VEF

The emerging market fintech investor

Annual Report 2020

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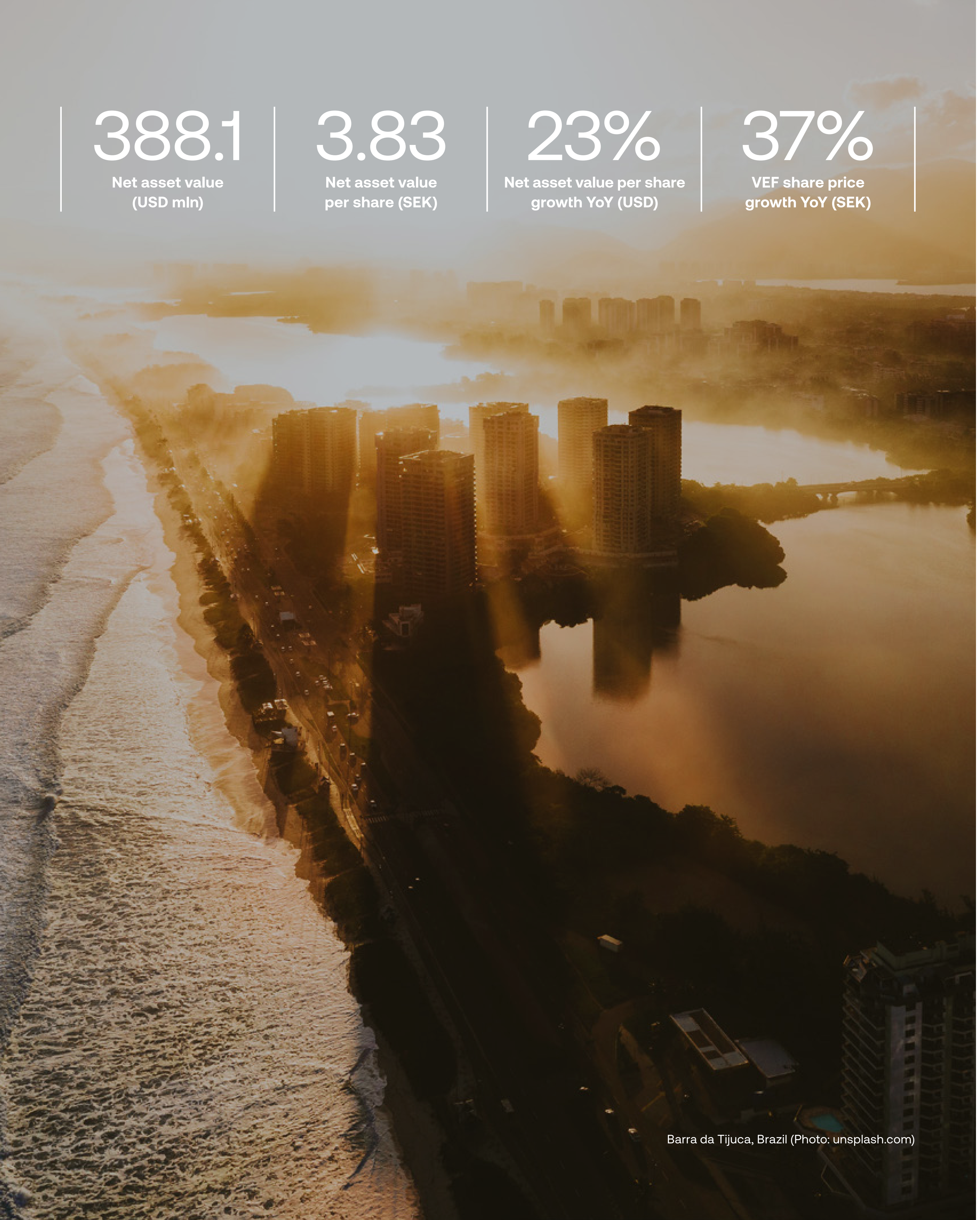
388.1	3.83	23%	37%
Net asset value (USD mln)	Net asset value per share (SEK)	Net asset value per share growth YoY (USD)	VEF share price growth YoY (SEK)



Barra da Tijuca, Brazil (Photo: unsplash.com)

2020 in brief

- By year-end NAV per share rose by 23% to a fresh all-time high of USD 0.47 and NAV of USD 388.1 mln, driven by continued strong performance across the portfolio. In SEK terms, NAV per share grew 8% to SEK 3.83.
- The VEF share price increased by 37% during the year.
- VEF's north star investment, Creditas, closed a Series E funding round of USD 255 mln, valuing the company at USD 1.75 bln. VEF invested an additional USD 25 mln as part of the round and Creditas now accounts for 44% of total NAV.
- VEF added one new asset to the portfolio in 2020, and the first in India, and the company Juspay, one of the country's leading mobile payments companies.
- Follow-on investments of a total of USD 4 mln were made in existing portfolio companies TransferGo (2 mln), Nibo (1 mln) and Finja (1 mln).
- VEF raised SEK 522 mln (USD 61 mln) of fresh capital in November via a directed share issue, with the support of existing and new investors to continue the investment mandate in emerging market fintech.
- At the Special General Meeting (SGM) in October, Vostok Emerging Finance resolved to change the Company's name to VEF.
- Pipeline is the most exciting it has ever been, and we expect to convert new investments in the near future.

VEF – The emerging market fintech investor

VEF - investors in one of the strongest secular growth trends across some of the world's fastest growing markets.

VEF is an investment company listed on Nasdaq First North Growth Market in Sweden. We invest in growth stage private fintech companies across the emerging world. We take minority stakes and are active investors with board representation in each of our portfolio holdings.

We are emerging market and fintech dedicated and experienced capital. We are long-term investors and look to back entrepreneurs, and their team, through to exit. Our purpose is to create long-term sustainable value for our shareholders by investing in the future of finance across the emerging world.

Our history

VEF was founded in 2015 as a spin-off from VNV Global, with one portfolio company, TCS Group Holding PLC (Tinkoff Bank) and a vision of becoming the leading fintech investor in the emerging world. Since inception VEF has grown rapidly and has at the release of this annual report made investments in 16 companies, diversified by geography, business type and stage of development, all with standout fintech opportunities in their respective markets.

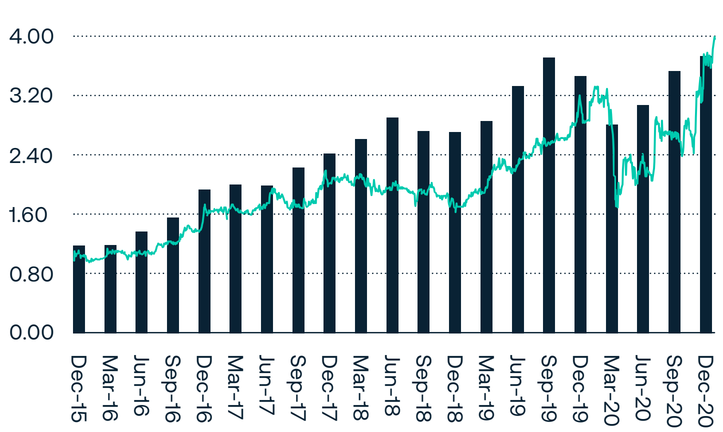
Exits

Since inception, VEF has executed two successful exits from Russia's Tinkoff Bank and Turkey's iyzico

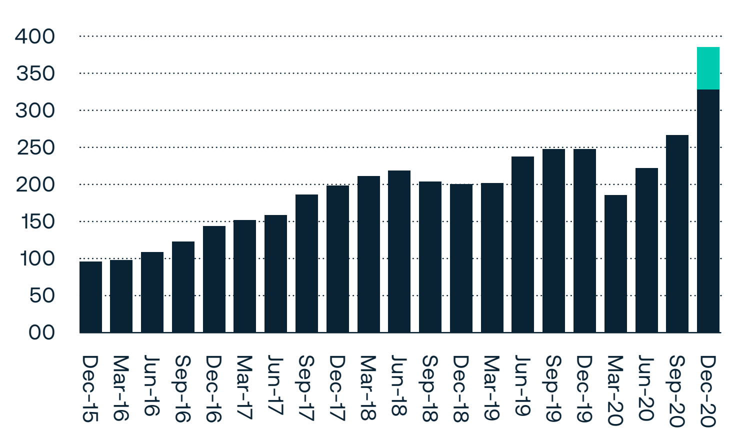
- Tinkoff bank at **6.1x CoC** return and **65% IRR**
- iyzico at **3.2x CoC** return and **57% IRR**

VEF's portfolio

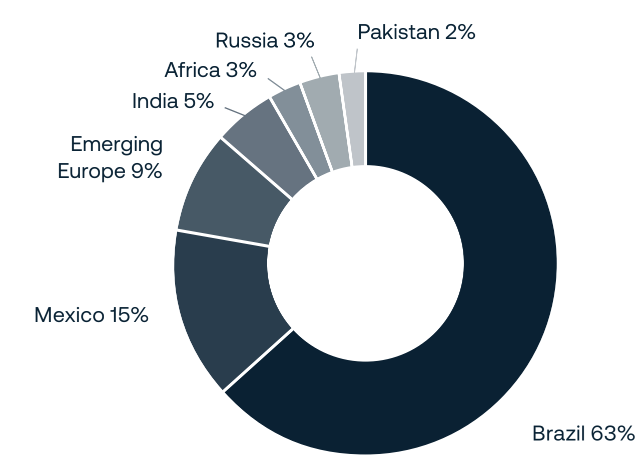
NAV/share & share price development



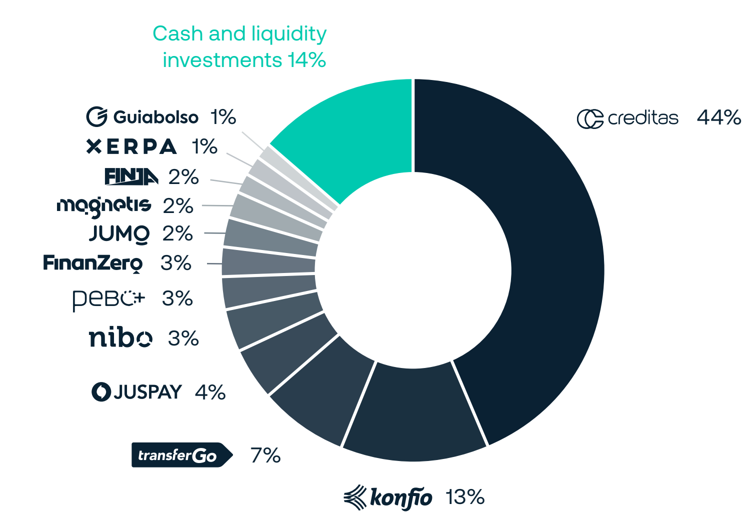
VEF NAV evolution (USDm)



Geographic distribution



Portfolio composition



Our strategic pillars

Our strategic pillars are the prism through which we think about everything we do, what drives our strategy and makes us successful as an investment company.

Invest well and thrive

We are our investments. They define us. We are only a thesis and a bunch of human and financial capital without them. We spend a lot of our time making sure the right assets and entrepreneurs populate our portfolio and when they are in, we do everything in our power to help them succeed.

Love your investors

Our investors provide the capital we need to fuel our business. Simply put, without them we would not exist and our growth path from here would be all the harder. We love our investors, current, old and potential, and pride ourselves on doing our utmost to provide them with a healthy return on capital and good communication flow and transparency while on that journey.

Build a business for the long term

While our first two pillars are necessary for any success, we are building VEF, the investment company, for the long term. Our goals are big, our timeline is long, we are consistently evolving and improving all to make sure VEF is a business that has the right people, processes, and strategy to grow over time.

Our investment thesis

We believe in investing in businesses led by entrepreneurs with strong track records and in companies with clear product-market fit, early traction into a scale opportunity space. For us, fintech is a very broad concept and covers anything from payments, credit, mobile money, remittance services, accounting SaaS, and beyond. There is no single business model that dominates our portfolio or our investment thesis. Our key investment criteria include excellent people, scale business models, strong unit economics and a clear path to profitability.

Sector

We target all lines of financial services inclusive of payments, credit, savings and investments. The “right” target sector is very market-dependent.

Geography

Within emerging markets, we focus on the more populous and scalable markets, referenced against competition for opportunities and point in the cycle.

Minority stakes and board seat

VEF targets sizeable minority stakes of 10–20% with board representation in its portfolio companies. We are active and supportive shareholders.

Unique fintech opportunity

There are very few ways to play the growing fintech investment theme in public markets and even less in the emerging world. VEF is a unique access asset in this regard.

Shareholder value creation

We believe in the potential for extensive shareholder value creation and an exceptional investment opportunity and high returns based on the combination of:

- leveraging the disruption of fintech companies
- attractive market conditions in the emerging world
- active and supportive ownership
- entrepreneurs with strong track records
- scalable, fast growing companies, with a clear path to profitability

Managing director's letter

Dear fellow shareholder,

2020 was another positive year for VEF and one that both began and ended on a strong footing. Looking at it through the prism of our portfolio, it was a year of four distinct chapters (not quite quarters):

- Chapter one - new year optimism, which was hard to avoid given a stellar 2019 just passed. 2019 saw two portfolio exits yielding c. 60% IRRs a piece and two benchmark holdings, Creditas and Konfío, closing sizeable funding rounds, all driving our NAV per share and share price up 28% and 68% YoY in SEK, respectively. Markets and macro were buoyant, and our companies were well-funded and placed for the year ahead.
- Mid-February, chapter two began with the arrival of the COVID-19 pandemic. This had very clear negative macro, market and operating implications for VEF and its portfolio companies, coupled with a high degree of uncertainty regarding the full nature, longevity and depth of the pending crisis. This period was defined by a defence-first attitude, with the mantra "survive and then thrive" mentioned repeatedly in our boardrooms. We went overweight on our time spent with portfolio companies to the detriment of pipeline and looked to shore up any short-term capital gaps that existed within the portfolio.
- Chapter three, the period from mid-April through to mid-summer. As we learned more about COVID-19, government and society's reactions to it and implications on the economy, commerce, and society at large. Government support/stimulus was ramped up, while a digital-first approach to all emerged, providing a healthy tailwind for digital financial services adoption and the fintech theme in general. All this led to a short slowdown and then sharp recovery in the performance of the majority of firms playing in the digital space.
- The second half of 2020, chapter four, was back to a growth footing. VEF and its portfolio companies experienced exceptional growth across the board as the early positive signs turned to a clear acceptance that COVID-19 had provided a step-change in growth to a structural trend towards online and digital financial services.

"2020 ended up being another strong year for the company and a continuation of the strong five year-plus track record we have built for VEF in our focus investment space."

We ended 2020 with a similar positive narrative to how we closed off 2019. Our largest holding Creditas achieved unicorn status, following its recent funding round, while total NAV, NAV per share and share price all closed at record highs. What happened through 2020 kept us on our toes and was a year where our short-term outlook and strategy evolved continuously. 2020 ended up being another strong year for the company and a continuation of the strong five year-plus track record we have built for VEF in our focus investment space.

2020 in numbers

We end 2020 with NAV at a record high of USD 388 mln, up 56% YoY. The total YoY uplift of USD 140 mln was majority driven by portfolio valuation uplift, with Creditas the notable contributor within that. In part, it was also driven by fresh capital raised of USD 61 mln. USD NAV per share delivered 23% YoY growth, while our share price grew 37% YoY in SEK, its listed currency. We ended the year with our shares trading at a premium to NAV, which was a welcome reflection of our track record of growth which the market has started to discount.

Our NAV evolution through 2020 was a clear reflection of how the macro/investment year played out, with a COVID-19 overlay and then strong digital tailwind. In 1Q20 COVID-19 triggered a downward revision of our NAV from previous YE19 highs of USD 250 mln, as share prices fell, emerging market currencies blew out, and we took a much more conservative forecast outlook on all of our companies, given the uncertainty of the window in March. We then experienced a gradual recovery and return to growth of our NAV through the 2Q-4Q20 period. This trend was driven by a mix of positive portfolio company-level performance, which fed increased confidence in our forecasts, along with the recovery of market benchmark listed multiples and broadly stronger global FX versus the USD through 4Q20.

At a portfolio level, Creditas was a standout, accounting for a significant part of VEF NAV uplift during the year. Specifically of note, Creditas' valuation mark was upped 66% in 4Q20 in USD terms, post their USD 255 mln Series E funding round, in which VEF participated, taking up our rights of USD 25 mln. The round valued Creditas at USD 1.75 bln and our c. 10% position in it, at USD 169 mln. Beyond Creditas, the vast majority of the portfolio valuation marks were up YoY, and robustly up from 1Q20 lows.

As mentioned, we close 2020 with our share price 37% above YE19 close and 132% up from 1Q20 lows. Regarding our shares, average daily traded volume over the last three months is running at USD 300 thousand, with a number of USD 1 mln volume trading days over this period. Through 4Q20 and into early 2021, VEF shares was trading at a premium to NAV for the longest period since inception. Our track record continues to grow as over the five years to YE20, VEF has delivered 26% and 30% NAV per share and share price CAGR, respectively.

Company-specific performance

Creditas and Konfío are VEF's current size portfolio champions, accounting for nearly 60% of the company's NAV at YE20. Both have exceptionally strong founders and management teams, and very clear focused strategies in scale market opportunities.

Creditas is our north star investment and following their recent funding round accounts for 44% of our NAV. As a reminder, VEF entered Creditas in 4Q17, as it was in the early innings of building out its secured lending platform, focused on consumer loans secured against home and auto equity. In 2019 they added a third vertical, payroll loans, a size opportunity in itself, but also a customer acquisition tool for the bigger and longer duration auto/home loans. With these three verticals, Creditas is playing into the scale c. USD 500 bln consumer lending market that is Brazil but offering a product that is more suited and incrementally cheaper than the triple-digit credit card and overdraft rates that exist in the market today. With this as focus, management have grown loan originations and revenues 2-3x per annum over the past three years, including 2020, with all its COVID-19 headwinds. With a YE20 outstanding loan book of USD 250 mln and growing traction, coupled with the scale opportunity they play into, Creditas is still just beginning to penetrate a huge untapped market in Brazil. We love compounding assets, and the exciting thing for VEF is that Creditas is continuing to do this from a larger base.

More recently, Creditas' 4Q20 fund raise, is yet another milestone. With this new capital, Creditas aims to continue the process started in 2019 to expand their product offering along three growth avenues:

- Fintech: A complete financial services ecosystem - modern, digital and with low-cost products for customers
- Consumer Solutions: A solutions platform that allows customers to untap the value of their real estate (home solutions), cars (auto solutions) and salary (Creditas @ work) as well as the first e-commerce platform in Brazil that allows customers to pay through Creditas' innovative salary discount (Creditas Store).
- Mexico: After reinventing the Brazilian market, Creditas is committed to delivering the same disruptive experience to the Mexican consumer.

On a path towards IPO, Creditas is now sharing quarterly results of key operational metrics with the objective of increasing transparency to the market, something which we welcome as a listed investment company.

Konfío was arguably our most impressive holding in 2020, especially given the space/country it operates in and the natural macro/credit headwinds that came with COVID-19. While Konfío is on a clear path to become Mexico's leading digital bank for small businesses, underwriting small business credit is still at the heart of its business today.

The asset quality stress-test was managed extremely well, and while most credit businesses were in defence mode in 2020, Konfío used the window to expand their product offering into a broader range of financial services, including credit as a service, and has just closed an ERP acquisition. They were first out of the blocks in terms of credit growth in 4Q20, which is delivering better quality clients at lower CACs. Konfío has all the hallmarks of being our next Creditas and we plan to back Konfío harder on its path to being the number one digital financial services provider for SMEs in Mexico.

Beyond our two biggest assets, there are many positive sub-stories within the portfolio from 2020. To touch on a few:

TransferGo has grown steadily into the top three of our NAV and was one of the clearest COVID-19 beneficiaries in our portfolio. With physical cash in/out remittance options untenable throughout the past 12 months, digital remitters like TransferGo were very well placed to benefit. TransferGo is now the clear franchise play for blue collar migrants across the broader European region and management continues to impress as it both broadens its geographic and product footprint as it grows. **Juspay** has had a strong first year of life in our portfolio and has only increased our appetite for more assets in India. We have an in-depth section on India and Juspay later in this report which is a must-read for all our investors. **FinanZero** has created the number one digital loan brokering platform in Brazil (while still being early days) and is well-placed to replicate the success of Lendo in Sweden. **Revo** and **Jumo**, two of our longest holdings, came through 2020 exceptionally well and are in the best position they have been since we invested to add significant value for us in 2021. Revo is profitable and Jumo is within a whisker of it. Indeed, much of the portfolio has had a very strong 2020, laying the groundwork for an exciting 2021 and beyond.

Pipeline, past and pending

2020 was particularly special on the pipeline conversion front, as while we added just one new asset, it was our first investment into India (Juspay), a market of vast potential for our fintech mandate and one we have been working on for quite some time. More generally, 2H20 was busy on the pipeline front versus the relatively quiet 1H20 period, and we continue to be encouraged by the opportunities hitting our radar. We engaged with over 130 companies in 2020 and beyond the closure of Juspay, have started to see the benefit of that work, with fresh additions to the portfolio closed in 1Q21. We wrote entry checks into Minu in Mexico and Rupeek in India. Minu plays in the earned salary advance space, a segment we really like in a market of real scale and potential that we already have experience in. Rupeek is a special asset, similar in many ways to the Creditas model, but with a very Indian bias, as they underwrite consumer loans collateralised against gold, the dominant consumer asset class in that geography. These investments checks allow us to get our feet wet in two very exciting scale opportunities with great founding teams. We will look to build our position as they deliver. Meet the founder and CEO of Rupeek, Sumit Maniyar, on page 24 as we speak with him about India's unique relationship with gold and the scale of opportunity for Rupeek.

As a reminder, within our broad-based emerging markets mandate, larger core emerging geographies of focus remain Brazil, Mexico, and India. Beyond those, we are positioning ourselves for the more nascent growth scale frontier markets of Pakistan, Egypt, and Nigeria. Sectors getting more relative focus from our learnings today include secured lending, all things small business, the employee/payroll ecosystems, accounting SaaS and payments.

Besides new companies to the portfolio, in 2020, we continued to put fresh capital into current portfolio companies, notably and in size with Creditas, but also TransferGo, Finja and Nibo.

Investors and IR

2020 was a busy year on the investor front as we put in increasing virtual mileage to spread the word on the VEF story. We work with most of the leading investment banks regarding roadshows and conferences and have a healthy and growing investor following amongst LatAm funds, EM small cap funds, financials funds and the broader Swedish investment community. Today we have formal research coverage from four different brokers, partly via sponsored research, which has been a very positive experience with real impact. We look to add to this in 2021. All this laid the groundwork for strong share price performance through 2020 and our shares trading at a closer proximity (moderate premium/discount) to NAV. The groundwork was also key for our successful share placement in 4Q20, where we raised USD 61 mln with the support of existing and new investors to continue our investment mandate.

Our business - more robust, with more options than ever

2020 was one of the most challenging operating environments for VEF since inception, and indeed the most volatile period since the global financial crisis in 2008-09. There is a playbook for VEF and our portfolio companies, one prepares for the worst and then is well-positioned for any upside from there. We are paranoid by nature, have an excellent and experienced board and supportive shareholders, and from mid-February we have been discussing and debating our evolving strategy to ride the volatility, and thrive as we go. We are building the VEF investment business for the long term, and I like to think we made good use of the 2020 crisis window. We redirected COVID-19 cost savings into the look and feel of the business including our website, company rebranding, reporting, sponsored research and an incremental analyst hire. As a business, we are simply in a much better position at the end of 2020 than just a year ago. Looking ahead, we have many more options open to us now given our size, shape, track record and experience, which is probably the most exciting aspect of this moment.

> **"Looking ahead, we have many more options open to us now given our size, shape, track record and experience, which is probably the most exciting aspect of this moment."**

ESG, an integral part of our mindset and processes

Through 2020, Environmental, Social and Governance (ESG), appropriately continued to grow in importance for VEF and the wider investment community. Front and centre are: a) sustainability at VEF as a company and investor, and b) sustainability in our portfolio companies. Our capital always looks to positively impact access to fair and affordable financial services across the emerging world, while staying true to our mandate of delivering a healthy return for our investors. Many of the companies that we invest in and sit on the boards of are pioneers in financial inclusion for the un- and underbanked (e.g. Jumo, Konfío and Finja). Others are driving down the price of financial services to their markets/segments of focus (e.g. Creditas, Xerpa and TransferGo). A benchmark example from our portfolio is JUMO, in Africa, which is removing barriers to access and reaching segments that have been previously excluded from financial services. The statistics speak for themselves – for 60% of Jumo customers it is their first interaction with formal financial services, 27% of their customers earn less than USD 2 per day, 21% live in rural areas, while a third are women. We are capitalists at heart and maintain an overriding drive to deliver shareholder value. That said, with financial services, we have always taken the view that if it's not ethical it's not scalable, and hence it's a bad investment. Inherently, ESG and creating long-term shareholder value have always gone together. For a deeper ESG insight, I recommend reading our fintech for financial inclusion section later in this report, starting on page 30.

Concluding remarks

At VEF, we 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. 2020 was a year with more twists and headwinds than most and while we continuously take on board the human and societal impact of the pandemic, VEF and our companies have benefitted from the step-change growth in digital adoption by all. On a micro level, yet again, we have been impressed with how our portfolio companies survived and then thrived through this period, something which has played out in 2020 through our quarterly NAV performance.

From day one we have maintained an over-arching focus on three simple mantras; 1) investments (invest well and thrive), 2) investors (love your investors) and 3) building a business for the long term. We re-iterate that delivering shareholder value through a focused approach to increasing our NAV per share and reducing traded discount to market value remains our core focus, and we are proud of the traction through 2020 on this front. We take a long-term view on our company, investments and indeed life, which is necessary when investing in the space that we do.

We end 2020 post one of our most successful quarters to date, with a record NAV per share and market cap, a strong cash position and our first unicorn in Creditas. It is hard not to be optimistic as we look into 2021 and beyond.

Dave Nangle

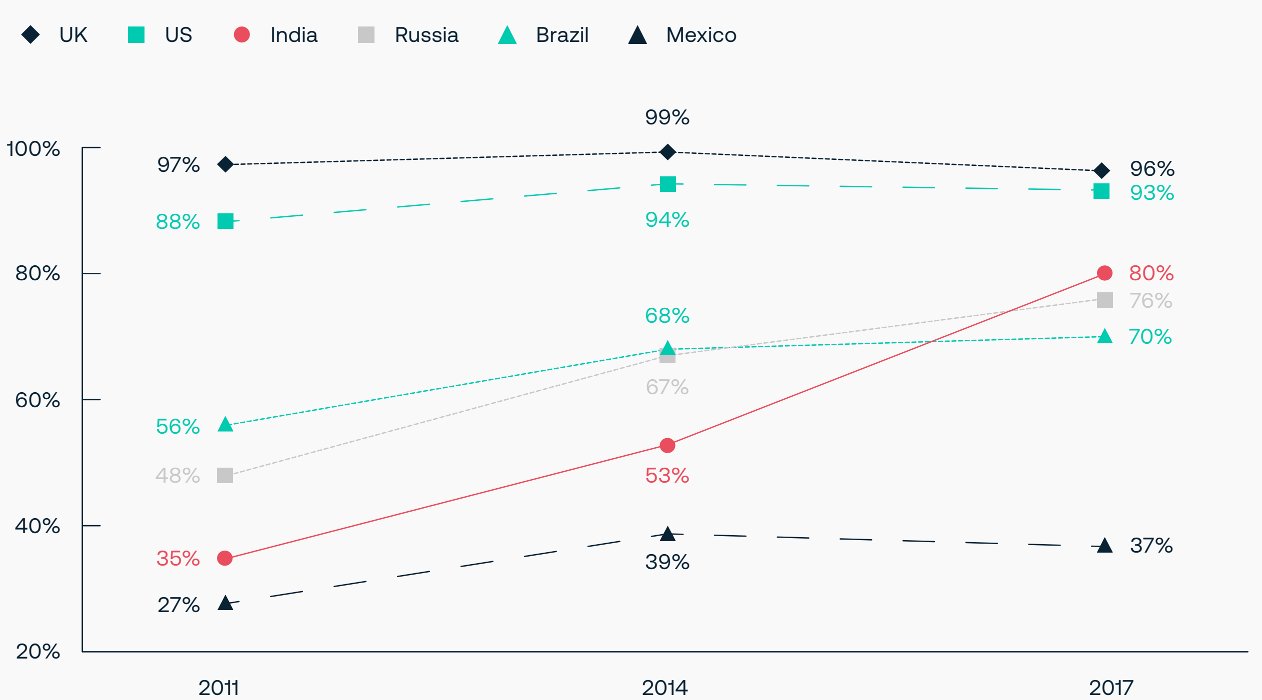
The Indian fintech opportunity

In our investment universe of EM fintech, there are few countries that present a larger opportunity than India. Fintech activity has heated up and we consider it a core market to grow our portfolio. In this section we give an introduction to some of the key characteristics and drivers of the Indian fintech ecosystem, followed by an insight into our two Indian portfolio companies Juspay and Rupeek, with interviews with their founders.

Firstly, to frame the size and shape of the opportunity, India is the second most populous country with 1.4 bln people and has grown to the fifth largest economy in the world. More than this, India boasts almost 1 bln people between the ages of 5 and 40, providing a long runway of further growth. It has the second largest number of internet users in the world at about 700 mln and about 500 mln smartphone users. The combination of scale and favorable demographics has made it a key market for big tech, driving investment, innovation and ultimately a breeding ground for startups as well as tech adoption.

India's financial services landscape is characterized by a large number of highly competitive incumbents, a very dynamic set of government initiatives and a proactive, protective regulator. The unique combination of these factors has driven the acceleration of financial inclusion unlike anywhere else. A key motivating factor has been to curtail the shadow economy, and paired with breakneck growth in smartphone penetration and data usage, makes for an ideal environment for fintech to thrive.

% of banked population (World Bank Global Financial Inclusion)



Between 2011 and 2017 India was one of the world's strongest performers in terms of delivering financial inclusion.

Mumbai, India (Photo: unsplash.com)

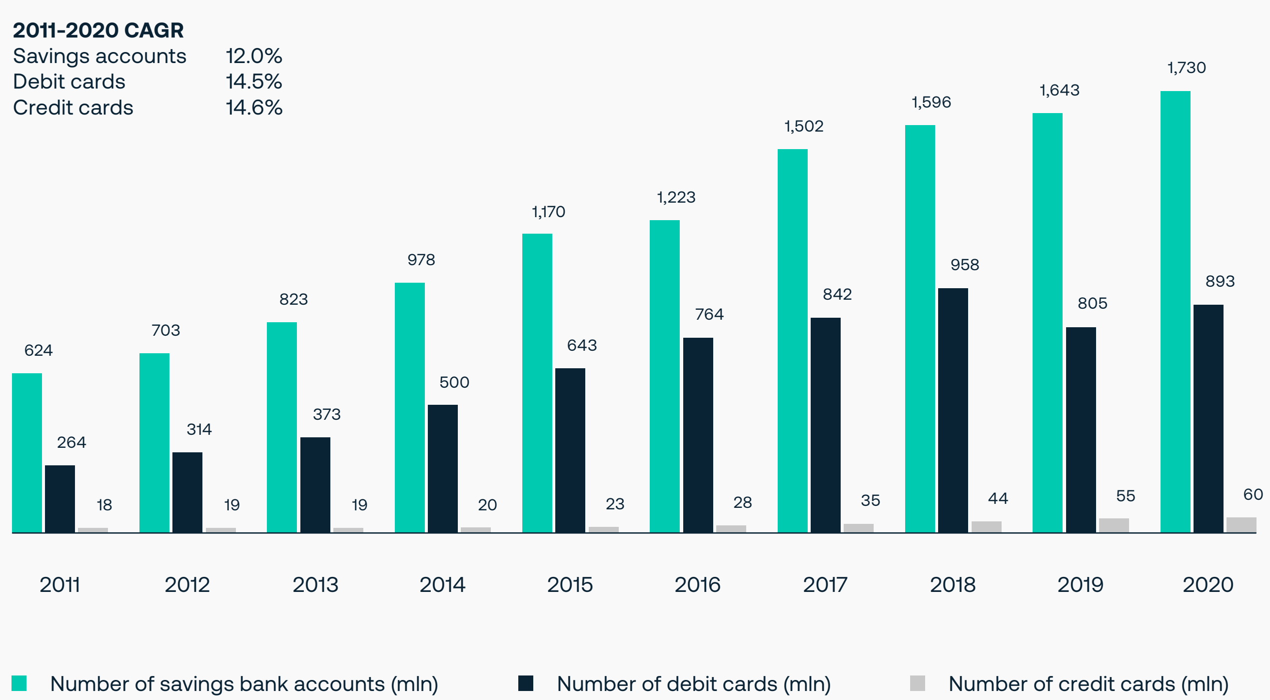
It is important to provide some background to some of the government initiatives that have shaped the landscape. In the lead up to Prime Minister Narendra Modi's now controversial banknote demonetization, there were several successful steps taken by the government and regulators towards increasing financial inclusion and ultimately weaponising the war on cash. This included the introduction of the India Stack, a one-of-a-kind set of application programming interfaces (APIs) designed to bring India's population into the digital age by issuing unique IDs (Aadhaar) to almost every member of the population. Additionally, public infrastructure was launched offering free, instant, 24/7 settlement of payments on Unified Payments Interface (UPI). This infrastructure, amongst others, form the backbone of a fintech ecosystem that has leapfrogged even developed markets in many regards, and is looked to as a benchmark of innovation.

Increased financial inclusion in the country coincided with Reliance Industries' launch of the mobile network Jio in 2015, who aggressively slashed pricing of mobile data in a bid to grab market share. Jio today boasts a 35% market share of India's 1.15 bln mobile telco subscribers who access the cheapest data in the world. As of 2020 the cost of 1GB of data in India is 99% cheaper than in the US, and 94% cheaper than in the UK. Not only does India have the second most internet users in the world, but the average Indian spends 6.5 hours daily on it with 90%+ of these users being mobile-first.

As a result, India has experienced one of the most dramatic progressions in penetration of financial services globally, with some of the world's most advanced infrastructure providing the tools for innovation.

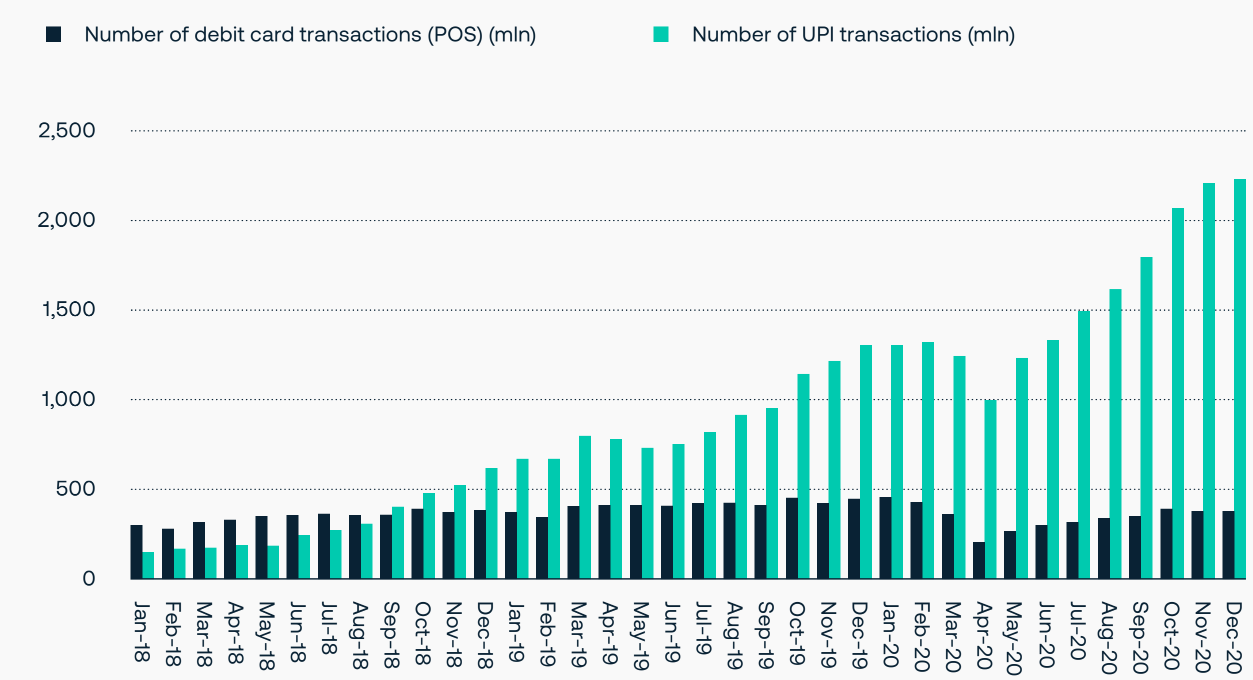
At VEF we are very excited by the investment prospects offered in India, with huge long-term secular trends and opportunities to generate shareholder value. We are equally excited to learn from and participate in one of the most innovative fintech ecosystems offering valuable read-across to some of our other core markets. We have leveraged our global fintech lens and expertise to plant our first seeds in India with Juspay and Rupeek and expect more to follow.

Number of savings bank accounts, debit and credit cards in India



Financial inclusion has continued with India opening more new bank accounts and issuing more debit cards than any country in the world over the last 10 years.

Digital payments are far exceeding debit card transactions



India has launched free, instant and 24/7 digital payment infrastructure which has grown to dwarf other traditional forms of electronic payments, leapfrogging even developed nations.

Executives Vimal Kumar and Sheetal Lalwani on online payments and Juspay's contribution to the Indian payment ecosystem

We meet with Vimal Kumar (founder and CEO) and Sheetal Lalwani (COO) of Juspay. Juspay has played an integral role in the development of the payments landscape in India. Its solutions act as a unifying layer that embraces the diversity and regulation in Indian payments. They have built real value-added products around UPI and mandatory two-factor authentication which are the first of their kind globally.

As an introduction, can you tell us how it all began, the idea behind Juspay and how you came together?

Vimal: I have always been fascinated by technology, the infrastructure we can create with it and the leaps this enables us to take. I was an early engineer on Amazon Web Services (AWS) and then led the tech team at BankBazaar as CIO. This experience early in my career provided the foundation to design and build large country-scale infrastructure. I was looking to start something in education, to support young talent in India. However, I realized that instead of abstract academia, building real useful systems from first principles by tackling large problems head-on was the right thing to do. This turned out to be building the payments infrastructure in India, and thus began Juspay.

Sheetal: After completing my masters from Purdue University, I began my career at Bloomberg. It is there that I got exposure to the global financial infrastructure and developed my chops in understanding businesses, markets, and systems. While I was in the US for over a decade, Vimal and I were generally in touch as we did our undergrad together, and I was inspired by the potential to create lasting value for society via tech, design, or education. The idea of Juspay was just the push I needed to pack my bags and head back to India.

Both: We have always been user-centred and so the initial focus was to remove friction caused by mandatory 2-Factor Authentication (2FA). This helped us craft a secure 1-Click 2FA experience with Juspay Safe. At the time, it delivered double digit boosts in payment conversion rates to merchants and firmly established our SDK (Software Development Kit) business. Then came the problem of the diversity of payment options, which we are solving with our end-to-end payments SaaS platform for most top e-commerce companies in India.

Can you give our investors a sense of Juspay's place in and contribution to the payments ecosystem in India?

Juspay is a SaaS-unifying aggregation layer interconnecting issuer, acquirers, networks, and other payment gateways/processors with merchants. The diversity of payment options in India (25+ payment gateways, 10+ wallets, 7+ alt credit options, country-specific payment networks, B2C payment containers like Google Pay, Amazon Pay, etc.) necessitates this layer. The value we provide is increased conversion, fully outsourced payments operations, improved user experience, and bringing cutting-edge fintech innovation in partnership with banks and networks.

We were also early champions of a new payment protocol in India called UPI (Unified Payments Interface). It is a mobile-first payment method with built-in 2FA, enabling instant bank-to-bank transfers. We built some core components for this protocol with the network and we also designed and built its marquee consumer app called BHIM, which had 10 mln downloads in the first 10 days of its launch. This early investment has enabled us to become one of the top UPI payment gateways and SDKs, powering the likes of large merchants like Amazon.


Vimal Kumar and Sheetal Lalwani together with the Juspay team (Photo: Juspay)

How would you define the culture and what drives the team at Juspay?

Maximize value creation. Take courageous moves in the right direction. Seek true depth. Everyone at Juspay embraces this credo, empowering them maybe 10x. We encourage people to have T-shaped growth (in depth and breadth) and give them ambitious challenges. Building BHIM in a month was testimony to what our people are able to achieve. We develop our own tools and techniques, where product managers are deeply involved in the design and development process, and build frameworks using functional programming, some of which are even recognized globally. While we were focused on product creation in our initial years, we are now equally focused on operational excellence too.

What can you share with our investors in terms of customers and scale of Juspay's operations?

Over 200 mln Indians have used at least one Juspay product so far; our rotating logo has a household brand recognition. We process 5-10 mln payments every day, totalling over 5 bln transactions so far. Our customer base includes almost every big online merchant in India - Amazon, Ola, BigBasket, Vodafone, Airtel, Reliance Jio and Flipkart, to name a few.

How did COVID-19 impact your business, challenges, and opportunities?

The business has been growing amidst COVID-19. A lot of consumers, especially from Bharat (tier II and III), are being pushed to move online during the pandemic. This will expand the addressable market further in the next couple

Payment control center (Photo: Juspay)

“India is not just a huge market, it is at the forefront of internet-first payments as well. We see a ton of opportunities in creating innovative solutions in UPI, multi-factor authentication, credit, etc. This is only the beginning!”

of years. An interesting outcome of the pandemic for our culture was that we became more open to process-driven work by adapting to the situation and also saw the need for operational efficiency. It has brought in a new maturity within the team.

What are the biggest opportunities and challenges faced by a business like yours in India?

“India is not just a huge market, it is at the forefront of internet-first payments as well. We see a ton of opportunities in creating innovative solutions in UPI, multi-factor authentication, credit, etc. This is only the beginning!”

Building revenues in India with payments needs very large volume considering the thin margins; it is a challenge. We are mastering the art of building partnerships with banks and networks to provide new value-added services to merchants and boost revenues.

What are you most excited for in 2021 and beyond?

UPI is growing exponentially, subscriptions just launched, the regulator is pushing for tokenization of cards, and a new credit protocol called OCEN (open credit enablement network) like UPI is being built. We are making early investments in all of these in partnership with banks and networks. It will further strengthen our value proposition to merchants by growing our stack both horizontally and vertically. Security, data governance and privacy are also being deeply thought about from first principles. We are working with international experts on this front. Within the organization, I sense we are moving to the next phase, growing leadership talent and creating new specialized teams for merchant success, data science, system reliability, security and risk management.

How did you meet VEF and how would you describe your relationship?

VEF is a value-driven investor and that is the key reason we relate to each other. VEF was one of the few investors that did not try to fit us into a standard model (like a payment gateway or a wallet). They could quickly grasp the nuances of our business, while seeing the long-term wins of such contrarian approaches. We see them as a valuable strategic partner; especially with their deep expertise across emerging markets as well as fintech.

Sumit Maniyar, founder and CEO of Rupeek, on India's unique relationship with gold and the scale of the opportunity.

We also sat down with Sumit Maniyar, founder and CEO of Rupeek, India's fastest-growing digital platform for secured lending and our most recent addition to the portfolio. At VEF we are big fans of digital, asset-backed lending given Creditas' success and see many parallels. Apart from being an amazing team, Rupeek have identified a very local solution to bridging the credit gap in India with their gold loan solution.

Tell us how it all began and the idea behind Rupeek.

While working for my family business and scaling it from being just a trading unit to a full-stack producer and marketer of agricultural seeds, I applied for a loan against property. The loan was rejected by a large non-banking lender. While it came as a real shock to me that even a well-run family business of over 10+ years could have difficulties accessing credit, the experience made me understand how difficult it was for a regular customer to access credit, and how broken the credit delivery system in the country is. That rejection sowed the seed for the genesis of Rupeek in 2015. It made me realise that getting access to convenient and cost-efficient credit was truly a privilege for Indian consumers.

Today Rupeek is India's fastest-growing asset-backed digital lending platform. We are transforming the way gold loans are disbursed in India. Our mission is to bring financial inclusion to the masses by making credit accessible to Indians in a convenient and cost-efficient way. Rupeek offers gold loan solutions in a fair, fast, and flexible manner. Powered by state-of-the-art technology and an automated asset-light supply chain, we are giving the centuries-old business a much-needed technology makeover.

Could you provide our investors with a bit of colour on India's unique relationship with gold and the scale of the opportunity?

Indians have a profound emotional connection with gold and its purchase is deeply embedded in our culture. We are one of the largest consumers of gold in the world. Indian families purchase as well as gift gold at every significant life event. From the birth of a child to marriage and memorable family events. Historically, it served the purpose of a store of value to hedge against agricultural failures, while for modern Indians, it is an inflation hedge. It remains a preferred investment asset because it is considered equivalent to liquid cash. It is an asset class which has consistently increased in value and is considered safe. Indians rarely sell gold to meet financial needs, but it is always the first asset to be pledged to secure a loan.

In India, c. 70% of transactions are done in cash. Credit cards are used by less than 3% of the population. With the advent of the India stack, basic KYC information exists on every Indian, but the lack of digital transactions means most of them do not have reliable credit scores. This hampers the ability to underwrite credit and denies millions access to credit.

At the same time, Indian households have over 25,000 tonnes of gold holdings. For credit-starved middle-income Indians, this could be a perfect asset to pledge for credit. Monetising it has met with limited success so far and therein lies a huge opportunity. India's formal gold-

Sumit Maniyar (Photo: Rupeek)

loan market is worth c. USD 70 bln (book size), growing at 10-15% per annum.

Gold-backed lending currently faces several challenges in the country - high interest rates, social stigma and friction. None of the existing players have solved all these challenges. Gold loans are a perfect tool to monetise idle gold assets in the country and our offerings solve all the gold-backed lending challenges. We are building a differentiated business model from the ground up, powered by state-of-the-art technology and an automated, asset-light supply chain.

How would you define the culture and what drives the team at Rupeek?

At Rupeek, we are driven by our mission to bring financial inclusion to the masses - to make credit accessible to Indians in a convenient and cost-efficient way. We live by our values of customer obsession, ownership, integrity, fairness and frugality. We have an inclusive, fast-paced, collaborative work culture with high levels of ownership. We are a diverse and innovative team who like to solve for scale and have the hunger and the drive to build a large and systemically relevant business in India.

The most exciting part about leading Rupeek is that we get to work with exceptionally talented and passionate colleagues on a variety of challenging problems and see the visible impact of our work. We are a young, motivated team, proud of the impact we are making on the lending ecosystem.

What are the achievements you are most proud of at Rupeek?

Over the last few years, Rupeek has transitioned from a startup trying to perfect its product-market fit to a company which has deep-rooted moats and is ready to scale 100x. We focused on a few critical elements to get there.

Robust growth engine
Rupeek currently disburses USD 800 mln annually and is growing 15% month-on-month. The company has created a new category, 'Doorstep Gold Loans',- with an estimated market potential of USD 20 bln (annual disbursals), largely attracting first-time gold loan borrowers. Success of this category has even forced multiple offline incumbent players to start learning and adopting this new technology-led business model.

Deep-rooted consumer empathy
We have created a customer-focused brand in a sector which is traditionally known for less than transparent policies and pricing and cumbersome operational practices. Our doorstep convenience, digital payment and easy jewel release features have meant that we have sustained very high levels of repeat transactions through our hyper-growth phase. We have also sustained high customer centricity with a consumer NPS being >65 and a high Google Play Store rating of 4.8 out of 5.0.

Unique capital supply strategy
In the lending industry, banks have the lowest cost of capital but lack product and operational focus, which is why consumers prefer specialised gold loan NBFCs, despite their high interest rates. We felt the right way to win was by making the big banks our ally and not competition. We partner with banks for access to their balance sheet while giving them access to our 'plug-and-play' gold loan stack which essentially allows them to enjoy handsome ROAs and see their gold loan portfolio grow, while we do the heavy lifting. As a result of the asset-light business model, despite us enjoying strong unit economics, we are able to deliver 30-40% lower interest rates to the consumers.

Innovative distribution model, powered by technology
Moving three tonnes of gold every month and growing at 15% month-on-month meant we also had to create an innovative distribution network which was both secure and asset-light while delivering the right customer experience. We built a robust technology stack capable of supporting complex transactions in the field, deep integrations with multiple partner banks and their core systems for a seamless experience and enhanced gold assessment capabilities via AI-based computer vision algorithms. We have made large investments in our logistics platform wherein we partner with vault service providers for temporary storage, utilise partner bank branches to store the consumer's gold and run a safety and security org within Rupeek to ensure secure movement of the collateral. All these capabilities were first-of-its-kind not only in the gold loan industry, but in the entire financial services and fintech ecosystem at large.

> **"We have noticed that despite the presence of strong incumbent brands, more than 50% of Rupeek's new loans consumers are first time borrowers."**

What are the biggest opportunities and challenges faced by a business like yours in India?

Opportunities

Large, growing, under-penetrated market
The current gold loan market in India is a USD 200 bln market (book size) with only c. 35% of the market being organised right now. This formal market is growing at c. 10-15% YoY. This translates to a low penetration of c. 5.5% for the formal market on the base of India's 25,000 tonne household gold holdings. Both the under-penetration of the category as a whole (meaning a large head room for growth) and migration of consumers from unorganised to organised sectors are driving the growth of the organised gold loans category and can become huge tailwinds which we can ride on, if we truly understand the reasons for the same and build insight-led products that address deep consumer needs.

We have noticed that despite the presence of strong incumbent brands, more than 50% of Rupeek's new loan customers are first-time borrowers. This is because they love the simplicity with which they can get a gold loan while sitting at home. Our estimates now put doorstep gold loans, which did not even exist before us, to be an USD 20 bln opportunity (annual disbursals) and is seeing increasing interest even from incumbents. Apart from doubling down on this opportunity, we plan to cultivate products which can help monetise the idle gold and organise the USD 130 bln (book size) informal gold loan market.

Further, in the current post COVID-19 scenario, non-asset-backed forms of credit have become much harder to avail of, and we see consumers migrating to asset-backed loans and thereby expanding the existing potential of the opportunity. Most of these potential customers are first-time borrowers of gold loans, and see a significant advantage with Rupeek's offerings compared to the traditional way of getting gold loans. Therefore, despite COVID-19, we have grown significantly, ending the year with a 2.5x growth in monthly new disbursals compared to last year.

Increased digitisation and consumer needs
Increased smartphone penetration and adoption of e-commerce is changing the mindset of the Indian consumer towards consuming best-in-class products and services online and moving towards convenience. This is a unique opportunity for tech-savvy players like us who understand the consumer deeply and combine it with the tech capabilities to bring in superior propositions to categories which operated very traditionally until now.

> “The biggest paradox facing the Indian household balance sheets is that 95% of the assets held by Indian households are physical assets whereas 57% of their debt is unsecured.”

Photo: Rupeek

We have also launched our second product called Rupeek Quick, which is seeing strong early adoption with customers. It is a gold-backed overdraft facility which offers consumers the freedom to come out of the “loan” mindset, consume the credit line at their convenience and pay interest only on how much they consume. This has opened a set of high-frequency use cases which we have never seen before, e.g., utility bill payments, short-term advances to friends, businesses and suppliers, etc. We are also in the advanced stage of launching gold-backed cards to make consumption of credit even more seamless for the end consumer. Ultimately, our vision is to lay the rails on top of which asset-backed credit can be made accessible seamlessly to the middle-of-the-pyramid Indian consumer.

Multi-asset opportunity

The biggest paradox facing the Indian household balance sheets is that 95% of the assets held by Indian households are physical assets whereas 57% of their debt is unsecured. Rupeek has created the base rails to solve this uniquely Indian problem with three key foundational capabilities:

1. Low-cost capital enabled by deep proprietary integration with banks with low-cost deposits.
2. Innovative credit products developed on the bedrock of secured lending to keep interest rates lower than NBFCs and the informal sector.
3. Wide and low-cost distribution, which is asset-light and technology-driven.

While these capabilities were leveraged to create the doorstep gold loan opportunity, our vision is to leverage the synergies and use the same infrastructure to create other similar asset-backed categories including loan against property, used vehicle finance etc. By doing this, we hope to empower the next billion and make fair and fast credit accessible to 120 mln households and 60 mln MSMEs in India.

Challenges

Winning consumer trust

For Indian households, gold is insurance against emergencies; however, they are wary of pawning it. There is a deep emotional connection, as gold is often inherited and is a symbol of financial and social status. Hence if you run a gold business, trustworthiness is a fundamental requirement. It gets even more challenging in the gold loan sector where incumbents in the organised and unorganised space have often resorted to non-transparent and excessive penalties. Such practices have created fear in the minds of consumers that they would lose the gold if they borrow against it.

Hence the consumer is extra cautious and would rather forgo a few benefits if required but choose a trustworthy player. We have repeatedly overcome trust barriers, be it via our well-trained and patient staff or our lender partnerships, and lately by showcasing that Rupeek is a brand loved and trusted by thousands of consumers across geographies. We have plans to significantly invest in building our credibility and trust in the minds of customers.

Overcoming social stigma

Gold is treated as family wealth, and hence taking it out to pledge it for credit is considered inauspicious. These deeply-held beliefs around gold are the primary reason for lower penetration of the category, despite it being a financially attractive option for many people. While there has been a reduction in this sentiment over the years, especially among the younger generation, there is still some resistance. We are looking at actively solving this through consumer education, positioning our brand appropriately by building trust and providing alternate ways of gold monetisation. If done right, this can unlock steep growth in gold-backed products in the country.

Fintech driving financial inclusion – VEF's sustainability footprint

VEF's purpose is to create long term sustainable value for our shareholders by investing in the future of finance across the emerging world. As a key input into driving long term shareholder returns, we integrate environmental, social and governance (ESG) considerations into our investments process and we are strong believers in the positive impact fintech companies in emerging markets can have on society.

Our investment decision-making process is driven by a strong belief in: (1) sustainability as a fundamental part of business and (2) the power of active shareholding, to ensure strong governance and responsible business practices. By being an active and responsible shareholder, we can ensure that our portfolio companies build long-term and sustainable businesses that contribute positively and not negatively to society.

VEF core values

The basis of VEF's overall mission and strategy are our core values, which form the basis for how we conduct business in a sustainable way. The core values are always on our minds to guide us in our mission and strategy to build a successful investment company.

Stewardship	We are an active and responsible shareholder and we take corporate governance very seriously, both with regards to how we conduct our business and how our portfolio companies conduct theirs.
Integrity in everything we do	We are transparent, open, honest, fair and ethical towards all stakeholders: our investors, employees, investments, suppliers and the communities served.
Respect for people and diversity	We seek diversity of thought and background and respect the individual. Innovation and success come out of bringing people together from different backgrounds, with different ideas, strengths and experiences.
Positively impact the world	We strive to make returns by positive social impact, participate in the creation of economic opportunities for those without, advance new technologies and business models that are sustainable and improve financial intermediation.

What does sustainability mean to us?

For VEF, sustainability has two dimensions: 1) sustainability at VEF as a company and investor and 2) sustainability in our portfolio companies. VEF is a small company with few employees, but we recognize the value and importance in keeping our house in order for our long-term and sustainable growth as an investment company. At the same time, we believe that our most meaningful and effective impact comes from our capital and our portfolio companies.

Sustainability in our portfolio companies is also addressed on two levels:

1. Ensuring that all portfolio companies conduct fair, ethical, non-discriminating and ESG-compliant businesses to allow long-term sustainable growth.
2. The positive impact they may have on the society by enabling financial inclusion of consumers and SMEs in emerging and frontier markets.

"Our ambition and goal are that our capital positively impacts the financial inclusion of consumers and SMEs in emerging markets while staying true to our mandate of creating shareholder value"

While the first is a fundamental requirement for long-term and sustainable businesses, the second is taking responsibility for bettering the world. Our ambition and goal are that our capital positively impact the financial inclusion of consumers and SMEs in emerging markets while staying true to our mandate of creating shareholder value. By investing in VEF, you also make a difference and contribute to the financial inclusion in the emerging world.

Focus areas

Our sustainability efforts are focused on three core areas that we believe are the most relevant and effective to VEF and the portfolio companies given that we invest specifically in fintech companies in emerging and frontier markets. Not all of VEF's geographies have adequate local laws and regulations that meet VEF's ethical standards. As an example, there may be issues with corruption in some of these countries. In addition, financial services companies are often regulated and deal with large amounts of private data, hence the importance of regulatory compliance.

Business ethics

- Regulatory compliance, anti-corruption, AML and general business ethics

Responsible financing

- Fair and transparent consumer practices
- Data privacy and security
- Responsible lending and debt prevention

Financial inclusion

- Improve and provide access to fair and affordable financial services

You can read more about business ethics and responsible financing on pages 62-64 where we present detailed information on our sustainability processes and about financial inclusion on the following pages.

The UN Sustainable Development Goals and Financial Inclusion

We support the United Nations Sustainable Development Goals (SDGs) and we believe in the importance of private businesses contributing to the goals for them to be achieved. VEF's main contribution to the SDGs is via our portfolio companies and specifically the financial inclusion of consumers and SMEs. By investing in fintech companies in emerging markets, we are convinced that we positively contribute to society and the SDGs. We see economic prosperity as an enabler to tackle both fundamental issues such as poverty, hunger and literacy, but also as a means for societies to develop and advance.

The Office of the UN Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), the Better Than Cash Alliance which is hosted by the United Nations Capital Development Fund (UNCDF), and the World Bank have identified that digital financial services can contribute to almost all of the SDGs. UNSGSA have narrowed this down to 7 SDGs that financial inclusion more specifically contributes to and we agree with this selection of relevant SDGs based on our portfolio companies' impact:

In the coming year we will further develop and define our work strategy towards having an impact on the SDGs.

Fintech driving financial inclusion

For the majority of the world, financial services are either unavailable or of poor quality.

- **1.7 billion people globally have no access to financial services**
- **76% of those live in sub-Saharan Africa and South Asia**
- **67% of sub-Saharan adults and 32% in South Asia are unbanked**

Reliance on cash makes it extremely difficult for individuals to save for needs such as education and healthcare, prepare for financial emergencies, and invest in their small businesses. Fintech represents a massive opportunity for financial inclusion, with the World Bank asserting that fintech applications can especially help to drive development in emerging markets. Digital financial services, such as mobile wallets, electronic payments, fintech apps, digital credit services etc. can reach people previously excluded from these services.

Below are some examples of how fintech companies contribute to financial inclusion:

- **Providing access to financial services for previously unbanked or underbanked consumers and SMEs, i.e. democratising access to financial services**
- **Providing credit to low-income consumers and SMEs**
- **Providing financial services, e.g. loans and remittance services, to consumers on fair and affordable terms**

Each market has its unique challenges when it comes to financial services: Brazil with its high interest rates; Mexico where few SMEs have access to formal financial services and credit; or Pakistan where its large unbanked population and SMEs who cannot access formal credit.

In India, the vast majority of the population have been unbanked until only recently, and today approx. 80% of the population is banked. India has for many years also battled a shadow economy. Fintech has been a massive and positive contributor to financial inclusion and a weapon for the government and regulators in the war on cash. You can read more about this in the India section on pages 16-29. Both of our portfolio companies in India, Juspay and Rupeek, contribute to financial inclusion. Juspay enables and facilitates digital payments and Rupeek gives its customers access to secured credit at affordable terms to many of whom have previously not had access to formal credit.


Photo: Subman/Getty Images

Our portfolio company footprint

JUMO

JUMO has built technology that powers inclusive mobile financial services such as credit, savings and insurance products for unbanked and under-banked customers in emerging markets.

Since founding in 2015 JUMO has served almost 18 mln customers and originated over USD 2.5 bln in loans to consumers and MSMEs. When it comes to financial inclusion, JUMO is the benchmark holding in our portfolio, having integrated ESG into their strategy, processes and daily business operations.

27% of customers earn less than USD 2 per day

1 in 3 customers are women

21% of customers live in rural areas

6 in 10 customers are entrepreneurs or micro-enterprises

60% first-time users of formal financial services

"Our mission is to bring financial inclusion to the masses by making credit accessible to Indians in a convenient and cost-efficient way."

- Sumit Maniyar, Founder and CEO of Rupeek

FINJA

Pakistan is a greatly underpenetrated market in terms of financial services.

With a population of 200 mln people, only 21% of the adult population have a bank account, and as little as 2% of adults and 7% of SMEs receive formal credit from financial institutions.

Finja is Pakistan's leading digital lending platform with an integrated payments ecosystem focused on the financial wellbeing of businesses and their employees and specifically MSMEs. Finja also offers a mobile wallet which allows anyone with a smartphone to open a bank account easily, giving users access to multiple additional financial services. Finja collects transactional data and can therefore develop credit scores for its users. Only a fraction of the population and MSMEs in Pakistan have some kind of credit scoring today and for Finja users this is a clear value-add.

More than 35,000 loans disbursed to date

More than 200,000 unique retail customers of which almost 50% are underserved

More than 3,000 unique MSME customers of which 100% are sole proprietors and a vast majority are underserved

konfío

Mexican SMEs are underserved by traditional banks, where only 3 out of 10 businesses have access to formal credit.

Konfío is facilitating growth opportunities for SMEs and sole traders in Mexico, which have been severely constrained in the past. Many of its customers, even though creditworthy, have not had access to formal financing before.

41% are sole proprietors

30% are female owned business

More than 50% are first-time users of formal financial services with no previous formal credit scores.

creditas

Brazilian consumers pay some of the highest interest rates in the world.

Creditas defines its mission as reducing the Brazilian consumer debt burden. In Brazil consumers face some of the highest interest rates in the world, with APRs of commercial banks comfortably above triple-digit percentages for products such as credit cards, overdrafts and personal loans. Creditas allows consumers to use the assets they own as collateral to significantly reduce high borrowing costs.

Cuts interest rates c. 80-90% from the normal 100-400% per annum typically charged by unsecured consumer lenders and credit card providers

XERPA

Xerpa helps employees to avoid expensive loans by providing cheap credit through their payroll lending product.

60% of Brazilian workers struggle to make their paycheck last the month and consumers are often restricted to the expensive credit facilities with average APRs of more than 200%. Xerpa estimates that it has helped saved USD 130 thousands in credit costs for their users in 2020.

Investment Portfolio

Portfolio Development

Net asset value

VEF's net asset value as at December 31, 2020 was USD 388.1 mln (December 31, 2019: USD 249.4 mln) or USD 0.47 per share (December 31, 2019: USD 0.38 per share).

Given a SEK/USD exchange rate of 8.19 (December 31, 2019: 9.32) this corresponds to a net asset value of SEK 3,178 mln (December 31, 2019: SEK 2,325 mln) or 3.83 SEK per share (December 31, 2019: SEK 3.55 per share).

Over the year 2020, VEF's net asset value in USD increased by 56%, VEF's share price in SEK increased by 37% and the MSCI Emerging Markets index increased by 16%. The majority of VEF's growth in net asset value was a result of the mark up in valuation of Creditas, TransferGo, Konfío and Juspay.

Investments

During 2020, gross investments in financial assets were USD 97.1 mln (2019: USD 48.8 mln). USD 13.0 mln was in one new portfolio company, Juspay, USD 29.1 mln was attributable to additional investments in Creditas, TransferGo, Nibo and Finja and USD 55 mln was attributable to investments in liquidity placements.

Divestments

Gross divestments in financial assets were USD 41.5 mln (2019: USD 54.3 mln) of which USD 41.5 mln relates to divestments in liquidity placements.

Revaluations

The largest revaluations of financial assets during 2020, were Creditas (USD 70.9 mln), TransferGo (USD 14.0 mln), JUMO (USD -7.3 mln), Konfío (USD 6.9 mln), Guiabolso (USD -6.1 mln) and Juspay (USD 4.4 mln).

Liquidity management

VEF has investments in a money market fund and bonds as part of its liquidity management operations. As per December 31, 2020, the liquidity investments are valued at USD 48.2 mln (2019: USD 34.5 mln), based on the latest NAV.

The investment portfolio stated at market value at December 31, 2020

Company	Fair value Dec 31, 2020 (TUSD)	Net invested amount (TUSD)	Investment/ divestments 2020 (TUSD)	Change in fair value 2020 %	Change in fair value 2020 (TUSD)	Fair value Dec 31, 2019 (TUSD)	Valuation method
Creditas	169,023	73,356	24,856	96.8%	70,921	73,246	Latest transaction [1]
Konfío	48,504	27,500	–	16.7%	6,925	41,579	Mark-to- model [1]
TransferGo	28,634	11,037	2,111	111.3%	13,968	12,555	Mark-to-model [1,2]
Juspay	17,372	13,000	13,000	33.6%	4,372	–	Mark-to-model [1]
Nibo	13,610	6,500	1,200	16.9%	1,791	10,619	Mark-to-model [1]
REVO	11,083	6,664	-3,017 [3]	-13.2%	-2,144	16,244	Mark-to-model [1]
FinanZero	9,933	2,671	–	28.5%	2,205	7,728	Mark-to-model [1,2]
JUMO	9,540	14,614	–	-43.5%	-7,335	16,875	Mark-to-model [1]
Magnetis	8,330	5,668	–	2.7%	222	8,108	Mark-to-model [1]
Finja	6,748	3,172	925	71.8%	2,434	3,389	Latest transaction [1]
Xerpa	5,758	8,500	–	-32.3%	-2,742	8,500	Mark-to-model [1]
Guiabolso	5,417	30,000	–	-53.1%	-6,128	11,545	Mark-to-model [1]
Liquidity investments	48,205	46,965	13,500	0.5%	183	34,521	
Investment portfolio	**382,157**	**249,647**	**52,575**		**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**	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.
2. Attributable to currency exchange differences
3. The divestment in Revo is a reclassification of an outstanding convertible plus accrued interest to a short-term loan receivable. Please see note 5 for more information.

Latin America

creditas

creditas.com

Creditas is Brazil's largest online secured lending platform, leveraging borrower collateral to offer loans to consumers at more affordable rates.

Brazilian consumers pay some of the highest interest rates in the world, with unsecured consumer loan, credit card and overdraft rates reaching well into triple-digits. Secured lending is massively underpenetrated in Brazil where approximately 70% of all homes and cars are owned debt-free, with these assets representing a total value of USD 3 tln. Creditas' mission is to reduce the Brazilian consumer debt burden and democratize access to lending by leveraging consumers' assets.

Initially offering home equity and auto equity secured loans, and subsequently payroll-backed loans, Creditas' customers obtain larger, longer-term, lower-APR loans through an efficient, tech-driven application system. With their core Brazilian secured lending business on a healthy growth trajectory, management is gradually expanding the product suite around the key three verticals of home, auto and payroll, creating an ecosystem of products and solutions that follows the customer journey across their needs and life stages. These solutions include property sale and renovation, vehicle financing, salary advance, as well as the first e-commerce platform in Brazil that allows customers to pay through Creditas' innovative salary discount (Creditas Store). Creditas recently launched in Mexico.

Creditas continues to be a cornerstone holding for VEF, and we remain as confident in the company's ability to create meaningful value and be a significant driver of our NAV in the years ahead.

Recent highlights:

- Despite pandemic headwinds, Creditas' loan portfolio grew 85% YoY to BRL 1.3 bln, with new loan origination reaching BRL 900 mln and revenues of BRL 336 mln during the period.
- Raised a USD 255 mln Series E funding round in December 2020 at a valuation of USD 1.75 bln.
- Completed acquisition of online mortgage platform, Bcredi, in January 2021.

Region
Brazil, Mexico

Segment
Secured lending platform

Fair value (USD)
169.0 mln

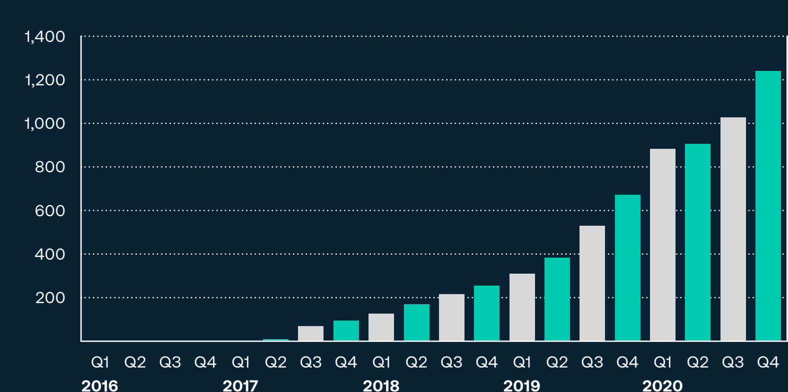
VEF Stake
9.8%

Fair value change 2020 (USD)
+96.8%

Share of VEF's portfolio
43.7%

Loan book (BRL mln)

Source: Company data



konfio

konfio.mx

Konfío builds digital banking and software tools to boost SME growth and productivity in Mexico.

SMEs are key to development in emerging markets, yet with approximately 7 mln of these businesses in Mexico today, the sector has shown significant lags. This is largely because SMEs have historically been underserved by traditional banks and thus have poor access to financial services, with only three out of ten businesses having formal credit.

Leveraging traditional and non-traditional data sources, with the use of advanced data capture, storage and processing technologies, Konfío measures risks without requesting financial statements, generating credit offers automatically and with dynamic terms in a 100% digital process. More recently, Konfío used 2020 to expand their product offering into a broader range of financial services to become Mexico's leading data-driven SME platform, and will soon begin to offer payments services to their customer base.

During what was a challenging year for all, we have been extremely impressed by the delivery shown by Konfío in 2020 in terms of both the strength and resilience of the core business and launch of new product offerings. Our confidence in Konfío's future as the leading provider of financial services for Mexican SMEs continues to grow.

Recent highlights:

- While maintaining its focus on SMEs growth and productivity, Konfío recently expanded its strategy into a three-pronged approach, by adding SaaS and payments to its lending prowess. With this expanded strategy, Konfio is poised to become a value-enhancing SME operating platform.
- In December 2020 Konfío acquired and integrated Gestionix, a cloud-native ERP and accounting software in Mexico.
- Recently launched a B2B payment offer, Konfío Pay, aiming to integrate and enhance SME payments, accounts receivable and term financing.

Region
Mexico

Segment
Diversified financial services for SMBs

Fair value (USD)
48.5 mln

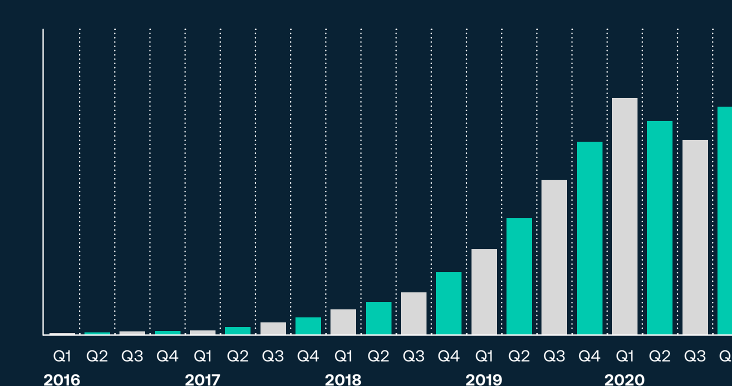
VEF Stake
11.0%

Fair value change 2020 (USD)
+16.7%

Share of VEF's portfolio
12.5%

Loan book

Source: Company data



nibo

nibo.com.br

Nibo is the leading accounting SaaS provider in Brazil, transforming the way accountants and SMEs interact in one of the most complex and regulated accounting and tax environments in the world.

The Nibo platform uses technology to offer a suite of financial management tools to accountants and SMEs, including accounts and bank reconciliation, payment of bills, cash flow projection tools and issuance of invoices and boletos, empowering accountants to better and more profitably serve their customers.

As well as improving productivity, Nibo's products allow accountants to cross-sell additional value-added services, further strengthening the end customer relationship and diversifying their revenue stream. Nibo's tools have become essential to accountants to facilitate remote working during the COVID-19-induced lockdowns of 2020, at a time when in turn, accountants have become crucial to helping Brazilian SMEs through the crisis.

As their SME base grows, Nibo is accumulating and manages a unique pool of SME data which has the potential to serve as a base for offering a variety of additional financial services to Brazil's underserved SMEs as a natural extension of the core products.

Region
Brazil

Segment
Accounting SaaS for SMBs and accountants

Fair value (USD)
13.6 mln

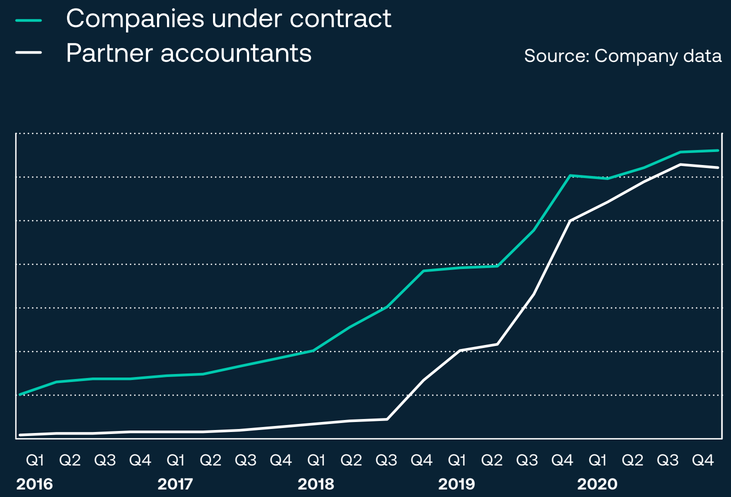
VEF Stake
20.1%

Fair value change 2020 (USD)
+16.9%

Share of VEF's portfolio
3.5%

Recent highlights:

- Grew the SME base by 25% in 2020, continuing to gather one of the largest and richest data sets on SMEs in Brazil.
- Launched a new premium product to help accountants operate remotely and manage client relationships.



FinanZero

finanzero.com.br

FinanZero is a pioneering digital marketplace for consumer loans in Brazil.

The high interest rates on consumer loans in Brazil makes it an imperative for consumers to find loans with the lowest rates and terms available to them in the market. At the same time, consumer loan volumes and tech adoption in Brazil are increasing, creating a strong opportunity for a digital solution for consumer loans. Playing into this space, FinanZero has become the leading digital loan broker for consumers in Brazil today.

Acting as an independent broker, FinanZero negotiates the customer's loan with several banks and credit institutions at once to find the loan with the best interest rate and terms for the consumer. FinanZero handles the lending process from start to finish, with the customer and the bank integrated into the platform. For consumers, this means that all the relevant credit providers are reached through one single application, and from the credit providers' perspective, FinanZero adds value through more effective distribution, lower customer acquisition cost, better segmentation, and lowered administration costs.

The company is focused on three sizeable loan broker segments: unsecured consumer loans, secured car finance loans and secured home equity loans, while new products such as payroll loans and credit cards are soon to be introduced.

Region
Brazil

Segment
Consumer credit marketplace

Fair value (USD)
9.9 mln

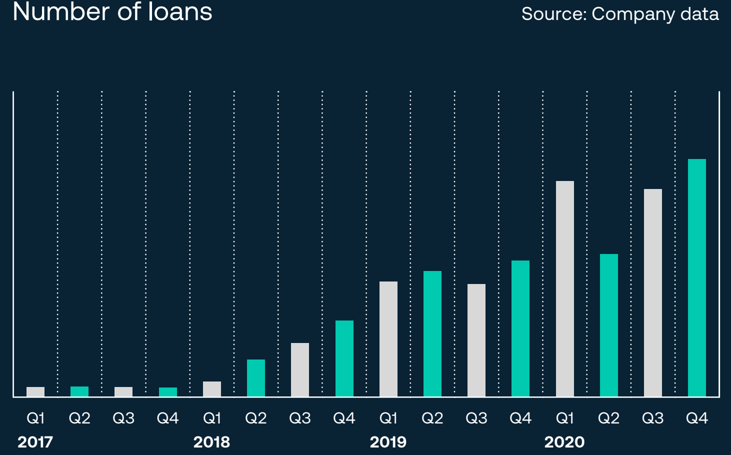
VEF Stake
18.0%

Fair value change 2020 (USD)
+28.5%

Share of VEF's portfolio
2.6%

Recent highlights:

- FinanZero's platform has generated more than 12.5 mln loan applications since inception.
- Over the course of 2020, FinanZero reached close to 18 mln platform visitors and an average of over 500 thousand requests for loans per month.
- FinanZero now has over 50 partners on the platform across both banks and fintechs.



magnetis

magnetis.com.br

Magnetis is a digital investment advisor in Brazil, democratising access to affordable and easy-to-use investment management, offering customers a simple, digital tool to manage their wealth.

Using state-of-the-art technology, the product takes the individual's risk preferences into account, then builds and manages a tailored portfolio of money market, insured fixed income, hedge funds and equity ETFs at the click of a button.

Given the deep pool of wealth, high levels of consumer technology adoption, large existing revenue pool and lack of financial market literacy, Brazil represents one of the largest addressable markets for digital wealth management globally.

Digital investment platforms became one of the hottest sectors in fintech 2020, with record account openings and a surge in usage experienced globally. At the same time, in Brazil customers are adjusting to the new historically low interest rate environment and are exploring new avenues for investment. All have been a net positive for Magnetis and their brand with the public over the past year.

Recent highlights:

- AUM growth of 43% YoY.
- Magnetis held their first live event in October 2020, where the company announced new product updates to an audience of over 2 thousand people.
- Launched new customer experience, including Magnetis Intelligent Goals, a goal-based experience and dashboard for clients, along with streamlined onboarding and Magnetis Private, a new tier for customers.

Region
Brazil

Segment
Digital investments

Fair value (USD)
8.3 mln

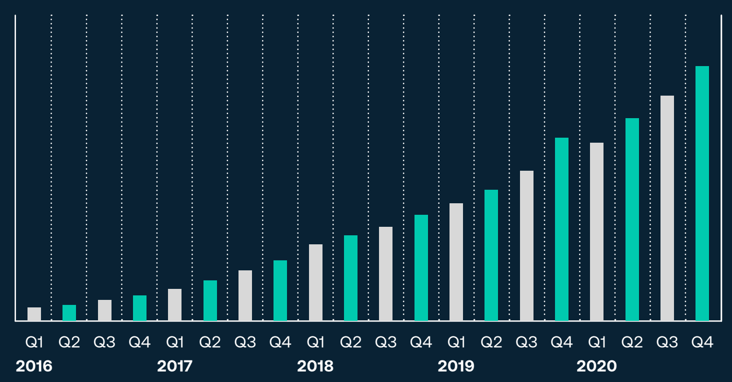
VEF Stake
17.5%

Fair value change 2020 (USD)
+2.7%

Share of VEF's portfolio
2.2%

Assets under management

Source: Company data



XERPA

xerpa.com.br

Xerpa is a HR software provider for corporates in Brazil, offering HR tools for recruitment, onboarding and offboarding, performance evaluation and, through their Xerpay product, payroll management and salary-on-demand.

Brazil has long suffered from some of the highest interest rates globally and poor financial inclusion, with 60% of workers struggling to make their paycheck last the month. Tens of millions of people resort to predatory-like credit products to meet their cash requirements until the next pay cycle, with 24 mln Brazilians paying APRs of over 300% on overdrafts each year, generating USD 17 bln in revenues for banks.

Xerpa's flagship salary-on-demand product, Xerpay, allows employees to access their already-earned wages instantly and at any time. Through Xerpay, employees gain instant financial security and thus can avoid the cumulative spiral of debt, defaults and penalties caused by overdraft and credit card revolvers commonly used when workers cannot access their earnings between pay cycles.

Xerpa took 2020 as an opportunity to focus on product and technology developments, launching new products which have seen impressive growth and adoption by employees. The Xerpay products have proven to provide real value to both employers and employees during the COVID-19 pandemic, where the financial wellbeing of employees has become more important than ever.

Recent highlights:

- Launched '13th salary' product which has seen significant traction amongst users.
- Grew the number of enrolled users of Xerpay over 15x to a total of 65 thousand employees.
- Made salary advances of over BRL 10 mln in 2020.

Region
Brazil

Segment
HR & payroll management

Fair value (USD)
5.8 mln

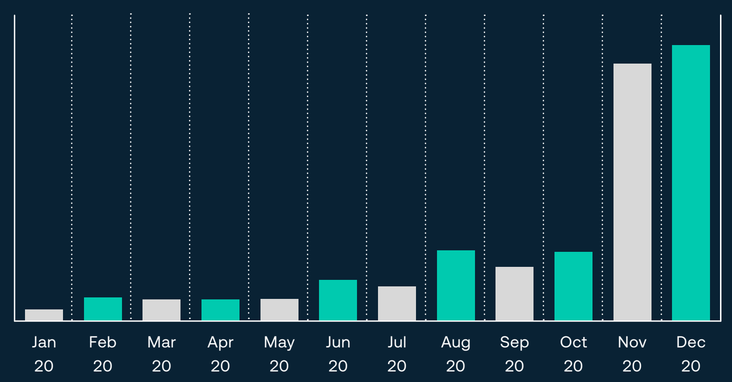
VEF Stake
16.0%

Fair value change 2020 (USD)
-32.3%

Share of VEF's portfolio
1.5%

Active users

Source: Company data



Guiabolso

guiabolso.com.br

Guiabolso is a personal finance management platform with the mission of transforming the financial wellbeing of consumers in Brazil.

In Brazil, banks typically provide a poor user experience for customers, with an unnecessarily complicated financial profile from various credit products making it difficult for customers to get an accurate, complete view of their personal finances. At the same time, Brazilians pay some of the highest interest rates in the world, which compounds the problem of effectively managing their personal finances.

Guiabolso builds proprietary bank data aggregation technology to automatically aggregate people's financial information from multiple bank accounts, simplifying their customer's financial profiles and allowing users to better understand their finances and keep track of their budgets, a business model similar to the likes of Mint and Credit Karma in the US. Through their platform, Guiabolso offers the clearest financial profile available in the market to their large customer base and offers their users a wide range of products spanning from credit reports through to investment products and credit cards via their financial services marketplace.

Region
Brazil

Segment
Personal finance manager

Fair value (USD)
5.4 mln

VEF Stake
10.9%

Fair value change 2020 (USD)
-53.1%

Share of VEF's portfolio
1.4%

Recent highlights:

- Recently launched Guiabolso Connect, a new B2B product which offers their account aggregation and data intelligence technology to third parties, similar to fintech companies Plaid and Tink.

Emerging Europe and Africa

transferGo

transfergo.com

TransferGo is a rapidly growing, low-cost, digital money transfer business offering real-time service to customers across the globe.

Global remittance volumes total USD 670 bln+ annually and growing. For many years, customers have been underserved by incumbents, with pricing too high and speed to low. Today, fintech businesses like TransferGo are rapidly increasing the share of digital money transfers in the remittance market, providing greater choice, access, speed and price to customers across the world.

TransferGo's segment of focus are migrant workers, who are some of the most consistent and regular remittance customers in the world. Using TransferGo, these customers pay up to 90% less than with banks, and can get their money delivered digitally and securely in just 30 minutes. Currently serving a customer base of over 2.5 mln people, TransferGo also offers digital remittance services for SMEs and enterprises.

TransferGo was one of the clearest beneficiaries of the COVID-19-induced acceleration towards all things digital in 2020, with revenues growing over 80% in 2020. The company's performance has been one of the strongest in the VEF portfolio over the past 12 months.

Region
Eastern Europe

Segment
Payments & cross-border remittances

Fair value (USD)
28.6 mln

VEF Stake
15.4%

Fair value change 2020 (USD)
+111.3%

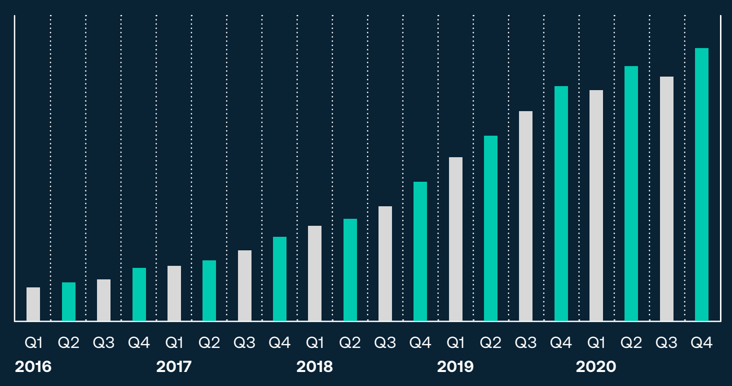
Share of VEF's portfolio
7.4%

Recent highlights:

- Launched new partnerships with Visa and Mastercard to enable customers to send money directly to a debit or credit card.
- Launched partnerships with Sumsub and Veriff for customer ID verification, and Thought Machine, who will provide card and account-type services for TransferGo's customers.
- TransferGo now operates in over 60 countries across the world and has enabled 150 markets via pay2card partnerships.

Active users

Source: Company data



mokka.ru

REVO provides buy now pay later (BNPL) financing solutions for customers in Russia and CEE through the Mokka brand.

Mokka operates in one of the hottest sectors in fintech globally, where BNPL has become a mainstream option for financing purchases at the point of sale, taking a share of the pie from the credit card market, and often considered as an alternative payment method as opposed to credit. A model that has been verified globally by the likes of Afterpay, Affirm and Klarna, Mokka is the leading player in the Russian and CEE market.

Mokka works with numerous scale merchants in both the online and offline space in categories such as apparel, sporting goods, travel, and electronics. These merchants benefit from increased conversion and basket size using Mokka's BNPL solution, while the company also provides targeted marketing services for merchants to further drive repeat purchases and loyalty.

Company performance at Mokka during what was a challenging 2020 has been impressive, delivering strong results in terms of revenues and a positive bottom line, while the outlook for 2021 is set to deliver strong growth for the coming year.

Region
Russia, CEE

Segment
Payments & consumer credit

Fair value (USD)
11.1 mln

VEF Stake
23.0%

Fair value change 2020 (USD)
-13.2%

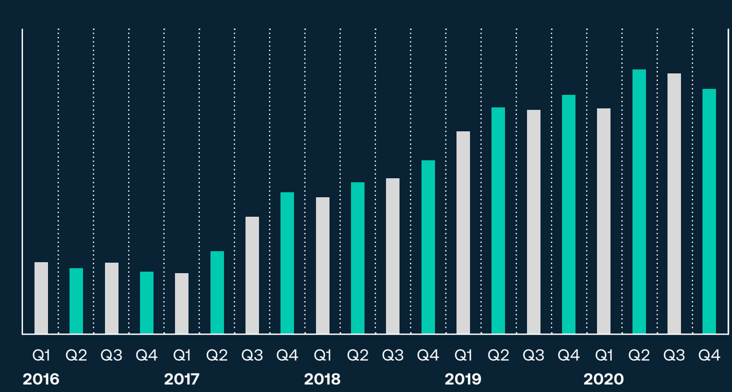
Share of VEF's portfolio
2.9%

Recent highlights:

- Recently launched operations with an initial three merchant partners in Romania.
- Delivered positive bottom line in 2020, with growth of 4x YoY.

Connected stores

Source: Company data



jumo.world

JUMO provides inclusive financial services to unbanked consumers and SMEs across several emerging and developing markets.

Over 1.7 bln adults across the globe are excluded or underserved by traditional financial services, with over 76% of these people living in sub-Saharan Africa and South Asia. Reliance on cash and lack of access to credit makes it extremely difficult for individuals to save for needs such as education and healthcare, prepare for financial emergencies, and invest in their businesses.

JUMO is a full technology stack for building and running financial services. The company uses advanced data science and machine learning to power the fastest and leanest financial services infrastructure in their markets. JUMO partners with banks and telcos through their platform to give individuals and entrepreneurs access to savings and loan products via their mobile phone in markets where millions of adults are excluded from or underserved by traditional financial services. Today JUMO is live in seven markets across sub-Saharan Africa and South Asia: Ghana, Kenya, Tanzania, Uganda, Zambia, Côte d'Ivoire, and Pakistan.

Despite a challenging year, JUMO continued strong performance of the core business in 2020 and has plans to launch in an additional three countries including Nigeria in the coming months.

Region
Africa

Segment
Financial services infrastructure

Fair value (USD)
9.5 mln

VEF Stake
6.8%

Fair value change 2020 (USD)
-43.5%

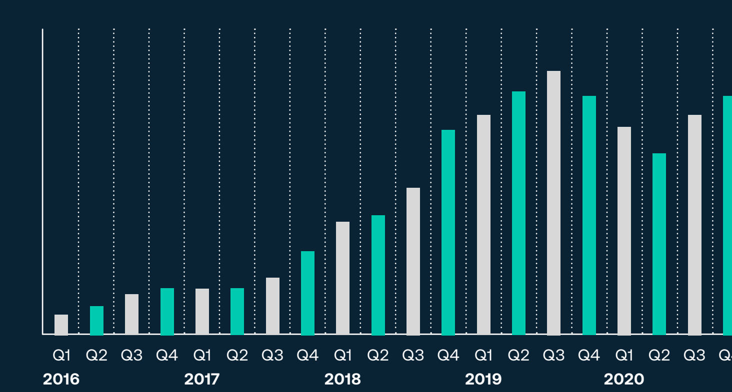
Share of VEF's portfolio
2.5%

Recent highlights

- Since launch a total of almost 18 mln people and small businesses have saved or borrowed on the JUMO platform.
- Over USD 2.5 bln of funds have been disbursed to customers on the platform since launch in 2015, with 20 mln transactions taking place monthly.
- In 2020, JUMO was the recipient of two awards at the Global SME Finance Forum held by the International Finance Corporation (IFC) – Platinum for Responsible Digital Innovator of the Year and Silver for Product Innovation of the Year.

Loan origination

Source: Company data



South Asia

JUSPAY

juspay.in

VEF's only new addition to the portfolio in 2020, Juspay is one of India's leading payment companies.

India has one of the most advanced and complex electronic payment infrastructures globally and was an early mover on mandatory two factor authentication. This has resulted in friction and challenges unique to India which Juspay has been solving for some of India's largest merchants and banks.

Juspay has created a unifying layer of products and value-added services that improves conversion rates for merchants and other stakeholders in the payment value chain. Juspay has had more than 200 mln downloads of its SDK (Software Development Kit) and facilitates more than USD 30 bln of annualised payment volume for some of India's largest merchants including Amazon, Flipkart, Uber, Swiggy, Ola and Cred.

VEF made a USD 13 mln investment into Juspay in March 2020, leading a broader Series B investment round of USD 21.6 mln and was joined by Wellington Management, alongside existing investors, Accel. Juspay has been a clear beneficiary of the accelerated technology adoption seen across the globe due to COVID-19, as more and more merchants in India have become dependent on e-commerce and UPI for business. Juspay's growth and the performance of the management team during our first year as investors has been impressive, and we look forward to watching this continue into 2021.

Region
India

Segment
Mobile payments platform

Fair value (USD)
17.4 mln

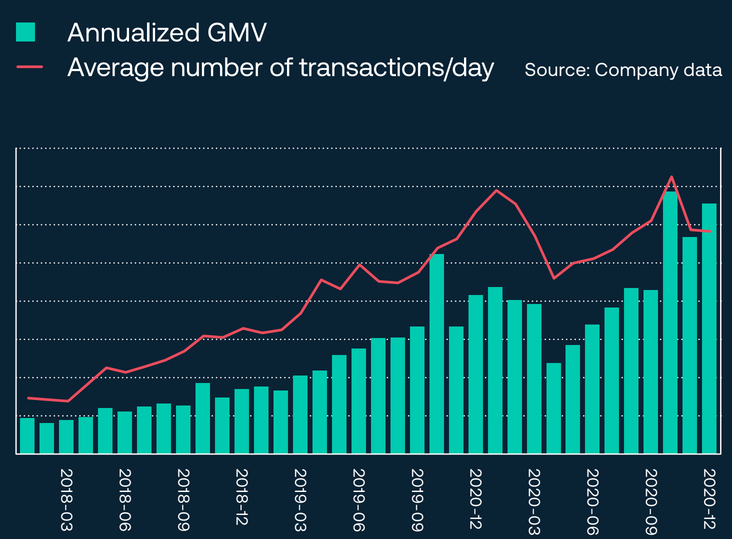
VEF Stake
9.9%

Fair value change 2020 (USD)
+33.6%

Share of VEF's portfolio
4.5%

Recent highlights:

- Annualised GMV grew 60% YoY.
- Juspay's products now process 5-10 mln payments every day, totalling over 5 bln transactions since launch.



FINJA

finja.pk

Finja is a digital lending platform with an integrated payments ecosystem in Pakistan.

Pakistan is a scale market with a population of over 200 mln people and a fast-growing middle class. However, in terms of financial services and credit, Pakistan is massively underpenetrated, with only 21% of the adult population owning a bank account, and as little as 2% of adults and 7% of SMEs receive formal credit from financial institutions. With an estimated 73 mln smart phone devices in the market, fintech offers a massive opportunity to introduce financial services to the increasingly digitally savvy population in Pakistan.

Operating through various partnerships and data sources, Finja aims to promote the financial wellness of both businesses and consumers and gradually transition Pakistan to a cashless society. Finja offers working capital and supply chain loans to small businesses, and personal and payroll-backed loans to salaried professionals in Pakistan. In addition to the lending side of the business, Finja operates an integrated zero-cost payments ecosystem and mobile wallet.

Over the course of 2020, Finja made significant strides in focusing the business on the SME and consumer loan verticals, while also shifting the onboarding process to a completely digital experience.

Region
Pakistan

Segment
Digital lending & payments

Fair value (USD)
6.7 mln

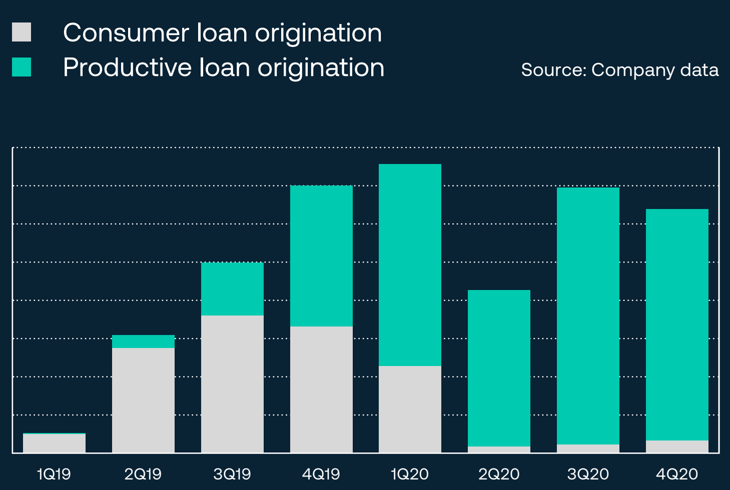
VEF Stake
22.8%

Fair value change 2020 (USD)
+71.8%

Share of VEF's portfolio
1.7%

Recent highlights:

- Finja raised a new funding round of USD 9 mln, led by new investor ICU Ventures with participation from the current investor base.
- Recently launched FinjaCard, a physical card offering for urban salaried professionals, controlled digitally through the Finja app.



The VEF Share

VEF's share price in SEK increased by 37% in 2020. During the same period, the MSCI Emerging Markets index increased by 16% in USD terms. Over the five years to 2020, VEF's compounded annualised share price growth rate is 30%.

Share and share capital information

VEF Ltd.'s share capital is distributed among 874,901,243 shares with a par value of USD 0.01 per share as set out in the table below. Each share of the Company carries one vote. The common shares are represented by SDRs trading on Nasdaq First North Growth Market. The 2019 plan shares and the 2020 plan shares are redeemable common shares held by management and key personnel of VEF under the Company's long-term incentive programs.

Share class	Number of shares	Number of votes	Share capital (USD)
Common shares	829,251,243	829,251,243	8,292,512
2019 plan shares	12,400,000	12,400,000	124,000
2020 plan shares	33,250,000	33,250,000	332,500
Total	874,901,243	874,901,243	8,749,012

Common shares

The Common Shares are represented by SDRs trading on Nasdaq First North Growth Market in Sweden.

Pareto Securities AB is the custodian bank of VEF. A depository receipt carries the same dividend entitlement as the underlying share and the holder of a depository receipt has a corresponding voting right at shareholders meetings. The holder of a depository receipt must, however, follow certain instructions from the custodian bank to have the right to participate in shareholders meetings. At year-end, the number of outstanding shares represented by SDRs was 829,251,243.

The SDRs of VEF are traded with the ticker VEFL SDB (previously VEMF SDB).

2019 and 2020 plan shares/redeemable common shares

Within the framework of the share-based long-term incentive programs for management and key personnel of the VEF Group of 2019 and 2020, participants subscribed for plan shares in the Company. Depending on the performance of both the Company's NAV and of the Company's share price, some or all of the incentive shares will be redeemed or reclassified as ordinary common shares. If the performance conditions are not fulfilled, then the incentive shares will be redeemed at nominal value and cancelled. The participants will be compensated for dividends and other value transfers to the shareholders during the life of the programs. The participants are also entitled to vote for their incentive shares during the measurement period.

Ownership structure

VEF had a total of approximately 10,500 shareholders at year-end. In terms of numbers, the largest category of shareholders is private investors, and in terms of the percentage of share capital held, institutional owners dominate. The largest single shareholder category is funds, of which the two largest are the Acacia funds (Ruane Cunniff & Goldfarb) and the Libra funds. None of the registered shares are owned by the company at year-end.

Shares issued during the year

On August 28, VEF announced that David Nangle, CEO of VEF, increased his stake in the Company by way of exercising 1,905,000 outstanding options. On November 18, VEF completed a directed shares issue and increased the number of outstanding common shares by 165,850,248 shares.

Share turnover

During 2020, the total turnover of the VEF share was SEK 518 mln, with an average daily turnover of SEK 2,1 mln. On average 722,211 VEF SDRs was traded daily. Trading has been conducted 100% of the time.

Repurchases of own shares

During 2020 VEF repurchased 2,019,482 SDRs (2019: 6,016,147 SDRs) in the Company for the purpose of delivery of SDRs in connection with LTIP 2017. VEF does not hold any repurchased shares per December 31, 2020.

Dividends

No dividend has been proposed for the year.

The market

VEF's SDRs are traded on Nasdaq First North Growth Market since July 16, 2015 and since November 3, 2020 under the ticker VEFL SDB (previously VEMF SDB). Certified adviser is Pareto Securities. Recent and historic quotes for VEF's share are easily accessible on several business portals as well as via professional financial and real-time market data providers. Below are some of the symbols and codes under which the VEF SDR can be found.

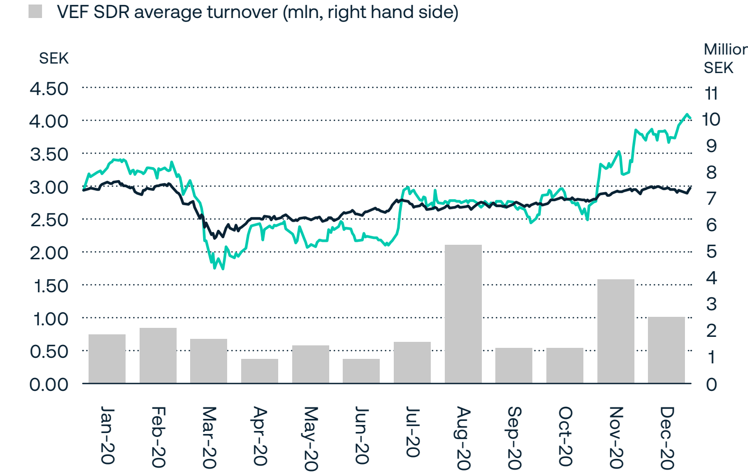
ISIN Code	SE0007192018
Nasdaq First North Growth Market short name (ticker)	VEFL SDB
Bloomberg	VEFLSDB:SS
Financial Times	VEFL SDB:STO
Yahoo Finance	VEFL-SDB.ST

Major shareholders

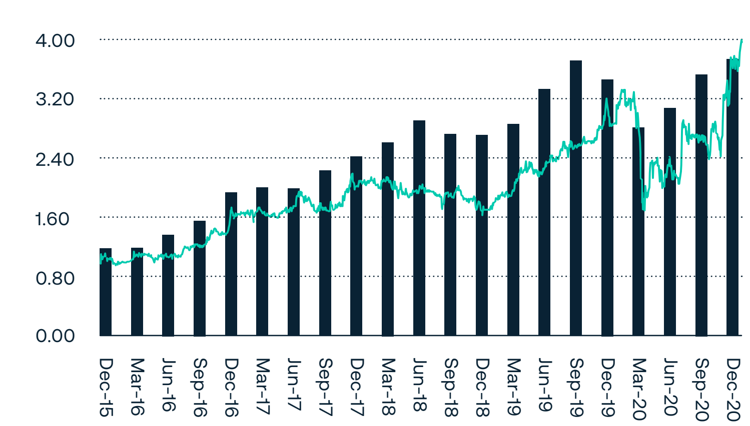
As per December 31, 2020	Holding, SDRs	Holding, %
Ruane Cunniff & Goldfarb*	176,832,109	21.32%
Libra Fund*	174,398,165	21.03%
Wellington Management*	85,857,094	10.35%
Swedbank Robur Funds	71,874,245	8.67%
Fidelity International (FMR)	53,846,358	6.49%
Fidelity International (FIL)	26,514,673	3.20%
Svenska Handelsbanken AB for PB	15,343,000	1.85%
GADD & Cie S.A.	14,280,957	1.72%
David Nangle	13,053,437	1.57%
Avanza Pension	12,904,885	1.56%
10 largest owners	**644,904,923**	**80.36%**
Other holders (approx. 10,500)	184,346,320	19.64%
Total	**829,251,243**	**100.00%**

Based on Euroclear Sweden AB data and holdings known to the Company.
* Holding as per the latest notification to the Company.

VEF share (SDR) price development and turnover 2020



VEF share and net asset value development



Financial summary

Group income statements in brief

EXPRESSED in USD thousands	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Result from financial assets at fair value through profit or loss	84,672	53,452
Dividend and coupon income	391	501
Other income	72	–
Total income	**85,135**	**53,953**
Other operating expenses	-5,998	-5,606
Operating result	**79,137**	**48,347**
Net financial items	391	233
Result before tax	**79,528**	**48,580**
Tax	-74	-51
Profit for the year	**79,454**	**48,529**
Total other comprehensive income for the year	36	-3
Total comprehensive income for the year	**79,490**	**48,526**

Group balance sheets in brief

EXPRESSED in USD thousands	Dec 31, 2020	Dec 31, 2019
Tangible non-current assets	211	275
Financial non-current assets	382,157	244,919
Cash and cash equivalents	4,224	5,562
Tax receivables	58	53
Short-term loan receivables	2,176	–
Current receivables	114	135
Total assets	**388,940**	**250,944**
Equity	388,066	249,439
Non-current liabilities	70	118
Current liabilities	804	1,387
Total equity and liabilities	**388,940**	**250,944**

Group cash flow statement in brief

EXPRESSED in USD thousands	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Cash flow used in/from operating activities	-59,831	1,627
Cash flow from investing activities	–	46
Cash flow from/used in financing activities	58,186	-1,587
Cash flow for the year	**-1,645**	**86**
Cash and cash equivalents at the beginning of the year	5,562	5,479
Exchange rate differences in cash and cash equivalents	307	-3
Cash and cash equivalents at the end of the year	**4,224**	**5,562**

Key ratios

	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Net asset value, USD thousand	388,065	249,439
Exchange rate at balance sheet date, SEK/USD	8.19	9.32
Net asset value, SEK thousand	3,178,263	2,324,684
Proposed dividend	–	–
Share data		
Earnings/share, USD	0.11	0.07
Diluted earnings/share, USD	0.11	0.07
Net asset value/share, USD	0.47	0.38
Net asset value/share, SEK	3.83	3.55
Weighted average number of shares for the financial year [1]	679,347,426	654,483,268
Weighted average number of shares for the financial year, fully diluted [1]	684,148,738	664,376,019
Number of shares at balance sheet date [1,2,3]	829,251,243	655,479,777
Number of shares at balance sheet date fully diluted [1,2,3]	834,052,555	665,372,528

Definitions

Net asset value is defined as shareholders' equity.
Earnings/share is defined as result for the year divided by average weighted number of shares for the year.
Diluted earnings/share is defined as result for the year divided by average weighted number of shares for the year calculated on a fully diluted basis.
Net asset value/share is defined as shareholders' equity divided by total number of shares.

1. Number of shares is not adjusted for 45,650,000 redeemable common shares issued under the 2019 and 2020 long-term incentive program.
2. In August 2020, VEF issued an additional 1,905,000 common shares.
3. On November 18, VEF completed a directed shares issue and increased the number of outstanding common shares by 165,850,248 shares

Corporate governance

VEF Ltd. ("VEF" or the "Company") is an exempted company limited by shares incorporated in Bermuda, and publicly traded on Nasdaq First North Growth Market in Stockholm, Sweden. VEF is governed by the Bermuda Companies Act 1981 and the Company's bye-laws. As the Company's shares, represented by SDRs, are listed on Nasdaq First North Growth Market in Sweden, the Company is also required to follow the Nasdaq First North Rulebook. Although not a requirement for the Company, we endeavor to follow the Swedish Corporate Governance Code (the "Code"). The Code sets out the principles and rules for good corporate governance for Swedish listed companies and VEF believes in the importance of following these rules to the extent deemed appropriate and relevant for the Company and not in conflict with the Bermuda Companies Act or the Company's bye-laws.

The corporate governance principles of the Company are described below.

Shareholders

At year-end 2020, VEF had approximately 10,500 SDR-holders according to the register of shareholders maintained by Euroclear. The largest shareholder is the Acacia Funds (Ruane Cunniff & Goldfarb), who's shareholding at year-end 2020 amounted to 176,832,109 depository receipts, representing a total of 21.32% of the outstanding SDRs of the Company. Other major shareholders include Libra Funds, holding 174,398,165 SDRs, representing a total of 21.03% of the outstanding SDRs of the Company, and Wellington Management, holding 85,857,094 SDRs, representing a total of 10.35% of the outstanding SDRs of the Company. There are no other shareholders with a holding representing more than 10% of the shares of the Company.

Annual general meeting and other general meetings

The annual general meeting ("AGM") is the highest decision-making body of the Company, in which all shareholders are entitled to attend in person or by proxy. The AGM of the Company is typically held in Stockholm, Sweden, where the Company's shares, represented by SDRs are listed and where most of the Company's shareholders are domiciled. Each share or SDR representing a share in the Company equals to one vote. Each shareholder entitled to vote may vote for the entire number of the shares owned. In addition to what follows from applicable Bermuda law regarding shareholders' right to participate at general meetings, VEF's bye-laws specify additional conditions for a shareholder to participate in general meetings and notification requirements, largely based on Swedish law. The documents and minutes from any general meetings, including the AGMs, are published on the website of the Company.

The 2021 AGM of VEF will take place on May 6, at Advokatfirman Vinge's offices on Smålandsgatan 20 in Stockholm. All documents related to the 2021 AGM will be published on VEF's website.

Nomination committee

Shareholders in the Company have the right to nominate members of the Board of Directors, and auditors, to the AGM. According to the Code, a company shall have a nomination committee that prepares proposals regarding certain appointments by the AGM, including proposals for the Chairman of the AGM, candidates for election to the Board, Chairman of the Board, the auditor of the Company as well as remuneration to the Board and the auditor. VEF has a nomination committee appointed for the 2021 AGM.

In accordance with the instruction adopted by VEF's 2020 AGM, the nomination committee of VEF shall comprise of up to four representatives chosen from among the largest SDR-holders of the Company as at August 31, 2020 and the Chairman of the Board. The Company announced on September 22, 2020 that the nomination committee consists of the following representatives: Vipul Pandey, appointed by Libra Advisors; Jake Hennemuth, appointed by Acacia Partners; Evert Carlsson, appointed by Swedbank Robur Fonder; and Lars O Grönstedt, Chairman of the Board of Directors of VEF. The composition of the Company's nomination committee meets the requirements concerning the independence of the committee set out in the Code.

The nomination committee's task is to prepare proposals for the following resolutions at the 2021 AGM: (i) election of the chairman of the AGM, (ii) the election of Board members, (iii) the election of the Chairman of the Board, (iv) the remuneration of the directors, (v) election of auditors and remuneration of the Company's auditors, and (vi) proposals on the nomination process for the AGM 2022. In proposing Board members for election at the AGM, the nomination committee is guided by section 4 of the Code, which contains provisions regarding diversity and breadth of qualifications, experience and background, gender equality, and the directors' independence of the company, its executive management and major shareholder. The proposal by the nomination committee for the 2021 AGM will be published on the Company's website before the 2021 AGM.

Board of Directors

Board members are elected at the AGM for a period ending at the close of the next AGM. Board members may also be elected at a Special general meeting ("SGM"). The bye-laws of the Company specify that the Board shall consist of not less than three and not more than 15 directors with no alternate directors. The bye-laws further specify how the office of a director may be terminated prematurely.

At the 2020 AGM five directors were elected with no deputies. At the 2020 SGM on October 22, 2020, one director resigned prematurely and one new director was elected following a proposal from the nomination committee to the SGM. The Board currently consists of five members and no deputies. The CEO is the only executive Board member. The nomination committee applied the Code rule 4.1 as diversity policy in its nomination work. The nomination committee's assessment is that the current Board is appropriate given the Company's operations, current stage of development and general state of affairs and that the Board has the breadth and diversity required to meet the Company's needs. The composition of VEF's Board meets the independence requirement set out in the Code.

Work of the Board

During the year, the Board has held 12 board meetings, of which two in person, five by telephone conference, and has passed five resolutions by circulation. Board meetings are conducted in English. The secretary of the Board meetings was VEF's General Counsel. The Board typically meets in person at least three-four times a year and more frequently if needed. During 2020, the Board has not been able to meet physically more than twice due to the COVID-19 pandemic. Between meetings, the Managing Director has regular contact with the Chairman of the Board and the other Board members.

The Board does not currently have any separate committees given the small size of the Board. However, it is being evaluated whether audit- and remuneration committees should be established going forward.

Tasks of the Board

The Board's tasks, delegation procedures and authorities, as well as instructions for the CEO, are set out in the Bermuda Companies Act, the Company's bye-laws and the Company's corporate policies reviewed and approved once a year by the Board. According to these, and subject to any directions given by the general meeting, the Board shall manage the business of the Company in the interests of the Company and all shareholders and may exercise all the powers of the Company. The Board shall ensure that the organization of the Company is adapted to its purpose, why the Board continuously shall evaluate the Company's routines, processes and guidelines for management of the Company.

During 2020, the VEF Board has mainly focused on managing the investment in the portfolio companies, reviewing and evaluating new investments, the financial reporting, remuneration of the CEO and management (particularly LTIP 2020) and the capital raising in November, as well as managing the Company through the COVID-19 lead crisis.

Investment decisions and recommendations
One of the main responsibilities and tasks of the Board is to review and evaluate investment proposals from the CEO and the investment team. Typically, the investment team, including the CEO, will prepare an investment proposal for the Board, upon which the Board will have the opportunity to discuss the proposal in detail with the investment team and the CEO. Following initial review and discussions, the proposal will be brought to a Board meeting for final assessment.

The role of the Board in the investment process is to make suitable investment recommendations to the Cypriot subsidiary, VEF Cyprus Limited. These recommendations must at all times be in line with the overall strategy of the Company as decided by the Board from time to time.

In order to make these recommendations the Board will, e.g.:

- evaluate the current developments in the relevant markets;
- review the current investments and development plans and evaluate their performance in light of the overall strategy;
- review and assess the impact of any current trend, legislation or regulation affecting the relevant markets (including ESG in relation to existing and potential investments);
- evaluate the performance of any new management initiative or structure in any current investment;
- identify potential new investments and evaluate their suitability in light of the overall strategy; and
- identify and evaluate the potential development of any other areas or markets outside the main focus.

On the basis of the above factors, the Board will make recommendations to VEF Cyprus in such form and in a timely manner as to enable VEF Cyprus to properly and fully consider the recommendations. The Board of Directors of VEF Cyprus will make an independent decision on whether to approve an investment based on the recommendation of the Company Board.

The Board may decide that an investment is made by the Company instead of the Cypriot subsidiary for e.g., regulatory or other reasons. In such case, any investment decision by the Board shall be final. Similarly, any divestment decisions/recommendations related to portfolio companies directly held by the Company shall be taken by the Board.

The CEO and management

The CEO is appointed by the Board. The CEO is responsible for the day-to-day management of the Company in accordance with the Board of Directors' guidelines and instructions. This includes managing investments, employees, finance and accounting issues and regular contact with various stakeholders of VEF, such as investors, public authorities and the financial market. The CEO is responsible for providing the Board with the necessary material for making well-informed decisions, including investment proposals. The CEO keeps the Board regularly updated and informed of developments in VEF's business, including the development of portfolio companies.

VEF also has a management team to support the CEO in the management of VEF's overall business. For members of the VEF management team, see page 59. The CEO and management team meet regularly to discuss all areas of importance for the overall management of the Company, including portfolio companies, new investments, investor relations, sustainability and ESG matters, regulatory and compliance matters and financial reporting.

Evaluation of the Board, the CEO and management

The Chairman of the Board conducts an annual evaluation of the Board. The purpose of the evaluation is to identify measures that could make the work of the Board more effective, identify areas with room for improvement and the overall view of the Board members on the functioning of the Board. The purpose is further to provide some insight to the nomination committee to assist in their nomination process for the coming AGM.

The Board evaluates the performance of the CEO and the management team on a yearly basis.

Remuneration

Compensation to the board
The compensation to the Board is determined by the shareholders of VEF at the AGM each year based on a proposal from the nomination committee.

The total compensation to the Board approved by the 2020 AGM was a cash consideration of in total SEK 1,500,000. The 2020 SGM reapproved the same amount due to the election of a new Board member at the SGM. The allocation of the Board compensation is provided on page 58 and in note 10 Employee benefit expenses.

Remuneration to the management
The Board determines the total remuneration to the CEO. The Board also proposes the remuneration principles for the CEO and management and the long-term incentive program for employees in the Company to the AGM each year.

The remuneration principles currently in force were adopted at the AGM of the Company held on May 13, 2020. The principles read as follows:

"The remuneration to the Managing Director and other members of the senior management shall consist of fixed salary, variable remuneration, other benefits and pension benefits. In addition to the Managing Director, the senior management currently includes two individuals. The total remuneration shall correspond to the prevailing market conditions and be competitive. The fixed and variable remuneration shall correspond to the respective individual's responsibility and authority. The variable component should, in the first instance, be covered within the parameters of the Company's long-term incentive plan and shall, where payable in other instances, be related to milestone or extraordinary accomplishments of the Company and/or its portfolio investments, e.g., particularly successful investments exits or similar events. The period of notice of termination of employment shall be three to six months in the event of termination by the member of the senior management. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 12 months. Pension benefits shall be either benefit-based or contribution based or a combination thereof, with individual retirement ages. Benefit based pension benefits are conditional on the benefits being earned during a predetermined period of employment. The Board of Directors shall be entitled to deviate from these guidelines in individual cases should special reasons exist."*

The Board has not deviated from these principles. The Board's proposal for new remuneration principles for 2021 will be made public in connection with announcing the notice to the 2021 AGM.

**At the release of this report the management include three individuals in addition to the Managing Director.*

Incentive programs
The Company had five different incentive programs outstanding during 2020. Short summaries of the programs are set-out below and more detailed information can be found in note 10.

Option program: The Company has an option plan, adopted in 2015, that entitles employees to be allocated call options to acquire shares represented by SDRs in the Company.

LTIP 2017 and 2018: The Company adopted long-term share incentive plans at the AGMs held on May 18, 2017 and May 17, 2018, respectively, invite participants to purchase a certain number of shares in the Company, designated as savings shares, and to hold them for the duration of the programs, which run for three years. Subject to certain performance criteria determined by the Board of Directors, the participant is then issued up to 10 SDRs, called performance shares, for each savings share still held at maturity of the respective program. During 2020, a total of 8,035,700 performance shares were issued to participants in LTIP 2017. LTIP 2018 vests during 2021.

LTIP 2019 and 2020: The Company adopted long-term share Incentive plans at the AGMs held on May 15, 2019 and May 7, 2020. The LTIP 2020 program was amended at the SGM held on October 22, 2020. Similarly, to LTIP 2017 and 2018, participants in LTIP 2019 and LTIP 2020 are invited to purchase a number of shares in the Company, designated savings shares. For each purchased savings share, participants are entitled to subscribe for one share of a new class of redeemable common shares (2019 plan shares and 2020 plan shares) in the Company. Depending on the performance of both the Company's NAV and of the VEF share price over the measurement period, three years and five years respectively, the incentive shares will be either redeemed by the Company for a nominal amount or reclassified as ordinary common shares. LTIP 2019 matures in 2022 and LTIP 2020 matures in 2025.

Board of Directors

Lars O Grönstedt
Chairman of the Board
Appointed: Chairman and member of the Board since 2015
Nationality: Swedish citizen
Born: 1954
Independence: Independent of the Company, management and major shareholders.
Education: BA in languages and literature from Stockholm University, and an MBA from Stockholm School of Economics.
Previous experience and other significant positions: Lars O Grönstedt spent most of his professional life at the Swedish bank Handelsbanken. He was CEO of the bank between 2001–2006, and Chairman of the Board between 2006–2008. Today he is, among other things, senior advisor to Nord Stream 2, Chairman of Realcap Ventures Fund 1 AB (publ) and VNV Global AB, member of the board in the Fabius group of companies, and speaker of the body of elected representatives at SEB Trygg Liv.
Holdings in VEF: 130,000 SDRs.
Remuneration: USD 66 thousand. No agreement regarding severance pay or pension.

Per Brilioth
Board member
Appointed: Member of the Board since 2015
Nationality: Swedish citizen
Born: 1969
Independence: Independent of the Company, management and major shareholders.
Education: Graduate of Stockholm University and a Master of Finance from London Business School.
Previous experience and other significant positions: Between 1994 and 2000, Per Brilioth was head of the Emerging Markets section at the Swedish investment bank Hagströmer & Qviberg and he has worked close to the Russian stock market for a number of years. Since 2001, he is the Managing Director of VNV Global AB. He is the Chairman of the board of Pomegranate Investment AB and member of the board of VNV Global AB as well as Kontakt East Holding AB.
Holdings in VEF: 2,790,000 SDRs.
Remuneration: USD 33 thousand. No agreement regarding severance pay or pension.

Ranjan Tandon
Board member
Appointed: Member of the Board since 2017
Nationality: US citizen
Born: 1951
Independence: Independent of the Company and management but not independent of major shareholders.
Education: Degree in Chemical Engineering from the Indian Institute of Technology in Kanpur, India and a graduate of Harvard Business School.
Previous experience and other significant positions: Ranjan Tandon is the Founder and Chairman of Libra Advisors, a New York hedge fund established in 1990, which was converted to a family office in 2012. Barron's had consistently ranked Libra – a long/short fund with a focus on domestic and emerging market equities, in the top 100 Hedge funds. He has held several operating positions with DCM in India and Halliburton in Europe; was CFO of InterMarine in Texas; and a financial Executive with Merrill Lynch before following his passion for investing. He is a board member of the NYU Tandon Engineering School, ArborGen Inc and the Carl Schurz Park Conservancy.
Holdings in VEF: 174,398,165 SDRs through Libra Fund.
Remuneration: USD 33 thousand. No agreement regarding severance pay or pension.

Allison Goldberg
Board member
Appointed: Member of the Board since 2020
Nationality: US citizen
Born: 1976
Independence: Independent of the Company, management, and major shareholders.
Education: Bachelor of Science in Economics, with concentrations in Finance and Operations & Information Management from Wharton School at the University of Pennsylvania
Previous experience and other significant positions: Allison Goldberg is currently a Partner at the venture capital fund Saints Capital Media Ventures, a media and technology fund, and a Venture Partner at Touchdown Ventures, a firm that partners with Fortune 500 companies to manage their venture capital programs. Prior to this, she was a Partner at the venture capital fund Advancit Capital, focusing on early-stage investments in consumer and media technology companies. Previously, she has also served as Group Managing Director & SVP of Time Warner Investments, where she ran the group focused on investments in private companies, worked as an investment Associate at Groupe Arnault and she started her career in the Global Media Group, Investment Banking at Morgan Stanley. Allison Goldberg is a board member of FirstMark Horizon Acquisition Corp, a SPAC focused on the technology industry; YieldMo, a fast-growing digital advertising and attention analytics company; Proletariat, a multiplatform video game developer, and is an advisor to Bustle Digital Group, the largest female-focused digital media company.
Holdings in VEF: -
Remuneration: USD 7 thousand. No agreement regarding severance pay or pension.

David Nangle
Managing Director and Board member
Appointed: Member of the Board since 2015
Nationality: Irish citizen
Born: 1975
Independence: Not independent of the Company and management but independent of major shareholders.
Education: Degree in B. Comm International (French) from University College Dublin, Ireland.
Previous experience and other significant positions: David Nangle has spent his career focusing on emerging markets and within that the financial services sector. He was part of ING Baring's Emerging Markets Research team between 2000 and 2006, after which he spent nearly 10 years with Renaissance Capital in both Moscow and London and has helped the firm develop and grow their financials and broader research footprint from a strong Russia base to a leading EM and frontiers franchise.
Holdings in VEF: 13,053,437 SDRs, of which 1,236,575 constitute saving depository receipts under LTIP 2018, LTIP 2019 and LTIP 2020, as well as 4,960,000 plan shares under LTIP 2019 and 13,300,000 plan shares under LTIP 2020.
Salary and variable remuneration: USD 1,252 thousand. Agreement regarding severance pay and pension: David Nangle has the right to 12 months' salary in the event of termination of appointment on the part of the Company. He must himself observe six months' notice of termination. David Nangle also has a pension plan based on Irish market practice.

Overview of meeting attendance

Name	Attended board meetings
Lars O Grönstedt	12/12
Per Brilioth	12/12
Ranjan Tandon	11/12
Allison Goldberg*	4/4
David Nangle	12/12
Voria Fattahi**	3/4
Milena Ivanova**	8/8

*Elected on October 22, 2020
**Resigned on May 13, 2020
***Resigned on October 22, 2020

Group management

David Nangle
Managing Director
See heading "Board of Directors".

Henrik Stenlund
Chief Financial Officer
Employed since: 2016
Nationality: Swedish citizen
Born: 1976
Holdings in VEF: 1,117,630 SDRs, of which 453,440 constitute saving depository receipts under LTIP 2018, LTIP 2019 and LTIP 2020, as well as 1,860,000 plan shares under LTIP 2019, 5,153,750 plan shares under LTIP 2020 and 500,000 options.

Helena Caan Mattsson
General Counsel
Employed since: 2017
Nationality: Swedish citizen
Born: 1987
Holdings in VEF: 455,550 SDRs, of which 429,690 constitute saving depository receipts under LTIP 2018, LTIP 2019 and LTIP 2020, as well as 1,860,000 plan shares under LTIP 2019, 4,322,500 plan shares under LTIP 2020 and 500,000 options.

Alexis Koumoudos
Investment Manager
Employed since: 2016
Nationality: British citizen
Born: 1985
Holdings in VEF: 1,772,914 SDRs, of which 738,140 constitute saving depository receipts under LTIP 2018, LTIP 2019 and LTIP 2020, as well as 3,472,000 plan shares under LTIP 2019, 9,476,250 plan shares under LTIP 2020 and 500,000 options.

Auditor

VEF is required to have an auditor. A firm of auditors may be appointed as VEF's auditor. The auditor is elected by the AGM for a mandate period of one year. At the 2020 AGM, the registered auditing company, PricewaterhouseCoopers AB ("PwC") was re-elected as auditor for the period until the end of the 2021 AGM. PwC has been the auditor of the Company since its registration in 2015. The Authorized Public Accountant Ulrika Ramsvik is the auditor in charge since 2015. In 2020 in addition to the regular audit, PwC also have performed a general review of the interim report for the third quarter and assisted the company with advice on general accounting and tax issues. The "Independent auditor's report" is to be found on page 96.

Ulrika Ramsvik

Born 1973. Authorised Public Accountant,
Auditor-in-charge.
Auditor in the Company since 2015.
PricewaterhouseCoopers AB, Gothenburg, Sweden.

Internal control and risk management

The Board is responsible for the internal control of the Company, including identifying and managing significant risks. The two areas of greatest importance when it comes to internal control and risk management are the financial reporting of the Company and the investment process.

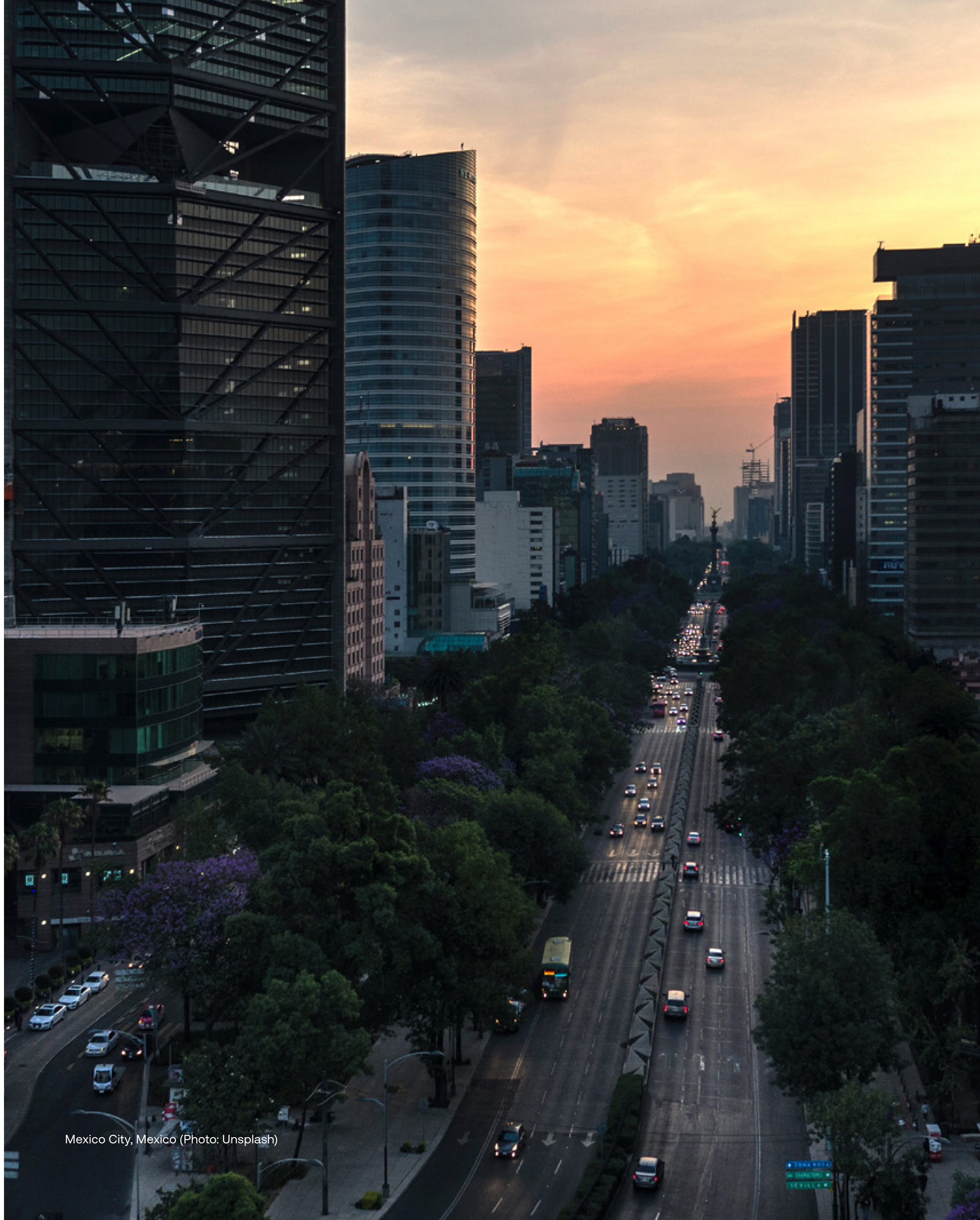
As for the financial reporting, it must be ensured that it is in compliance with relevant legislation, applicable accounting standards, other requirements for listed companies and does not contain significant errors. As VEF is an investment company whose main activity is investing in and managing investments in portfolio companies, the internal control over the financial reporting is largely focused on ensuring an efficient and reliable process for managing and reporting on purchases, sales and holdings of shares and equity-related instruments in portfolio companies as well as the quarterly valuations of the portfolio companies. The Company has established policies and processes to ensure a consistent and reliable process.

The Board is to ensure that the Company has adequate policies and procedures for the Board, management and other employees to ensure accurate and timely financial reporting and a consistent and risk-minimized investment- and divestment process. The main responsibility for day-to-day maintenance of the control environment lies with the Company's CEO. To ensure that the Company has an appropriate and adequate level of control and proper process for detecting, reporting and handling risks, management has established a number of control activities and guidelines to manage significant risks in the business and ensure efficient internal control. The CEO and management report regularly to the Board on control and risk issues.

As for the investment and divestment process, this is the responsibility of the whole Board. The Board has established policies in relation to this process and management has implemented detailed guidelines to ensure that the Company has a robust and secure investment process. This includes a detailed investment policy, well documented investment decisions, well documented investment proposals and assessments of investments. The investment process and the responsibilities of the Board as well as the CEO and management are described in more detail on pages 55-56 above.

Focus is also put on making sure that the requirements and routines for the accounting procedure, including consolidation of accounts and creation of interim and full year reports comply with relevant legislation as well as generally accepted accounting principles and other requirements for listed companies.

VEF has a small and flat organizational structure. The small number of employees and close cooperation between them contribute to high transparency within the organization, which complements fixed formal control routines. This also facilities the work in identifying risk and potential errors in the financial reporting as well as the investment process.



Mexico City, Mexico (Photo: Unsplash)

Sustainability report

VEF's ambition is to integrate sustainability into all aspects of our own business but also our investment process and shareholding of our portfolio companies.

VEF governance and sustainability

The Board of Directors of VEF adopts multiple policies on a yearly basis to ensure that the way we conduct business remains ethical and sustainable (Code of Conduct, Information- and Insider Policies, Investment Policy, Anti-corruption Policy, Sustainability Policy and Sanctions and AML Policy). Management has further implemented guidelines and practices to ensure compliance with VEF's various policies and sustainability principles. The relevant sustainability policies, guidelines and internal practices have been comprised into a Sustainability Policy and a Responsible Investment and Shareholding Policy. The policies are reviewed and updated annually by our Board. Our CEO, together with the Board, is responsible for ensuring internal compliance of all policies and that relevant and updated policies are in place when needed.

Sustainability Policy

VEF's Sustainability Policy sets out our core values and principles and acts as a framework for our sustainability standards, including accepted behavior at VEF regarding human rights, anti-corruption and diversity and inclusion. The content combines relevant aspects of the internal policies mentioned above and recognizes the importance of following international standards for business conduct and specifically the principles of the UN Global Compact, but also the OECD Guidelines for Multinational Enterprises, the ILO's core conventions and the UN Guiding Principles on Business and Human Rights. All employees at VEF are bound to follow these policies. Through active shareholding, we also strive to install these values and guidelines in our portfolio companies.

Responsible Investment and Shareholding Policy

Our Responsible Investment and Shareholding Policy sets out our expectations on and how we work with portfolio companies when it comes to sustainability matters. For more information see page 64 (How we invest).

Business ethics

At VEF, we take a clear stance against all forms of economic crimes and poor business ethics. Bribes, corruption, money-laundering and other forms of illicit and unethical practices are strictly forbidden from both our own and our portfolio companies' businesses. The VEF anti-corruption policy stipulates the correct behavior relating to interaction with business partners and other parties. It contains guidelines concerning gifts, benefits and hospitality as well as compensation to business partners and potential influence on portfolio companies. As with any financial investments, especially considering some of the markets that we invest in, there are risks involved, for example regarding corruption and embezzlement. Therefore, our pre-investment analysis includes a screening for unethical businesses. We actively work to ensure that all our portfolio companies have proper policies and processes in place to meet our business ethics standard. The types of policies and processes required differs depending on business model as well as maturity of the company.

- During 2020 we have done a compliance review of 100% our portfolio companies.
- More than 90% of our portfolio companies (only 1 portfolio company lacks policies) have relevant business ethics policies or guidelines in place. Our goal is that 100% of all portfolio companies shall have relevant policies or guidelines by the end of the year 2021 and we will work actively with those that do not have any policies during 2021.
- During the year, no incidents of corruption or other unethical behavior were reported.

Industry involvement

Since 2020, we are a proud signatory member of the Responsible Finance Forum, a global community with the main goal to promote responsible investing and practices within the digital finance industry. By sharing knowledge and experiences, the aim with the forum is to harness evidence, solutions and best practices to advance responsible investments and innovation for digital financial inclusion. This includes promoting responsible financing practices, such as fair and transparent pricing and terms, data privacy and security as well as working to prevent over-indebtedness. VEF is committed to helping and guiding portfolio companies to improve their practices as well as interact with the wider investment community to collaborate on the furthering of responsible financing practices. Furthermore, we are members of the Sweden's Sustainable Investment Forum (Swesif), working for sustainable investing in Sweden, and Impact Invest Sweden, working to foster impact investments among Swedish financial market participants.

The VEF Team

We are a small but dedicated team, consisting of six employees, located in Sweden, London and Dublin. VEF prides itself on being an equal and diverse workplace with a gender balance of 50/50. One of VEF's core values is to seek diversity of thought and respect the individual, with a zero tolerance towards discrimination. VEF recruits, promotes and compensates based on merit, regardless of gender, ethnicity, religion, age, nationality, sexual orientation, union membership or political opinion.

Professional development

One of our most valuable assets is our staff, with a wide array of competences and experiences. Knowledge is not static, and one can always develop new skills and gain new knowledge, which we take great pride in. Courses, conferences and professional development in general is emphasized and encouraged. Internal knowledge initiatives included eg. training and participating in conferences related to sustainability, fintech, venture capital, finance, accounting, legal and tax.

Employees

Employee type	Permanent	Temporary	Full-time	Part-time
Male	3	0	3	0
Female	3	0	3	0

Composition of governance bodies and employees

Gender and age	Female	Male	<30	30-50	>50
Board of Directors	20%	80%	0%	40%	60%
Management team	25%	75%	0%	100%	0%
Employees	50%	50%	17%	83%	0%

Environmental impact

As a small investment firm with global investments and a team in several countries, the majority of our own environmental impact comes from business travel. VEF is committed to reduce its environmental impact and contribute positively to the environment. The areas where we act to minimize our impact are business travel and paper usage. VEF is a company that has worked digitally from the start. Our core business, including the investment team, almost exclusively works digitally. However, we have recently also converted most of the finance and legal departments as well as other administrative functions to digital and today we try to minimize the amount of paperwork as much as possible.

As a result of the pandemic our business travel has slowed to a halt. We have used this window to learn how we can effectively work with our investors, portfolio, pipeline and indeed each other on a remote basis. Travel will always be a key part of our business, to understand the markets and companies we invest in and stay on top of our holdings in a responsible diligent manor. We pride ourselves in being an active investor.

That said, we have learned that we can complement and partly replace some of our travel with remote communication tools. We can travel smarter and arguably less and hence, we commit to try and reduce our air travel and avoid unnecessary trips where possible. When we do travel, we aim to maximize the benefits and do multi-purpose focused trips as opposed to multiple trips to the same destination for different reasons.

Greenhouse gas emissions	Total amount (Tonnes CO2e)
Direct emissions (Scope 1) Company owned cars	0.00
Indirect emissions (Scope 2) Office electricity and heating	2.29
Other indirect emissions (Scope 3) Business travel	15.68
Total	17.97

How we invest

Our main strategy is to deliver high returns to our shareholders, and we believe that investments in companies with poor sustainability performance or questionable business ethics are in direct conflict with that. As our investments are made in companies with high growth potential, we can support the development of proper sustainability structures from the ground up, prepared to expand upon. Our Responsible Investment and Shareholding Policy outlines the sustainability principles for our investment process and our commitment to sustainability in our investment strategy. It also sets our expectations on our portfolio companies when it comes to sustainability.

As some of the markets we invest in are considered high-risk from mainly social and governance perspective (eg. corruption, money-laundering, compliance with laws, labour laws and human rights) a sound sustainability-risk assessment both prior to and during the lifetime of our investments is critical to remain an attractive long-term investment option. Thus, our investment process consists of a two-step, bespoke sustainability assessment that has been included in all our investments since the end of 2017; pre-investment analysis and post-investment analysis. Our Compliance Toolbox acts as a guidance for what VEF considers best practice within compliance, including how to conduct pre-investment investigations, how we ensure compliance during the investment lifetime as well as tools for the portfolio companies themselves to use.

Pre-investment

Our pre-investment analysis focuses on sustainability risks and opportunities before committing to any new investments. Three core areas are considered especially relevant for our type of investments.

- Compliance with applicable laws and regulations
- Business ethics, anti-corruption, fraud prevention and AML
- Data privacy and security

The analysis consists of a Sustainability Due Diligence, analysing both immediate negative factors but also long-term sustainability growth possibilities. The Due Diligence is conducted in-house, both remotely and in-person through interviews and site visits. By conducting the DD in-house, we have the possibility to tie it deeply to our values and simultaneously adapt it to fit the presumptive investment. The purpose is not just to mitigate risks but also to identify opportunities to improve sustainability matters in portfolio companies.

Post investments

By being an active shareholder VEF can work to ensure that our values and ethical principles are trickled down to the portfolio companies. As outlined in our Responsible Investment and Shareholder Policy we expect our portfolio companies to strive to follow international standards and best practice on business ethics, data privacy, human rights, labour rights and environmental issues.

VEF conducts periodical sustainability analysis of portfolio companies to ensure that we are up to date with any sustainability issues that may arise and to track progress in this area. By conducting such analyses, a continuous, proactive approach towards compliance with VEF's sustainability policies can be ensured. By taking this approach and encouraging our portfolio companies to identify existing or emerging gaps within sustainability, VEF can be supportive towards implementing appropriate governance structures and policies. We expect commitment from portfolio companies to build on and improve their sustainability impact as they grow and mature. The Board of Directors of each portfolio company is responsible for developing the sustainability strategy and ensuring its implementation. As we have representation on those boards and are typically a sizeable and active minority shareholder, we can influence, assist, and support this work.

Going forward

While sustainability matters are at the very core of what we do, this is our first dedicated sustainability report, and going forward, this is something that we intend to improve and build upon and report on annually. During 2021 we aim to develop our sustainability strategy and strengthen our governance structure further, with the intention to conduct a materiality analysis with relevant stakeholders. This is best practice to gain further insights into how to increase the impact from efforts within sustainability, by including important stakeholders in the development process. This will help us include sustainability even more into our investment process as well as follow up on existing investments through dedicated relevant KPIs. Our ambition for the coming year is also to further define and formulate our impact towards the SDGs and to be even more involved in our portfolio companies and support them by e.g. developing policies and sustainability strategies where needed.


Rio de Janeiro, Brazil (Photo: Unsplash)

Administrative report

The Board of Directors and the Managing Director of VEF Ltd, corporate identity number 50298 hereby present the annual report for the financial year January 1, 2020–December 31, 2020.

VEF invests in growth stage private fintech companies, taking minority stakes and with board representation. As an active investor VEF always looks to back the best entrepreneurs in each market. As per December 31, 2020 VEF holds investments in 12 companies across all areas of financial services inclusive of payments, credit, asset management and accounting SaaS.

Group net results

During FY20, the result from financial assets at fair value through profit or loss amounted to USD 84.67 mln (FY19: 53.45).

- Dividend and coupon income were USD 0.39 mln (FY19: 0.50).
- Net operating expenses amounted to USD -6,00 mln (FY19: -5.61).
- Net financial items were 0.39 mln (FY19: 0.23).
- Net result was USD 79.45 mln (FY19: 48.53).
- Total shareholders' equity amounted to USD 388.07 mln (Dec 31, 2019: 249.44).

Liquid assets

The liquid assets of the Group, defined as cash and bank deposits, amounted to USD 4.22 mln on Dec 31, 2020 (Dec 31, 2019: 5.56). The Company also has investments in money market funds and bonds, as part of its liquidity management operations. As at Dec 31, 2020, the liquidity investments are valued at USD 48.21 mln (Dec 31, 2019: 34.52), based on the latest NAV of each respective liquidity asset.

Portfolio performance

VEF's net asset value per share increased by 23% in USD over the year, while VEF's share price in SEK increased by 37%. During the same period, the MSCI Emerging Markets index increased by 16% in USD terms.

Major events during the year

Investments

During FY20, gross investments in financial assets were USD 97.1 mln (FY19: 48.8), of which:

- USD 24.9 mln relates to investments in Creditas
- USD 13.0 mln relates to investments in the new portfolio company Juspay;
- USD 4.2 mln relates to follow-up investment's in investments in TransferGo, Nibo and Finja
- USD 55.0 mln relates to investments in liquidity investments

Divestments

Gross divestments in financial assets were USD 41.5 mln (FY19: 54.3), of which:

- USD 41.5 mln relates to divestments of liquidity investments

Directed share issue

VEF completed a directed share issue on November 18, 2020 raising approximately SEK 522 mln (USD 61 mln) in gross proceeds, with support of existing and new investors, to continue its investment mandate into emerging market fintech. The directed shares issue increased the number of outstanding common shares by 165,850,248 shares.

Name change

At the special general meeting (SGM) on October 22, 2020 Vostok Emerging Finance resolved to change the Company's name to VEF.

Major events after the reporting year

After the end of the year VEF has added two new companies to the portfolio.

- In February 2021, VEF invested USD 0.5 mln into Mexican salary on demand fintech player minu.
- In March, 2021 VEF invested USD 7.0 mln into Indian gold back lender Rupeek.

On March 31, 2021 the Company announced that the Board of Directors proposed to change the domicile of the VEF group from Bermuda to Sweden. The Redomestication is intended to be carried out by way of a Bermuda scheme of arrangement, whereby SDRs in the Company are cancelled and exchanged for shares in a Swedish group entity that, following the Redomestication, will constitute the new parent company of the VEF group.

Group information

The VEF group consists of the Bermudian parent company VEF Ltd (formerly Vostok Emerging Finance Ltd); one wholly owned Cypriot subsidiary, VEF Cyprus Limited (formerly Vostok Emerging Finance (Cyprus) Limited); and one wholly owned Swedish subsidiary, VEF AB (formerly Vostok Emerging Finance AB). The parent company's business is to act as the holding company of the Group. VEF Cyprus Limited is the direct shareholder of all portfolio companies but one (Juspay). VEF AB provides information and analysis services to the parent company.

Parent company

The parent company is the holding company of the Group. The net result for FY20 was USD 8.48 mln (FY19: 11.69).

Financial assets at fair value through profit or loss refers to liquidity investments and holdings in Juspay.

Future development and risks

VEF does not provide any guidance on the future development beyond 2020 but is financially well-positioned for the near future. With the spread of the COVID-19 virus and the inherent market volatility, the near-term strategy of the company is adjusted accordingly, prioritising supporting existing portfolio companies and extending the cash runway over new investment pipeline. VEF continuously has the financial capacity to run the business in accordance with its strategy and objectives. For a detailed account of risks associated with investing in VEF and VEF's business, please see Note 4 for more details.

COVID-19 impact on the investment portfolio

During 2020, global markets experienced volatility largely driven by the COVID-19 pandemic. On a general level, the everyday life of people and businesses across our focus markets was interfered with due to the virus, but also because of related actions taken by governments to prevent further spread starting in late 1Q20. The operations of VEF's portfolio companies, to various degrees, were affected both directly and indirectly due to COVID-19. The effects on specific portfolio names differs from case to case. The vast majority of the portfolio saw a downward revision of their respective valuations during the first quarter of 2020, mainly driven by lack of visibility, less risk appetite with partners or in certain cases lower volumes from travel related customer subsegments. However, throughout the rest of the year, most things digital experienced a strong growth which was reflected in the positive revaluations of most of the portfolio companies. The contributing factors were a combination of higher revenue generation and expanding market multiples.

Treatment of retained earnings

The Group's total retained earnings amount to USD 234.3 mln. The Board of Directors propose that the retained earnings and the additional paid in capital of the parent company, USD 232.68 mln, which include the year's profit of USD 8.48 mln, be brought forward, and that no dividends be paid for the year.

Group financial statements

Consolidated income statement

Expressed in USD thousands	Note	Jan 1, 2020– Dec 31, 2020	Jan 1, 2019– Dec 31, 2019
Result from financial assets at fair value through profit or loss[1]	7	84,672	53,452
Dividend and coupon income	8	391	501
Other income		72	–
Total operating profit		**85,135**	**53,953**
Operating expenses	9,10	-5,998	-5,606
Total operating expenses		**-5,998**	**-5,606**
Operating result		**79,137**	**48,347**
Financial income and expenses			
Interest income/expense, net		2	73
Currency exchange gains/losses, net		389	160
Net financial items		**391**	**233**
Result before tax		**79,528**	**48,580**
Taxation	11	-74	-51
Net result for the year		**79,454**	**48,529**
Earnings per share (in USD)	12	0.11	0.07
Diluted earnings per share (in USD)	12	0.11	0.07

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.

Statement of other comprehensive income

Expressed in USD thousands	Jan 1, 2020– Dec 31, 2020	Jan 1, 2019– Dec 31, 2019
Net result for the year	**79,454**	**48,529**
Other comprehensive income for the year:		
Items that may be classified subsequently to profit or loss:		
Currency translation differences	36	-3
Total other comprehensive income for the year	**36**	**-3**
Total comprehensive income for the year	**79,490**	**48,526**

Total comprehensive income for the year above is entirely attributable to the equity holders of the Company.

Consolidated balance sheet

Expressed in USD thousands	Note	Dec 31, 2020	Dec 31, 2019
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment	13	211	275
Total tangible non-current assets		**211**	**275**
Financial non-current assets			
Financial assets at fair value through profit or loss	14,15		
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	16	4,224	5,562
Tax receivables		58	53
Short-term loan receivables	17	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 year)	18	**388,066**	**249,439**
NON-CURRENT LIABILITIES			
Interest bearing liabilities			
Long-term lease liabilities	19	70	118
Total non-current liabilities		**70**	**118**
CURRENT LIABILITIES			
Non-interest-bearing current liabilities			
Other current liabilities	20	192	211
Tax liabilities		85	53
Accrued expenses		527	1,123
Total current liabilities		**804**	**1,387**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**388,940**	**250,944**

Consolidated statement of changes in equity

Expressed in USD thousands	Note	Share Capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at Jan 1, 2019		**6,502**	**88,608**	**–**	**106,312**	**201,422**
Net result 2019		–	–	–	48,529	48,529
Other comprehensive income for the period						
Currency translation difference		-	-	-	-3	-3
Total comprehensive income for the period		**-**	**-**	**-**	**48,526**	**48,526**
Value of employee services:						
- Employee share option scheme		-	26	-	-	26
- Share based long-term incentive program		237	815	-	-	1,052
Buy-back of own shares		-61	-1,526	-	-	-1,587
Balance at Dec 31, 2019		**6,678**	**87,923**	**–**	**154,837**	**249,439**
Balance at Jan 1, 2020		**6,678**	**87,923**	**–**	**154,837**	**249,439**
Net result 2020		-	-	-	79,454	79,454
Other comprehensive income for the period						
Currency translation difference		-	-	-	36	36
Total comprehensive income for the period		**-**	**-**	**-**	**79,490**	**79,490**
Transactions with owners:						
Proceeds from directed rights issue, net		1,658	56,942	-	-	58,601
Value of employee services:						
- Employee share option scheme	10	19	296	-	-	315
- Share based long-term incentive program	10	413	450	-	-	863
Buy-back of own shares	24	-19	-622	-	-	-641
Balance at Dec 31, 2020		**8,749**	**144,990**	**-**	**234,327**	**388,066**

Consolidated statement of cash flows

Expressed in USD thousands	Jan 1, 2020– Dec 31, 2020	Jan 1, 2019– Dec 31, 2019
OPERATING ACTIVITES		
Result before tax	79,528	48,582
Adjustment for non-cash items:		
Interest income and expense, net	-2	-73
Currency exchange gains/-losses	-389	-160
Depreciations	64	–
Result from financial assets at fair value through profit or loss	-84,672	-53,452
Dividend and coupon income	-391	-501
Other non-cash items affecting profit or loss	881	1,133
Change in current receivables	-113	-35
Change in current liabilities	-314	147
Net cash used in operating activities	**-5,408**	**-4,359**
Investments in financial assets	-97,093	-48,819
Sales of financial assets	41,500	54,261
Repayment of convertible	851	–
Dividend and coupon income	391	501
Interest received	17	73
Tax paid	-74	-30
Interest paid	-15	–
Net cash flow used in/from operating activities	**-59,831**	**1,627**
INVESTMENT ACTIVITIES		
Investments in office equipment	–	46
Net cash flow from investment activities	**–**	**46**
FINANCING ACTIVITIES		
Proceeds from directed rights issue, net	58,601	–
Repayment of lease liabilities	-72	–
Buy-back of own shares	-641	-1,587
Proceeds from new share issue through employee options	298	–
Net cash flow from/used in financing activities	**58,186**	**-1,587**
Change in cash and cash equivalents	**-1,645**	**86**
Cash and cash equivalents at beginning of the year	**5,562**	**5,479**
Exchange gains/losses on cash and cash equivalents	307	-3
Cash and cash equivalents at end of the year	**4,224**	**5,562**

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 ESMA (the European Securities and Markets Authority).

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 and how we calculate these measures.

	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Net asset value, USD [1]	388,065,953	249,438,540
Exchange rate at balance sheet date, SEK/USD	8.19	9.32
Net asset value/share, USD [2]	0.47	0.38
Net asset value/share, SEK [3]	3.83	3.55
Net asset value, SEK [4]	3,178,263,331	2,324,683,504
Weighted average number of shares for the financial period [5]	679,347,426	654,483,268
Weighted average number of shares for the financial period, fully diluted [5]	684,148,738	664,376,019
Number of shares at balance sheet date [5,6,7]	829,251,243	655,479,777
Number of shares at balance sheet date, fully diluted [5,6,7]	834,052,555	665,372,528

1. Net value of all assets on the balance sheet, equal to the shareholders' equity
2. Net asset value/share is defined as shareholders' equity divided by total number of outstanding shares.
3. Net asset value/share is defined as shareholders' equity divided by total number of outstanding shares multiplied with the SEK/USD exchange rate at balance sheet date.
4. Net asset value in USD multiplied with the SEK/USD exchange rate at balance sheet date.
5. Number of shares is not adjusted for 45,650,000 redeemable common shares issued under the 2019 and 2020 long-term incentive program.
6. In August 2020, VEF issued an additional 1,905,000 common shares.
7. On November 18, VEF completed a directed shares issue and increased the number of outstanding common shares by 165,850,248 shares

Reconciliation tables

	FY 2020	FY 2019
Net asset value, USD	388,065,953	249,438,540
Net asset value, SEK		
Net asset value, USD	388,065,953	249,438,540
SEK/USD	8.19	9.32
Net asset value, SEK	3,178,263,331	2,324,683,504
Net asset value/share, USD		
Net asset value, USD	388,065,953	249,438,540
Number of outstanding shares	829,251,243	655,479,777
Net asset value/share, USD	0.47	0.38
Net asset value/share, SEK		
Net asset value, USD	388,065,953	249,438,540
SEK/USD	8.19	9.32
Net asset value, SEK	3,178,263,331	2,324,683,504
Number of outstanding shares	829,251,243	655,479,777
Net asset value/share, SEK	3.83	3.55

Parent company financial statements

Parent company income statement

Expressed in USD thousands	Note	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Result from financial assets at fair value through profit or loss	7	4,556	8,596
Dividend and coupon income	8	391	501
Other income		72	–
Total operating profit		**5,019**	**9,097**
Operating expenses	9, 10	-6,207	-5,401
Total operating expenses		**-6,207**	**-5,401**
Operating result		**-1,188**	**3,696**
Financial income and expenses			
Interest income/expense, net		9,208	7,900
Currency exchange gains/losses, net		459	91
Net financial items		**9,667**	**7,991**
Result before tax		**8,479**	**11,687**
Taxation	11	–	–
Net result for the year		**8,479**	**11,687**

Statement of other comprehensive income

Expressed in USD thousands	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Net result for the year	**8,479**	**11,687**
Total other comprehensive income for the year	**–**	**–**
Total comprehensive income for the year	**8,479**	**11,687**

Parent company balance sheet

Expressed in USD thousands	Note	Dec 31, 2020	Dec 31, 2019
NON-CURRENT ASSETS			
Financial non-current assets			
Shares in subsidiaries	22	16	15
Financial assets at fair value through profit or loss	14,15		
Equity financial assets		17,372	–
Liquid financial assets		48,205	34,521
Receivables from Group companies		173,561	135,434
Other financial assets		–	11
Total financial non-current assets		**239,154**	**169,981**
CURRENT ASSETS			
Cash and cash equivalents		2,806	5,058
Other current receivables		59	95
Total current assets		**2,865**	**5,153**
TOTAL ASSETS		**242,019**	**175,134**
SHAREHOLDERS' EQUITY (including net result for the financial year)	**18**	**241,424**	**173,807**
CURRENT LIABILITIES			
Non-interest-bearing current liabilities			
Other current liabilities	20	93	252
Accrued expenses		502	1,075
Total current liabilities		**595**	**1,327**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**242,019**	**175,134**

Parent company statement of changes in equity

Expressed in USD thousands	Note	Share Capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at Jan 1, 2019		**6,502**	**88,608**	**–**	**67,519**	**162,629**
Net result 2020		-	-	-	11,687	11,687
Other comprehensive income for the period						
Currency translation difference		-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**11,687**	**11,687**
Value of employee services:						
- Employee share option scheme		-	26	-	-	26
- Share based long-term incentive program		237	815	-	-	1,052
Buy-back of own shares		-61	-1,526	-	-	-1,587
Balance at Dec 31, 2019		**6,678**	**87,923**	**–**	**79,206**	**173,807**
Balance at Jan 1, 2020		**6,678**	**87,923**	**–**	**79,206**	**173,807**
Net result 2020		-	-	-	8,479	8,479
Other comprehensive income for the period						
Currency translation difference		-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**8,479**	**8,479**
Transactions with owners						
Directed rights issue		1,659	56,942	-	-	58,601
Value of employee services:						
- Employee share option scheme	10	19	296	-	-	315
- Share based long-term incentive program	10	413	450	-	-	863
Buy-back of own shares	24	-19	-622	-	-	-641
Balance at Dec 31, 2020		**8,749**	**144,990**	**-**	**87,685**	**241,424**

Parent company statement of cash flows

Expressed in USD thousands	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
OPERATING ACTIVITIES		
Result before tax	8,479	11,687
Adjustment for non-cash items:		
Interest income	-9,208	-7,900
Currency exchange gains/losses	-459	-91
Result from financial assets at fair value through profit or loss	-4,556	-8,596
Dividend and coupon income	-391	-501
Other non-cash items affecting profit and loss	1,179	1,077
Change in current receivables	-28,875	-46,276
Change in current liabilities	-830	286
Net cash used in operating activities	**-34,661**	**-50,314**
Investments in financial assets	-68,000	-250
Sales of financial assets	41,500	45,082
Dividend income	391	501
Interest received	6	7,900
Interest paid	-5	–
Net cash flow used in/from operating activities	**-60,769**	**2,919**
INVESTING ACTIVITIES	**-**	**-**
Net cash flow from/used in investing activities	**-**	**–**
FINANCING ACTIVITIES		
Proceeds from directed rights issue, net	58,601	-
Purchase of own shares	-641	-1,586
Proceeds from new share issue through employee options	298	-
Net cash flow from/used in financing activities	**58,258**	**-1,586**
Change in cash and cash equivalents	**-2,511**	**1,333**
Cash and cash equivalents at beginning of the year	**5,058**	**3,728**
Exchange gains/losses on cash and cash equivalents	259	-3
Cash and cash equivalents at end of year	**2,806**	**5,058**

Notes to the financial statements

(Expressed in USD thousand unless indicated otherwise)

Note 1 General information

VEF Ltd. (formerly Vostok Emerging Finance Ltd.) (VEF) was incorporated and registered with the Bermuda Registrar of Companies on May 28, 2015 with registered number 50298. The registered office of the Company is in Hamilton, Bermuda (Clarendon House, 2 Church Street, Hamilton, Bermuda).

As of Dec 31, 2020, the VEF Group consists of the Bermudian parent company VEF Ltd; one wholly owned Cypriot subsidiary, VEF Cyprus Limited (formerly Vostok Emerging Finance (Cyprus) Limited); and one wholly owned Swedish subsidiary, VEF AB (formerly Vostok Emerging Finance AB).

VEF is an investment company whose business concept is to identify and invest in fintech companies in emerging markets with a bias for markets with scalable population and growth profiles for financial services. VEF Ltd is the holding company of the Group, VEF Cyprus Ltd manage the investment portfolio and VEF Sweden provides business support services to the parent company.

These Group consolidated financial statements were authorised for issue by the Board of Directors on March 31, 2021. The Board of Directors propose that the retained earnings and the additional paid in capital of the parent company, USD 232.68 mln, which include the year's profit of USD 8.48 mln, be brought forward, and that no dividends be paid for the year.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Note 2 Significant accounting principles

Accounting basis

The consolidated and the parent company financial statements are prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, as at December 31, 2020. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Changes in accounting policy and disclosures

New and amended standards adopted by the Group

There are no new IFRSs or IFRIC interpretations that have a material impact on the Group in 2020.

New standards and interpretations not yet adopted

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Financial period

The financial year comprises the period January 1–December 31.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

In accordance with IFRS 10 Consolidated Financial Statements the Group values its investments (portfolio companies) at fair value. VEF falls within the classification of an investment company as its business concept is to use experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation and obtain a return.

Investments in associated companies

Associated companies are all entities where the Group has the right to exercise significant influence, which is normally the case when the Group holds between 20% and 50% of the voting rights. As VEF falls within the classification of an investment company, all investments in associates are accounted for by applying fair value. On increase/decrease of the investments in associated companies, the Group makes an assessment of fair value for the total investment.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker in the same way as for a Swedish company governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The board of directors of an investment company is by necessity deeply involved in investment decisions and monitoring portfolio companies' performance. The Board has therefore been identified as the chief operating decision maker of the Group for purposes of internal reporting. In the internal reporting of the Group, there is only one operating segment.

Foreign currency translation

The functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Group is USD, which is also the presentational currency. All amounts are stated in USD thousands if not otherwise stated.

Transactions and balances
Transactions in currencies other than USD are translated into USD at the rate of exchange that was in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange prevailing at the balance sheet date. Realized and unrealized exchange gains/losses on portfolio investments, which include loan receivables, investments in associated companies, and financial assets at fair value through profit or loss are recognized in profit or loss as part of the result from each of the categories of financial assets, which are included in the investment portfolio. Realized and unrealized exchange gains/losses on other assets and liabilities are reported among financial items.

Group companies
As at the reporting date, the assets and liabilities of subsidiaries that have not the same functional currency as the parent company are translated into the presentation currency of the Group at rates of exchange prevailing at the balance sheet date. Their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are recognized as other comprehensive income. The following exchange rates have been used:

	Average	Closing
SEK	9,2037	8,1886

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation on furniture, fittings and equipment is based on cost on a straight-line basis of estimated useful life of five years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Leases
Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities in 2020 was 6.15%.

The Group's leases accounted for in the balance sheet exclusively refer to office rents.

Investments and other financial assets
Classification
The group classifies its financial assets in the following measurement categories
- those to be measured subsequently at fair value through profit or loss and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

Recognition and derecognition
Purchases and sales of financial assets are recognized on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the group classifies its debt instruments:
- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVPL: A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within operating results in the period in which it arises

Equity instruments
The group subsequently measures all equity investments at fair value through profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in operating results in the statement of profit or loss as applicable.

Impairment
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Currently the Group has no significant debt instruments carried at amortised cost. The expected credit losses for the parent company's receivables on Group companies is considered insignificant and no expected credit loss is therefore recorded for these receivables.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances and other short-term highly liquid investments with original maturities of three months or less.

Share capital
Ordinary shares are classified as equity. Share issue costs associated with the issuance of new equity are treated as a direct reduction of the proceeds. Buy back of own shares recorded as a reduction of retained earnings with the amount paid after reduction of transaction costs.

Current and deferred income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. The Group currently has no temporary differences and has no deferred income tax recognised.

Employee benefits
Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Pension obligations
The Group has a defined contribution pension plan which is based on the market practice. The Group has no further obligations once the contributions have been paid. The contributions are reported as a cost recognised as employee benefit pension expense in profit or loss when they are due.

Share-based compensation
The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and net assets development). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and additional paid in capital when the options are exercised. For more information, see note 10.

Long-term incentive program
In accordance with IFRS 2, the costs for the long-term incentive program, including social fees, will be reported over the income statement during the program's vesting period. The value is recognized in the income statement as a personnel cost as operating expenses, allocated over the vesting period with a corresponding increase in equity. The recognized cost corresponds to the fair value of the estimated number of shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested shares. However, no adjustment is made when shares expire only because share price related conditions do not reach the level. When program is exercised, SDRs are delivered to employee and reported in equity. For more information, see note 10.

Operating income
Operating income comprises the fair value of the consideration received in the ordinary course of the Group's activities.

For investments held at both the start and end of the year, the change in value consists of the difference in the market value between these dates. For investments acquired during the year, the change in value consists of the difference between cost and the market value at the end of the year. For investments sold during the year, the change in value consists of the difference between the sales price received and the value of investments at the start of the year. All changes in value are reported in the income statement within 'Result from financial assets at fair value through profit or loss' or 'Result from loans', depending on from what category of assets the changes in value relate.

Dividend income is recognised when the right to receive payment is established. Furthermore, dividend income is accounted for inclusive of withholding taxes. These withholding taxes are shown either as an expense in the income statement, or as a current receivable, depending on whether or not the withholding tax is refundable.

Interest income on non-current loan receivables is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired non-current loan receivables is recognised using the original effective interest rate.

Interest income on current loan receivables and other receivables is recognised taking into account accrued interest on the balance sheet date.

Cash flow statement
The cash flow statement is presented in accordance with the indirect method. The Group's business consists of investments in portfolio companies. Therefore, the investments are classified as the Group's operating activities and not investment activities.

Note 3 Significant estimates and judgements

The management of VEF has to make estimates and judgements when preparing the Financial Statements of the Group. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Group's result. The most important estimates and judgements in relation thereto are:

Fair value of unlisted financial assets
The estimates and judgements when assessing the fair value of unlisted investments in financial assets at fair value through profit or loss are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For more information about fair value estimation, see note 5.

Note 4 Financial risk management

The Group's activities expose it to a variety of risks, including market related risks, business related risks and financial related risks. VEF does not provide any guidance on the future development beyond 2020 but is financially well positioned for the near future. With the spread of the COVID-19 virus and the inherent market volatility, the near-term strategy of the company throughout 2020 was adjusted accordingly, prioritising supporting existing portfolio companies and extending the cash runway over new investment pipeline. VEF continuously have the financial capacity to run the business in accordance with its strategy and objectives.

Risk management is carried out by management under policies approved by the Board of Directors.

Market related risks
Emerging and frontier markets risks
Emerging and frontier markets are still, from an economic point of view, in a phase of development, investments are affected by unusually large fluctuations in profit and loss and other factors outside the Group's control that may have an adverse impact on the value of VEF's adjusted equity. Unstable state administration could have an adverse impact on investments.

Emerging or frontier markets typically do not have a fully developed legal system comparable to that in more developed countries. Existing laws and regulations are sometimes applied inconsistently and both the independence and efficiency of the court system constitute a significant risk. Statutory changes have taken place and will probably continue to take place at a rapid pace, and it remains difficult to predict the effect of legislative changes and legislative decisions for companies. It could be more difficult to obtain, redress or exercise one's rights in emerging and frontier markets than in countries with more mature legal systems. VEF continuously monitors these risk areas through various channels including third party research reports and through knowledge and expertise within the Group's network. The Group evaluates any significant findings from above mentioned monitoring and, if needed, takes action in order to mitigate identified risk areas.

Exposure to financial services companies in emerging and frontier markets
VEF is subject to risks associated with ownership and management of investments in financial services companies in emerging and frontier markets, including the following:

- Regulatory risks – most financial services companies in emerging and frontier markets are subject to extensive regulatory requirements. Such requirements, or the interpretation by competent authorities of such, may change rapidly. Failure to adapt to the relevant requirements may lead to sanctions or loss of business opportunities, which in turn could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group's investments.
- Operational risk – financial services companies in emerging and frontier markets are exposed to operational risk, including the risk of fraud by employees, customers or third parties, mismanagement, unauthorized transactions by employees and operational errors. Any failure to properly mitigate operational risks could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group's investments.
- Reputational risk – consumer behavior may be impacted by negative publicity in traditional media as well as in social media. Any loss of reputation could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group's investments.
- Reputational risk – consumer behaviour may be impacted by negative publicity in traditional media as well as in social media. Any loss of reputation could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group's investments.
- IT risk – financial services companies are likely to be dependent on IT systems and any disruption that affects the operations of critical systems, including data breach could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group's investments.

VEF works, primarily through board representation, to ensure that each portfolio company has appropriate internal control processes to handle these business-related risks.

Exposure to Brazil
A major part of the Group's investments operates in Brazil, approximately 55% of the Group's NAV, and consist of the ownerships of shares in Creditas (44% of the portfolio), Nibo (4% of the portfolio), FinanZero (3% of the portfolio), Magnetis (2% of the portfolio), Xerpa (1% of the portfolio), and Guiabolso (1% of the portfolio).

Brazil has experienced deep economic and social changes in recent years. Between the years 2000 and 2013, Brazil was one of the fastest growing economies in the world, until it hit a deep recession in 2014 with declining GDP and rising inflation. 2017 marked a year when the economy started to recover, and inflation fell to middle two-digit levels.

Following the presidential election of Jair Bolsonaro, monetary policy has been relaxed with consistent selic rate cuts throughout 2019 and early 2020 in a still challenging fiscal environment. A large pension reform was approved in congress which is expected to help manage rising pension spending in a country which suffers from a high gross public debt ratio (close to 80% of GDP).

The value of these investments may be affected by uncertainties such as political and diplomatic developments, social or religious instability, changes in government policy, tax and interest rates, restrictions on the political and economic development of laws and regulations in Brazil, major policy changes or lack of internal consensus between leaders, executive and decision-making bodies and strong economic groups.

In addition, political changes may be less predictable in a growth country such as Brazil than in other more developed countries. Such instability may in some cases have an adverse impact on both the operations and SDR price of VEF. The country's progress and development may be limited by a number of factors, including widely spread corruption, high taxes, an inclination towards import protectionism, crime and violence, and dominant monopolies.

The Brazilian economy is rich on commodities and as such is vulnerable to fluctuations in the market, VEF continuously monitors the macroeconomic and socioeconomic development in Brazil through various channels including third party research reports and through knowledge and expertise within the Group's network. The Group evaluates any significant findings in order to mitigate any adverse impact on the Group's operations.

Business related risks
Acquisition and disposal risk
Acquisitions and disposals are by definition a natural element in VEF's activities. All acquisitions and disposals are subject to uncertainty. VEF's explicit exit strategy is to sell its holdings to strategic investors or via the market. VEF may fail to sell its holdings in a portfolio company or be forced to do so at less than its maximum value or at a loss.

Other investors may compete with VEF in the future for the type of investments VEF intends to make. There are no guarantees that VEF will not be subject to competition which might have a detrimental impact on the return from investments. VEF can partially counter this risk by being an active owner in the portfolio companies.

Exposure to early stage-stage companies
The majority of the investment portfolio consists of companies in the start-up phase or early growth stage. Such companies typically generate negative cashflows and may be needing additional capital to carry out their business.

Accounting practice and other information
Practice in accounting, financial reporting and auditing in emerging and frontier markets may not hold the same standards as in developed countries. Access to external analysis, reliable statistics and historical data is often inadequate. The effects of inflation can, moreover, be difficult for external observers to analyse. Although special expanded accounts are prepared and auditing is undertaken in accordance with international standards, no guarantees can be given with regard to the completeness or dependability of the information that relates to VEF's investments and potential investments. Inadequate information and weak accounting standards may adversely affect VEF in future investment decisions.

Corporate governance risk
A lack of good and efficient corporate governance may be a problem in companies in emerging and frontier markets which could affect VEF negatively. This may include:

- Minority shareholders may have limited possibility to exercise their legal rights, such as participation in new share issues, limited access to general meetings and unfair dilution of shareholding;
- Illegitimate transactions between company and related parties;
- Unlawful practices by company officers, such as preventing registration of shares and manipulation of share registers; and
- Implementation of major decisions without proper board- or shareholder approvals.

To minimise this risk, due diligence is carried out on management and fellow shareholders and VEF looks to attain board representation in the portfolio companies. Both internal and external counsels are engaged with respect to legal due diligence to help ensure VEF's rights are upheld in the investments.

Dependency on key individuals
VEF is dependent on its senior executives and Board members. It cannot be ruled out that VEF might be seriously affected if any of the senior executives left the Group or if the Group is not able to recruit relevant people in the future.

Financial related risks
International capital flows
Economic unrest in a growth market tends also to have an adverse impact on the equity market in other growth countries or the share price of companies operating in such countries, as investors opt to re-allocate their investment flows to more stable and developed markets. The SDR price may be adversely affected during such periods. Financial problems or an increase in perceived risk related to a growth market may inhibit foreign investments in these markets and have a negative impact on the country's economy. The Group's operations, turnover and profit development may also be adversely affected in the event of such an economic downturn.

Foreign exchange risk
The Group's accounting currency is USD. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to the SEK. The Group's management monitors the exchange rate fluctuations on a continuous basis and per today no currency derivate and hedging are made. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in USD is shown in the table below. An increase/decrease of 10% of the USD towards SEK would affect the Group's profit or loss and equity by USD +/-0.8 thousands (2019: +/-0.2).

Exposure to foreign exchange (USD thousands)	Gross assets Dec 31, 2020	Gross assets Dec 31, 2019
SEK	0.8	0.2
Other	0.1	0.1
Total	**0.9**	**0.3**

Liquidity risk
Liquidity risk refers to the risk that liquidity will not be available to meet payments commitments due to the fact that the Group cannot divest its holdings quickly or without considerable extra costs. Although, this risk may be relatively low as long as the Group has significant cash balance and liquid investments. The table below shows the Group's contracted financial cash flows for the coming periods.

Contracted cash flows (TUSD)	Dec 31, 2020 1–3 months	Dec 31, 2019 1–3 months
Accounts Payables	77	81
Tax Payable	52	78
Tax on salaries	66	46
Total	**195**	**205**

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

VEF is exposed to counterparty credit risk on cash and cash equivalents and liquidity portfolio with banks and financial institutions. Per December 31, 2020 the cash is placed in bank accounts, within financial institutions. The majority of VEF's cash was placed in financial institutions with a credit quality step 1. Therefore, the credit risk is considered to be limited.

Credit Quality Step	Moody's	Fitch	S&P's
1	Aaa – Aa3	AAA – AA-	AAA – AA-
2	A1 – A3	A+ – A-	A+ – A-
3	Baa1 – Baa3	BBB+ – BBB-	BBB+ – BBB-
4	Ba1 – Ba3	BB+ – BB-	BB+ – BB-
5	B1 – B3	B+ – B-	B+ – B-
6	worse than B3	worse than B-	CCC+ and worse

Maximum credit risk exposure (USD)	Dec 31, 2020	Dec 31, 2019
Lending to financial institutions		
– Credit Quality step 1	47,977	35,673
– Credit Quality step 4	4,452	4,410
Total	**52,429**	**40,083**

Capital risk management
The Group's objectives when managing capital are to:

- safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No dividend has been proposed for the year.

Note 5 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 looking multiples valuation based on comparable traded companies. Usually, transaction-based valuations are kept unchanged for a period of 12 months unless there is cause for a significant change in valuation. After 12 months, the fair value for non-traded assets will normally be derived through any of the models described above.

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 valuations are adjusted accordingly.

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).

Assets measured at fair value at Dec 31, 2020.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	48,205	175,771	158,181	382,157
Total assets	**48,205**	**175,771**	**158,181**	**382,157**

Assets measured at fair value at Dec 31, 2019.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	34,522	151,716	58,671	244,908
Total assets	**34,522**	**151,716**	**58,671**	**244,908**

Changes of financial assets in level 3

	2020	2019
Opening balance January 1	58,671	40,664
Transfers from level 2 to level 3	91.470	19,697
Transfers from level 3 to level 2	-3,389	-5,806
Change in fair value and other	11.429	4,116
Closing balance December 31	**158,181**	**58,671**

As per Dec 31, 2020, VEF has a liquidity management portfolio of listed corporate bonds and money market funds that are classified as level 1 investments.

The investments in Creditas and Finja, are classified as Level 2 investments. The remaining portfolio companies are classified as Level 3 investments.

Holdings classified as Level 2 investments are valued based on the latest transaction in the company. 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.

Following the COVID-19 outbreak, global financial markets experienced a high degree of volatility and suffered historical declines in the short term. The investments in VEF's portfolio were affected in the first quarter of 2020, when the respective valuations were adjusted using a calibration methodology or other valuation models. Following the recovery in 2Q20 throughout to 4Q20, the entire portfolio, except for the investments in Creditas and Finja, is valued on a mark to model basis. All convertibles are valued at nominal value plus accrued interest which is considered to be a good approximation of fair value.

Creditas
During Q4 2020, Creditas raised a USD 255 mln round whereby VEF invested an additional 24.9 mln alongside existing investors and new investors LGT Lightstone, Tarsadia, eVentures, Wellington and Advent.

As per December 31, 2020, VEF has an ownership of 9.8% in the company valued at USD 169.0 mln based on this latest transaction.

Creditas is categorized as a level 2 investment.

Konfío
As per December 31, 2020, VEF's 11.0% ownership share in Konfío is valued at USD 48.5 mln based on an EV/revenue peer multiples valuation model. The valuation in Konfío represents a valuation increase of 16.7% over the year.

Konfío is categorized as a level 3 investment.

TransferGo
In April 2020, VEF invested an additional USD 2.1 mln (EUR 1.9 mln) into TransferGo in the form of a two-year convertible loan note alongside other investors. As per December 31, 2020, VEF's 15.4% ownership share is valued at USD 28.6 mln (EUR 23.4 mln) including the face value and accrued interest of the convertible note. The valuation is model-based and uses EV/revenue multiples as a base. The change in equity value of the company represent a 111.3% valuation uplift over the year.

TransferGo is categorized as a level 3 investment.

Juspay
In March 2020, VEF invested USD 13.0 mln into Juspay, one of India's leading payment companies. VEF led a broader Series B investment round of USD 21.6 mln and was joined by partners Wellington Management and Accel. As per December 31, 2020 VEF's 9.9% ownership share is valued at USD 17.4 mln based on an EV/revenue multiples valuation model.

Juspay is categorized as a level 3 investment.

Nibo
During the second quarter of 2020, VEF invested an additional USD 1.2 mln in the form of a two-year convertible loan note alongside other investors. As per December 31, 2020, VEF's 20.1% stake in Nibo is valued at USD 13.6 mln including the convertible note plus accrued interest on the basis of an EV/revenue peer multiples valuation model.

Nibo is categorized as a level 3 investment.

REVO
On November 9, 2020 Revo and Sorsdata were merged to form a single legal entity by way of converting the outstanding Sorsdata shares into Revo shares. The CEE operations that were previously conducted in a separate company, minority owned by the Revo holding company, has also been properly merged into the group. Following the merger, VEF owns 23.0% in the Revo group. As per December 31, 2020 VEF's

ownership share in the company is valued at USD 11.1 mln, and represent a valuation decrease of 13.2% over the year.

During the fourth quarter 2020 the outstanding convertible loan note of USD 2,1 mln plus accrued interest of USD 0,9 mln was reclassified into a short-term loan receivable upon decision that the loan will not be converted into shares. As per December 31, 2020 USD 0.85 mln of the loan has been repaid and the still outstanding principal plus accrued interest is USD 2.2 mln.

REVO Group is categorized as a level 3 investment.

FinanZero

As per December 31, 2020, VEF's 18.0% ownership in FinanZero is valued at USD 9.9 mln (SEK 81.3 mln) based on an EV/revenue peer multiples valuation model. The change in fair value over the year represents a 28.5% valuation increase in VEF's holding.

The holding in FinanZero is categorized as a level 3 investment.

JUMO

As per December 31, 2020, VEF's 6.8% ownership share in Jumo is valued at USD 9.5 mln based on an EV/revenue peer multiples valuation model. The valuation represents a valuation decrease of 43.5% over the year.

JUMO is categorized as a level 3 investment.

Magnetis

As per December 31, 2020, VEF's 17.5% ownership in the company is valued at USD 8.3 mln based on an AUM based valuation model.

The holding in Magnetis is categorized as a level 3 investment.

Finja

During the fourth quarter of 2020, Finja closed a new financing round in which VEF converted its two outstanding convertible loan notes plus accrued interest and invested an additional USD 0.5 mln alongside existing and new investors. As per December 31, 2020, VEF holds a 22.8% stake in the company and values its holding at USD 6.7 mln based on this transaction. The valuation represents a positive fair value change of 71.8% over the year.

The holding in Finja is categorized as a level 2 investment.

Xerpa

As per December 31, 2020, VEF has invested a total of USD 8.5 mln into Xerpa and holds a 16.0% stake in the company. VEF's stake in the company is valued at USD 5.8 mln based on EV/revenue peer multiples valuation model. The valuation change over the year represent a 32.3% negative valuation change.

The holding in Xerpa is categorized as a level 3 investment.

Guiabolso

As per December 31, 2020, VEF values its 10.9% ownership share in Guiabolso at USD 5.4 mln based on an EV/revenue peer multiples valuation model. The valuation change over the year represents a 53.1% valuation decrease.

Guiabolso is categorized as a level 3 investment.

Liquidity investments

As per December 31, 2020, the liquidity management investments are valued at USD 48.2 mln, based on the closing price and/or latest NAV of each fund.

All liquidity investments are categorized as level 1 investments.

Mark to model-based valuations

At the end of the year, ten out of twelve portfolio companies have been valued on the basis of a model, for most parts using a peer group revenue multiple. Inputs used for each valuation include risk adjusted revenue forecasts, local currency moves and a combination of listed and private peer group revenue multiples as per December 31, 2020.

The difference in fair value change between the portfolio companies is dependent on relative revenue forecasts in each company as well as moves in the relevant peer group and moving exchange rates. During the period, the valuation change in Konfio was driven by stronger revenue growth and higher peer group multiples. TransferGo's and Juspay's positive valuation changes during the period were mainly a function of strong revenue growth accelerated by the COVID-19 driven digitalization and new strategic partnerships. The negative change in fair value in REVO was mainly a function of a 20% depreciation of the RUB and a slightly weaker revenue multiples in the comp set. The negative change in fair value for Guiabolso was mainly a result of a weaker revenue forecast. For Nibo, FinanZero, Magnetis, the positive changes in fair value during the quarter were mainly driven by a combination of revised revenue forecasts and peer group multiples. For Jumo the negative fair value changes were mainly driven by a weaker peer group revenue multiple and for Xerpa, mostly by a weaker BRL and revenue multiples in the comp set. Forward looking revenue estimates naturally takes into account any COVID-19 related impact. Having lived through the first 12 month of the COVID-19 window, a majority of the portfolio companies have experienced a strong uptick of late and in certain cases an accelerated growth driven by the COVID-19 pandemic. In the latest forecasts, management does not expect material negative impacts but continuously monitors any developments in this regard.

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

Sensitivity analysis of valuations

Company	Valuation method	-15%	-10%	-5%	0%	+5%	+10%	+15%
Konfío	Mark-to-model	41,526	43,852	46,178	48,504	50,830	53,156	55,482
TransferGo	Mark-to-model	24,145	25,488	26,830	28,634	29,515	30,858	32,200
Juspay	Mark-to-model	15,042	15,818	16,595	17,372	18,149	18,926	19,702
Nibo	Mark-to-model	11,727	12,355	12,983	13,610	14,238	14,865	15,493
REVO	Mark-to-model	9,343	9,923	10,503	11,083	11,663	12,243	12,823
FinanZero	Mark-to-model	8,482	8,966	9,449	9,933	10,417	10,900	11,384
JUMO	Mark-to-model	7,650	8,280	8,910	9,540	10,170	10,800	11,430
Magnetis	Mark-to-model	7,207	7,581	7,956	8,330	8,704	9,079	9,453
Xerpa	Mark-to-model	5,016	5,263	5,511	5,758	6,006	6,253	6,501
Guiabolso	Mark-to-model	4,726	4,956	5,186	5,417	5,647	5,877	6,108

Change in financial assets at fair value through profit or loss

Company	Jan 1, 2020	Investments/ (divestments), net	Fair value change	Dec 31, 2020	Percentage of total NAV
Creditas	73,246	24,856	70,921	169,023	43.7%
Konfío	41,579	0	6,925	48,504	12.5%
TransferGo	12,555	2,111	13,968	28,634	7.4%
Juspay	0	13,000	4,372	17,372	4.5%
Nibo	10,619	1,200	1,791	13,610	3.5%
REVO	16,244	-3,017	-2,144	11,083	2.9%
FinanZero	7,728	0	2,205	9,933	2.6%
JUMO	16,875	0	-7,335	9,540	2.5%
Magnetis	8,108	0	222	8,330	2.2%
Finja	3,389	925	2,434	6,748	1.7%
Xerpa	8,500	0	-2,742	5,758	1.5%
Guiabolso	11,545	0	-6,128	5,417	1.4%
Liquidity investments	34,521	13,500	183	48,205	12.5%
Invested portfolio	**244,908**	**52,575**	**84,672**	**382,157**	**98.9%**

Note 6 Segment information

For management purposes, the Group is organized into one main operating segment, which invests in equity securities. All of the Group's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. As an investment company, the Board is deeply involved in investment decisions and follow-up of portfolio companies' development. The Board has been identified as the Group's highest operational decision maker in the field of internal reporting. Internal reporting contains only one segment.

Note 7 Result from financial assets at fair value through profit or loss

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Proceeds from sale of financial assets at fair value through profit or loss	41,500	54,261	41,500	45,082
Acquisition value of sold financial assets at fair value through profit or loss	-41,500	-23,958	-41,500	-22,444
Change in fair value from sold financial assets at fair value through profit or loss	-	-30,304	-	-22,637
Change in fair value of remaining financial assets at fair value through profit or loss	84,672	53,453	4,556	8,595
Result from financial assets at fair value through profit or loss	**84,672**	**53,452**	**4,556**	**8,596**

During 2020 and 2019 result from financial assets at fair value through profit or loss comprises the result from fair value changes of financial assets that have been designated on initial recognition as assets to be measured at fair value with fair value changes in profit or loss.
The only divestments in 2020 is the divestment of liquidity placements.

Note 8 Dividend and coupon income

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Dividend and coupon income recognized in the income statement	391	501	391	501
whereof unsettled at balance sheet date	-	-	-	-
Tax withheld on dividends	-	-	-	-
Net proceeds from dividends and coupons, net of tax, recognized in the income statement during the year	**391**	**501**	**391**	**501**

Note 9 Operating expenses by nature

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Employee benefit expense (Note 10)	4,525	3,520	2,941	2,528
Service agreement between VEF AB and VEF Ltd	-	-	2,151	1,637
Other expenses and lease expenses	1,409	1,997	1,115	1,236
Depreciations	64	89	-	-
Total operating expenses	**5,998**	**5,606**	**6,207**	**5,401**

Note 10 Employee benefit expense

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Wages and salaries	1,446	1,497	1,058	1,074
Social security cost	963	348	428	93
Pension cost	148	162	55	70
Other employee benefits	1,968	1,513	1,400	1,291
Total employee benefit expense	**4,525**	**3,520**	**2,941**	**2,528**

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Salaries and other remunerations to the management and the Board of Directors of the parent and its subsidiaries	3,302	2,960	2,376	2,309
Salaries and other remunerations to other employees	260	212	137	126
Total salaries	**3,562**	**3,172**	**2,513**	**2,435**

Group 2020

	Base salaries/ Board fee	Variable compen-sation	Other compen-sation 4)	Pension expenses	Share based compen-sation	Total
Lars O Grönstedt, *Chairman of the Board*	66	-	-	-	-	66
Milena Ivanova, *Board member* 1)	24	-	-	-	-	24
Voria Fattahi, *Board member* 2)	12	-	-	-	-	12
Per Brilioth, *Board member*	33	-	-	-	-	33
Ranjan Tandon, *Board member*	33	-	-	-	-	33
Alison Goldberg, *Board member* 3)	7	-	-	-	-	7
David Nangle, *Board member and Managing Director*	496	-	513	50	193	1,252
Key management personnel	630	-	910	79	256	1,875
Total	**1,301**	**-**	**1,423**	**129**	**449**	**3,302**

1) Resigned on October 22, 2020
2) Resigned on May 13, 2020
3) Elected on October 22, 2020
4) Other compensation refers to facilitate participation in LTIP 2020. The Company subsidized the subscription price payable by program participants for the cost of acquiring plan shares.

Group 2019

	Base salaries/ Board fee	Variable compen-sation	Other compen-sation 1)	Pension expenses	Share based compen-sation	Total
Lars O Grönstedt, *Chairman of the Board*	63	-	-	-	-	63
Milena Ivanova, *Board member*	31	-	-	-	-	31
Voria Fattahi, *Board member*	31	-	-	-	-	31
Per Brilioth, *Board member*	31	-	-	-	-	31
Ranjan Tandon, *Board member*	31	-	-	-	-	31
David Nangle, *Board member and Managing Director*	470	150	77	50	528	1,275
Key management personnel	466	168	380	99	385	1,498
Total	**1123**	**318**	**457**	**149**	**913**	**2,960**

1) Other compensation refers to facilitate participation in LTIP 2019 The Company subsidized the subscription price payable by program participants for the cost of acquiring plan shares.

Parent 2020

	Base salaries/ Board fee	Variable compen-sation	Other compen-sation 4)	Pension expenses	Share based compen-sation	Total
Lars O Grönstedt, *Chairman of the Board*	66	-	-	-	-	66
Milena Ivanova, *Board member* 1)	24	-	-	-	-	24
Voria Fattahi, *Board member* 2)	12	-	-	-	-	12
Per Brilioth, *Board member*	33	-	-	-	-	33
Ranjan Tandon, *Board member*	33	-	-	-	-	33
Alison Goldberg, *Board member* 3)	7	-	-	-	-	7
David Nangle, *Board member and Managing Director*	496	-	513	50	193	1,252
Key management personnel	318	-	376	-	255	949
Total	**989**	**-**	**889**	**50**	**448**	**2,376**

1) Resigned on October 22, 2020
2) Resigned on May 13, 2020
3) Elected on October 22, 2020
4) Other compensation refers to facilitate participation in LTIP 2020. The Company subsidized the subscription price payable by program participants for the cost of acquiring plan shares.

Parent 2019

	Base salaries/ Board fee	Variable compen-sation	Other compen-sation 1)	Pension expenses	Share based compen-sation	Total
Lars O Grönstedt, *Chairman of the Board*	63	-	-	-	-	63
Milena Ivanova, *Board member*	31	-	-	-	-	31
Voria Fattahi, *Board member*	31	-	-	-	-	31
Per Brilioth, *Board member*	31	-	-	-	-	31
Ranjan Tandon, *Board member*	31	-	-	-	-	31
David Nangle, *Board member and Managing Director*	470	150	77	50	528	1,275
Key management personnel	185	87	170	20	385	847
Total	**842**	**237**	**247**	**70**	**913**	**2,309**

1) Other compensation refers to facilitate participation in LTIP 2019 The Company subsidized the subscription price payable by program participants for the cost of acquiring plan shares.

Decisions regarding remuneration to the Managing Director are made by the Board of Directors and to the rest of management by the Managing Director. The Managing Director has the right to 12 months' salary in the event of the termination of appointment on part of the Company. He must himself observe six months' notice of termination. The rest of the management has a notice period of three months, which also applies to the Company in the event of termination on part of the Company. No notice period applies to the Board of Directors. In addition to the Board of Directors and key management personnel stated above, the Group has 2 full time employees (2019: 2).

Option plan

The Company has an option plan, adopted in 2015, that entitles present and future employees to be allocated call options to acquire shares represented by SDRs in the Company ("Options").

Principal Conditions and Guidelines

- The exercise price for the Options shall correspond to 120% of the market value of the SDRs of the Company at the time of the grant.
- The Options may be exercised during an exercise period of three months starting five years from the time of the grant.
- For employees resident outside of Sweden, no premium shall be paid for the Options and they may only be exercised if the holder is still employed within the Group at the time of exercise.
- For employees resident in Sweden, the employees may elect either of the following alternatives:
  a) No premium shall be paid for the Options and the Options may only be exercised if the holder is still employed within the Group at the time of exercise (same as for employees residentoutside of Sweden);
  or
  b) The Options shall be offered to the employee at a purchase price corresponding to the market value of the Options at the time of the offer. The Options shall be fully transferable and will thereby be considered as securities. This also means that these Options are not contingent upon employment and will not lapse should the employee leave his or her position within the Group.
- Options may be issued by the parent company or by other group companies.

Preparation and Administration

The Board or a designated committee appointed by the Board, shall be authorized to set the detailed terms and conditions for the Options in accordance with the principal conditions and guidelines. The Board may make necessary adjustments to satisfy certain regulations or market conditions abroad. The Board shall also be authorized to resolve on other adjustments in conjunction with material changes affecting the Group or its business environment, which would mean that the described conditions for the incentive plan would no longer be appropriate.

Allocation

The incentive plan includes granting of not more than 5,080,000 Options. Allocation of Options to the Managing Director of the Company shall not exceed 2,540,000 Options and allocation to each member of the executive management or to other key employees of the Company shall not exceed 1,016,000 Options. The allocation of Options shall be decided by taking into consideration, among other things, the performance of the employee and his or her importance to the Group. Specific criteria to be considered include the employee's ability to manage and develop the existing portfolio and to identify new investment opportunities and evaluate conditions of new investments as well as return on capital or estimated return on capital in investment targets. The Board shall be responsible for the evaluation of the performance of the employees. Board members who are not employed by the Group shall not be able to participate in the plan.

Bonus for employees resident in Sweden under option (b)

In order to stimulate the participation in the plan by employees resident in Sweden electing option (b) above, the Company will subsidize participation by way of a bonus payment which after tax corresponds to the Option premium. Half of the bonus will be paid in connection with the purchase of the Options and the remaining half at exercise of the Options, or, if the Options are not exercised, at maturity. The second bonus payment is subject to the requirement that the holder is still an employee of the Group at the time of exercise or maturity, as the case may be. Thus, for employees in Sweden who choose option (b), the participation in the plan includes an element of risk.

Exercised options

On August 28, VEF announced that David Nangle, CEO of VEF, has increased his stake in the Company by way of exercising 1,905,000 outstanding options. The strike price of the five-year options was SEK 1.46. Following the exercise of the options, VEF has issued an additional 1,905,000 common shares.

Options outstanding

	2020
Beginning of the period	4,905,000
Options exercised in 2020	-1,905,000
Outstanding at the end of the period	**3,000,000**

Per December 31, 2020, a total of 3,000,000 options were outstanding, of which none to the Managing Director and 3,000,000 to other employees.

Options granted

Option grant date	Jun 7, 2016	Aug 25, 2016	Nov 29, 2017	May 16, 2018	Dec 17, 2019
Maturity date	Jul 31, 2021	Nov 24, 2021	Feb 28, 2023	Aug 16, 2023	Dec 17, 2024
Option price at grant date SEK	0.26	0.14	0.54	0.41	0.34
Share price at grant date SEK	1.13	1.22	2.25	1.97	2.95
Exercise price SEK	1.33	1.46	2.54	2.35	3.69
Volatility	33.00%	20.90%	32.10%	29.90%	22.80%
Risk free interest rate	-0.27%	-0.53%	-0.25%	-0.13%	-0.29%
No of options granted	1,000,000	500,000	500,000	500,000	500,000

Market value of the options at the grant date is calculated with the help of the Black & Scholes options valuation model and assuming that no dividends will be paid during the period.

Dilution and costs

In the event all outstanding 3,000,000 Options are fully exercised; the holders will acquire shares represented by SDRs corresponding to a maximum of approximately 0.13% of the share capital. The total negative cash flow impact for the bonus payments described under Bonus for employees resident in Sweden under option (b) above is USD 0.2 mln over the life of the incentive plan. Currently, there is no similar option (b) for employees resident outside of Sweden provided in the incentive plan 2015 and the only negative cash flow under option (a) relates to the social security contributions at the time of exercise of the Options.

Share-based incentive program (LTIP)

There are three running long-term share-based incentive programs for management and key personnel in the VEF Group. Program 2018 is linked to the long-term performance of the Company's NAV and program 2019 and 2020 is linked to the long-term performance of both the Company's NAV and of the VEF share price.

Outstanding program 2018

The participants purchased, in the three-year long-term incentive 2018 program, shares (Swedish Depository Receipts) in the Company. The participants are for each purchased share entitled to receive additional shares, so-called performance shares, free of charge, subject to fulfillment of performance condition set by the Board of Directors based on the Company's NAV.

The rights to receive shares automatically convert into common shares at the end of the program at an exercise price of nil. The participants do not receive any dividends and are not entitled to vote in relation to the rights to receive shares during the vesting period. If a participant ceases to be employed by the Group within this period, the rights will be forfeited, except in limited circumstances that are approved by the board on a case-by-case basis.

The fair value of the depository receipts on the grant date was calculated on the basis of the market price of the Company's depository receipts on the grant date per depository receipt without adjustment for any dividends during the vesting period.

Outstanding program 2019

The participants purchased, in the three-year long-term incentive 2019 program, plan shares in the Company.

Plan shares will on the extent to performance of both the Company's NAV and of the VEF share price be reclassified as Swedish Depository Receipts if the performance conditions have been fulfilled. If the performance conditions have not been fulfilled, then the plan shares will be redeemed by the company.

The participants will be compensated for dividends and other value transfers to the shareholders. The participants are also entitled to vote during the measurement period.

If a participant ceases to be employed by the Group within this period, the plan shares will be redeemed, except in limited circumstances that are approved by the board on a case-by-case basis.

The fair value of the plan share on the grant date was calculated on the basis of the market price of the Company's depository receipts on the grant date and market conditions prevailed by using the Monte Carlo Valuation Method.

To carry through the incentive program, the Company subsidized the incentive program participants for the subscription price. The subsidy amounted to USD 0.27 mln, social fees excluded, for the cost of acquiring plan shares. The cost for financing and acquiring plan shares is immediately expensed.

The Company also compensated for the tax impact arising from the fact that subscription price was below fair market value. The cost of this subsidy, social fees excluded, amounts to USD 0.30 mln and will be expensed over the three-year duration of the program.

New program 2020
The Company's annual general meeting on May 13 approved a three-year long-term share incentive plan ("LTIP 2020") for six key employees in the Company. LTIP 2020 is a performance-based incentive program which is based on the same structure, with the same economic characteristics for the participants, and the same criteria for measuring performance as the depository receipt-based incentive programs as the 2019 program. The objective of LTIP 2020 is to encourage the employees to financially commit to the long-term value growth of VEF, and thereby align their interests with those of the shareholders. VEF has compensated the participants with a cash subsidy for the subscription price and the tax effects arising due to the subsidy of the subscription price and benefit of a total cost, excluding social charges of USD 1.47 mln including the cost of the amended program described below.

At the Company's SGM on October 22, it was approved to amend the Company's long-term incentive program for 2020. The amended program will run over five years, instead of three, and is resolved to issue no more than 33,250,000 in total plan shares, instead of 13,640,000, to the participants in the program. The cost impact of the amended program was USD 1.14 mln related to the subsidy of the subscription price and benefit, excluding social charges.

Completed program 2017
The Board of Directors determined on March 17, 2020 that the development of the Company's NAV over the term of LTIP 2017 (Jan 1, 2017 through Dec 31, 2019), meets the so-called stretch level, whereby each SDR held by program participants throughout the program duration resulted in an allocation of ten performance SDRs free of charge following the release of the 1Q20 financial report.

The Company transferred treasury shares held by the Company to the participant on April 29, 2020. The participants collectively received 8,035,700 SDRs. The program resulted in a 1.2% dilution in terms of outstanding SDRs and the total cost for the seven participants was USD 1.6 mln, excluding social charges.

	LTIP 2018	LTIP 2019	LTIP 2020
Performance measurement period	Jan 2018–Dec 2020	Jan 2019–Dec 2021	Jan 2020-Dec 2024
Vesting period	May 2018–Dec 2020	May 2019–Dec 2021	Nov 2020–Dec 2024
Maximum no of SDRs	7,451,850	12,400,000	33,250,000
Maximum dilution	1.13%	1.87%	5.01%
Share price on grant date, SEK	1.95	2.40	3.14
Share price on grant date, USD	0.22	0.26	0.36
Plan share price on grant date, SEK	–	0.32	0.37
Plan share price on grant date, USD	–	0.03	0.04
Total employee benefit expense (USD mln)	**LTIP 2018**	**LTIP 2019**	**LTIP 2020**
2020[1]	0.32	0.12	0.03
2019[1]	0.32	0.08	–
2018	0.20	–	–
Total accumulated	**0.84**	**0.20**	**0.03**

1. The total employee benefit expense does not include subsidy for acquisition and taxes arisen.

Note 11 Tax

Corporate income tax – general

- VEF Ltd is exempted and therefore not liable for tax in Bermuda.
- VEF Cyprus Limited is subject to corporation tax on taxable profits at the rate of 12.5% for 2020.
- Under certain conditions, interest may be exempt from income tax and only subject to defense contribution at the rate of 30% as from April 29, 2013.
- Any gains from disposal of qualified securities are not subject to corporate tax in Cyprus.
- During 2020, VEF AB's profits are subject to Swedish income tax at the rate of 21.4%.

Income tax expense

	Group 2020	Group 2019
Current tax	-74	-51
Deferred tax	-	-
Taxation	**-74**	**-51**

The tax on the Group's result before tax differs from the theoretical amount that would arise using the tax rate of the countries where the Group operates as follows:

	Group 2020	Group 2019
Result before tax	79,527	48,580
Tax calculated at domestic tax rates applicable to profits in the respective countries	-8,894	-27
Tax effects of:		
- Income not subject to tax	9,936	5,490
- Expenses not deductible for tax purposes	-1,106	-5,523
- Adjustment in respect of prior years	-10	9
Tax charge	**-74**	**-51**

The weighted average applicable tax rate 2020 was 0.1% (2019: 0.1%).

Note 12 Earnings per share

Earnings per share have been calculated by dividing the net result for the financial year by the weighted average number of shares in issue during the year.

Diluted earnings per share have been calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares. Share options are the only category of dilutive potential ordinary shares for the Company. For the share options, a calculation is made in order to determine the number of shares that would have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the options.

The number of shares is not adjusted for 45,650,000 redeemable common shares issued under the 2019 and 2020 long-term incentive programs.

	2020	2019
Profit attributable to the equity holders of the Company	79,454	48,529
Weighted average number of ordinary shares on issue	679,347,426	654,483,268
Earnings per share, basic	**0.11**	**0.07**
Adjustment for dilution effect of incentive options	4,801,312	6,016,218
Weighted average number of ordinary shares fully diluted	684,148,738	664,376,019
Earnings per share, diluted	**0.11**	**0.07**

Note 13 Property, plant and equipment

Group	Property, plant and equipment	Right-of-use assets: premises	Total
Opening net book amount January 1, 2019	**146**	**-**	**146**
Amount equal to lease assets at January 1, 2019 under IFRS 16	-	224	224
Depreciation	-33	-56	-89
Currency change effect	-6	-	-6
Closing net book amount December 31, 2019	**107**	**168**	**275**
Opening net book amount January 1, 2020	**107**	**168**	**275**
Depreciation	-34	-38	-72
Currency change effect	11	-3	8
Closing net book amount December 31, 2020	**84**	**127**	**211**

Depreciation amounting to USD 0.72 mln (2019: 0.89 mln) have been recognised among operating expenses in the income statement (see also Note 9).

Note 14 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

December 31, 2020 - Group

Assets as per balance sheet	Assets at fair value through profit and loss	Amortised costs	Total
Financial assets at fair value through profit or loss	382,157	-	382,157
Cash and cash equivalents	-	4,224	4,224
Total financial assets	**382,157**	**4,224**	**386,381**

December 31, 2019 – Group

Assets as per balance sheet	Assets at fair value through profit and loss	Amortised costs	Total
Financial assets at fair value through profit or loss	244,908	-	244,908
Cash and cash equivalents	-	5,562	5,562
Total financial assets	**244,908**	**5,562**	**250,470**

December 31, 2020 – Parent

Assets as per balance sheet	Assets at fair value through profit and loss	Amortised costs	Total
Financial assets at fair value through profit or loss	65,577	-	65,577
Cash and cash equivalents	-	2,806	2,806
Receivables from Group Companies	-	173,561	173,561
Total financial assets	**65,577**	**176,367**	**241,944**

December 31, 2019 – Parent

Assets as per balance sheet	Assets at fair value through profit and loss	Amortised costs	Total
Financial assets at fair value through profit or loss	34,521	-	34,521
Cash and cash equivalents	-	5,058	5,058
Receivables from Group Companies	-	135,434	135,434
Total financial assets	**34,521**	**140,492**	**175,013**

The carrying value for cash and cash equivalents and receivables from Group Companies is considered consistent with the fair value.

Note 15 Non-current financial assets at fair value through profit or loss

	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Beginning of the year	244,908	196,898	34,521	70,757
Additions (new investments)	97,093	48,819	68,000	250
Disposal value	-41,500	-54,261	-41,500	-45,082
Reclassification of convertible note	-3,017	-	-	-
Change in fair value for the year	84,672	53,452	4,556	8,596
Total	**382,157**	**244,908**	**65,577**	**34,521**

The assets specified in the table above are investments in financial assets at fair value through profit or loss. See note 5 for further information.

Note 16 Cash and cash equivalents

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Group Dec 31, 2020	Group Dec 31, 2019
Cash and cash equivalents	4,224	5,562
of which short-term investments equivalent to cash	-	-
Total	**4,224**	**5,562**

Note 17 Short-term loan receivables

	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Short-term loan receivable[1]	2,176	-	-	-
Total	**2,176**	**-**	**-**	**-**

1. As per December 18, 2020 the outstanding convertible loan note towards portfolio company REVO of USD 2.1 mln plus accrued interest of USD 0.9 mln was reclassified into a short-term loan receivable upon decision that the loan will not be converted into shares. As per December 31, 2020, USD 0.85 mln of the loan has been repaid and the still outstanding principal plus accrued interest is USD 2.2 mln.

Note 18 Share capital and additional paid in capital

Group and Parent Company	Number of SDRs held	Number of plan shares held	Share capital	Additional paid in capital
At January 1, 2019	**650,180,134**	**-**	**6,502**	**88,608**
Repurchase of own shares	-6,016,147	-	-61	-1,526
Employees share option scheme	-	-	-	26
Share based long-term incentive program	11,315,790	12,400,000	237	815
At December 31, 2019	**655,479,777**	**12,400,000**	**6,678**	**87,923**
Repurchase of own shares	-2,019,482	-	-20	-622
Employees share option scheme	1,905,000	-	19	296
Share based long-term incentive program	8,035,700	33,250,000	413	450
Directed shares issue	165,850,248	-	1,658	56,942
At December 31, 2020	**829,251,243**	**45,650,000**	**8,749**	**144,990**

Share capital
The authorised share capital of the Company is USD 10 mln divided into 1,000,000,000 shares of USD 0.01 par value, each carrying one vote. All issued redeemable shares are fully paid. Share capital per December 31, 2020 is USD 8,749 thousand divided into 829,251,243 outstanding common shares as per the balance sheet day and 45,6500,000 redeemable common shares under LTIP 2019 and LTIP 2020, of USD 0.01 par value.

During 2020, VEF has repurchased 2,019,482 SDRs (2019: 6,016,147 SDRs) in the Company for the purpose of delivery of SDRs in connection with LTIP 2017. VEF does not hold any repurchased shares per December 31, 2020.

In August 2020, VEF issued an additional 1,905,000 shares following an exercise of outstanding options. On November 18, VEF completed a directed shares issue and increased the number of outstanding common shares by 165,850,248 shares.

Additional paid in capital
Additional paid in capital comprise of share premiums regarding new shares issued and share based compensation as well as 45,650,000 redeemable common shares issued under LTIP 2019 and LTIP 2020. There are currently 3,000,000 ordinary shares available under the employee share option scheme. Each option entitles the holder to one new share (SDR) in VEF. For more information on LTIP and the options, see Note 10.

Note 19 Non-current liabilities

Maturity analysis – contractual discounted cash flow	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Leasing liabilities < 1 year	66	50	-	-
Leasing liabilities 2–5 years	70	118		
Total discounted lease liabilities	**136**	**168**	**-**	**-**
Total cash flow for leases	**-72**	**-58**		
Amounts recognised in the consolidated income statement				
Interest on lease liabilities	-11	-12		

The weighted average incremental borrowing rate applied to measure lease liabilities is 6.15% for premises.

Note 20 Other current liabilities

	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Other current liabilities	126	161	93	252
Leasing liabilities < 1 year	66	50	-	-
Total	**192**	**211**	**93**	**252**

Note 21 Pledged assets and contingent liabilities

The Group had no contingent liabilities or pledged assets as per December 31, 2020.

Note 22 Shares in subsidiaries

Parent Company	Country	Number of shares	Share of capital and votes, %	Book value Dec 31, 2020, USD
VEF Cyprus Limited	Cyprus	10,000	100	10,000
VEF AB	Sweden	500	100	5,100
Total				**15,100**

All the companies are included in the consolidated financial statements from the time of incorporation.

Note 23 Related party transactions

The Group has identified the following related parties:

Key management and Board of Directors of the Group.
During the period VEF has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	FY 2020	FY 2019	FY 2020	FY 2019
Key management and Board of Directors	2,952	3,008	-	136

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

The result impact in the period for the long-term incentive programs (LTIP 2018, LTIP 2019 and LTIP 2020) for the management amounted to USD 0.31 mln, USD 0.12 mln and USD 0.03 mln, respectively, excluding, cash subsidy and social taxes. See further details of LTIP 2018, LTIP 2019 and LTIP 2020 in Note 10.

Subsidiaries
The parent company has related-party transactions with VEF Cyprus and VEF Sweden. The parent company's business is to act as the holding company of the Group and therefore own, manage and finance the holding in VEF Cyprus. VEF Sweden provides business services to the parent company.

Parent Company	Dec 31, 2020	Dec 31, 2019
Loan recievables	173,561	135,434
Interest income	9,206	7,881
Current liabilities		-
Operating expenses	2,151	1,637
Total	**185,099**	**144,952**

Note 24 Depository receipt buy back
During 2020 VEF repurchased 2,019,482 SDRs (2019: 6,016,147 SDRs) in the Company for the purpose of delivery of SDRs in connection with LTIP 2017. VEF does not hold any repurchased shares per December 31, 2020.

Note 25 Events after the balance sheet date
After the end of the year VEF has added two new companies to the portfolio.

- In February 2021, VEF invested USD 0.5 mln into Mexican salary on demand fintech player minu.
- In March 2021 VEF invested USD 7.0 mln into Indian gold back lender Rupeek.

On March 31, 2021, the Company announced that the Board of Directors proposed to change the domicile of the VEF group from Bermuda to Sweden. The Redomestication is intended to be carried out by way of a Bermuda scheme of arrangement, whereby SDRs in the Company are cancelled and exchanged for shares in a Swedish group entity that, following the Redomestication, will constitute the new parent company of the VEF group.

Note 26 Adoption of annual report
The annual report has been submitted by the Board of Directors on March 31, 2021, see page 95. The balance sheet and profit and loss accounts are to be adopted by the Company's shareholders at the annual general meeting on May 6, 2021.

Declaration

The Board of Directors and the Managing Director declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with IFRS and give a true and fair view of the Parent Company's financial position and results of operation.

The Administration Report and the other parts of the Annual Report of the Group and the Parent Company provide a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describe material risks and uncertainties facing the Parent Company and the companies included in the Group.

March 31, 2021

Lars O Grönstedt
Chairman of the Board

Per Brilioth
Board member

Allison Goldberg
Board member

Ranjan Tandon
Board member

David Nangle
Board member and Managing Director

Our auditor's report was submitted on March 31, 2021

PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorised Public Accountant
Auditor-in-charge

Independent auditor's report

To the annual general meeting of VEF Ltd., corporate identity number 50298.

Report on the audit of the consolidated financial statements and parent company financial statements

Our opinion
We have audited the consolidated financial statements and the parent company financial statements of VEF Ltd. for the year 2020. The consolidated financial statements and the parent company financial statements are included on pages 66–94 in this document.

In our opinion, VEF Ltd. consolidated financial statements and parent company financial statements present fairly, in all material respects, the consolidated financial position of the Group and the parent company financial position as at December 31, 2020, and of its consolidated financial performance and parent company financial performance and its consolidated cash flows and parent company cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements section of our report. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
Management is responsible for the other information. The other information comprises the pages 1–65, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements or the parent company financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements and the parent company financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stockholm, March 31, 2021
PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorised public accountant
Auditor-in-charge

Glossary

of terms and acronyms used in the annual report

AML	Anti-money laundering
AUM	Assets under management
API	Application programming interface
APR	Annual percentage rate
bln	Billion
BNPL	Buy now pay later
BRL	Brazilian real
C.	Circa
CAC	Customer acquisition cost
CAGR	Compound annual growth rate
CEE	Central and Eastern Europe
CEO	Chief executive officer
CoC	Cash on cash return
E.	Estimate
E.G.	For example
EM	Emerging market
ESG	Environmental, social and governance
ETF	Exchange traded fund
EV	Enterprise value, i.e., stock exchange value + net liability
EUR	Euro
FMCG	Fast-moving consumer goods
FX	Foreign exchange rate
GB	Gigabyte
GDP	Gross domestic product
GMV	Gross merchandise value
H1	First half (year)
H2	Second half (year)
HR	Human resources
INR	Indian rupee
IPO	Initial public offering
IRR	Internal rate of return
k	Thousand
KPI	Key performance indicator
KYC	Know your customer
LatAm	Latin America
mln	Million
MNO	Mobile network operator
MSME	Micro, small, and medium enterprises
NAV	Net asset value
NPS	Net promoter score
P. A	Per annum
Q	Quarter
ROA	Return on assets
SaaS	Software as a service
SDG	The UN's sustainable development goals
SGM	Special general meeting
SDR	Swedish depository receipt
SEK	Swedish krona
SME	Small and medium-sized enterprises
tln	Trillion
UK	United Kingdom
UPI	Unified payments interface
US	United States of America
USD	United States dollars
YE	Year-end
YoY	Year-on-year

Financial Calendar

Q1 Interim report
April 28, 2021

Annual general meeting of shareholders 2021
May 6, 2021

Q2 Interim report
July 28, 2021

Q3 Interim report
November 3, 2021

Financial accounts bulletin
February 2, 2022

Annual report 2021
March 2022

Annual general meeting of shareholders 2022
May 2022

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The emerging market fintech investor