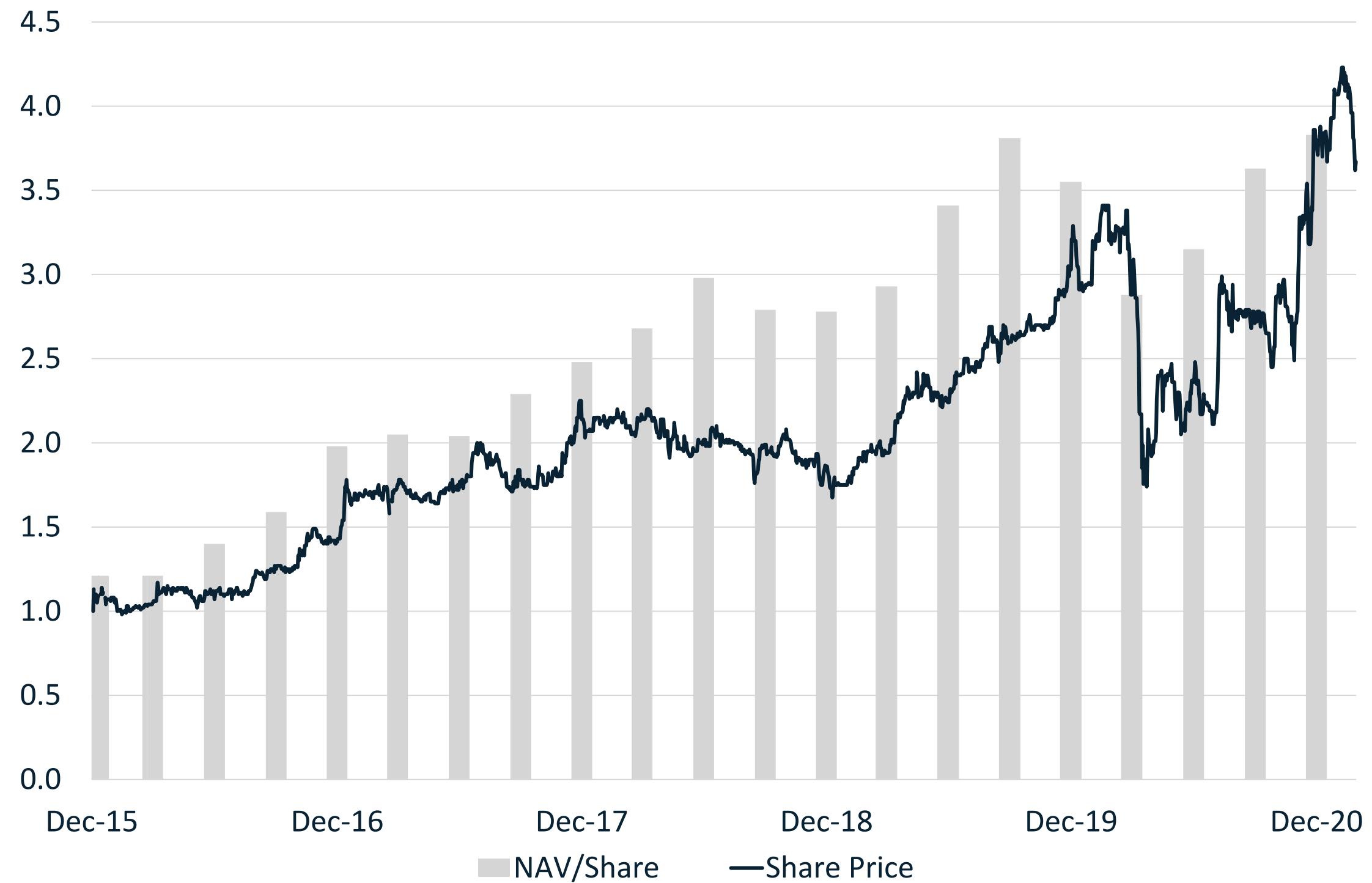
Pipeline Heating Up

- Deal flow as healthy as ever with fintech in emerging markets gaining momentum and high profile exits.
- Country by country approach to searching for opportunities and teams that we believe will be winners in their space.
- Leverage our deep fintech expertise, global lens on financial services and strong local partner network to identify opportunities that exceed our expected IRR hurdle.
- Have core countries and company target lists to focus our efforts.
- Countries of focus are Brazil, India and Mexico with large volume of big deals and frontiers like Egypt and Pakistan with a less developed ecosystem and smaller ticket opportunities.
- We are likely to make new investments in 2021 as we convert a busy pipeline



Share Price, NAV/Share and the Discount

Share Price, NAV/share



Discount to NAV



Date	Latest Share Price (SEK)	NAV/Share* (SEK)	Discount	NAV* (USDm)	Market Cap (USDm)
Feb 1, 2020	3.60	3.83	-6%	388.1	354.5

*As at 4Q20 end

Sustainability and ESG

Our capital positively impacts the financial inclusion of people and SMEs in EM while staying true to our mandate of maximizing returns

Sustainability At VEF

- **Two dimensions:** a) sustainability at VEF as a company and investor and b) sustainability in our portfolio companies
- Biggest sustainability effect comes through our portfolio companies:
 - **Social impact through financial inclusion**
 - Responsible financing activities
 - Fair, ethical, non-discriminating and ESG compliant businesses
- **An investment decision making process driven by a strong belief in:**
 - sustainability as a fundamental part of business; and
 - active and responsible shareholding:
 - **Pre investment ESG analysis:** Analysis of exposure to ESG risks mandatory before investing
 - **Post investment ESG analysis:** Regular compliance reviews and active involvement where needed
- VEF is a supporter of the **UN Sustainable Development Goals**
- Access to financial services for people and small businesses is an important part in achieving the SDGs, eg. reduce poverty and hunger, reduce inequality and promote gender equality
- **1.7 billion people in the world have no access to financial services**

Fintech For Financial Inclusion

Majority of VEF portfolio companies play an important role in the furthering of financial inclusion, by providing:

- services to consumers and SMEs underserved or;
- access to financial services at fair and affordable terms.



- JUMO is removing barriers to access and reaching segments that have been previously excluded from financial services
- **60% of Jumo customers - first interaction with formal financial services**
- 27% earn less than USD 2 per day
- 21% live in rural areas
- 1/3 are women



- Reduces the Brazilian consumer debt burden and offers loans at significantly more affordable terms
- Creditas **cuts interest rates with about 80-90%** from the normal 100-400%/annum typically charged by unsecured consumer lenders and credit card providers in Brazil



- Provides credit and other financial services to SMEs that often don't have access to formal credit
- Majority of customers are **first time users of formal financial services** and have no credit scoring



- Finja is Pakistan's leading digital lending platform for MSMEs
- More than 3,000 unique MSME and 200,00 unique retail customers, of which a **majority are underserved**

Outlook and Guidance for 2021



NAV, a Strong Basis for Continued Growth

With a return to a clear growth narrative through 2H20, we are encouraged by all we see in our portfolio and expect this trend to continue into 2021.



Creditas, Compounding From a Larger Base

The value of VEF's position in portfolio North Star, Creditas, increased 66% QoQ to USD 169m – Creditas now accounts for 44% 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.



Excited by Many Names in the Portfolio, Ripe for a Good 2021

Through 2021 (and beyond), we see clear potential for other names within the portfolio to break out to real size and scale within their focus space and geographies. Top of list, Konfio, in terms of size and scale but also very encouraged by trends at TransferGo and Juspay.



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.



Investment Pipeline

We have a number of deals we expect to convert in our target geographies in the coming months, while we have line of sight on opportunities to put additional capital into some of our favoured portfolio names in 1H21.

Key Risks

Uncertain macro and markets outlook from ongoing COVID spread.

Appendix

4Q20 Income Statement

Expressed in USD thousands	Note	FY 2020	FY 2019	4Q 2020	4Q 2019
Result from financial assets at fair value through profit or loss ¹	3	84,672	53,452	63,548	1,828
Dividend and coupon income		391	501	97	41
Other income		72	–	–	–
Total operating profit		85,135	53,953	63,645	1,869
Administrative and operating expenses		-3,255	-3,869	-873	-913
Employee incentive programs	4	-2,743	-1,737	-2,378	-317
Total operating expenses		-5,998	-5,606	-3,251	-1,230
Operating result		79,137	48,347	60,394	639
Financial income and expenses					
Interest income/expense, net		2	73	7	73
Currency exchange gains/losses, net		389	160	121	23
Net financial items		391	233	128	96
Result before tax		79,528	48,580	60,522	735
Taxation		-74	-51	-51	38
Net result for the period		79,454	48,529	60,471	773
Earnings per share (in USD) ²		0.11	0.07	0.08	0.00
Diluted earnings per share (in USD) ³		0.11	0.07	0.08	0.00

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.

4Q20 Balance Sheet

Expressed in USD thousands	Note	Dec 31, 2020	Dec 31, 2019
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		211	275
Total tangible non-current assets		211	275
Financial non-current assets			
Financial assets at fair value through profit or loss	3		
Equity financial assets		333,952	210,387
Liquid financial assets		48,205	34,521
Other financial assets		–	11
Total financial non-current assets		382,157	244,919
CURRENT ASSETS			
Cash and cash equivalents		4,224	5,562
Tax receivables		58	53
Short-term loan receivables		2,176	–
Other current receivables		114	135
Total current assets		6,572	5,750
TOTAL ASSETS		388,940	250,944
SHAREHOLDERS' EQUITY (including net result for the financial period)		388,066	249,439
NON-CURRENT LIABILITIES			
Interest-bearing liabilities			
Long-term (lease) liabilities		70	118
Total non-current liabilities		70	118
CURRENT LIABILITIES			
Non-interest-bearing current liabilities			
Other current liabilities		192	211
Tax expenses		85	53
Accrued expenses		527	1,123
Total current liabilities		804	1,387
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		388,940	250,944