

The background of the slide is a photograph of a city at night, likely Rio de Janeiro, with its lights reflecting on the water and illuminating the surrounding hills. The sky is a mix of orange, pink, and purple, suggesting a sunset or sunrise. The text is overlaid on this image.

# VEF

The emerging market fintech investor

Interim report  
Third quarter and  
first nine months 2023



Key events during the quarter

- ⌘ The central bank of Brazil cut SELIC interest rate from 13.75% to 12.75% in the quarter, with more expected by YE23. In contrast to much of the world, Brazil is now enjoying a tailwind from falling rates, with clear positive implications for macro, the banking system and fintech within that.
- 📁 VEF invested an additional USD 3 mln into Gringo as part of their Series C funding round. Gringo is the most used and fastest growing app for Brazilian drivers.
- 📁 VEF invested an additional USD 5 mln into Creditas in the form of a convertible loan note.

Net asset value

- NAV of VEF’s portfolio as at 9M23 is USD 422.7 mln (YE22 381.8). NAV per share has increased by 11% to USD 0.41 (YE22: 0.37) per share during 9M23.
- In SEK, NAV equals 4,602 mln (YE22: 3,981). NAV per share has increased by 16% to SEK 4.42 (YE22: 3.82) per share during 9M23.
- Cash position, including liquidity investments, was USD 35.4 mln (YE22: 48.5) at the end of 3Q23.

Financial result

- Net result for 3Q23 was USD -56.5 mln (3Q22: 4.8). Earnings per share were USD -0.05 (3Q22: 0.01).
- Net result for 9M23 was USD 40.7 mln (9M22: -315.8). Earnings per share were USD 0.04 (9M22: -0.30).

	Dec 31, 2021	Dec 31, 2022	Sep 30, 2023
Net asset value (USD mln)	761.7	381.8	422.7
Net asset value (SEK mln)	6,885	3,981	4,602
Net asset value per share (USD)	0.73	0.37	0.41
Net asset value per share (SEK)	6.61	3.82	4.42
VEF AB (publ) share price (SEK)	6.05	2.45	2.18

Events after the end of the period

On 3 October an Extraordinary General Meeting was held in Stockholm, where the Company’s shareholders approved a new long-term incentive program (LTIP 2023) for key employees. LTIP 2023 is a five-year incentive program with identical terms as LTIP 2022.

Visit VEF’s IR page for our financial reports and other information: [vef.vc/investors](https://vef.vc/investors)



Photo: Victor Sanchez Berruezo (Unsplash.com)



# Management report

## Dear Fellow Shareholder,

Building on positive trends YTD, 3Q23 continued to deliver cautious signs that the trend has been the VC's friend through 2023. While we remain a good distance from the euphoric activity and valuation highs of 2020–21, and one needs to be watchful of post end of quarter geo-political and market volatility, 3Q23 did deliver a growing number of data points highlighting an ongoing recovery in the investment world that VEF plays within.

Capital markets opened up with the first size tech IPO's of 2023 and encouragement that exit markets are once again showing signs of life. Linked to this, we saw confidence gradually return to private markets as investments across all stages increased from early 2023 lows. Globally, successful new fund raises are emerging across VC and PE groups. With a portfolio currently weighted to Brazil, we are very encouraged by the local interest rate cycle, with base rates off 100bps from peak and consensus expectations for more cuts by year end. The ecosystem, once again, is gearing up for growth and this will be very supportive for fintech and risk assets in that country looking into 2024.

Taking the ongoing recovery to our portfolio, Gringo's successful Series C funding round was the standout portfolio level event of the quarter, a size up-round and confirmation of both the quality of the asset as well as the valuation mark we had it held at in our NAV. As one of our fastest growing companies, we have very high hopes for it to become a portfolio champion. Creditas continued to move forward, forging a path to break even as evidenced by its 2Q23 results, while securing additional capital to strengthen its balance sheet through the quarter.

## In line with public market drivers, NAV is off QoQ / up YTD

We end 3Q23 with a NAV per share of SEK 4.42, off 11% QoQ and up 16% YTD. Total USD NAV ended the quarter at USD 423 mln, off 12% QoQ and up 11% YTD. The 1% weakening of SEK versus USD QoQ drove the NAV growth currency differential.

With 86% of our portfolio marked to market, public market forces (valuation comps and FX) continue to be key drivers of our portfolio marks and quarterly NAV moves. The average of global fintech indices we track, pulled back 8% QoQ (+20% YTD), while key portfolio currencies were slightly weaker (1–5%) QoQ. Within the portfolio, some of our larger holdings, Creditas and

Juspay, were dragged down by peer stock/multiples weakness, with Adyen (-56% QoQ) being the most high profile peer under pressure. The biggest quarterly positive move was TransferGo – a company that continues to deliver on plan while the listed remittance space has been one of the best performing sub-sectors within fintech YTD, with Remitly +120% YTD. Having already marked our position in Gringo up, based on our model, the recent funding round came in at broadly the same mark.

As a reminder, we keep a consistency of valuation process in the eyes of our audit committee, auditors and most importantly the market. As a result, the broad movements in our NAV YTD 2023, should be of little surprise to the markets. At the end of 3Q23, we sit on USD 35.4 mln of capital.

## Key portfolio updates

At a portfolio level, key events over the quarter included:

**Gringo** (*auto app, Brazil*) – In 3Q23, Gringo announced a successful Series C funding round, led by Valor Capital, raising fresh capital at an improved valuation compared to the last round. VEF supported with an additional investment of USD 3 mln. We led Gringo's Series B, in 1H22, with a USD 12 mln investment, taking a 10% stake in the company. Gringo is one of those few special companies that has been growing at a rampant pace through the turbulent past 18 months. It has grown to 10 million customers and is set to double its revenue YoY in 2023. The new funding will enable the company to expand its automotive credit and insurance products and introduce new features.

**Creditas** (*secured lending, LatAm*) – Another busy positive window for VEF's largest holding. In August, Creditas released headline IFRS results for 2Q23, posting 27/15% YoY revenue/loan growth. Consistent with peers, and in line with recent communication, 2023 is a year to prioritise profit over growth, with a clear plan to reach break even by YE23. Key to this is the ongoing recovery in gross profit margin, which bottomed at 10–11% through 2Q/3Q22, reached 28.4% in 2Q23 and rising. In the quarter, VEF invested an additional USD 5 mln in the company, as part of a broader convertible note. We view Creditas as well-funded to make the most of the recovery cycle that is playing out in Brazil driven by falling interest rates.

Our portfolio feels much more mature than just 18 months ago. A better risk/reward balance is showcased by the majority of our companies being cash flow positive, or on a clear path to that destination. Growth is less euphoric, but business models are more robust and sustainable as a result.

During 3Q23, we also attended PakLaunch, Pakistan's largest tech ecosystem conference. We were joined there by VEF portfolio founders Omair Ansari (Abhi) and Shamooun Tariq (Mahaana) who are great examples of micro level delivery over macro pressures in this window.

## Back in Brazil – interest rate tailwind in a system gearing up for growth

We continue to stay close to our portfolio companies and targeted investment ecosystems, with time spent in Brazil in 3Q23. The interest rate cycle is a dominant theme, with base rates past their peak of 13.75% and two cuts already of 50bps in play and more expected by YE23. In contrast to much of the world, Brazil is now enjoying a tailwind from falling rates, with clear positive implications for macro, the banking system and fintech within that. Feedback on the ground suggested that we are past the peak on the asset quality front, with most players starting to prepare for growth. We expect this recovery trend to be gradual, as opposed to V shaped, but should pick up speed as confidence grows through 2024.

## Private markets in the slipstream of public markets

After the boom of 2020–21, followed by the collapse in 2022 for public technology shares and VC markets, we have been encouraged by the improving trends of the first nine months of 2023.

Private markets take their lead from publics in terms of confidence, flows and valuations – a healthy reminder for many over recent years. To date, 2023 has seen a recovery in technology share prices (Nasdaq +26% YTD) and fintech within that (ARKF +36% and FINX +5% YTD). Linked to this, exit markets are showing signs of life, as IPO markets delivered the first successful tech offerings of 2023, with ARM a great case in points. As a barometer of health of the fintech ecosystem and a very public poster boy through the last turbulent 18 months, it was noticeable to see Klarna recently deliver monthly profitability in 1H23 and talk confidently of a profitable sustainable future with IPO plans back on the table. While mood music has soured somewhat post quarter end, 2023 to date has delivered well north of what we lived through in 2022.

In turn, we are seeing a return of confidence in the VC industry. This is most noticeable in the form of a growing

number of funding rounds happening across sectors and stages, with capital actively starting to be deployed again. Volumes remain well below peak 2021 levels but are directionally positive. We are also seeing increased momentum in new funds being raised amongst many of our VC friends in the industry.

The above trends are all gradual, inter-linked, and positive in nature for everything we do on the funding and investing side of our business.

## Continue to bring the fight to our traded discount

Our focus here continues and this quarter's supportive events included:

- **Portfolio fund raises** – Gringo's raise is growing evidence that we are in the recovery cycle for capital deployment. The round valuation was further validation of our quarterly NAV marks.
- **Increased portfolio transparency and access** – Creditas CEO Sergio Furio was back on the road meeting public investors on both sides of the Atlantic.
- **Continued gradual improvement in VC funding and exit (M&A and IPO) markets** are positive top-down trends that provide a growing tailwind for the industry and VEF within it.

All of the above is layered in off a strong fundamental business and investment case that is VEF. We are just working harder to bring that case back front and centre to investors.

## Early tailwinds and renewed confidence

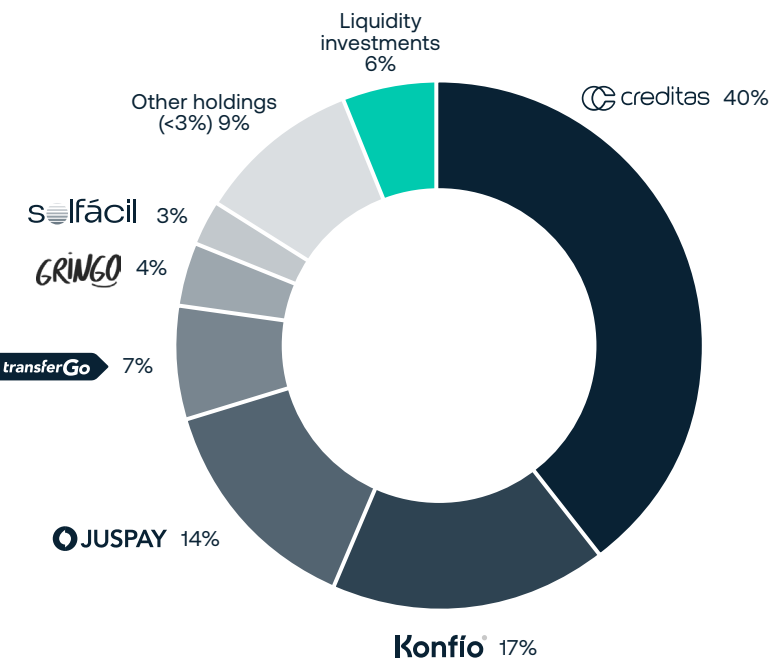
As we move through 2H23, positive data points are becoming more evident, and momentum is re-building. 2022, with all its headwinds, does seem further in the rear view mirror. Macro and markets have been clear tailwinds. Having spent time on the ground with our companies through 2023, we have fresh confidence that we have a portfolio well placed to create a lot of long-term value for our shareholders. We look at our shares at this juncture and see both a strong value and growth case to be made. Our goal as ever is to grow our NAV per share and close that discount to NAV. On the pipeline front, there are encouraging signs that we are on the cusp of a fresh and positive investment vintage.

At VEF, we continue to invest in fintech across the emerging world, riding one of the strongest multi-year secular growth trends in some of the world's fastest-growing markets.

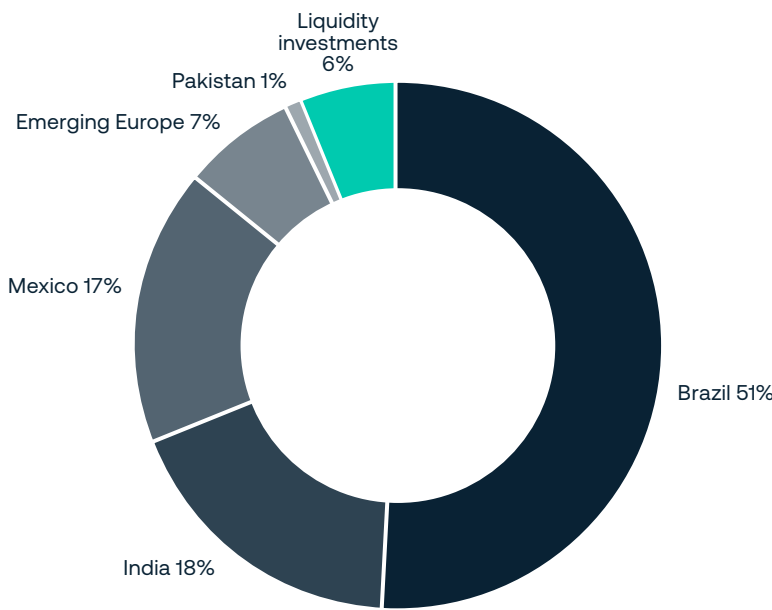
October 2023,  
Dave Nangle

# VEF in charts

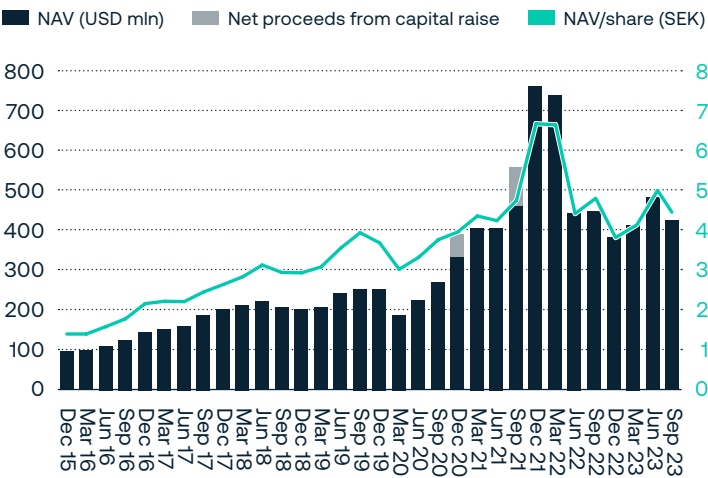
Portfolio composition



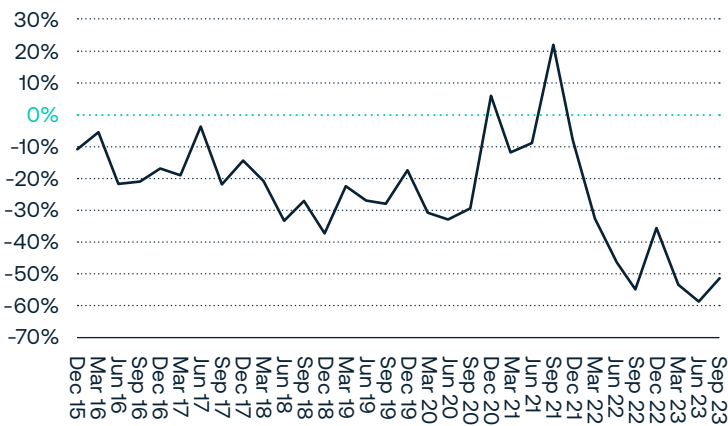
Geographic distribution



NAV evolution



Share premium/discount to NAV



# Investment portfolio

Portfolio development

VEF’s net asset value per share decreased by 12% in USD and 11% in SEK over 3Q23, while VEF’s share price in SEK increased by 7%. During the same period, the MSCI Emerging Markets index\* decreased by 3% in USD terms.

Liquidity investments

The Company has investments in money market funds as part of its liquidity management operations. As at September 30, 2023, the liquidity investments are valued at USD 28.7 mln.

Net asset value

The investment portfolio stated at market value (KUSD) at September 30, 2023

Company	Fair value Sep 30, 2023	Net invested amount	Net investments/ divestments 9M23	Change in fair value 3Q23	Change in fair value 9M23	Fair value Dec 31, 2022	Valuation method
Creditas	183,530	108,356	5,000	-34,329	-14,547	193,076	Mark-to-model
Konfio	79,819	56,521	-	-5,748	39,672	40,146	Mark-to-model
Juspay	66,542	21,083	-	-8,344	19,071	47,471	Mark-to-model
TransferGo	30,928	13,877	-	9,150	14,581	16,347	Mark-to-model
Gringo	17,289	15,249	3,000	-4,543	2,040	12,250	Latest transaction
Solfácil	11,614	20,000	-	-8,386	-8,386	20,000	Mark-to-model
Nibo	11,236	6,500	-	1,044	4,420	6,817	Mark-to-model
BlackBuck	9,348	10,000	-	450	2,454	6,894	Mark-to-model
FinanZero	7,744	5,163	-	-59	-341	8,085	Latest transaction
Rupeek	7,727	13,858	-	-	-7,468	15,195	Latest transaction
Other <sup>2</sup>	7,834	34,119	-	-3,828	-6,685	14,519	
Liquidity investments	28,720	33,800	-14,159	454	3,002	39,877	
<b>Investment portfolio</b>	<b>462,331</b>	<b>338,526</b>	<b>-6,159</b>	<b>-54,139</b>	<b>47,813</b>	<b>420,677</b>	
Cash and cash equivalents	6,729					8,612	
Other net liabilities	-46,327					-47,458	
<b>Total net asset value</b>	<b>422,733</b>					<b>381,831</b>	

1. Attributable to currency exchange differences.  
2. Includes all companies individually valued at less than 1% of the total portfolio.

\* The MSCI Emerging Markets Index is a free float weighted equity index that consists of indices in 24 emerging economies.

Portfolio highlights



Creditas 2Q23 financial highlights

In 2Q23, Creditas reported a revenue growth of 27% YoY, reaching BRL 495 mln. The company’s focus on profitability and efficient operations is paying off, with gross profit increasing by 197% to BRL 141 mln in the same period. Creditas remains optimistic about achieving operational profitability by year-end. Amidst changing macroeconomic conditions, the company’s strategic action plan is strengthening its position in the market, balancing growth and efficiency. Learn more [here](#).



Konfio renews credit line, increases support for SMEs in Mexico

Konfio has renewed its credit line with J.P. Morgan for MXN 1.5 bln, extending it until 2025, which highlights J.P. Morgan’s trust in Konfio’s business model and commitment to supporting SMEs. Learn more [here](#).



Juspay and Yes Bank partner to revolutionize UPI payments with HyperUPI

Juspay and Yes Bank have joined forces to introduce HyperUPI. This partnership marks a pivotal moment in India’s UPI journey, providing businesses and consumers with a secure, efficient, and seamless UPI payment experience directly within mobile applications. Learn more about HyperUPI [here](#).

Key valuation considerations



TransferGo was the single strongest positive NAV counterweight during 3Q23, with a valuation uplift of USD 9.2 mln or 42%. The valuation change was, for the second consecutive quarter, driven by positive moves in the underlying comps set together with a continued positive revenue outlook.



Juspay, while remaining one of the strongest performers in the portfolio with consistently high growth rates and improving take rates, saw a negative valuation change during the quarter. The -11% change in value, or USD -8.3 mln, was mainly driven by the sell-off in Adyen, one of the key peer multiples of Juspay. Despite stronger revenue outlook the -24% compression of the median peer group multiple for Juspay was the sole key driver behind the valuation change.



Creditas, our largest portfolio holding, had a negative impact on the QoQ NAV movement with a USD -34.3 mln (-16%) valuation change in the quarter driven by contracting comps. With moderated revenue/portfolio growth of 27%/15% YoY in 2Q23 and a strong recovery story in gross profit margin, reaching 28.4% in 2Q23, Creditas is executing on, and is well positioned to deliver on its plan to reach break even by YE23.

Brazil



Creditas is building an asset focused ecosystem that supports customers in three essential aspects: living (home), mobility (transport) and earning (salary) by providing fintech, insurtech and consumer solutions. One of LatAm’s leading private fintech plays, Creditas is on a clear path towards IPO.  
In 3Q23 VEF made a follow-on investment of USD 5 mln into Creditas as part of a convertible round taking the total invested amount in Creditas to USD 108 mln.

\$	Fair value (USD): <b>183.5 mln</b>
📁	Share of VEF’s portfolio: <b>39.7%</b>
%	VEF stake: <b>8.7%</b>



Founded in 2020, Gringo is building a “super-app” for drivers in Brazil and currently offers vehicle-documentation related services, credit and insurance solutions. Gringo is focused on improving drivers’ vehicle ownership journey in Brazil, which is currently riddled with pain points driven by analogue processes, massive paperwork and broken legacy systems.  
In 3Q23, VEF invested an additional USD 3 mln into Gringo as part of its Series C round, led by Valor Capital. The round also saw participation from other existing investors.

\$	Fair value (USD): <b>17.3 mln</b>
📁	Share of VEF’s portfolio: <b>3.7%</b>
%	VEF stake: <b>9.9%</b>



Solfácil is building a digital ecosystem for solar energy adoption in Brazil. It offers a holistic solution covering solar equipment procurement and distribution, financing and insurance solutions for the end user, and proprietary IoT technology to optimise monitoring and service post installation.  
In 1H22, VEF invested USD 20 mln into Solfácil, participating in its USD 130 mln Series C round led by QED and also saw participation from SoftBank and existing investors.

\$	Fair value (USD): <b>11.6 mln</b>
📁	Share of VEF’s portfolio: <b>2.5%</b>
%	VEF stake: <b>2.6%</b>






Nibo is the leading accounting SaaS provider in Brazil, transforming the way accountants and SMEs interact. Nibo services over 400,000 SMEs through 4,000+ accountants on their platform.  
Since VEF’s initial investment into Nibo in 2017 VEF made two follow-on investments in 2019 and 2020 and has in total invested USD 6.5 mln.

\$	Fair value (USD): <b>11.2 mln</b>
📁	Share of VEF’s portfolio: <b>2.4%</b>
%	VEF stake: <b>20.1%</b>

# FinanZero

FinanZero is the leading online credit marketplace in Brazil, acting as an independent broker to give millions of customers access to credit from a network of over 70 lenders at the best rates and terms in the market in one search.

VEF made its initial investment into FinanZero in 2016, with the latest follow-on investment of USD 1 mln taking place in 2Q22.




	Fair value (USD): <b>7.7 mln</b>
	Share of VEF's portfolio: <b>1.7%</b>
	VEF stake: <b>18.3%</b>

## India

# JUSPAY

Juspay is India's leading payment technology company offering a unifying layer of products and value-added services to merchants, thereby enabling them to improve their conversion rates. Juspay has played a key role in India's payment transformation and is present on 300 mln+ smartphones and processing USD 100 bln+ annualized TPV.




VEF has made a cumulative investment of USD 21 mln into Juspay, investing USD 13 mln leading its broader Series B round in 2020 and investing USD 8 mln in its series C round in 2022.

	Fair value (USD): <b>66.5 mln</b>
	Share of VEF's portfolio: <b>14.4%</b>
	VEF stake: <b>10.2%</b>

# BLACKBUCK

BlackBuck is the largest online trucking platform in India digitizing fleet operations for truckers (payments solutions around tolls and fuel) and operating a marketplace matching trucks with relevant loads. BlackBuck represents VEF's first investment in the 'embedded finance' space.




VEF made its initial USD 10 mln investment into BlackBuck in 3Q21.

	Fair value (USD): <b>9.3 mln</b>
	Share of VEF's portfolio: <b>2.0%</b>
	VEF stake: <b>1.0%</b>

# ₹ Rupeek

Rupeek is one of India's leading asset-backed digital lending platform offering low interest rate doorstep gold loans and gold backed credit cards to consumers. Rupeek is building products to make credit accessible to Indian households, which hold over 25,000 tonnes of gold worth c. USD 1.5 tln.

In 2Q23, Rupeek raised an additional USD 5 mln to fund its growth plans. In total VEF has invested USD 14 mln into Rupeek.




	Fair value (USD): <b>7.7 mln</b>
	Share of VEF's portfolio: <b>1.7%</b>
	VEF stake: <b>2.5%</b>

## Mexico

# Konfío

Konfío builds digital banking and software tools to boost SME growth and productivity, offering working capital loans, credit cards and digital payments solutions.

VEF has invested a total of USD 56.5 mln in Konfío since 2Q18, most recently participating in Konfío's USD 110 mln Series E2 round led by Tarsadia Capital in 3Q21.




	Fair value (USD): <b>79.8 mln</b>
	Share of VEF's portfolio: <b>17.3%</b>
	VEF stake: <b>10.3%</b>

## Emerging Europe

# transferGo

TransferGo provides low-cost, fast, reliable digital money transfer services to migrants across Europe. Customers pay up to 90% less compared to using banks and have their money delivered securely in minutes.

VEF first invested in TransferGo in 2Q16 and has invested a total of USD 13.9 mln into the company.

	Fair value (USD): <b>30.9 mln</b>
	Share of VEF's portfolio: <b>6.7%</b>
	VEF stake: <b>12.5%</b>



# Financial information

## Investments

During 1Q23, no gross investments in financial assets have been made (1Q22: USD 32.2 mln).

During 2Q23, no gross investments in financial assets have been made (2Q22: USD 6.6 mln).

During 3Q23 VEF invested USD 8.0 mln into the current portfolio, USD 5.0 mln was invested into Creditas in form of a convertible note and USD 3.0 mln was invested into Gringo (3Q22: USD 2.9 mln).

## Divestments

Gross divestments in financial assets during 9M23 were USD 14.2 mln, of which all relates to divestments in liquidity investments (9M22: USD 36.0 mln).

## Share info

VEF AB (publ)'s share capital per September 30, 2023, is distributed among 1,093,199,255 shares with a par value of SEK 0.01 per share. For more information on the share capital please refer to Note 5.

## Share repurchases

At the annual general meeting of the Company on May 9, 2023, the Board's mandate to buy back own shares was renewed. It was also decided that the Company's 12,824,243 repurchased shares would be retired, which took place on May 15. The Company holds no shares in treasury at the end of the period.

## Group – results for 9M23

During 9M23, the result from financial assets at fair value through profit or loss amounted to USD 47.8 mln (9M22: -313.8).

- Coupon income were USD 0.0 mln (9M22: 0.3).
- Operating expenses amounted to USD -5.1 mln (9M22: -6.1).
- Net financial items were USD -2.0 mln (9M22: 3.6).
- Net result was USD 40.7 mln (9M22: -315.8).
- Total shareholders' equity amounted to USD 422.7 mln (YE22: 381.8).

## Group – results for 3Q23

During 3Q23, the result from financial assets at fair value through profit or loss amounted to USD -54.1 mln (3Q22: 3.6).

- Coupon income were USD 0.0 mln (3Q22: 0.1).
- Operating expenses amounted to USD -1.3 mln (3Q22: -1.4).
- Net financial items were USD -1.0 mln (3Q22: 2.6).
- Net result was USD -56.5 mln (3Q22: 4.8).

Following early market tailwinds during the first six months, the recovery in financial markets, partly driven by expectations on lowered rates turned into a less positive 3Q23. With tech stocks down and expectations for USD interest rates to remain higher for longer, value stocks and dividend payers remained in favour during the quarter. The key driver of overall NAV performance was a contraction of peer valuation multiples through the quarter, while on an aggregated level, underlying portfolio performance remained strong with continued moderated revenue growth a reflection of plans to reach break even at a majority of portfolio companies.

## Liquid assets

The liquid assets of the Group, defined as cash and bank deposits, amounted to USD 6.7 mln on September 30, 2023 (YE22: 8.6). The Company also has placements in money market funds as part of its liquidity management operations. As of September 30, 2023, the liquidity placements are valued at USD 28.7 mln (YE22: 39.9).

## Parent company

The parent company, VEF AB (publ), is the holding company of the Group. The net result for 9M23 was SEK 167.0 mln (9M22: 142.5). VEF AB (publ) is the parent of three wholly owned subsidiaries: VEF Cyprus Limited, VEF Fintech Ireland Limited and VEF UK Ltd. VEF AB (publ) is the direct shareholder of three portfolio companies (BlackBuck, Juspay and Rupeek).

## Current market environment

While we remain some distance away from the cheerful activity and valuation peaks of 2020–2021, the sector has been trending favourably in 2023 YTD. Given our portfolio's significant exposure to Brazil, we are particularly encouraged by the local interest rate cycle, with the base rate decreasing by another 50bps in September from its peak at 13.75% and now stands at 12.75% with consensus expectation for more cuts by the end of this year. In Mexico, positive tailwinds are being driven by the US nearshoring theme, and India continues to stand out as a structural growth story on a global scale, having experienced less negative market impact compared to many other markets. While our key benchmark fintech indices, ARKF and FINX are up 20% YTD, both experienced an 8% negative development during the quarter. From a key comps perspective, most of the names are in positive territory YTD, albeit with a few headwinds during the quarter, most notably in the payments space. Key portfolio currencies weakened slightly across the board during the quarter.

On a more general note, we are witnessing renewed confidence in the venture industry, evident in the increasing number of funding rounds across various sectors and stages and the ARM IPO. While funding volumes remain well below the peak levels of 2021, they are trending positively. The VEF shares continue to trade at a deep discount to the latest reported NAV, consistent with many investment company peers around the world. VEF's financial position remains comfortable with a solid balance sheet and a USD 35.4 mln cash position at the end of the quarter, more than sufficient to support current portfolio over the coming twelve-months period. Importantly, 93% of our portfolio already are or have the capacity to reach break even without additional funding, the remaining 7% have a weighted cash runway of 27 months.

# Consolidated income statement

KUSD	Note	9M 2023	9M 2022	3Q 2023	3Q 2022
Result from financial assets at fair value through profit or loss	4	47,813	-313,752	-54,139	3,553
Coupon income		–	293	–	98
Other income		18	179	–	15
Administrative and operating expenses		-5,064	-6,127	-1,320	-1,426
Operating result		42,767	-319,407	-55,459	2,240
Financial income and expenses					
Interest income		209	–	97	–
Interest expense		-4,168	-1,785	-1,461	-1,091
Currency exchange gains/losses, net		1,955	5,380	358	3,720
Net financial items		-2,004	3,595	-1,006	2,629
Result before tax		40,763	-315,812	-56,465	4,869
Taxation		-113	-31	-59	-30
Net result for the period		40,650	-315,843	-56,524	4,839
Earnings per share, USD	9	0.04	-0.30	-0.05	0.01
Diluted earnings per share, USD	9	0.04	-0.30	-0.05	0.00

The Group have no items to account for as other comprehensive income and therefore the net result for the period is equal to the total comprehensive income for the period.

# Consolidated balance sheet

KUSD	Note	Sep 30, 2023	Dec 31, 2022
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		115	156
Total tangible non-current assets		115	156
Financial non-current assets			
Financial assets at fair value through profit or loss	4		
Equity financial assets		433,611	380,800
Liquid financial assets		28,720	39,877
Other financial assets		34	32
Total financial non-current assets		462,364	420,709
CURRENT ASSETS			
Tax receivables		164	64
Other current receivables		74	449
Prepaid expenses		102	104
Cash and cash equivalents		6,729	8,612
Total current assets		7,069	9,229
TOTAL ASSETS		469,549	430,094
SHAREHOLDERS' EQUITY (including net result for the financial period)		422,733	381,831
NON-CURRENT LIABILITIES			
Long-term liabilities	6	45,308	46,979
Total non-current liabilities		45,308	46,979
CURRENT LIABILITIES			
Accounts payable		36	76
Tax liabilities		43	–
Other current liabilities		149	241
Accrued expenses		1,280	967
Total current liabilities		1,508	1,284
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		469,549	430,094



# Consolidated statement of changes in equity

KUSD	Note	Share capital	Additional paid in capital	Retained earnings	Total
Balance at Jan 1, 2022		1,308	97,440	662,980	761,728
Net result for the period		–	–	-377,359	-377,359
Value of employee services:					
- Employee share option scheme		–	12	–	12
- Share based long-term incentive program		10	350	–	360
Buyback of own shares		–	-2,910	–	-2,910
Balance at Dec 31, 2022		1,318	94,892	285,621	381,831
Balance at Jan 1, 2023		1,318	94,892	285,621	381,831
Net result for the period		–	–	40,650	40,650
Transactions with owners:					
Retiring of shares		-12	-2,899	–	-2,911
Bonus issue		11	2,900	–	2,911
Value of employee services:					
- Employee share option scheme	7	–	6	–	6
- Share based long-term incentive program	8	–	246	–	246
Balance at Sep 30, 2023		1,317	95,145	326,271	422,733

# Consolidated statement of cash flows

KUSD	9M 2023	9M 2022	3Q 2023	3Q 2022
OPERATING ACTIVITIES				
Result before tax	40,763	-315,812	-56,465	4,869
Adjustment for non-cash items:				
Interest income and expense, net	3,959	1,785	1,364	1,091
Currency exchange gains/-losses, net	-1,955	-5,380	-358	-3,720
Depreciations	41	91	17	14
Result from financial assets at fair value through profit or loss	-47,813	313,752	54,139	-3,553
Other non-cash items affecting profit or loss	251	273	79	99
Adjustment for cash items:				
Coupon income	–	-293	–	-98
Change in current receivables	-23	-1,864	13	-322
Change in current liabilities	194	-293	129	-827
Adjustments of cash flow in operating activities	-4,583	-7,741	-1,082	-2,447
Investments in financial assets	-8,000	-76,660	-8,000	-2,873
Sales of financial assets	14,159	36,000	8,000	3,000
Coupon income	–	293	–	98
Interest received	209	–	97	–
Tax paid	-70	–	-70	–
Net cash flow from/used in operating activities	1,715	-48,108	-1,055	-2,222
FINANCING ACTIVITIES				
Interest paid on sustainability bonds	-3,679	-908	-1,309	-908
Proceeds from sustainability bonds	–	53,080	–	–
Buybacks of own shares	–	-1,259	–	-1,259
Proceeds from new share issue through employee options	–	10	–	10
Net cash flow from/used in financing activities	-3,679	50,923	-1,309	-2,157
Cash flow for the period	-1,964	2,815	-2,364	-4,379
Cash and cash equivalents at beginning of the period	8,612	11,131	9,040	15,759
Exchange gains/losses on cash and cash equivalents	81	-3,206	53	-640
Cash and cash equivalents at end of the period	6,729	10,740	6,729	10,740



# Alternative performance measures

Alternative Performance Measures (APMs) are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS) and have been issued by the European Securities and Markets Authority (ESMA).  
VEF regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide meaningful supplemental information to analysts, investors, and other parties.

It is important to know that not all companies calculate alternative performance measures identically, therefore these measurements have limitations and should not be used as a substitute for measures of performance in accordance with IFRS.  
Below you find our presentation of the APMs. For more information on how the APMs are calculated, see Note 9.

	Note	Sep 30, 2023	Dec 31, 2022
Equity ratio	9	90.0%	88.8%
Net asset value, USD	9	422,732,869	381,830,589
Exchange rate at balance sheet date, SEK/USD		10.89	10.43
Net asset value/share, USD	9	0.41	0.37
Net asset value/share, SEK	9	4.42	3.82
Net asset value, SEK	9	4,601,825,230	3,981,466,381
Share price, SEK		2.18	2.45
Traded premium/discount to NAV	9	-50.6%	-35.8%
Weighted average number of shares for the financial period	9	1,041,865,735	1,045,052,785
Weighted average number of shares for the financial period, fully diluted	9	1,041,865,735	1,045,052,785
Number of shares at balance sheet date	9	1,041,865,735	1,041,865,735
Number of shares at balance sheet date, fully diluted	9	1,041,865,735	1,041,865,735

# Parent company income statement

KSEK	9M 2023	9M 2022	3Q 2023	3Q 2022
Result from financial assets at fair value through profit or loss	233,490	193,599	-71,194	104,522
Coupon income	–	2,975	–	1,049
Other income	3,369	139	–	139
Administrative and operating expenses	-29,748	-40,574	-8,370	-10,089
Operating result	207,111	156,139	-79,564	95,621
Financial income and expenses				
Interest income	1,502	–	576	–
Interest expense	-43,298	-18,969	-15,365	-11,931
Currency exchange gains/losses, net	1,694	5,328	-11	1,917
Net financial items	-40,102	-13,641	-14,800	-10,014
Result before tax	167,009	142,498	-94,364	85,607
Taxation	–	–	–	–
Net result for the period	167,009	142,498	-94,364	85,607

The Parent Company have no items to account for as other comprehensive income and therefore the net result for the period is equal to the total comprehensive income for the period.



# Parent company balance sheet

KSEK	Note	Sep 30, 2023	Dec 31, 2022
<strong>NON-CURRENT ASSETS</strong>			
<strong>Financial non-current assets</strong>			
Shares in subsidiaries		2,519,361	2,400,800
Financial assets at fair value through profit or loss			
Equity financial assets		919,788	725,327
Liquid financial assets		303,110	415,811
Other financial assets		50	50
<strong>Total financial non-current assets</strong>		<strong>3,742,309</strong>	<strong>3,541,988</strong>
<strong>CURRENT ASSETS</strong>			
Tax receivables		445	245
Other current receivables		713	4,310
Other current receivables, Group		11,885	9,746
Prepaid expenses		786	956
Cash and cash equivalents		51,418	74,592
<strong>Total current assets</strong>		<strong>65,247</strong>	<strong>89,849</strong>
<strong>TOTAL ASSETS</strong>		<strong>3,807,556</strong>	<strong>3,631,837</strong>
<strong>SHAREHOLDERS' EQUITY (including net result for the financial period)</strong>	5	<strong>3,298,236</strong>	<strong>3,128,670</strong>
<strong>NON-CURRENT LIABILITIES</strong>			
Long-term liabilities	6	492,500	488,750
<strong>Total non-current liabilities</strong>		<strong>492,500</strong>	<strong>488,750</strong>
<strong>CURRENT LIABILITIES</strong>			
Accounts payable		396	649
Other current liabilities, Group		2,533	2,442
Other current liabilities		451	1,463
Accrued expenses		13,440	9,863
<strong>Total current liabilities</strong>		<strong>16,820</strong>	<strong>14,417</strong>
<strong>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</strong>		<strong>3,807,556</strong>	<strong>3,631,837</strong>

# Parent company statement of changes in equity

KSEK	Note	Share capital	Additional paid in capital	Retained earnings	Total
<strong>Balance at Jan 1, 2022</strong>		<strong>10,963</strong>	<strong>849,376</strong>	<strong>2,272,233</strong>	<strong>3,132,572</strong>
Net result for the period		–	–	23,969	23,969
Value of employee services:					
- Employee share option scheme		–	122	–	122
- Share based long-term incentive program		104	3,590	–	3,694
Buyback of own shares		–	-31,687	–	-31,687
<strong>Balance at Dec 31, 2022</strong>		<strong>11,067</strong>	<strong>821,401</strong>	<strong>2,296,202</strong>	<strong>3,128,670</strong>
<strong>Balance at Jan 1, 2023</strong>		<strong>11,067</strong>	<strong>821,401</strong>	<strong>2,296,202</strong>	<strong>3,128,670</strong>
Net result for the period		–	–	167,010	167,010
Transactions with owners:					
Retiring of shares		-135	-31,559	–	-31,694
Bonus issue		128	31,566	–	31,694
Value of employee services:					
- Employee share option scheme	7	–	58	–	58
- Share based long-term incentive program	8	–	2,498	–	2,498
<strong>Balance at Sep 30, 2023</strong>		<strong>11,060</strong>	<strong>823,964</strong>	<strong>2,463,212</strong>	<strong>3,298,236</strong>



# Notes

(Expressed in KUSD unless indicated otherwise)

## Note 1

### General information

VEF AB (publ) was incorporated on December 7, 2020 and the registered office is at Mäster Samuelsgatan 1, 111 44 Stockholm, Sweden. The common shares of VEF AB (publ) are listed on Nasdaq Stockholm Main Market with the ticker VEFAB. The common shares of VEF AB (publ) replaced the Swedish Depository Receipts representing shares in VEF Ltd. With effect as from July 5, 2021, in connection with the transfer of domicile of the group from Bermuda to Sweden. As of September 30, 2023, the VEF Group consists of the Swedish Parent Company VEF AB (publ) and three wholly owned subsidiaries: VEF Cyprus Limited, VEF Fintech Ireland Limited and VEF UK Ltd. VEF Service AB was liquidated in 2Q23. VEF Cyprus Limited act as the main investment vehicle for the group, holding fourteen of seventeen investments at balance date. VEF AB (publ) holds the remaining three (BlackBuck, Juspay and Rupeek) and act as a service company, together with VEF Fintech Ireland Limited and VEF UK Ltd, providing business and investment support services to the Group. The financial year is January 1–December 31.

### Parent company

The Parent Company VEF AB (publ) is a public limited liability company, incorporated in Sweden and operating under Swedish law. VEF AB (publ) is the holding company of the Group and directly owns all the companies in the Group. The net result for 9M23 was SEK 167.0 mln (9M22: 142.5). VEF AB (publ) was incorporated on December 7, 2020. The parent company has four employees per September 30, 2023.

### Accounting principles

This interim report has, for the Group, been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial reporting for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities, issued by the Swedish Financial Reporting Board. Under Swedish company regulations it is not allowed to report the Parent Company results in any other currency than SEK or EUR and consequently the Parent Company’s financial information is reported in SEK and not the Group’s reporting currency of USD. The accounting principles in the 2022 Annual Report sets out the principles for the Group and the Parent company.

## Note 2 — Financial and operating risks

For a detailed account of risks associated with investing in VEF and VEF’s business, please see the 2022 Annual Report, Note 2.

## Note 3 — Related party transactions

Related party transactions for the period are of the same character as described in the 2022 Annual Report. During the period VEF has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	9M 2023	9M 2022	Sep 30, 2023	Sep 30, 2022
Key management and Board of Directors <sup>1</sup>	2,207	2,533	–	–

1. Compensation paid or payable includes salary, bonus, share based remuneration and pension to the management and remuneration to the Board members.

## Note 4 — Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Investments in assets that are not traded on any market will be held at fair value determined by recent transactions made at prevailing market conditions or different valuation models depending on the characteristics of the company as well as the nature and risks of the investment. These different techniques may include discounted cash flow valuation (DCF), exit-multiple valuation also referred to as leveraged buyout (LBO) valuation, asset-based valuation as well as forward look-ing multiples valuation based on comparable traded companies (peer companies). Usually, transaction-based valuations are kept unchanged for a period of twelve months unless there is cause for a significant change in valuation. After twelve months, the fair value for non-traded assets will normally be derived through any of the models described above. The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment’s fair value, the valuation is adjusted accordingly. The transaction-based valuations are also frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models when warranted. VEF follows a structured process in assessing the valuation of its unlisted investments. VEF evaluates company specific and external data relating to each specific investment on an ongoing basis. The data is then assessed at quarterly valuation meetings by senior management. If internal or external factors are deemed to be significant, further assessment is under-taken and the specific investment is revalued to the best fair value estimate. Revaluations are first reviewed by the audit committee and later approved by the Board in connection with the Company’s financial reports.

The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Investments are moved between levels in the fair value hierarchy when the management finds the best suitable valuation technique has changed and that the current applied technique results in a new classification in the fair value hierarchy compared to the prior period.

Assets measured at fair value at Sep 30, 2023

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	28,720	33,870	399,741	462,331
of which:				
Liquidity placements	28,720	–	–	28,720
Shares	–	33,870	366,476	400,346
Convertibles and SAFE notes	–	–	33,265	33,265
Total assets	28,720	33,870	399,741	462,331

Assets measured at fair value at Dec 31, 2022

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	39,877	111,586	269,214	420,677
of which:				
Liquidity placements	39,877	–	–	39,877
Shares	–	111,586	251,085	362,671
Convertibles and SAFE notes	–	–	18,129	18,129
Total assets	39,877	111,586	269,214	420,677

Changes of financial assets in Level 3

	Sep 30, 2023	Dec 31, 2022
Opening balance Jan 1	269,214	25,794
Transfers from Level 2 to Level 3 <sup>1</sup>	75,056	605,712
Transfers from Level 3 to Level 2 <sup>1</sup>	-2,637	–
Change in fair value	58,108	-362,292
Closing balance	399,741	269,214

1. No deviations have been made from established guidelines regarding valuation techniques and transfers of assets between levels in the hierarchy.

As per September 30, 2023, VEF has a liquidity management portfolio of listed money market funds that are classified as Level 1 investments.

The investments in Creditas, Konfío, Juspay, TransferGo, Solfácil, Nibo and BlackBuck are classified as Level 3 investments. The remaining smaller portfolio companies are either classified as Level 2 or Level 3 investments. During the quarter Solfácil has been transferred from Level 2 to Level 3, and Gringo has been transferred from Level 3 to Level 2.

Transaction-based valuations

Holdings classified as Level 2 investments are valued based on the latest transaction in the company, on market terms. The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment’s fair value, the valuation is adjusted accordingly. The transaction-based valuations are frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models. When transaction-based valuations of unlisted holdings are used, no material event is deemed to have occurred in the specific portfolio company that would suggest that the transaction-based value is no longer valid. The majority of the holdings valued on the basis of the latest transactions demonstrate strong revenue growth profiles and are set to deliver growth broadly in line with their respective business plans on which the latest transaction was based.

Company	Valuation method	Date latest transaction
FinanZero	Latest transaction	2Q22
Gringo	Latest transaction	3Q23
Rupeek	Latest transaction	2Q23

Mark-to-model-based valuations

Creditas, Konfío, Juspay, TransferGo, Solfácil, Nibo and BlackBuck are all valued on the basis of a twelve-months (NTM) forward looking revenue and/or gross profit multiple. Inputs used for each valuation include risk adjusted revenue and earnings forecasts, local currency moves and listed peer group revenue and/or gross profit multiples as of September 30, 2023.

The difference in fair value change between the portfolio companies is dependent on relative revenue and/or gross profit forecasts in each company as well as moves in the relevant peer group and moving exchange rates. Peers used in the 3Q23 peer set include a mix of listed emerging and developed market companies representing accounting SaaS and BNPL companies, solar companies, fast growth payments companies and a range of Latin American fintech companies. The NTM multiples across the different peer groups per company and valuation range from 0.4x to 13.4x NTM revenues and/or gross profit. As a standard process, the median of each group is used, and in applicable cases VEF will adjust the resulting multiple based on prevailing local market conditions, sector and company specific factors, applying discounts or premiums to reflect the fair value of the company.



Below table summarizes the sensitivity of the assets value to changes in the underlying multiple used for the valuation.

Sensitivity analysis of valuations based on changes in peer group multiples used

Company	Valuation method	Peer group range	-15%	-10%	-5%	0%	+5%	+10%	+15%
Creditas	Revenue and GP multiple	0.4–11.6x	159,663	167,618	175,574	183,530	191,485	199,441	207,397
Konfio	Revenue multiple	0.4–3.9x	69,106	72,677	76,248	79,819	83,389	86,960	90,531
Juspay	Revenue multiple	5.5–13.4x	57,211	60,321	63,432	66,542	69,653	72,763	75,874
TransferGo	Revenue and GP multiple	2.1–6.7x	26,512	27,984	29,456	30,928	32,400	33,872	35,343
Solfácil	Revenue and GP multiple	1.1–11.5x	9,919	10,484	11,049	11,614	12,179	12,743	13,308
Nibo	Revenue multiple	6.8–9.9x	9,670	10,192	10,714	11,236	11,759	12,281	12,803
BlackBuck	Revenue multiple	5.9–6.5x	8,024	8,466	8,907	9,348	9,790	10,231	10,673

Change in financial assets at fair value through profit or loss

Company	Jan 1, 2023	Investments/ (divestments), net	Fair value change	Sep 30, 2023	Percentage of portfolio	VEF ownership stake
Creditas	193,076	5,000	-14,547	183,530	39.7%	8.7%
Konfio	40,146	–	39,672	79,819	17.3%	10.3%
Juspay	47,471	–	19,071	66,542	14.4%	10.2%
TransferGo	16,347	–	14,581	30,928	6.7%	12.5%
Gringo	12,250	3,000	2,040	17,289	3.7%	9.9%
Solfácil	20,000	–	-8,386	11,614	2.5%	2.6%
Nibo	6,817	–	4,420	11,236	2.4%	20.1%
BlackBuck	6,894	–	2,454	9,348	2.0%	1.0%
FinanZero	8,085	–	-341	7,744	1.7%	18.3%
Rupeek	15,195	–	-7,468	7,727	1.7%	2.5%
Other <sup>1</sup>	14,519	–	-6,685	7,834	1.7%	
Liquidity investments	39,877	-14,159	3,002	28,720	6.2%	
Total	420,677	-6,159	47,813	462,331		

1. Includes all companies individually valued at less than 1% of the total portfolio.

Note 5 – Share capital

VEF AB (publ)’s share capital per September 30, 2023, is distributed among 1,093,199,255 shares with a par value of SEK 0.01 per share as set out in the table below. Each share of the Company carries one vote. The common shares trade on Nasdaq Stockholm Main Market, Mid Cap-segment.

The convertible shares of Class C 2020, Class C 2021 and Class C 2022 are held by management and key personnel of VEF under the Company’s long-term incentive programs. The Class C shares are redeemable pursuant to the terms set out in VEF’s articles of association.

Share class	Number of shares	Number of votes	Share capital (SEK)
Common shares <sup>1</sup>	1,041,865,735	1,041,865,735	10,540,805
Class C 2020	32,751,250	32,751,250	331,352
Class C 2021	8,229,375	8,229,375	83,259
Class C 2022	10,352,895	10,352,895	104,743
Total	1,093,199,255	1,093,199,255	11,060,159

1. In May, 2023, 12 824 243 repurchased common shares were retired. The Company holds no shares in treasury.

Note 6 – Long-term liabilities

Sustainability bonds 2022/2025

During 2Q22, VEF issued sustainability bonds of three years, to the amount of SEK 500 mln, within a frame of SEK 1,000 mln. The bonds carry a floating coupon of 3m Stibor + 725 bps with interest paid quarterly. The bonds are due in April 2025. The bonds are trading on the sustainable bond list of Nasdaq Stockholm and the Open Market of the Frankfurt Stock Exchange.

Note 7 – Option plan

Per September 30, 2023, a total of 500,000 options are outstanding, of which none to the Managing Director. In 3Q23, 500,000 options were exercised by a former employee but no new shares were issued since the exercise took place on a cash basis.

Option grant date	Dec 17, 2019
Maturity date	Dec 17, 2024
Option price at grant date, SEK	0.34
Share price at grant date, SEK	2.95
Exercise price, SEK	3.69
Volatility	22.80%
Risk free interest rate	-0.29%
No. of options granted	500,000

For more information on the option plan, please see Note 8 in the 2022 Annual Report.

Note 8 – Long-term share-based incentive program (LTIP)

There are three running LTIP programs for management and key personnel in the VEF Group. All three running programs, LTIP 2020, 2021 and 2022 are linked to the long-term performance of both the Company’s NAV and of the VEF share price. For more information on the LTIPs, please see Note 8 in the 2022 Annual Report.

	LTIP 2020	LTIP 2021	LTIP 2022
Performance measurement period	Jan 2020–Dec 2024	Jan 2021–Dec 2025	Jan 2022–Dec 2026
Vesting period	Nov 2020–Dec 2024	Sept 2021–Dec 2025	Aug 2022–Dec 2024
Maximum no of shares, Managing Director	13,300,000	3,325,000	3,325,000
Maximum no of shares, others	19,451,250	4,904,375	7,027,895
Maximum no of shares, total	32,751,250	8,229,375	10,352,895
Maximum dilution	3.05%	0.78%	0.98%
Share price on grant date, SEK	3.14	4.34	2.31
Share price on grant date, USD	0.36	–	–
Plan share price on grant date, SEK¹	0.37	0.62	0.10
Plan share price on grant date, USD¹	0.04	–	–
Total employee benefit expense excl. bonuses paid and social taxes	LTIP 2020²	LTIP 2021²	LTIP 2022²
2023	140	79	23
2022	204	131	14
2021	201	22	–
2020	31	–	–
Total accumulated	576	232	37

1. The difference in common share price and plan share price derive from that plan share price has been calculated using the Monte Carlo method applying the performance criterias applicable in the terms for the long-term incentive programme and the current share price at grant date.
2. The total IFRS 2 expense does not include subsidy for acquisition and taxes arisen.

Note 9 – Key and alternative performance measures

IFRS defined performance measures (not alternative performance measures)

Earnings per share	Diluted earnings per share
Result for the period divided with the average number of outstanding common shares. Class C shares issued to participants under the Company’s LTIP are not treated as outstanding common shares and thus are not included in the weighted calculation, but they are however recognized as an increase in shareholder’s equity. Repurchased common shares held in treasury by the Company is neither included in the calculation.	When calculating diluted earnings per share, the average number of common shares is adjusted to consider the effects of potential dilutive common shares that have been offered to employees, originating during the reported periods from share-based incentive programs. Dilutions from share-based incentive programs affect the number of shares and only occur when the incentive program performance conditions of the respective programs are fulfilled.

Key ratios – reconciliation table

	9M 2023	9M 2022	3Q 2023	3Q 2022
Earnings per share, USD				
Weighted average number of shares	1,041,865,735	1,045,419,561	1,041,865,735	1,045,419,561
Result for the period	40,650,186	-315,842,784	-56,523,781	-4,838,760
Earnings per share, USD	0.04	-0.30	-0.05	0.01¹
Diluted earnings per share, USD				
Diluted weighted average number of shares	1,041,865,735	1,045,419,561	1,041,865,735	1,045,419,561
Result for the period	40,650,186	-315,842,784	-56,523,781	-4,838,760
Diluted earnings per share, USD	0.04	-0.30	-0.05	0.00¹

1. Difference due to cent rounding in the earnings per share calculation between 2Q22 and 3Q22.

Alternative performance measures

Equity ratio  
Shareholders’ equity in percent in relation to total assets.

Net asset value, USD and SEK  
Net value of all assets on the balance sheet, equal to the share-holders’ equity.

Net asset value per share, USD and SEK  
Net asset value/share is defined as shareholders’ equity divided by total number of shares outstanding at the end of the period.

Traded premium/discount to net asset value  
Traded premium/discount to NAV is defined as the share price divided to the net asset value/share.

Number of shares outstanding  
Total number of outstanding common shares at balance day. Class C shares issued to participants under the Company’s LTIP are not treated as outstanding common shares and thus are not included in the calculation, but they are however recognized as an increase in shareholder’s equity. Repurchased common shares held in treasury by the Company is neither included in calculation.

Number of shares outstanding fully diluted  
When calculating the number of shares outstanding fully diluted, the number of common shares outstanding is adjusted to consider the effects of potential dilutive common shares that have been offered to employees, originating during the reported periods from share-based incentive programs. Dilutions from share-based incentive programs affect the number of shares and only occur when the incentive program performance conditions of the respective programs are fulfilled.

Alternative performance measures – reconciliation tables

	Sep 30, 2023	Dec 31, 2022
Equity ratio		
Net asset value/shareholders equity, USD	422,732,869	381,830,589
Total assets, USD	469,548,646	430,093,844
Equity ratio	90.0%	88.8%
Net asset value, USD	422,732,869	381,830,589
Net asset value, SEK		
Net asset value, USD	422,732,869	381,830,589
SEK/USD	10.89	10.43
Net asset value, SEK	4,601,825,230	3,981,466,381
Net asset value/share, USD	422,732,869	381,830,589
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, USD	0.41	0.37
Net asset value/share, SEK		
Net asset value, USD	422,732,869	381,830,589
SEK/USD	10.89	10.43
Net asset value, SEK	4,601,825,230	3,981,466,381
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.42	3.82
Premium/discount(–) to NAV		
Net asset value, USD	422,732,869	381,830,589
SEK/USD	10.89	10.43
Net asset value, SEK	4,601,825,230	3,981,466,381
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.42	3.82
Share price, SEK	2.18	2.45
Premium/discount(–) to NAV	-50.6%	-35.8%

Other definitions

Portfolio value  
Total book value of financial assets held at fair value through profit and loss.

Note 10 – Events after the reporting period

On 3 October an Extraordinary General Meeting was held in Stockholm, where the Company’s shareholders approved a new long-term incentive program (LTIP 2023) for key employees. LTIP 2023 is a five-year incentive program with identical terms as LTIP 2022.



# Other information

## Upcoming reporting dates

VEF’s financial report for the period January 1, 2023–December 31, 2023, will be published on January 24, 2024.

October 25, 2023

David Nangle  
*Managing Director*

**This information is information that VEF AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 2023-10-25 08:00 CEST.**

For further information, visit [vef.vc](https://vef.vc) or contact:

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# Auditor’s report

## Introduction

We have reviewed the condensed interim financial information (interim report) of VEF AB (publ) as of September 30, 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, Sweden, October 25, 2023

**PricewaterhouseCoopers AB**

Bo Karlsson  
*Authorized Public Accountant*  
*Auditor in charge*

# VEF

The emerging market fintech investor