



# VEF

The emerging market fintech investor

Interim report  
Second quarter and  
six months period 2023

Key events during the quarter

- Our NAV continued the 1Q23 recovery trend, increasing 17% in USD terms during the second quarter. The uplift was driven by strong performance in the respective peer multiples coupled with local currency tailwinds. Our top three holdings, Creditas (+7%), Konfio (+75%) and Juspay (+19%) were the main contributors on a portfolio level.
- FinanZero successfully raised an additional USD 1.5 mln during the second quarter. Following strong investor appetite, the company extended the previous round from last year (2022) and raised the round at the same terms and valuation.
- At our AGM in May, Katharina Lüth was appointed to the VEF board. Katharina’s vast operational experience and deep understanding of both traditional finance and fintech makes her an extremely valuable addition to the board.

Net asset value

- NAV of VEF’s portfolio as at 1H23 is USD 479.2 mln (YE22 381.8). NAV per share has increased by 25% to USD 0.46 (YE22: 0.37) per share during 1H23.
- In SEK, NAV equals 5,177 mln (YE22: 3,981). NAV per share has increased by 30% to SEK 4.97 (YE22: 3.82) per share during 1H23.
- Cash position, including liquidity investments, was USD 45.3 mln (YE22: 48.5) at the end of 1H23.

Financial result

- Net result for 2Q23 was USD 68.7 mln (2Q22: -296.6). Earnings per share were USD 0.07 (2Q22: -0.28).
- Net result for 1H23 was USD 97.2 mln (1H22: -320.7). Earnings per share were USD 0.09 (1H22: -0.31).

The second quarter continued recovery in financial markets had a positive impact on the financial results in 2Q23. The key drivers of overall NAV performance were both expansion of peer valuation multiples through the quarter and underlying portfolio performance. On an aggregated level, portfolio performance remained strong, with continued moderated revenue growth a reflection of plans to reach break even at a majority of portfolio companies.

	Dec 31, 2021	Dec 31, 2022	Jun 30, 2023
Net asset value (USD mln)	761.7	381.8	479.2
Net asset value (SEK mln)	6,885	3,981	5,177
Net asset value per share (USD)	0.73	0.37	0.46
Net asset value per share (SEK)	6.61	3.82	4.97
VEF AB (publ) share price (SEK)	6.05	2.45	2.04

Events after the end of the period

No significant events after the end of the period.

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



VEF – Investors in one of the strongest secular growth trends across some of the world’s fastest-growing markets

Photo: Vale Arellano (Unsplash.com)

# Management report

## Dear Fellow Shareholder,

At VEF, we enjoy our front row seat into the health of fintech, private funding and emerging markets. Compared to the operating environment of 2022, through 1H23 we continue to see headwinds gradually abate and tailwinds grow. It remains tough out there, with many moving challenges for investors and entrepreneurs alike, but momentum does feel back on our side.

We are big believers of cause and effect and view our long-term success as the result of many small incremental actions along the journey. At VEF, we continue to focus on and drive those small wins and 2Q23 was no different. We saw a continued recovery in our NAV per share, driven by a combination of the market recovery and our portfolio performance. During the quarter we further enhanced our board by appointing Katharina Lüth, a seasoned fintech operator to our ranks. Additionally, in May we co-hosted a Brazil Fintech event in Stockholm, with Credits, amongst others, in town to present to our local investor base. A great event, it enhanced their understanding of Brazil's potential and the scale of the fintech opportunity our portfolio companies, and thus VEF, are playing into.

## 2Q23 NAV – continued gradual recovery

We end 2Q23 with a NAV per share of SEK 4.97, up 21% QoQ. Total USD NAV ended the quarter at USD 479 mln, up 17% QoQ. The 4% weakening of SEK versus USD QoQ drove the NAV growth currency differential.

Market forces were net supportive for our portfolio valuation over the period. The average of global fintech indices we track, rallied 9% QoQ. Key portfolio currencies were stable-to-stronger over the quarter, with the Mexican peso a standout, up 14% YTD – one of the best performing global currencies against the dollar YTD 2023. As a result of these trends, we saw a number of double-digit percentage company valuation uplifts in the quarter, most notably Konfio (+75%), Juspay (+19%) and TransferGo (+35%). While the Konfio move may seem dramatic QoQ, one has to retrace that we marked down our stake 70% through the downcycle of 2022. YTD moves in Konfio are directly market and company performance related and only recovering part of our valuation write down in that period. Credits (+7%) benefitted also, but to a lesser extent, as we moderated our near-term growth forecasts as they prioritise profitability over growth.

In terms of methodology, at 2Q23, eleven of our seventeen holdings were valued on a model basis, over 91% of our portfolio. The remainder based on last transaction, all of which had taken place in the previous twelve months. We keep a consistency of valuation process in the eyes of our audit committee, auditors and most importantly the market. As a result, the recovery in our NAV YTD 2023 should be of little surprise to the markets, as was our swift revaluing lower of the same portfolio through 1H22 period.

For this quarter's reporting, we moved our smaller portfolio holdings into a single grouped bucket. Any individual position valued at less than 1% of our portfolio is placed in "other" category. The move should allow our reporting, and the market, to focus on our size holdings which have a naturally larger impact on our NAV at this point in our journey. We also continue to see a trend of concentration of our NAV around our larger holdings. At the end of 2Q23, we sit on USD 45.3 mln of capital.

## Key portfolio updates – macro trends dominate over micro

As we moved through 1H23, top down macro/market factors were more prominent, on average, than micro level portfolio moves. In **Brazil**, further clarity on the fiscal outlook was received, which together with falling inflation (3.9% in May), has resulted in increased expectations for interest rate cuts (from 13.75% to 12.25% by YE23). The evolving Brazilian macro outlook for 2024-2025 is starting to look very encouraging. Much talked about potential benefits of nearshoring and related FDI to **Mexico** are showing growing proof points: 1Q23 saw record formal manufacturing job creation, while Tesla's announcement of a new USD 5 bln gigafactory are welcome headlines for all Mexico watchers. **India** continues to hold the mantle of the most attractive structural emerging market growth story for the medium-to-long term. The Sensex Index, currently trading around all-time highs, supports that.

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

**Credits** (*secured lending, LatAm*) – released its headline IFRS results for 1Q23, posting strong 42/36% YoY revenue/loan growth. Consistent with peers, and in line with recent communication, 2023 is a year to prioritise profit over growth. Recent numbers reflect this view as growth rates moderated whilst gross profit margin recovered. Bottoming at 10-11% through 2Q/3Q22, trending to 14.5% in 4Q22 and now 22% in 1Q23, and rising. Furthermore, Credits continues to rationalize overheads, drive efficiency gains, and bring down customer acquisition costs to lowest levels experienced, all driving a path to break even by YE23.

**Konfio** (*SME banking, Mexico*) – As disclosed at the recent HSBC financials conference, Konfio has refocused the business, re-priced the asset side higher and reduced its cost base to provide it a clear growth path to break even by YE23. A banking licence is well within their sights and a potential game changer for the company, its economics and market value. Quarterly market driven valuation recovery aside, Konfio has been a standout performer within the portfolio over the past six months.

**Juspay** (*payments, India*) – Indian airline carrier IndiGo appointed Juspay as its official payment partner in 2Q23. This is yet another tier 1 Indian corporate that has turned to Juspay to manage their internal payments infrastructure in a drive to increase conversion.

## Time spent in Latin America and Indonesia

We continue to stay close to our portfolio companies and targeted investment ecosystems, with trips to Brazil, Mexico and Indonesia over the quarter. We see green shoots in the Brazil VC space, with many of our local early stage (seed and Series A) partners closing their first significant deals of 2023 and the first Series B-C term sheets being signed for some time. Visa's USD 1 bln, all cash, acquisition of Pismo, Brazilian payments play, was a key exit milestone for the ecosystem in 2Q23. The Mexican market is earlier in its recovery cycle. Of late, deployment of capital has mostly been internal investor led and focused on company follow-on fundings. Our focused geographic expansion continued with another trip to Indonesia, building up our ecosystem knowledge and strengthening our relationships with key players in the local ecosystem. Similar to our approach in India, we remain convinced that our patience will be key to success as we observe these ecosystems in transition over time.

## Continue to bring the fight to our traded discount

To repeat from our previous management letters; we hate trading at a discount to NAV. It pains us as VEF business builders and shareholders to see our stock trading at a deep discount to NAV. We fundamentally disagree with it and will continue to do anything in our power to address it.

This quarter our actions included:

- **Portfolio fund raises** – FinanZero's fund raise in 1H23 (additional USD 1.5 mln of funds, on the same terms as previous round) is early evidence that we are in the recovery cycle for capital deployment. We see clear potential for more portfolio company fund raises at or above our NAV marks to occur through 2023.

- **Increased portfolio transparency/access** – We hosted a Brazil Fintech Day in Stockholm in May. Founders Sergio Furio (Credits) and Olle Widén (FinanZero) both attended and presented to a lively audience. Konfio/Credits attended digital investor conferences from BofA and HSBC in 2Q23.
- **PR** – We are working with a PR agency and have already seen a clear uplift in our messaging on the VEF investment case to the key local Swedish investor market.
- **NAV performance** – More of an output, but we continue to see upward momentum in our headline NAV per share. A clear supportive trend, as the market looks ahead and discounts a better future.

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

## Welcoming Katharina Lüth to the VEF board

We announced Katharina Lüth as the newest member of the VEF Board. Katharina has extensive global financial services experience, first as a consultant to financial services at McKinsey & Company and currently holds the position of Chief Client Officer at Raisin, a global savings and investments fintech business based in Berlin. Katharina's vast operational experience and deep understanding of both traditional finance and fintech makes her an extremely valuable addition to our board.

## Early tailwinds and renewed confidence

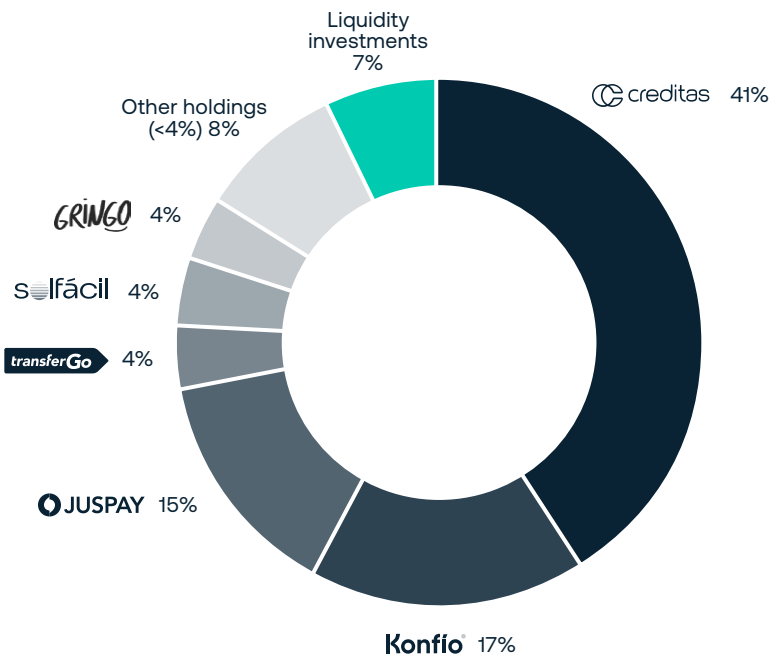
With 2022 firmly in the rear-view mirror, 2023 does feel better. Macro and markets have been clear tailwinds YTD and having spent time on the ground with our companies through 1H23, we have fresh confidence that we have a portfolio well placed to create a lot of long-term value for our shareholders. We look at our shares at this juncture and see both a strong value and growth case to be made. Our goal as ever is to grow our NAV per share and close that discount to NAV. On the pipeline front, there are encouraging signs that we are on the cusp of a fresh and positive investment vintage.

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

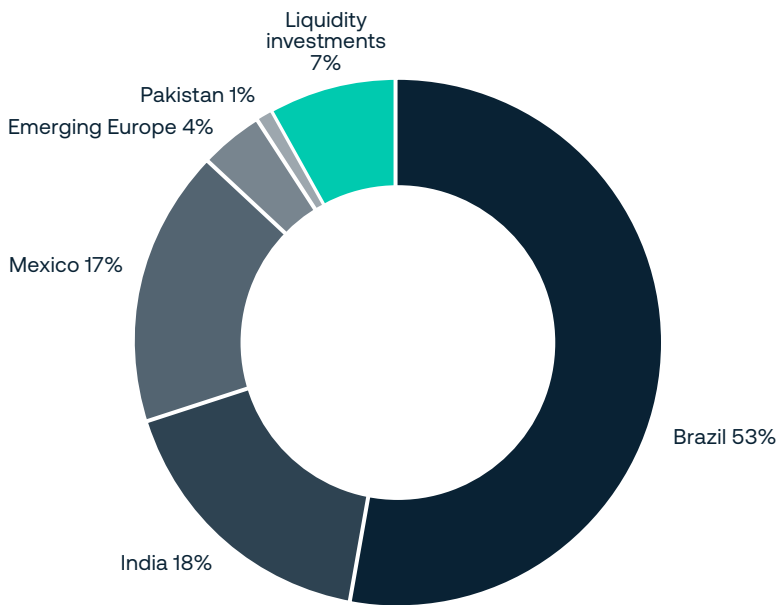
July 2023,  
Dave Nangle

VEF in charts

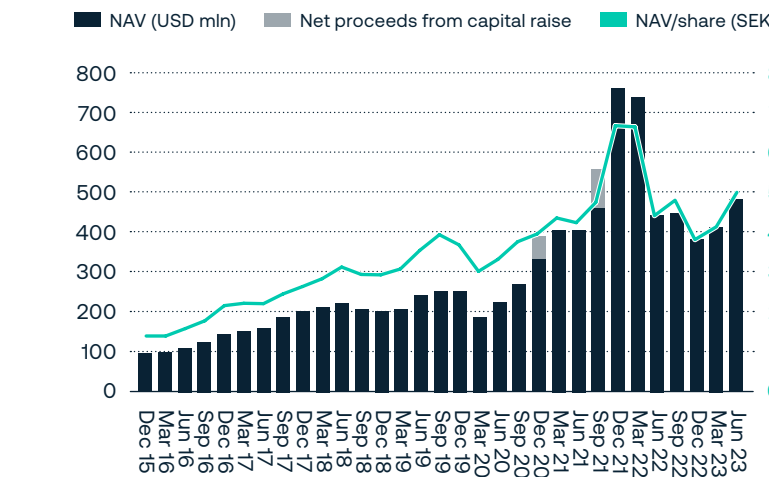
Portfolio composition



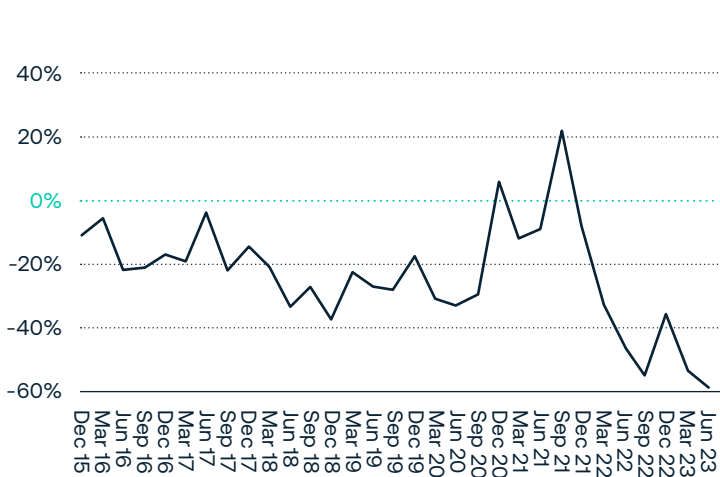
Geographic distribution



NAV evolution



Share premium/discount to NAV



Investment portfolio

Portfolio development

VEF’s net asset value per share increased by 17% in USD and 21% in SEK over 2Q23, while VEF’s share price in SEK increased by 7.3%. During the same period, the MSCI Emerging Markets index\* increased by 0.9% in USD terms.

Liquidity investments

The Company has investments in money market funds as part of its liquidity management operations. As at June 30, 2023, the liquidity investments are valued at USD 36.3 mln.

Net asset value

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

Company	Fair value Jun 30, 2023	Net invested amount	Net investments/ divestments 1H23	Change in fair value 2Q23	Change in fair value 1H23	Fair value Dec 31, 2022	Valuation method
Creditas	212,859	103,356	–	14,169	19,783	193,076	Mark-to-model
Konfio	85,566	56,521	–	36,637	45,420	40,146	Mark-to-model
Juspay	74,886	21,083	–	12,064	27,415	47,471	Mark-to-model
TransferGo	21,778	13,877	–	5,618	5,431	16,347	Mark-to-model
Solfácil	20,000	20,000	–	–	–	20,000	Latest transaction
Gringo	18,834	12,250	–	-1,744	6,584	12,250	Mark-to-model
Nibo	10,192	6,500	–	702	3,375	6,817	Mark-to-model
BlackBuck	8,898	10,000	–	1,302	2,004	6,894	Mark-to-model
FinanZero	7,803	5,163	–	-316	-282	8,085	Latest transaction
Rupeek	7,727	13,858	–	-824	-7,468	15,195	Latest transaction
Abhi	7,585	1,798	–	–	–	7,585	Latest transaction
Other <sup>2</sup>	4,076	32,321	–	-197	-2 858	6 934	
Liquidity investments	36,266	33,800	-6,159	2,253	2,548	39,877	
<b>Investment portfolio</b>	<b>516,470</b>	<b>330,527</b>	<b>-6,159</b>	<b>69,664</b>	<b>101,952</b>	<b>420,677</b>	
Cash and cash equivalents	9,040					8,612	
Other net liabilities	-46,333					-47,458	
<b>Total net asset value</b>	<b>479,177</b>					<b>381,831</b>	

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

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

Portfolio highlights



Creditas 1Q23 financial results

Creditas demonstrated robust financial performance in 1Q23 with a 42% revenue increase and a significant 164% rise in gross profit YoY. The company remains focused on achieving profitability through portfolio growth, loan repricing, and reduced customer acquisition costs. Creditas’ strong results and strategic initiatives position it for continued success in the financial industry.



Juspay launches HyperUPI

Juspay has introduced HyperUPI, an SDK for in-app UPI payments. HyperUPI enables merchants to offer seamless UPI transactions within their apps without redirection to external UPI apps, enhancing customer experiences and increasing conversions. HyperUPI reflects Juspay’s commitment to innovation in India’s digital payment industry.



TransferGo Co-founders, Daumantas Dvilinskas and Justinas Lasevicius became Endeavor Entrepreneurs

TransferGo Co-founders have been named Endeavor Entrepreneurs, selected among eleven entrepreneurs based on their potential for high-impact growth. Endeavor, a global organization supporting entrepreneurship, recognizes their visionary leadership and remarkable achievements in leading TransferGo.

Key valuation considerations



During 2Q23, Konfio was the strongest contributor to the positive portfolio valuation uplift, both in percentage increase and in absolute USD terms. Konfio’s USD 37 mln valuation increase was driven by strong positive moves in its listed peers, revised (positive) NTM revenue forecast in tandem with a stronger MXN/USD during the quarter.



Creditas outlook remains strong with 42% YoY revenue growth and improved gross profit margins reported in 1Q23. On back of consistent delivery and positive moves in underlying peer multiples, we saw a 7% QoQ valuation uplift, equivalent to USD 14 mln.



Juspay continues its strong growth trajectory while continuously adding new strategic partners to its platform, further cementing its position as the leading mobile payments platform in India. Similar to 1Q23, Juspay’s valuation continues its positive trend and demonstrated a 19% valuation uplift (USD 12 mln) in the quarter, driven by a combination of positive peer group performance and a stronger NTM revenue outlook, while the INR/USD remained essentially flat.

Brazil



Creditas is building an asset focused ecosystem that supports customers in three essential aspects: living (home), mobility (transport) and earning (salary) by providing fintech, insurtech and consumer solutions. One of LatAm’s leading private fintech plays, Creditas is on a clear path towards IPO.

In 4Q22 VEF made a follow-on investment of USD 5 mln into Creditas as part of a convertible round taking the total invested amount in Creditas to USD 103 mln.

\$	Fair value (USD): 212.9 mln
📁	Share of VEF’s portfolio: 41.2%
%	VEF stake: 8.5%



Solfácil is building a digital ecosystem for solar energy adoption in Brazil. It currently offers a digital solar panel marketplace and financing solutions on its platform, allowing Brazilian consumers and SMEs to finance and own their solar panels.

In 1Q22, VEF invested USD 20 mln into Solfácil, participating in its USD 100 mln Series C round led by QED and also saw participation from SoftBank and existing investors. The round was subsequently extended to USD 130 mln with an additional USD 30 mln contribution from Fifth Wall in 2Q22.

\$	Fair value (USD): 20.0 mln
📁	Share of VEF’s portfolio: 3.9%
%	VEF stake: 2.6%



Founded in 2020, Gringo is building a “super-app” for drivers in Brazil and currently offers vehicle-documentation related services, credit and insurance solutions. Gringo is focused on improving drivers’ vehicle ownership journey in Brazil, which is currently riddled with pain points driven by analogue processes, massive paperwork and broken legacy systems.

In 1Q22, VEF invested USD 12.2 mln into Gringo, leading its USD 34 mln series B round together with Piton Capital which also saw participation from existing investors.

\$	Fair value (USD): 18.8 mln
📁	Share of VEF’s portfolio: 3.6%
%	VEF stake: 10.2%



Nibo is the leading accounting SaaS provider in Brazil, transforming the way accountants and SMEs interact. Nibo services over 400,000 SMEs through 4,000+ accountants on their platform.




Since VEF’s initial investment into Nibo in 2017 VEF made two follow-on investments in 2019 and 2020 and has in total invested USD 6.5 mln.

\$	Fair value (USD): 10.2 mln
📁	Share of VEF’s portfolio: 2.0%
%	VEF stake: 20.1%

# FinanZero

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

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




	Fair value (USD): <b>7.8 mln</b>
	Share of VEF's portfolio: <b>1.5%</b>
	VEF stake: <b>18.3%</b>

## India

### JUSPAY

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




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

	Fair value (USD): <b>74.9 mln</b>
	Share of VEF's portfolio: <b>14.5%</b>
	VEF stake: <b>10.2%</b>

### BLACKBUCK

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




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

	Fair value (USD): <b>8.9 mln</b>
	Share of VEF's portfolio: <b>1.7%</b>
	VEF stake: <b>1.0%</b>

### Rupeek

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

In 2023, Rupeek raised an additional USD 7 mln to fund its growth plans. In total VEF has invested USD 14 mln into Rupeek.




	Fair value (USD): <b>7.7 mln</b>
	Share of VEF's portfolio: <b>1.5%</b>
	VEF stake: <b>2.5%</b>

## Mexico

### Konfío

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

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




	Fair value (USD): <b>85.6 mln</b>
	Share of VEF's portfolio: <b>16.6%</b>
	VEF stake: <b>10.3%</b>

## Emerging Europe

### transferGo

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

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




	Fair value (USD): <b>21.8 mln</b>
	Share of VEF's portfolio: <b>4.2%</b>
	VEF stake: <b>12.5%</b>

## Pakistan

### abhi

Abhi is a financial wellness company for businesses and their employees in Pakistan, offering earned wage access, invoice factoring and payroll solutions.

VEF led Abhi's Seed round in 2Q21 and has invested a total of USD 1.8 mln into the company, most recently participating in Abhi's Series A with an investment of USD 0.5 mln in 2Q22.

	Fair value (USD): <b>7.6 mln</b>
	Share of VEF's portfolio: <b>1.5%</b>
	VEF stake: <b>11.5%</b>

# Financial information

## Investments

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

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

## Divestments

Gross divestments in financial assets during 1H23 were USD 6.2 mln, of which all relates to divestments in liquidity investments (1H22: USD 33.0 mln).

## Share info

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

## Share repurchases

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

## Group – results for 1H23

During 1H23, the result from financial assets at fair value through profit or loss amounted to USD 102.0 mln (1H22: -317.3).

- Coupon income were USD 0.0 mln (1H22: 0.2).
- Operating expenses amounted to USD -3.7 mln (1H22: -4.7).
- Net financial items were USD -1.0 mln (1H22: 1.0).
- Net result was USD 97.2 mln (1H22: -320.7).
- Total shareholders' equity amounted to USD 479.2 mln (YE22: 381.8).

## Group – results for 2Q23

During 2Q23, the result from financial assets at fair value through profit or loss amounted to USD 69.7 mln (2Q22: -295.6).

- Coupon income were USD 0.0 mln (2Q22: 0.1).
- Operating expenses amounted to USD -1.3 mln (2Q22: -2.1).
- Net financial items were USD 0.4 mln (2Q22: 1.0).
- Net result was USD 68.7 mln (2Q22: -296.6).

The second quarter continued recovery in financial markets had a positive impact on the financial results in 2Q23. The key drivers of overall NAV performance were both expansion of peer valuation multiples through the quarter and underlying portfolio performance. On an aggregated level, portfolio performance remained strong, with continued moderated revenue growth a reflection of plans to reach break even at a majority of portfolio companies.

## Liquid assets

The liquid assets of the Group, defined as cash and bank deposits, amounted to USD 9.0 mln on June 30, 2023 (YE22: 8.6). The Company also has placements in money market funds as part of its liquidity management operations. As of June 30, 2023, the liquidity placements are valued at USD 36.3 mln (YE22: 39.9).

## Parent company

The parent company, VEF AB (publ), is the holding company of the Group. The net result for 1H23 was SEK 261.4 mln (1H22: 56.9). VEF AB (publ) is the parent of three wholly owned subsidiaries: VEF Cyprus Limited, VEF Fintech Ireland Limited and VEF UK Ltd. VEF AB (publ) is the direct shareholder of three portfolio companies (BlackBuck, Juspay and Rupeek).

## Current market environment

Vis a vis 2022, 2023 marked the start of a continued recovery story in financial markets, mostly prevalent in technology and fintech stocks. In the wake of the Silicon Valley Bank crisis in 1Q23, markets and investors still experience a challenging backdrop, albeit with continued positive signs of recovery. Our key benchmark fintech indices, ARKF and FINX, continued their positive trajectory, delivering strong double digit price performance YTD, while our key comps for the top end of our portfolio experienced a solid quarter in terms of share price performance. From a currency perspective, our key portfolio currencies also continued to strengthen over the quarter.

VEF's key market, Brazil, continued to see inflation coming down to below 4% in May, further emphasising consensus that rates have peaked and pushing expectations for SELIC rate cuts during this year from a 13.75% high. Similar to 1Q23, India, our second largest market, remains very strong and resilient to the current macro climate. During the quarter VEF has continued to trade at a deep discount to our 1Q23 NAV similar to global peers. VEF's financial position remains comfortable with a solid balance sheet and a USD 45.3 mln cash position at the end of the quarter, expected to be more than sufficient to support current portfolio over the coming twelve-months period. Importantly, approximately 94% of our portfolio remains well funded and have either reached or have the ability to reach break even without additional funding, while the remaining 6% have a weighted cash runway of approximately 14 months. On a micro level, the negative impact in some of our portfolio names is for the most part market-related in the short to medium term, affecting their respective valuations and potentially their ability to raise additional capital further on.

# Consolidated income statement

KUSD	Note	1H 2023	1H 2022	2Q 2023	2Q 2022
Result from financial assets at fair value through profit or loss	4	101,952	-317,305	69,664	-295,584
Coupon income		–	195	–	98
Other income		18	164	18	-
Administrative and operating expenses		-3,744	-4,701	-1,324	-2,103
Operating result		98,226	-321,647	68,358	-297,589
Financial income and expenses					
Interest income		112	–	107	–
Interest expense		-2,707	-694	-1,423	-688
Currency exchange gains/losses, net		1,597	1,660	1,743	1,720
Net financial items		-998	966	427	1,032
Result before tax		97,228	-320,681	68,785	-296,557
Taxation		-54	-1	-54	–
Net result for the period		97,174	-320,682	68,731	-296,557
Earnings per share, USD	9	0.09	-0.31	0.07	-0.28
Diluted earnings per share, USD	9	0.09	-0.30	0.07	-0.28

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

# Consolidated balance sheet

KUSD	Note	Jun 30, 2023	Dec 31, 2022
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		133	156
Total tangible non-current assets		133	156
Financial non-current assets			
Financial assets at fair value through profit or loss	4		
Equity financial assets		480,204	380,800
Liquid financial assets		36,266	39,877
Other financial assets		34	32
Total financial non-current assets		516,504	420,709
CURRENT ASSETS			
Tax receivables		76	64
Other current receivables		180	449
Prepaid expenses		172	104
Cash and cash equivalents		9,040	8,612
Total current assets		9,468	9,229
TOTAL ASSETS		526,105	430,094
SHAREHOLDERS' EQUITY (including net result for the financial period)		479,177	381,831
NON-CURRENT LIABILITIES			
Long-term liabilities	6	45,551	46,979
Total non-current liabilities		45,551	46,979
CURRENT LIABILITIES			
Accounts payable		59	76
Tax liabilities		57	–
Other current liabilities		185	241
Accrued expenses		1,076	967
Total current liabilities		1,377	1,284
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		526,105	430,094

# Consolidated statement of changes in equity

KUSD	Note	Share capital	Additional paid in capital	Retained earnings	Total
Balance at Jan 1, 2022		1,308	97,440	662,980	761,728
Net result for the period		–	–	-377,359	-377,359
Value of employee services:					
- Employee share option scheme		–	12	–	12
- Share based long-term incentive program		10	350	–	360
Buyback of own shares		–	-2,910	–	-2,910
Balance at Dec 31, 2022		1,318	94,892	285,621	381,831
Balance at Jan 1, 2023		1,318	94,892	285,621	381,831
Net result for the period		–	–	97,174	97,174
Transactions with owners:					
Retiring of shares		-12	-2,899	–	-2,912
Bonus issue		12	2,899	–	2,912
Value of employee services:					
- Employee share option scheme	7	–	8	–	8
- Share based long-term incentive program	8	–	164	–	164
Balance at Jun 30, 2023		1,318	95,064	382,795	479,177

# Consolidated statement of cash flows

KUSD	1H 2023	1H 2022	2Q 2023	2Q 2022
OPERATING ACTIVITIES				
Result before tax	97,228	-320,681	68,785	-296,557
Adjustment for non-cash items:				
Interest income and expense, net	2,595	694	1,316	688
Currency exchange gains/-losses, net	-1,597	-1,660	-1,743	-1,720
Depreciations	24	77	13	53
Result from financial assets at fair value through profit or loss	-101,952	317,305	-69,664	295,584
Other non-cash items affecting profit or loss	172	174	81	84
Adjustment for cash items:				
Coupon income	–	-195	–	-98
Change in current receivables	-36	-1,542	-122	-1,501
Change in current liabilities	65	534	-120	694
Adjustments of cash flow in operating activities	-3,501	-5,294	-1,454	-2,773
Investments in financial assets	–	-73,787	–	-41,537
Sales of financial assets	6,159	33,000	3,159	3,000
Coupon income	–	195	–	98
Interest received	112	–	107	–
Net cash flow from/used in operating activities	2,770	-45,886	1,812	-41,212
FINANCING ACTIVITIES				
Interest paid on sustainability bonds	-2,370	–	-1,257	–
Proceeds from sustainability bonds	–	53,080	–	53,080
Proceeds from new share issue through employee options	–	-4	–	–
Net cash flow from/used in financing activities	-2,370	53,076	-1,257	53,080
Cash flow for the period	400	7,190	555	11,868
Cash and cash equivalents at beginning of the period	8,612	11,131	8,506	6,380
Exchange gains/losses on cash and cash equivalents	28	-2,562	-21	-2,489
Cash and cash equivalents at end of the period	9,040	15,759	9,040	15,759

# Alternative performance measures

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

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

	Note	Jun 30, 2023	Dec 31, 2022
Equity ratio	9	91.1%	88.8%
Net asset value, USD	9	479,177,448	381,830,589
Exchange rate at balance sheet date, SEK/USD		10.80	10.43
Net asset value/share, USD	9	0.46	0.37
Net asset value/share, SEK	9	4.97	3.82
Net asset value, SEK	9	5,177,106,522	3,981,466,381
Share price, SEK		2.04	2.45
Traded premium/discount to NAV	9	-59.0%	-35.8%
Weighted average number of shares for the financial period	9	1,041,865,735	1,045,052,785
Weighted average number of shares for the financial period, fully diluted	9	1,041,865,735	1,045,052,785
Number of shares at balance sheet date	9	1,041,865,735	1,041,865,735
Number of shares at balance sheet date, fully diluted	9	1,041,865,735	1,041,865,735

# Parent company income statement

KSEK	1H 2023	1H 2022	2Q 2023	2Q 2022
Result from financial assets at fair value through profit or loss	304,684	89,077	208,877	96,306
Coupon income	–	1,926	–	996
Other income	3,369	–	3,369	–
Administrative and operating expenses	-21,378	-30,485	-8,201	-15,011
Operating result	286,675	60,518	204,045	82,291
Financial income and expenses				
Interest income	926	–	915	–
Interest expense	-27,933	-7,038	-14,768	-7,038
Currency exchange gains/losses, net	1,705	3,411	1,331	4,557
Net financial items	-25,302	-3,627	-12,522	-2,481
Result before tax	261,373	56,891	191,523	79,810
Taxation	–	–	–	–
Net result for the period	261,373	56,891	191,523	79,810

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

# Parent company balance sheet

KSEK	Note	Jun 30, 2023	Dec 31, 2022
<b>NON-CURRENT ASSETS</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries		2,432,931	2,400,800
Financial assets at fair value through profit or loss			
Equity financial assets		988,697	725,327
Liquid financial assets		391,824	415,811
Other financial assets		50	50
<b>Total financial non-current assets</b>		<b>3,813,502</b>	<b>3,541,988</b>
<b>CURRENT ASSETS</b>			
Tax receivables		378	245
Other current receivables		1,788	4,310
Other current receivables, Group		12,094	9,746
Prepaid expenses		1,025	956
Cash and cash equivalents		69,420	74,592
<b>Total current assets</b>		<b>84,705</b>	<b>89,849</b>
<b>TOTAL ASSETS</b>		<b>3,898,207</b>	<b>3,631,837</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	5	<b>3,391,745</b>	<b>3,128,670</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term liabilities	6	491,250	488,750
<b>Total non-current liabilities</b>		<b>491,250</b>	<b>488,750</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		626	649
Other current liabilities, Group		2,432	2,442
Other current liabilities		776	1,463
Accrued expenses		11,378	9,863
<b>Total current liabilities</b>		<b>15,212</b>	<b>14,417</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,898,207</b>	<b>3,631,837</b>

# Parent company statement of changes in equity

KSEK	Note	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at Jan 1, 2022</b>		<b>10,963</b>	<b>849,376</b>	<b>2,272,233</b>	<b>3,132,572</b>
Net result for the period		–	–	23,969	23,969
Value of employee services:					
- Employee share option scheme		–	122	–	122
- Share based long-term incentive program		104	3,590	–	3,694
Buyback of own shares		–	-31,687	–	-31,687
<b>Balance at Dec 31, 2022</b>		<b>11,067</b>	<b>821,401</b>	<b>2,296,202</b>	<b>3,128,670</b>
<b>Balance at Jan 1, 2023</b>		<b>11,067</b>	<b>821,401</b>	<b>2,296,202</b>	<b>3,128,670</b>
Net result for the period		–	–	261,373	261,373
Transactions with owners:					
Retiring of shares		-135	-31,559	-6	-31,700
Bonus issue		135	31,565	–	31,700
Value of employee services:					
- Employee share option scheme	7	–	80	–	80
- Share based long-term incentive program	8	–	1,622	–	1,622
<b>Balance at Jun 30, 2023</b>		<b>11,067</b>	<b>823,109</b>	<b>2,557,569</b>	<b>3,391,745</b>

# Notes

(Expressed in KUSD unless indicated otherwise)

## Note 1

### General information

VEF AB (publ) was incorporated as a shelf company on December 7, 2020, but changed name to VEF AB (publ) and became active on May 28, 2021. The registered office is at Mäster Samuelsgatan 1, 111 44 Stockholm, Sweden. The common shares of VEF AB (publ) are listed on Nasdaq Stockholm Main Market with the ticker VEFAB. The common shares of VEF AB (publ) replaced the Swedish Depository Receipts representing shares in VEF Ltd. With effect as from July 5, 2021, in connection with the transfer of domicile of the group from Bermuda to Sweden.

As of June 30, 2023, the VEF Group consists of the Swedish Parent Company VEF AB (publ) and three wholly owned subsidiaries: VEF Cyprus Limited, VEF Fintech Ireland Limited and VEF UK Ltd. VEF Service AB was liquidated in 2Q23. VEF Cyprus Limited act as the main investment vehicle for the group, holding fourteen of seventeen investments at balance date. VEF AB (publ) holds the remaining three (BlackBuck, Juspay and Rupeek) and act as a service company, together with VEF Fintech Ireland Limited and VEF UK Ltd, providing business and investment support services to the Group.

The financial year is January 1–December 31.

### Parent company

The Parent Company VEF AB (publ) is a Swedish limited liability company, incorporated in Sweden and operating under Swedish law. VEF AB (publ) is the holding company of the Group and directly owns all the companies in the Group. The net result for 1H23 was SEK 261.4 mln (1H22: 56.9). VEF AB (publ) was incorporated on December 7, 2020, and became active on May 28, 2021. The parent company has four employees per June 30, 2023.

### Accounting principles

This interim report has, for the Group, been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial reporting for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities, issued by the Swedish Financial Reporting Board.

Under Swedish company regulations it is not allowed to report the Parent Company results in any other currency than SEK or EUR and consequently the Parent Company’s financial information is reported in SEK and not the Group’s reporting currency of USD.

The accounting principles in the 2022 Annual Report sets out the principles for the Group and the Parent company.

## Note 2 — Financial and operating risks

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

## Note 3 — Related party transactions

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

	Operating expenses		Current liabilities	
	1H 2023	1H 2022	Jun 30, 2023	Jun 30, 2022
Key management and Board of Directors <sup>1</sup>	1,675	2,219	–	–

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

## Note 4 — Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Investments in assets that are not traded on any market will be held at fair value determined by recent transactions made at prevailing market conditions or different valuation models depending on the characteristics of the company as well as the nature and risks of the investment. These different techniques may include discounted cash flow valuation (DCF), exit-multiple valuation also referred to as leveraged buyout (LBO) valuation, asset-based valuation as well as forward look-ing multiples valuation based on comparable traded companies (peer companies). Usually, transaction-based valuations are kept unchanged for a period of twelve months unless there is cause for a significant change in valuation. After twelve months, the fair value for non-traded assets will normally be derived through any of the models described above.

The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment’s fair value, the valuation is adjusted accordingly. The transaction-based valuations are also frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models when warranted.

VEF follows a structured process in assessing the valuation of its unlisted investments. VEF evaluates company specific and external data relating to each specific investment on an ongoing basis. The data is then assessed at quarterly valuation meetings by senior management. If internal or external factors are deemed to be significant, further assessment is under-taken and the specific investment is revalued to the best fair value estimate. Revaluations are first reviewed by the audit committee and later approved by the Board in connection with the Company’s financial reports.

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

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

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

Assets measured at fair value at Jun 30, 2023

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	36,266	44,360	435,844	516,470
of which:				
Liquidity placements	36,266	–	–	36,266
Shares	–	44,360	418,050	462,410
Convertibles and SAFE notes	–	–	17,794	17,794
Total assets	36,266	44,360	435,844	516,470

Assets measured at fair value at Dec 31, 2022

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

Changes of financial assets in Level 3

	Jun 30, 2023	Dec 31, 2022
Opening balance Jan 1	269,214	25,794
Transfers from Level 2 to Level 3 <sup>1</sup>	59,721	605,712
Transfers from Level 3 to Level 2 <sup>1</sup>	-2,637	–
Change in fair value	109,546	-362,292
Closing balance	435,844	269,214

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

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

The investments in Creditas, Konfío, Juspay, TransferGo, Gringo, Nibo and BlackBuck are classified as Level 3 investments. The remaining smaller portfolio companies are either classified as Level 2 or Level 3 investments. During the quarter Rupeek has been transferred from Level 3 to Level 2, while no companies have been transferred from Level 2 to Level 3.

Transaction-based valuations

Holdings classified as Level 2 investments are valued based on the latest transaction in the company, on market terms. The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment’s fair value, the valuation is adjusted accordingly. The transaction-based valuations are frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models. When transaction-based valuations of unlisted holdings are used, no material event is deemed to have occurred in the specific portfolio company that would suggest that the transaction-based value is no longer valid. During 2Q23, key portfolio currencies continued to strengthen against the dollar. The majority of the holdings valued on the basis of the latest transactions demonstrate strong revenue growth profiles and are set to deliver growth broadly in line with their respective business plans on which the latest transaction was based.

Mark-to-model-based valuations

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

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. Peers used in the 2Q23 peer set include a mix of listed emerging and developed market companies representing accounting SaaS and BNPL companies, fast growth payments companies and a range of Latin American fintech companies. The NTM multiples across the different peer groups per company and valuation range from 0.5x to 22.2x NTM revenues. As a standard process, the median of each group is used, and in applicable cases VEF will adjust the resulting multiple based on prevailing local market conditions, sector and company specific factors, applying discounts or premiums to reflect the fair value of the company..

Company	Valuation method	Date latest transaction
Abhi	Latest transaction	2Q22
FinanZero	Latest transaction	2Q22
Rupeek	Latest transaction	2Q23
Solfácil	Latest transaction	2Q22

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

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

Company	Valuation method	Peer group range	-15%	-10%	-5%	0%	+5%	+10%	+15%
Creditas	Revenue multiple	0.5–4.2x	183,265	193,129	202,994	212,859	222,723	232,588	242,452
Konfio	Revenue multiple	0.5–4.2x	74,175	77,972	81,769	85,566	89,363	93,160	95,957
Juspay	Revenue multiple	5.5–22.2x	64,414	67,905	71,396	74,886	78,377	81,868	85,358
TransferGo	Revenue multiple	2.4–4.6x	18,763	19,768	20,773	21,778	22,783	23,788	24,793
Gringo	Revenue multiple	3.9–22.2x	16,270	17,125	17,979	18,834	19,688	20,543	21,398
Nibo	Revenue multiple	7.3–10.9x	8,779	9,250	9,721	10,192	10,664	11,135	11,606
BlackBuck	Revenue multiple	5.7–6.2x	7,644	8,062	8,480	8,898	9,317	9,735	10,153

Change in financial assets at fair value through profit or loss

Company	Jan 1, 2023	Investments/ (divestments), net	Fair value change	Jun 30, 2023	Percentage of portfolio	VEF ownership stake
Creditas	193,076	–	19,783	212,859	41.2%	8.5%
Konfio	40,146	–	45,420	85,566	16.6%	10.3%
Juspay	47,471	–	27,415	74,886	14.5%	10.2%
TransferGo	16,347	–	5,431	21,778	4.2%	12.5%
Solfácil	20,000	–	–	20,000	3.9%	2.6%
Gringo	12,250	–	6,584	18,834	3.6%	10.2%
Nibo	6,817	–	3,375	10,192	2.0%	20.1%
BlackBuck	6,894	–	2,004	8,898	1.7%	1.0%
FinanZero	8,085	–	-282	7,803	1.5%	18.3%
Rupeek	15,195	–	-7,468	7,727	1.5%	2.5%
Abhi	7,585	–	–	7,585	1.5%	11.5%
Other <sup>1</sup>	6 934	–	-2,858	4,076	0.8%	
Liquidity investments	39,877	-6,159	2,548	36,266	7.0%	
Total	420,677	-3,159	101,952	516,470		

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

Note 5 – Share capital

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

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

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

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

Note 6 – Long-term liabilities

Sustainability bonds 2022/2025

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

Note 7 – Option plan

Per June 30, 2023, a total of 1,000,000 options are outstanding. None to the Managing Director and 1,000,000 to other employees.

Option grant date	May 16, 2018	Dec 17, 2019
Maturity date	Aug 16, 2023	Dec 17, 2024
Option price at grant date, SEK	0.41	0.34
Share price at grant date, SEK	1.97	2.95
Exercise price, SEK	2.35	3.69
Volatility	29.90%	22.80%
Risk free interest rate	-0.13%	-0.29%
No. of options granted	500,000	500,000

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

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

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

	LTIP 2020	LTIP 2021	LTIP 2022
Performance measurement period	Jan 2020–Dec 2024	Jan 2021–Dec 2025	Jan 2022–Dec 2026
Vesting period	Nov 2020–Dec 2024	Sept 2021–Dec 2025	Aug 2022–Dec 2024
Maximum no of shares, Managing Director	13,300,000	3,325,000	3,325,000
Maximum no of shares, others	19,451,250	4,904,375	7,027,895
Maximum no of shares, total	32,751,250	8,229,375	10,352,895
Maximum dilution	3.14%	0.79%	0.99%
Share price on grant date, SEK	3.14	4.34	2.31
Share price on grant date, USD	0.36	–	–
Plan share price on grant date, SEK¹	0.37	0.62	0.10
Plan share price on grant date, USD¹	0.04	–	–
Total employee benefit expense excl. bonuses paid and social taxes	LTIP 2020²	LTIP 2021²	LTIP 2022²
2023	93	52	14
2022	204	131	14
2021	201	22	–
2020	31	–	–
Total accumulated	529	205	28

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

Note 9 – Key and alternative performance measures

IFRS defined performance measures (not alternative performance measures)

**Earnings per share**  
Result for the period divided with the average number of outstanding common shares. Class C shares issued to participants under the Company’s LTIP are not treated as outstanding common shares and thus are not included in the weighted calculation, but they are however recognized as an increase in shareholder’s equity. Repurchased common shares held in treasury by the Company is neither included in the calculation.

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

Key ratios – reconciliation table

	1H 2023	1H 2022	2Q 2023	2Q 2022
<b>Earnings per share, USD</b>				
Weighted average number of shares	1,041,865,735	1,042,289,978	1,041,865,735	1,042,289,978
Result for the period	97,173,967	-320,861,545	68,731,355	-296,556,622
Earnings per share, USD	0.09	-0.31	0.07	-0.28
<b>Diluted earnings per share, USD</b>				
Diluted weighted average number of shares	1,041,865,735	1,054,812,471	1,041,865,735	1,054,812,471
Result for the period	97,173,967	-320,861,545	68,731,355	-296,556,622
Diluted earnings per share, USD	0.09	-0.30	0.07	-0.28

Alternative performance measures

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

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

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

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

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

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

Alternative performance measures – reconciliation tables

	Jun 30, 2023	Dec 31, 2022
<b>Equity ratio</b>		
Net asset value/shareholders equity, USD	479,177,448	381,830,589
Total assets, USD	526,104,540	430,093,844
Equity ratio	91.1%	88.8%
<b>Net asset value, USD</b>	479,177,448	381,830,589
<b>Net asset value, SEK</b>		
Net asset value, USD	479,177,448	381,830,589
SEK/USD	10.80	10.43
Net asset value, SEK	5,177,106,522	3,981,466,381
<b>Net asset value/share, USD</b>		
Net asset value, USD	479,177,448	381,830,589
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, USD	0.46	0.37
<b>Net asset value/share, SEK</b>		
Net asset value, USD	479,177,448	381,830,589
SEK/USD	10.80	10.43
Net asset value, SEK	5,177,106,522	3,981,466,381
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.97	3.82
<b>Premium/discount(–) to NAV</b>		
Net asset value, USD	479,177,448	381,830,589
SEK/USD	10.80	10.43
Net asset value, SEK	5,177,106,522	3,981,466,381
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.97	3.82
Share price, SEK	2.04	2.45
Premium/discount(–) to NAV	-59.0%	-35.8%

Other definitions

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

Note 10 – Events after the reporting period

No significant events after the end of the period.

# Other information

## Upcoming reporting dates

VEF’s financial report for the period January 1, 2023–September 30, 2023, will be published on October 25, 2023.  
VEF’s financial report for the period January 1, 2023–December 31, 2023, will be published on January 24, 2024.

The Board of Directors and the Managing Director certify that this six-month interim report provides a true and fair overview of the Parent Company and the Group’s operations, financial position, and performance for the period, and describes the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 19, 2023

Lars O Grönstedt  
*Chairman of the Board*

Per Brilioth  
*Board member*

Allison Goldberg  
*Board member*

Hanna Loikkanen  
*Board member*

Katharina Lüth  
*Board member*

David Nangle  
*Board member and  
Managing Director*

**This information is information that VEF AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 2023-07-19 08:00 CEST.**

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

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**This report has not been subject to review by the Company’s auditors.**



**The emerging market fintech investor**