

Konfío announces USD 100 mln Series E2 financing round - VEF invests an additional USD 9.3 mln

VEF announces a USD 9.3 mln follow-on investment into Konfío, Mexico's leading SME financial technology company. VEF participated in the broader Series E2 financing round of USD 100 mln, led by Tarsadia Capital with participation from existing investors Softbank, Kaszek Ventures, QED Investors, Lightrock and IFC. VEF's participation in the round is expected to have a positive impact of approximately 10% on VEF's latest reported NAV per 2Q21, adjusted for VEF's recent directed share issue.

Konfío is VEF's second largest holding and represents 18.6% of VEF's NAV as at 2Q21. VEF led Konfío's Series C in 2018 and followed on in both their Series D, Series E and now Series E2 funding rounds. The Series E2 comes soon after Konfío closed its \$125mn Series E fund raise and is effectively the second part of a 2-part raising process, with part of the capital supporting inorganic growth within the group.

Operating in Mexico, Konfío is a technology-leading company that builds digital banking, payments, and software tools to boost SME growth and productivity.

Founded in 2013, Konfío offers access to agile credit with an immediate decision process based on data and artificial intelligence, business-to-business payment management and financing platform, and a cloud-based system for operational, accounting, and financial business management available to both companies and accountants who provide services to businesses.

The financing round will further expand the scope of Konfío's core offering while allowing the company to be on the outlook for acquisition opportunities that, integrated with Konfío's platform, expand the value of the ecosystem of products it delivers to small and medium-sized businesses.

VEF CEO, Dave Nangle comments:

"Konfío is VEF's second largest holding and one of the clear breakout names within our portfolio. What really excites us about Konfío at this juncture is the continued rapid growth of their credit offering that is being increasingly complimented by the Group's payments and ERP offering, realising a much more balanced and varied, fast growth revenue stream. This funding round is yet another milestone for both Konfío and VEF, and puts both companies in a very strong position to create value through 2021 and beyond. At VEF when we find an asset we love, we always back it harder - we view portfolio concentration as goal, not a risk, and Konfío is an excellent case in point".

Konfío CEO, David Arana comments:

"The SMEs in Mexico are vastly underserved, and we are obsessed with solving their needs by maximizing the use of data and technology. We are convinced that a long term strategy for servicing SMEs is favored by an integrated multi-product approach, where credit is an important lever, and by which customer interactions are optimized. The market response to our strategy has been encouraging. Konfío's risk and collection models allowed us to successfully weather the peak of the pandemic, and are now backing a healthy 10% and 40% month-over-month growth in Konfío's working capital loan book and in the number of users of our innovative business credit card product. In 2021, Konfío's product adoption leapt to 1.4 services per customer from 1.0 in the beginning of the year. Now imagine the value that can be added to growing companies by leveraging the data from an integrated multi-service platform".

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About Us

VEF AB (publ) is an investment company whose Common Shares are listed in Sweden. We invests in growth stage private fintech companies, take minority stakes and are active investors with board representation in our portfolio companies, always looking to back the best entrepreneurs in each market. We focus on scale emerging markets and invest across all areas of financial services inclusive of payments, credit, mobile money and wealth advisors. VEF trades in Sweden on Nasdaq First North Growth Market under the ticker VEFAB. For more information on VEF, please visit <http://www.vef.vc>.

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Attachments

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