

The background of the slide is a landscape photograph. In the foreground, there are several tall, dark silhouettes of cholla cacti. The middle ground shows a range of low, rolling mountains or hills. The sky is filled with soft, white and grey clouds, suggesting an overcast or hazy day. The overall color palette is muted, with greys, blues, and greens.

# VEF

The emerging market fintech investor

## Year-End Report 2020



## Highlights during the quarter

- NAV per share rose to a fresh all-time high of SEK 3.83 and NAV to USD 388.1 mln, driven by continued strong performance across the portfolio.
- VEF invested an additional USD 25 mln in Creditas as part of a USD 255 mln funding round valuing the company at USD 1.75 bln. Creditas now accounts for 44% of total NAV.
- Finja closed a financing round of USD 9 mln. VEF participated via outstanding convertible notes while investing an additional USD 0.5 mln.
- VEF completed a share placement, 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.
- At the Special General Meeting (SGM) in October, Vostok Emerging Finance resolved to change the Company's name to VEF.

## Net asset value

- NAV of VEF's portfolio increased during 4Q20 to USD 388.1 mln. NAV per share increased by 16% to USD 0.47 per share.
- In local currency, NAV increased to SEK 3,178 mln. NAV per share increased by 6% to SEK 3.83 per share.
- Cash position, including liquidity investments, at the end of 4Q20 was USD 52.4 mln.

## Financial result

- Net result for 4Q20 was USD 60.5 mln (4Q19: USD 0.77 mln). Earnings per share were USD 0.08 (4Q19: USD 0.00).
- Net result for FY20 was USD 79.5 mln (FY19: USD 48.53 mln). Earnings per share were USD 0.11 (FY19: USD 0.07).

	Dec 31, 2019	Sep 30, 2020	Dec 31, 2020
Net asset value (USD mln)	249.4	268.2	388.1
Net asset value (SEK mln)	2,325	2,409	3,178
Net asset value per share (USD)	0.38	0.40	0.47
Net asset value per share (SEK)	3.55	3.63	3.83
VEMF SDB share price (SEK)	2.94	2.57	4.04

The Company will hold a telephone conference with an interactive presentation at 15:00 CET (09:00 a.m. ET) Wednesday, February 3, 2021. For call-in details, see separate press release issued on January 27, 2021 at [vef.vc](http://vef.vc).

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

388.1  
Net asset value  
(USD mln)

3.83  
Net asset value  
per share (SEK)

16%  
Net asset value per share  
growth QoQ (USD)

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



# Management report

## 4Q20 was an exceptionally busy and successful quarter for VEF, within the context of a challenging but rewarding year for the firm overall.

In the final quarter of 2020, we successfully raised fresh equity capital of USD 61 mln, took up our rights in Creditas' landmark fundraising valuing the company at USD 1.75 bln, and closed the year with our share price and NAV per share reaching record highs. While always confident of the long-term value creation path we are on, the achievements of 4Q were a really positive way to end the year, especially given the headwinds and uncertainty of outlook faced at the outset of the COVID-19 crisis through 1H20.

## 4Q20 record NAV mark – capital raise and Creditas to the fore

We end 2020 with a NAV per share of SEK 3.83, up 6% QoQ and 8% YoY. Total USD NAV ended the year at 388 mln, 45% QoQ and 56% YoY. Total USD NAV uplift of USD 120 mln QoQ was in part driven by fresh capital raised of USD 61 mln and in part by portfolio valuation uplift, with Creditas the notable engine of growth. Looking back on 2020, post the 1Q20 COVID-19-triggered downward revision of our NAV, we have 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 company-level performance, recovery of market benchmark multiples and a broadly stronger FX trend versus the USD through 4Q20. On a portfolio level, Creditas accounted for the majority of the NAV uplift during the quarter. 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. Besides Creditas, Finja also closed a fresh financing round of USD 9 mln, bolstering the company's valuation, but more importantly, leaving the company exceptionally well-placed to grow its Pakistani digital loan marketplace through 2021.

## Portfolio highlights – Creditas grabbed the headlines, Konfío impressive performer

Creditas' 4Q20 USD 255 mln Series E funding, at a USD 1.75 bln post money valuation, is yet another milestone for VEF's north star investment. Creditas delivered BRL 600 mln loan originations and BRL 232 mln in revenues for the 9M20 period, doubling YoY despite COVID-19 headwinds. With the core Brazilian secured lending business on a very healthy growth trajectory, management is gradually expanding the product suite around the key three verticals (auto, home, payroll) in Brazil and recently launched in Mexico. On a path towards IPO, Creditas will now start to share quarterly results of key operational metrics, with the objective of increasing transparency to the market, something which we welcome as a listed investment company. Creditas is now 44% of our NAV.

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. 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 are 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 big two assets, there are so many positive sub-stories within the portfolio from 2020. TransferGo is top three in our NAV and was one of the clearest COVID-19 beneficiaries in our portfolio. 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. Juspay has had a strong first year of life in our portfolio and has only increased our appetite for more assets in India. 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 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.

## One new investment in 2020 and pipeline very healthy for 2021

In 2020 we added one new asset, a first investment into India – Juspay – and had no portfolio exits. We had a very busy 2H20 for pipeline versus the relatively quiet 1H20 period and we continue to be encouraged by the fresh quality opportunities coming through. We have engaged with over 130 companies in 2020 – and beyond the closure of Juspay, expect to close more investments off the back of this groundwork in 2021. Geographies of focus remain Brazil, Mexico, India, Pakistan and Egypt. Sectors getting more relative focus include secured lending, all things small business, the employee/payroll ecosystems, accounting SaaS and payments.

## Successful capital raise leaves us well positioned for continued investment

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 and have a healthy 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. All this laid the ground work for our successful share placement in 4Q20, where we raised USD 61 mln with the support of existing and new investors, to continue with our investment mandate.

We close 2020 with our share price 37% above YE19, 132% up from 1Q20 lows, our average daily volume over the last three months is now comfortably USD 250k, with a number of USD 1 mln volume trading days over this period. VEF has been trading at a premium to NAV for the longest period since inception. Over the five years to YE20, VEF has delivered 26% and 30% NAV per share and share price CAGR, respectively.

## Our business – more robust, with more options than ever

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 a lot more options open to us given our size, shape, track record and experience, which is probably the most exciting aspect of this moment.

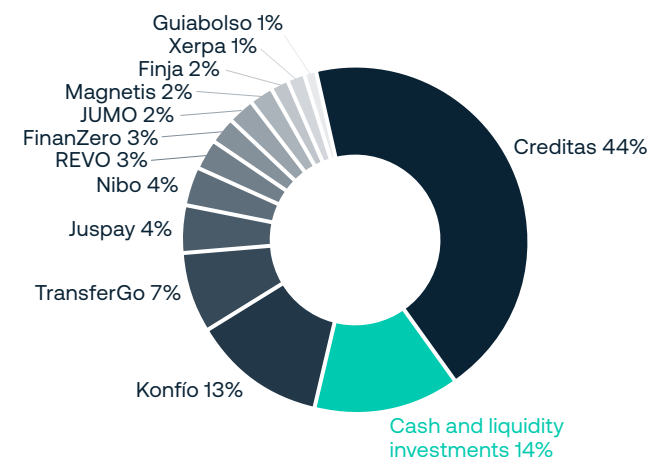
## Concluding remarks

At VEF, we invest in fintech across the emerging world, and are riding one of the strongest multi-year secular growth trends in some of the world's fastest-growing markets. That said, 2020 was a year with more twists and headwinds than most. While we continuously take on board the human and macro impact of the pandemic, VEF and our companies have benefitted from the step-change growth in digital adoption by all. On a micro level, we have been impressed with how our portfolio of companies survived and then thrived through this period, something which has played out in 2020 through our quarterly NAV performance. 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.

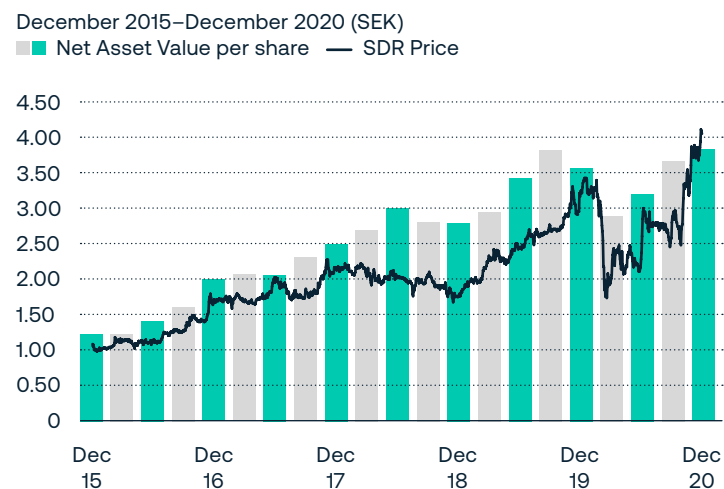
February 2021,  
Dave Nangle

# VEF in charts — 4Q 2020

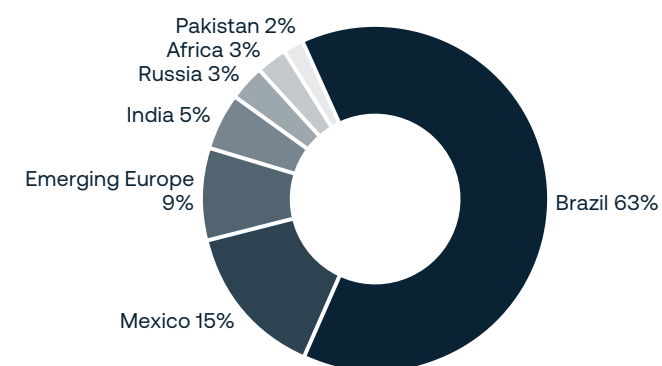
## Portfolio composition



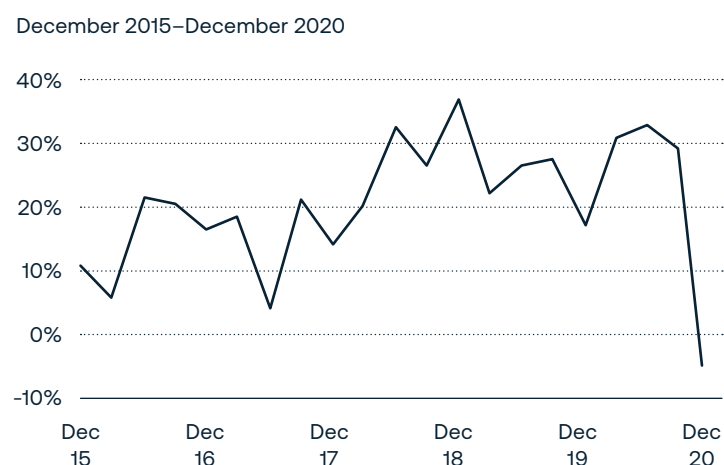
## VEF share and net asset value development



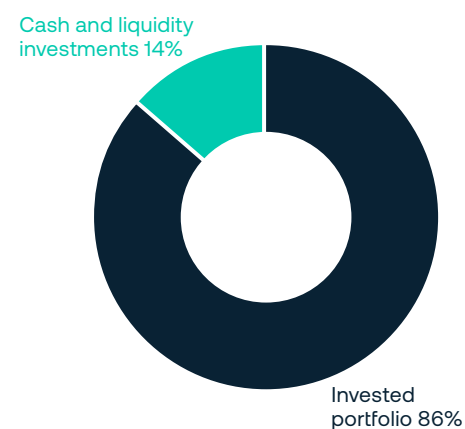
## Geographic distribution, ex. cash



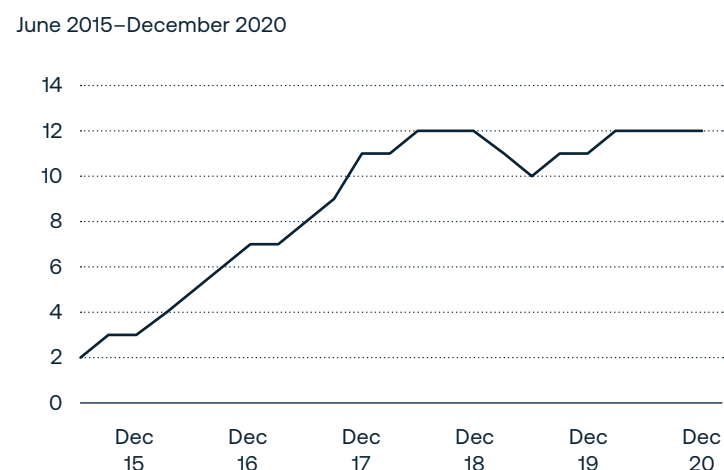
## Premium/discount to net asset value



## Invested portfolio and cash



## Number of companies in portfolio



# Investment portfolio

## Portfolio development

VEF's net asset value per share increased by 15.8% in USD over 4Q20, while VEF's share price in SEK increased by 57.2%. During the same period, the MSCI Emerging Markets index\* increased by 19.3% in USD terms.

## Liquidity investments

The Company 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 48.2 mln, based on the latest NAV of each respective liquidity asset.

## Net asset value

Company	Fair value Dec 31, 2020 (TUSD)	Net invested amount (TUSD)	Investment/divestments 2020	Change in fair value 4Q 2020 (TUSD)	Change in fair value 2020 (TUSD)	Fair value Dec 31, 2019 (TUSD)	Valuation method
Creditas	169,023	73,356	24,856	42,088	70,921	73,246	Latest transaction <sup>1</sup>
Konfio	48,504	27,500	—	8,225	6,925	41,579	Mark-to-model <sup>1</sup>
TransferGo	28,634	11,037	2,111	3,467	13,968	12,555	Mark-to-model <sup>1,2</sup>
Juspay	17,372	13,000	13,000	4,372	4,372	—	Mark-to-model <sup>1</sup>
Nibo	13,610	6,500	1,200	544	1,791	10,619	Mark-to-model <sup>1</sup>
REVO	11,083	6,664	-3,017 <sup>3</sup>	2,515	-2,144	16,244	Mark-to-model <sup>1</sup>
FinanZero	9,933	2,671	—	976	2,205	7,728	Mark-to-model <sup>1,2</sup>
JUMO	9,540	14,614	—	989	-7,335	16,875	Mark-to-model <sup>1</sup>
Magnetis	8,330	5,668	—	635	222	8,108	Mark-to-model <sup>1</sup>
Finja	6,748	3,172	925	2,067	2,434	3,389	Latest transaction <sup>1</sup>
Xerpa	5,758	8,500	—	828	-2,742	8,500	Mark-to-model <sup>1</sup>
Guiabolso	5,417	30,000	—	-3,330	-6,128	11,545	Mark-to-model <sup>1</sup>
Liquidity investments	48,205	46,965	13,500	172	183	34,521	
<b>Investment portfolio</b>	<b>382,157</b>	<b>249,647</b>	<b>52,575</b>	<b>63,548</b>	<b>84,672</b>	<b>244,908</b>	
Cash and cash equivalents	4,224					5,562	
<b>Total investment portfolio</b>	<b>386,381</b>					<b>250,470</b>	
Other net assets/liabilities	1,685					-1,031	
<b>Total Net Asset Value</b>	<b>388,066</b>					<b>249,439</b>	

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 3 for more information.






\* The MSCI Emerging Markets Index is a free float weighted equity index that consists of indices in 26 emerging economies.



# Latin America



creditas.com

 Region: <b>BRAZIL</b>	 Invested amount (USD): <b>73.4 mln</b>
 Ownership share: <b>9.8%</b>	 Fair value (USD): <b>169.0 mln</b>
 Share of VEF's portfolio: <b>43.7%</b>	

**Creditas is the leading secured lending platform in Brazil, which leverages borrower collateral to offer loans to consumers at more affordable rates.**






Brazil consumers pay some of the highest interest rates in the world, where unsecured consumer loans have an average APR of 230%. Secured lending remains 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 cheaper lending by leveraging consumers' assets to offer secured consumer loans at more reasonable rates, common in markets like the US. Offering four main products: home equity and auto equity secured loans, and payroll-backed loans and vehicle financing, customers of Creditas obtain larger, longer-term, lower-APR loans through an efficient, tech-driven application system.

As of 3Q20, Creditas' loan portfolio has reached over BRL 1 bln, a 2.2x increase YoY, with revenues of BRL 260 mln in the preceding 12 months. While secured lending is driving dynamic growth, Creditas has also launched a strategy focused on creating an ecosystem of products and solutions that follows the customer journey across their needs and life stages. Having raised an additional USD 255 mln of fresh capital at a valuation of USD 1.75 bln in December 2020, Creditas continues to be one of the cornerstone holdings of the VEF portfolio, and we remain as confident as ever in the company's ability to create meaningful value and be a significant driver of our NAV in the years ahead.



konfio.mx

 Region: <b>MEXICO</b>	 Invested amount (USD): <b>27.5 mln</b>
 Ownership share: <b>11.0%</b>	 Fair value (USD): <b>48.5 mln</b>
 Share of VEF's portfolio: <b>12.5%</b>	

**Konfio 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 the country today, the sector has shown significant lags in Mexico. 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, Konfio measures risks without requesting financial statements, generating credit offers automatically and with dynamic terms in a 100% digital process. More recently, Konfio has broadened its product suite, with the company's KTS product offering their core technology platform as a SaaS product to provide lending as a service to some of Mexico's largest FMCG companies and other corporations in the SME supply chain. For SMEs, Konfio also offers Kompás, a cloud-based tool that uses data and artificial intelligence to help companies understand their financial and credit history to make better decisions and grow their businesses.

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



Photo: Konfio






# Latin America

## 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 and cross-sell additional value-added services.






 Region: <b>BRAZIL</b>	 Invested amount (USD): <b>6.5 mln</b>
 Ownership share: <b>20.1%</b>	 Fair value (USD): <b>13.6 mln</b>
 Share of VEF's portfolio: <b>3.5%</b>	

## XERPA

xerpa.com.br

**Xerpa is a HR software provider for corporates in Brazil, offering tools for recruitment, onboarding and offboarding, performance evaluation and payroll management and lending.**

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.

 Region: <b>BRAZIL</b>	 Invested amount (USD): <b>8.5 mln</b>
 Ownership share: <b>16.0%</b>	 Fair value (USD): <b>5.8 mln</b>
 Share of VEF's portfolio: <b>1.5%</b>	






## FinanZero

finanzero.com.br

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

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.

The company is focused on three sizeable loan broker segments: unsecured consumer loans, secured car finance loans and secured home equity loans.

 Region: <b>BRAZIL</b>	 Invested amount (USD): <b>2.7 mln</b>
 Ownership share: <b>18.0%</b>	 Fair value (USD): <b>9.9 mln</b>
 Share of VEF's portfolio: <b>2.6%</b>	






## Guiabolso

guiabolso.com.br

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

By leveraging its proprietary bank data aggregation technology to automatically aggregate people's financial information, Guiabolso simplifies their customer's financial profiles, allowing users to better understand their finances and keep track of their budgets.

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: <b>BRAZIL</b>	 Invested amount (USD): <b>30.0 mln</b>
 Ownership share: <b>10.9%</b>	 Fair value (USD): <b>5.4 mln</b>
 Share of VEF's portfolio: <b>1.4%</b>	






## magnetis

magnetis.com.br

**Magnetis is a Brazilian digital investment advisor which democratizes 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.

 Region: <b>BRAZIL</b>	 Invested amount (USD): <b>5.7 mln</b>
 Ownership share: <b>17.5%</b>	 Fair value (USD): <b>8.3 mln</b>
 Share of VEF's portfolio: <b>2.2%</b>	








# Emerging Europe and Africa



transfergo.com

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






 Region: <b>EASTERN EUROPE</b>	 Invested amount (USD): <b>11.0 mln</b>
 Ownership share: <b>15.4%</b>	 Fair value (USD): <b>28.6 mln</b>
 Share of VEF's portfolio: <b>7.4%</b>	

Global remittance volumes total USD 670 bln+ annually, with the share of digital money transfers growing rapidly. Initially focused on the corridors of broader Europe, today TransferGo operates in over 60 countries across the world, with a customer base over 2.5 mln people. TransferGo's segment of focus is blue-collar migrant workers, who are some of the most consistent and regular remittance customers in the world, while also offering remittances services for SMEs.



revo.ru

REVO provides buy now pay later financing solutions for customers in Russia and CEE.






 Region: <b>RUSSIA, CEE</b>	 Invested amount (USD): <b>6.7 mln</b>
 Ownership share: <b>23.0%</b>	 Fair value (USD): <b>11.1 mln</b>
 Share of VEF's portfolio: <b>2.9%</b>	

REVO works with leading merchants in the online and offline space to provide point-of-sale financing options to their customers, allowing them to buy now and pay later, a model similar to global players Affirm and Klarna. REVO's numerous scale merchant partners in categories such as apparel, sporting goods, travel, and electronics benefit from increased conversion and basket size using their solution. The company also provides targeted marketing services for merchants to drive repeat purchases and loyalty.



jumo.world

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

 Region: <b>AFRICA</b>	 Invested amount (USD): <b>14.6 mln</b>
 Ownership share: <b>6.8%</b>	 Fair value (USD): <b>9.5 mln</b>
 Share of VEF's portfolio: <b>2.5%</b>	






JUMO partners with banks and MNOs through their tech-enabled platform to give customers access to savings, loan and insurance accounts via their mobile phone, in markets such as Ghana, Zambia, Tanzania, Kenya, Uganda, and Pakistan, where millions of adults are excluded from or underserved by traditional financial services. Since its launch in 2014, more than 17 mln people have saved or borrowed on the JUMO platform, with over USD 2.5 bln in funds disbursed to customers.

# South Asia



juspay.in

The most recent addition to the VEF portfolio, Juspay is one of India's leading payment companies.

 Region: <b>INDIA</b>	 Invested amount (USD): <b>13.0 mln</b>
 Ownership share: <b>9.9%</b>	 Fair value (USD): <b>17.4 mln</b>
 Share of VEF's portfolio: <b>4.5%</b>	






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 and facilitates more than USD 10 bln of annualised payment volume for some of India's largest merchants including Amazon, Flipkart, Uber, Swiggy, Ola and Cred.



finja.pk

Finja is a digital lending platform with an integrated payments ecosystem focused on the financial wellness of businesses and their employees in Pakistan.

 Region: <b>PAKISTAN</b>	 Invested amount (USD): <b>3.2 mln</b>
 Ownership share: <b>22.8%</b>	 Fair value (USD): <b>6.7 mln</b>
 Share of VEF's portfolio: <b>1.7%</b>	

Through the SimSim brand, Finja offers working capital and supply chain loans to small businesses, and personal and payroll-backed loans to salaried professionals. In addition to the lending side of the business, Finja operates an integrated zero-cost payments ecosystem and mobile wallet, offering bill payments, an ecommerce marketplace and a suite of other financial services. 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.

# Financial information

## Investments

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

### During Q1

- USD 13.0 mln relates to investments in the new portfolio company Juspay;
- USD 0.4 mln relates to investments in Finja

### During Q2

- USD 2.1 mln relates to investments in TransferGo;
- USD 1.2 mln relates to investments in Nibo

### During Q4

- USD 24.9 mln relates to investments in Creditas
- USD 0.5 mln relates to investments in 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:

### During Q1

- USD 13.0 mln relates to divestments of liquidity investments

### During Q2

- USD 3.5 mln relates to divestments of liquidity investments

### During Q4

- USD 25 mln relates to divestments of liquidity investments

## SDR info

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. At the end of 4Q20, the number of outstanding shares represented by SDRs was 829,251,243. Including the 45,650,000 redeemable common shares under the long-term incentive program (LTIP) 2019 and 2020, the total number of outstanding shares amounts to 874,901,243. The company currently does not hold any repurchased SDRs.

As of November 3, 2020, the SDRs of VEF are traded on First North Sweden with the new ticker VEFL SDB.

## Group – results for FY20 and net asset value

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).

## Group – results for 4Q20

During 4Q20, the result from financial assets at fair value through profit or loss amounted to USD 63.55 mln (4Q19: 1.83).

- Dividend and coupon income were USD 0.10 mln (4Q19: 0.04).
- Net operating expenses amounted to USD -3.25 mln (4Q19: -1.23).
- Net financial items were 0.13 mln (4Q19: 0.10).
- Net result was USD 60.47 mln (4Q19: 0.77).

## 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.

## 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). The net result for 4Q20 was USD 3.88 mln (4Q19: 1.72 mln).

## Financial and operating risks

For a detailed account of risks associated with investing in VEF and VEF's business, please see Note 4 in the Company's annual report 2019.



# Income statement — Group

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

1. Financial assets at fair value through profit or loss are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the year in which they arise.
2. Earnings/share is defined as result for the period divided by average weighted number of shares for the period.
3. Diluted earnings/share is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.

## Statement of other comprehensive income

Expressed in USD thousands	FY 2020	FY 2019	4Q 2020	4Q 2019
<b>Net result for the period</b>	<b>79,454</b>	<b>48,529</b>	<b>60,471</b>	<b>773</b>
<b>Other comprehensive income for the period:</b>				
Items that may be classified subsequently to profit or loss:				
Currency translation differences	36	–	33	–
<b>Total other comprehensive income for the period</b>	<b>36</b>	<b>–</b>	<b>33</b>	<b>–</b>
<b>Total comprehensive income for the period</b>	<b>79,490</b>	<b>48,529</b>	<b>60,504</b>	<b>773</b>

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

# Balance sheet — Group

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

# Statement of changes in equity — Group

Expressed in USD thousands	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
<b>Balance at Jan 1, 2019</b>	<b>6,502</b>	<b>88,608</b>	–	<b>106,307</b>	<b>201,417</b>
Net result FY 2019	–	–	–	48,529	48,529
<b>Other comprehensive income for the period</b>					
Currency translation difference	–	–	–	-3	-3
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>48,529</b>	<b>48,529</b>
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
<b>Balance at Dec 31, 2019</b>	<b>6,678</b>	<b>87,923</b>	–	<b>154,837</b>	<b>249,439</b>
<b>Balance at Jan 1, 2020</b>	<b>6,678</b>	<b>87,923</b>	–	<b>154,837</b>	<b>249,439</b>
Net result FY 2020	–	–	–	79,454	79,454
<b>Other comprehensive income for the period</b>					
Currency translation difference	–	–	–	36	36
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>79,490</b>	<b>79,490</b>
Transactions with owners:					
Proceeds from directed rights issue, net	1,658	56,942	–	–	58,601
Value of employee services:					
- Employee share option scheme (Note 5)	19	296	–	–	315
- Share based long-term incentive program	413	450	–	–	863
Buy-back of own shares	-19	-622	–	–	641
<b>Balance at Dec 31, 2020</b>	<b>8,749</b>	<b>144,990</b>	–	<b>234,327</b>	<b>388,066</b>

# Statement of cash flows — Group

Expressed in USD thousands	FY 2020	FY 2019	4Q 2020	4Q 2019
<b>OPERATING ACTIVITIES</b>				
Result before tax	79,528	48,581	60,522	735
<i>Adjustment for non-cash items:</i>				
Interest income and expense, net	-2	-73	-7	-73
Currency exchange gains/-losses, net	-389	-160	-120	-22
Depreciations	64	–	41	–
Result from financial assets at fair value through profit or loss	-84,672	-53,452	-63,548	-1,828
Dividend and coupon income	-391	-501	-97	-41
Other non-cash items affecting profit or loss	881	1,133	789	364
Change in current receivables	-113	-35	-173	-23
Change in current liabilities	300	147	918	-112
<b>Net cash used in operating activities</b>	<b>-4,794</b>	<b>-4,360</b>	<b>-1,675</b>	<b>-1,000</b>
Investments in financial assets	-97,093	-48,819	-80,357	-4,468
Sales of financial assets	41,500	54,261	25,000	6,353
Repayment of convertible	851	–	851	–
Dividend and coupon income	391	501	97	41
Interest received	17	73	17	73
Tax paid	-74	-30	-51	30
Interest paid	-15	–	-10	–
<b>Net cash flow used in/from operating activities</b>	<b>-59,217</b>	<b>1,626</b>	<b>-56,128</b>	<b>1,029</b>
<b>INVESTMENT ACTIVITIES</b>				
Investments in office equipment	–	46	–	3
<b>Net cash flow from investment activities</b>	<b>–</b>	<b>46</b>	<b>–</b>	<b>3</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from directed rights issue, net	58,601	–	58,601	–
Repayment of lease liabilities	-72	–	-22	–
Buy-back of own shares	-641	-1,586	–	-647
Proceeds from new share issue through employee options	298	–	–	–
<b>Net cash flow from/used in financing activities</b>	<b>58,186</b>	<b>-1,586</b>	<b>58,579</b>	<b>-647</b>
<b>Change in cash and cash equivalents</b>	<b>-1,031</b>	<b>86</b>	<b>2,451</b>	<b>385</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>5,562</b>	<b>5,479</b>	<b>2,141</b>	<b>5,179</b>
Exchange gains/losses on cash and cash equivalents	-307	-3	-368	-2
<b>Cash and cash equivalents at end of the period</b>	<b>4,224</b>	<b>5,562</b>	<b>4,224</b>	<b>5,562</b>



# 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.

	FY 2020	FY 2019
Net asset value, USD <sup>1</sup>	388,065,953	249,438,540
Exchange rate at balance sheet date, SEK/USD	8.19	9.3
Net asset value/share, USD <sup>2</sup>	0.47	0.38
Net asset value/share, SEK <sup>3</sup>	3.83	3.55
Net asset value, SEK <sup>4</sup>	3,178,263,331	2,324,683,504
Weighted average number of shares for the financial period <sup>5</sup>	679,347,426	654,483,268
Weighted average number of shares for the financial period, fully diluted <sup>5</sup>	684,148,738	664,376,019
Number of shares at balance sheet date <sup>5,6,7</sup>	829,251,243	655,479,777
Number of shares at balance sheet date, fully diluted <sup>5,6,7</sup>	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
<b>Net asset value, SEK</b>		
Net asset value, USD	388,065,953	249,438,540
SEK/USD	8.19	9.3
Net asset value, SEK	3,178,263,331	2,324,683,504
<b>Net asset value/share, USD</b>		
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
<b>Net asset value/share, SEK</b>		
Net asset value, USD	388,065,953	249,438,540
SEK/USD	8.19	9.3
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

# Income statement — Parent company

Expressed in USD thousands	FY 2020	FY 2019	4Q 2020	4Q 2019
Result from financial assets at fair value through profit or loss	4,556	8,596	4,544	-23
Dividend and coupon income	391	501	97	97
Other income	72	-	-	-
<b>Total operating profit</b>	<b>5,019</b>	<b>9,097</b>	<b>4,641</b>	<b>74</b>
Administrative and operating expenses	-3,464	-3,664	-1,048	-95
Employee incentive programs	-2,743	-1,737	-2,378	-588
<b>Total operating expenses</b>	<b>-6,207</b>	<b>-5,401</b>	<b>-3,426</b>	<b>-683</b>
<b>Operating result</b>	<b>-1,188</b>	<b>3,696</b>	<b>1,215</b>	<b>-609</b>
<b>Financial income and expenses</b>				
Interest income/expense, net	9,208	7,900	2,462	2,371
Currency exchange gains/losses, net	459	91	204	-47
<b>Net financial items</b>	<b>9,667</b>	<b>7,991</b>	<b>2,666</b>	<b>2,324</b>
<b>Result before tax</b>	<b>8,479</b>	<b>11,687</b>	<b>3,881</b>	<b>1,715</b>
Taxation	-	-	-	-
<b>Net result for the period</b>	<b>8,479</b>	<b>11,687</b>	<b>3,881</b>	<b>1,715</b>

## Statement of other comprehensive income

Expressed in USD thousands	FY 2020	FY 2019	4Q 2020	4Q 2019
<b>Net result for the period</b>	<b>8,479</b>	<b>11,687</b>	<b>3,881</b>	<b>1,715</b>
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>8,479</b>	<b>11,687</b>	<b>3,881</b>	<b>1,715</b>

# Balance sheet

## — Parent company

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

# Statement of changes in equity

## — Parent company

Expressed in USD thousands	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
<b>Balance at Jan 1, 2019</b>	<b>6,502</b>	<b>88,608</b>	<b>–</b>	<b>67,519</b>	<b>162,629</b>
Net result FY 2020	–	–	–	11,687	11,687
<b>Other comprehensive income for the period</b>					
Currency translation difference	–	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,687</b>	<b>11,687</b>
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
<b>Balance at Dec 31, 2019</b>	<b>6,678</b>	<b>87,923</b>	<b>–</b>	<b>79,206</b>	<b>173,807</b>
<b>Balance at Jan 1, 2020</b>	<b>6,678</b>	<b>87,923</b>	<b>–</b>	<b>79,206</b>	<b>173,807</b>
Net result FY 2020	–	–	–	8,479	8,479
<b>Other comprehensive income for the period</b>					
Currency translation difference	–	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,479</b>	<b>8,479</b>
Transactions with owners:					
Directed rights issue	1,658	56,942	–	–	58,601
Value of employee services:					
– Employee share option scheme (Note 5)	19	296	–	–	315
– Share based long-term incentive program	413	450	–	–	863
Buy-back of own shares	-19	-622	–	–	-641
<b>Balance at Dec 31, 2020</b>	<b>8,749</b>	<b>147,148</b>	<b>–</b>	<b>85,528</b>	<b>241,424</b>



# Notes

(Expressed in USD thousand unless indicated otherwise)

## Note 1 — Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the accounts for the Company 2019. The Company's 2019 annual report is available at the Company's website: [vef.vc/investors/](http://vef.vc/investors/)

## Note 2 — Related party transactions

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 <sup>1</sup>	2,952	2,368	–	87

1. 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 4.

## Note 3 — Fair value estimation

The numbers below are based on the same accounting and valuation policies as used in the Company's most recent Annual Report. For more information regarding financial instruments in level 2 and 3 see note 5 in the Company's annual report 2019.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### 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 Jan 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	11,429	4,116
Closing balance Dec 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 through-out 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.

### Portfolio company transactions during the quarter

#### Finja

During the fourth quarter Finja raised a Series A-1 investment round of USD 8.6 mln in which VEF exercised the outstanding USD 1.4 mln convertible loan notes plus accrued interest and invested an additional USD 0.5 mln in the company, taking VEF's ownership stake to 22.8% in the company. As per December 31, 2020, VEF's stake in Finja is valued at USD 6.7 mln based on the latest transaction in the company. Finja is recognized as a level 2 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 22.9% in the REVO group. As per 4Q20 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.

#### Creditas

During the fourth quarter Creditas raised a broader series E investment round of USD 255 mln whereby VEF invested an additional USD 24.9 mln in the company and was joined by new investors LGT, Tarsadia, eVentures, Wellington and Advent. Existing investors, Softbank, Kaszek and Amadeus Capital also supported the round. As per December 31, 2020 VEF has an 9.8% ownership in the company valued at USD 169.0 mln based on the latest transaction in the company. Creditas is recognized as a level 2 investment.

### Mark to model-based valuations

At the end of 4Q20, 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 at 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 positive change in fair value in REVO was mainly a function of a stronger revenue forecast together with a stronger RUB. The negative change in fair value for Guiabolso, the main impact was driven by a weaker revenue forecast. For Nibo, FinanZero, Magnetis, JUMO and Xerpa, the positive changes in fair value during the quarter were mainly driven by a combination of revised revenue forecasts and peer group multiples. 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%
Konfio	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 portfolio
Creditas	73,246	24,856	70,921	169,023	43.7%
Konfio	41,579	-	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	-	2,205	9,933	2.6%
JUMO	16,875	-	-7,335	9,540	2.5%
Magnetis	8,108	-	222	8,330	2.2%
Finja	3,389	925	2,434	6,748	1.7%
Xerpa	8,500	-	-2,742	5,758	1.5%
Guiabolso	11,545	-	-6,128	5,417	1.4%
Liquidity investments	34,521	13,500	183	48,205	12.5%
Total	244,908	52,575	84,672	382,157	99%

### Note 4 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 Net Asset Value and program 2019 and 2020 is linked to the long-term performance of both the Company's Net Asset Value and of the VEF share price. For more information on the LTIP, please see the company's annual report 2019 note 10.

	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 excl. bonuses paid and social taxes (USD mln)			
2020 <sup>2</sup>	0.32 <sup>1</sup>	0.12	0.03
2019 <sup>2</sup>	0.32	0.08	-
2018	0.20	-	-
Total accumulated	0.84	0.20	0.03

1. Adjusted for new estimated program outcome.

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

### New program 2020

The Company's Annual General Meeting on May 13 approved a long-term share incentive plan ("LTIP 2020") for six key employees in the Company. LTIP 2020 was at inception a three-year 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. The IFRS2 cost for the LTIP 2020 amounts to USD 0.03 mln by the end of Q4.

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.



## Note 5 Option plan

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.

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

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

For more information on the option plan, please see the company's annual report 2019, note 10.

## Background

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 SDRs of VEF are traded on First North Sweden, with the ticker VEFL SDB (formerly VEMF SDB). 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). The financial year of the Group is January 1–December 31.

## 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).

## Dividends

The Board of Directors has proposed that no dividends be paid for the year.

## Upcoming reporting dates

VEF's financial report for the period January 1, 2021–March 31, 2021 will be published on April 28, 2021.

## Annual General Meeting and Annual Report 2020

The annual general meeting of VEF is planned to take place on Thursday, May 6, 2021. The annual report will be available on the Company's website ([vef.vc](http://vef.vc)) from March 10, 2021.

February 3, 2021  
David Nangle  
Managing Director

For further information contact CEO David Nangle or CFO Henrik Stenlund: tel: +46 8 545 015 50.

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