



VEF

The emerging market fintech investor

Interim report First quarter 2024

Key events during the quarter

-  In 1Q24 USD NAV increased 1% QoQ and 9% YoY. Following 2023 trends, a broad range of factors are feeding into our growing NAV, inclusive of improving portfolio company performance combined with peer group robust traded multiples, all driven by a much improved top down macro and market backdrop.
-  Creditas released headline FY23 IFRS numbers, delivering 25% revenue growth and 192% gross profit growth compared to FY22. Creditas reached operational break-even in December 2023. With gross profit margins back at steady state range of 40–45%, management is confident of delivering profitable growth throughout 2024.
-  At quarter end, TransferGo announced a USD 10 mln fund raise from Taiwan, sovereign wealth fund of Taiwan. The raise was priced above our most recent mark-to-model valuation mark, and provides TransferGo with the desired capital to further grow its customer base and broaden its product line.

Net asset value

- NAV of VEF's portfolio as at 1Q24 is USD 447.6 mln (YE23 442.2). NAV per share has increased by 1% to USD 0.43 (YE23: 0.42) per share during 1Q24.
- In SEK, NAV equals 4,772 mln (YE23: 4,441). NAV per share has increased by 7% to SEK 4.58 (YE23: 4.26) per share during 1Q24.
- Cash position, including liquidity investments, was USD 17.9 mln (YE23: 21.6) at the end of 1Q24.

Financial result

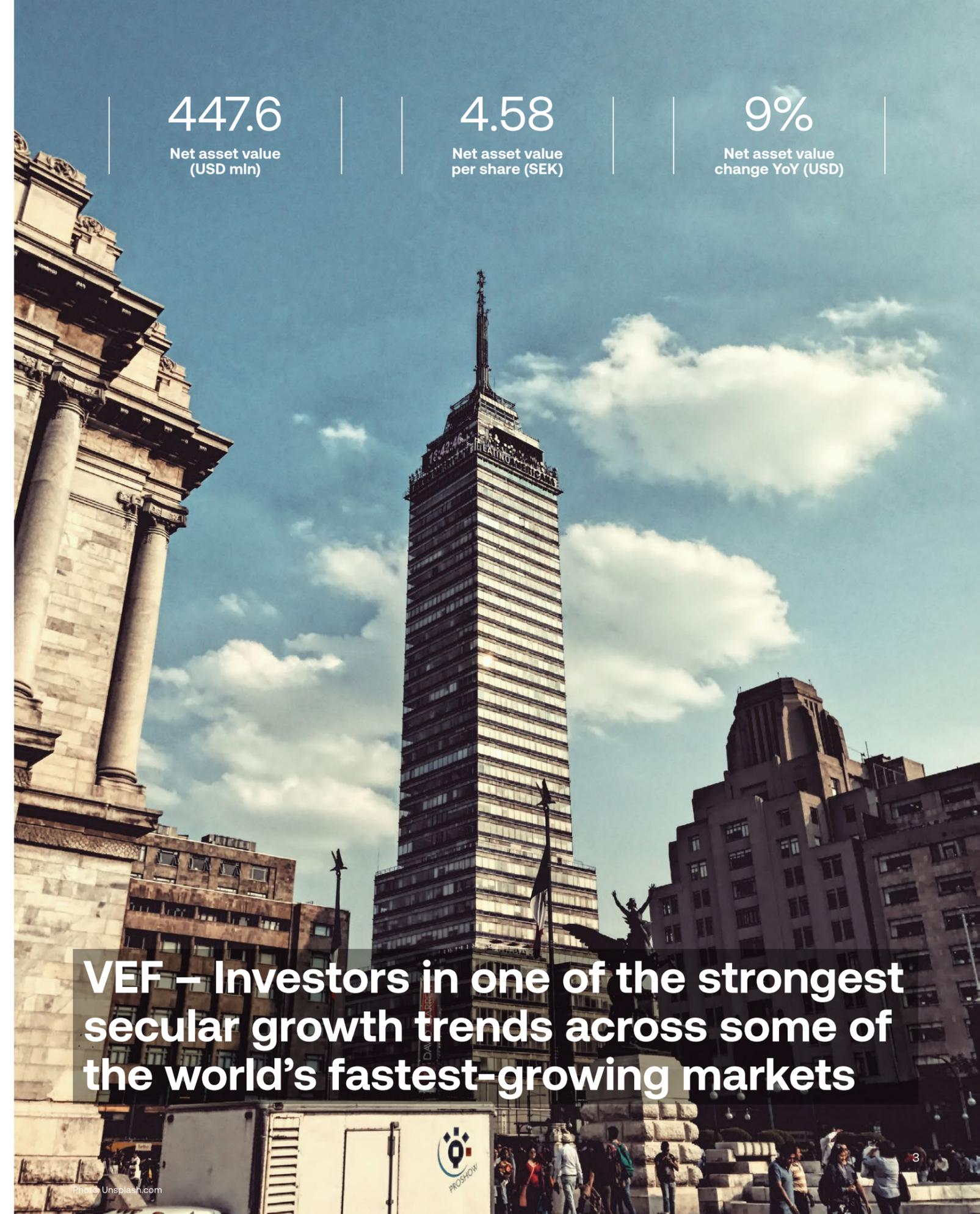
- Net result for 1Q24 was USD 5.3 mln (1Q23: 28.4). Earnings per share were USD 0.01 (1Q23: 0.03).

	Dec 31, 2022	Dec 31, 2023	Mar 31, 2024
Net asset value (USD mln)	381.8	442.2	447.6
Net asset value (SEK mln)	3,981	4,441	4,772
Net asset value per share (USD)	0.37	0.42	0.43
Net asset value per share (SEK)	3.82	4.26	4.58
VEF AB (publ) share price (SEK)	2.45	1.84	1.92

Events after the end of the period

No significant events have taken place after the end of the period.

Visit VEF's IR page for our financial reports and other information: vef.vc/investors



447.6
Net asset value
(USD mln)

4.58
Net asset value
per share (SEK)

9%
Net asset value
change YoY (USD)

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

Management report

Dear Fellow Shareholder,

Lately, I find I use the word “better” a lot when being asked “how business goes at VEF?”. 1Q24 continued the 2023 improving trend, which was incrementally more positive with each passing quarter.

Public markets delivered a number of emerging markets fintech benchmark events, most notably the c. USD 1 bln Nasdaq IPO of Kaspi, the Kazakh super app and global fintech standout. Private markets followed this lead with a number of size, high profile, late stage fund raises for global and emerging markets fintech names like Monzo and Bold. Within our portfolio, Credits closed out 2023, reporting strong results that highlight a company back on the front foot and working a mantra of profitable growth into 2024. Elsewhere, TransferGo successfully closed a fresh funding round above our NAV mark. All this supported our NAV moving up another 1% QoQ, and now up 17% from 4Q22 lows. Most important is that we feel very good about the health and trajectory of the top end of our portfolio and are enjoying improving monthly metrics feeding through and debating strategy with our growing companies.

1Q24 NAV, positive momentum continues

We end 1Q24 with a NAV per share of SEK 4.58 up 7% QoQ. Total USD NAV ended the quarter at USD 447.6 mln, up 1% QoQ and 9% YoY. The 6% weakening of the SEK vs USD QoQ drove NAV growth currency differential.

Public fintech shares delivered robust returns at an index level, as the two global fintech indices, ARKF and FINX, that we track, increased 10% and 9% QoQ. Within that, there were some striking divergent moves from key individual benchmark emerging markets fintech names, with Nubank +43% versus PayTM -37% QoQ a clear example – all of which feeds into our valuations process. Beyond the weakening of the SEK QoQ, portfolio currency movements were not a major factor for our USD NAV in the quarter.

At portfolio level, Credits saw a 14% QoQ valuation mark increase, driven by a combination of peer multiple uplift and forecast growth coming through in our model. We increased the valuation mark of TransferGo by 36% QoQ, in line with the recently announced funding round which came in above our previous model-based valuation.

NAV headwinds in the quarter were principally valuation methodology evolution, and not performance, driven. We move four portfolio companies (Konfio, Juspay, Solfacil and Nibo) model based valuation from pure top line multiple based, to a balance of top line and gross profit multiple based, similar to where we recently moved Credits. This

is not a valuation methodology change, but a sign of the maturing nature of the top end of our portfolio and evolution of our valuation process with it, by incorporating multiples further down the income statement. Konfio’s valuation mark, off 21% QoQ, had the most significant USD negative impact in the quarter, as a result. Out of our mark-to-model based portfolio NAV, 90%+ now incorporate multiples further down the income statement.

It is interesting to note the trend of a portfolio that was nearly 100% valued at “last investment round” at YE21, but transitioned almost entirely to “mark-to-model” in the absence of fresh funding rounds through 2022–23, has started the process back. With the recent funding rounds of Gringo and TransferGo, top five holdings within our portfolio, 13% of our portfolio is now valued at last round valuation mark. We expect that trend to continue through 2024.

At the end of 1Q24, we sit on USD 17.9 mln of liquidity.

Key portfolio company updates

It has been a busy and positive start to 2024 for VEF portfolio companies. Capital is starting to flow again and in portfolio company board rooms we are mostly debating front foot growth and strategy, versus recently debated playbooks for defense.

Credits (*secured lending, LatAm*) released headline FY23 IFRS results. 2023 was a year where Credits prioritised driving income statement over balance sheet growth, as they delivered 25% YoY top line growth (c. USD 400 mln annual revenues) and 192% gross profit growth (USD 127 mln for FY23). In December 2023, Credits also achieved an important milestone: operational break-even. 4Q23 gross profit margin touched 41.3%, back to through cycle target range of 40–45%, and up from lows of 12.1% just 15 months ago, driven by loan repricing and improving loan quality.

With Brazilian inflation falling below 5%, base rates fell another 50bps in 1Q24, and are now 3% off recent peaks, with expectations of the trend to continue through 2024. Falling rates has a clear positive, direct and indirect, effect on Credits. Commenting on 2024, management is confident they can re-accelerate loan growth and continue expansion of gross profit as they gain further operational leverage. Profitable growth throughout 2024 becomes the achievable target, while management is back communicating its IPO intentions, most recently on Bloomberg and at investor events.

Following Gringo’s recent successful funding round, **TransferGo** (*remittances and cross border payments*) raised USD 10 mln of fresh capital from Taiwan, the sovereign wealth fund of Taiwan. The raise was notably

priced above our most recent mark-to-model valuation, and provides TransferGo with the capital it needs to put the foot down on growing customer reach and its migrant financial product roadmap. In their interview with TechCrunch, CEO and founder Daumantas Dvilinskas shared some key performance metrics from the business, inclusive of delivering 50% revenue growth last 12 months and achieving profitability in 2023 off 80% market-leading gross margins. They also vaunt an industry leading Trustpilot score of 4.7/5, and last year surpassed 7 million customers, operating across 160 countries.

On the debt side, **Solfacil** (*solar ecosystem, Brazil*) closed a USD 120 mln CRI (real estate receivable fund), the largest ever in distributed generation in Brazil.

Beyond capital raising, we enjoyed spending quality time with two of our earlier stage, up and coming holdings, **Abhi** and **Mahaana**, on a recent tour through the Middle East. Abhi continues to scale its wage access and working capital platform and continues to see early success in bringing the model to the Middle East off the back of a strong start and presence established in the Pakistan market. Mahaana is methodically putting in place all of the technology, product and regulatory pieces to be ready to scale its unique digital first platform in the wide open Pakistan mutual and pension fund market opportunity. We love our off radar (for now) fast growth focused companies and remind ourselves that our current Credits, or past Tinkoffs, were once at this stage of their evolution, pre scale lift off.

Industry tailwinds for our business

Off the back of more stable and resilient macro, and most importantly a peak in the interest rate cycle, we continue to see improving data points in the emerging market, public and venture worlds that VEF plays within. Through 1Q24, public market highlights included the high profile USD 1 bln US IPO of Kaspi, a best in class fintech in the emerging world, focused on the Kazakh market. Elsewhere, another emerging markets public fintech barometer, NuBank shares (+43% in 1Q24), had an exceptionally strong start to the year, in line with robust company performance. Private markets, which generally lag public market trends, have come back to life in early 2024, with a number of benchmark late stage funding rounds closed in global and emerging markets fintech names, inclusive of the USD 430 mln raise by Monzo (UK neobank) and Bold (payments, Columbia) raising USD 50 mln. Late stage fund raises of size, were simply not present, as recent as 2023, while both examples were up-rounds versus previous raises.

We experience these positive macro and sector trends through the prism of our portfolio, NAV and share price performance, albeit in a non-uniform and sometimes lumpy manner. On the capital front, this quarter it was TransferGo announcing an up financing round versus our valuation mark, in the previous quarter it was Gringo securing a later stage funding up round versus its previous round.

On the back of strong and improving performance, all three of our largest companies were out meeting and communicating with investors at a variety of conferences in 1Q24. Credits and Konfio attended the Goldman Sachs annual LatAm Fintech conference in New York, while Juspay did similar at the Avendus conference in Mumbai, India. At VEF we love participating in events like this with our biggest and best assets, as it is the best way to showcase the intrinsic value and future growth potential of the VEF story to the investment community. Finally, we welcome Jefferies as the latest investment bank to launch coverage of the VEF share. It is the first global bulge bracket bank to write formally on VEF and we are already benefitting from their investor distribution and reach. As mentioned on previous occasions, all of these actions and focused efforts have a clear goal to start to close the discount that our shares trade relative to NAV. We aim to continue along this path in 2024.

Confident as we ease into 2024

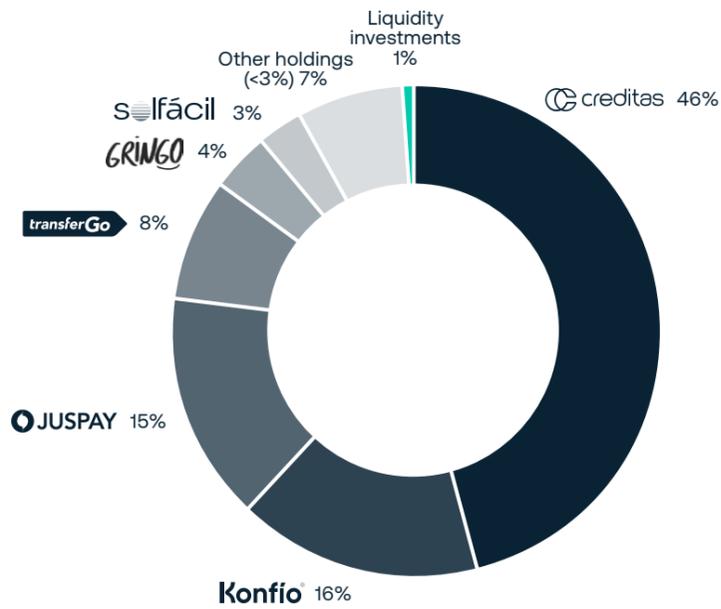
As we moved through 2023, positive data points became more evident, and momentum returned. This has fed into a strong start to 2024 for most aspects of our company. Having spent time on the ground with the majority of our portfolio companies already YTD in 2024, we are convinced we are long a more focused quality portfolio in the right geographies, well placed to create long-term value for our shareholders. Our goal remains to grow our NAV per share and close that discount to NAV. In 2024, strengthening our balance sheet and getting back to investing is a key focus. Delivering exit(s) as a means to achieve this is something we grow in confidence in, as we move through 1H24.

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.

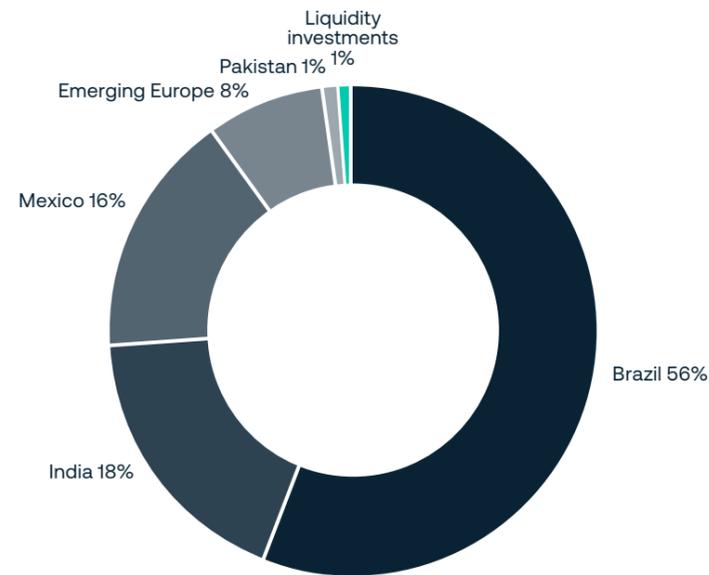
April 2024,
Dave Nangle

VEF in charts

Portfolio composition

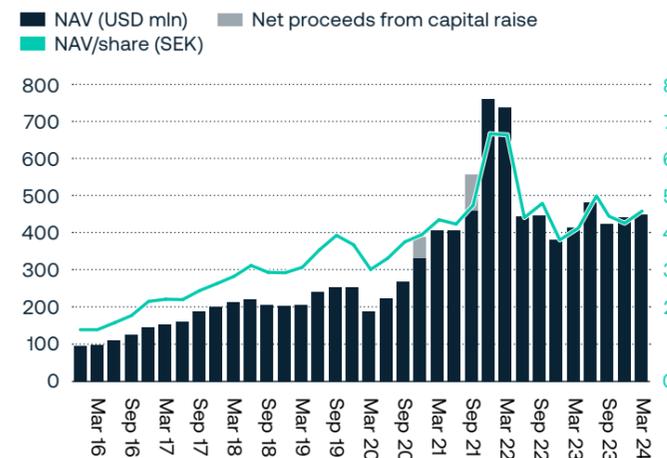


Geographic distribution



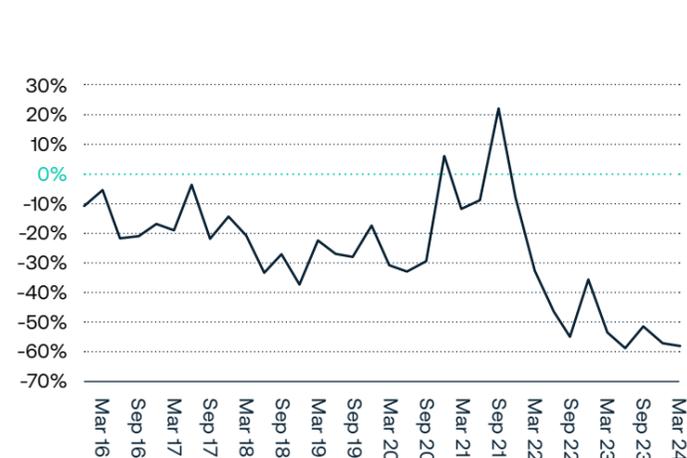
NAV evolution

December 2015–March 2024



Share premium/discount to NAV

December 2015–March 2024



Investment portfolio

Portfolio development

VEF's net asset value per share increased by 1% in USD and by 7% in SEK over 1Q24, while VEF's share price in SEK increased by 4.5%. During the same period, the MSCI Emerging Markets index* increased by 2.4% in USD terms.

Liquidity investments

The Company has investments in money market funds as part of its liquidity management operations. As at March 31, 2024, the liquidity investments are valued at USD 3.9 mln.

Net asset value

The investment portfolio stated at market value (KUSD) at March 31, 2024

Company	Fair value Mar 31, 2024	Net invested amount	Net investments/divestments 1Q24	Change in fair value 1Q24	Fair value Dec 31, 2023	Valuation method
Creditas	215,486	108,356	–	26,658	188,828	Mark-to-model
Konfio	75,532	56,521	–	-19,817	95,349	Mark-to-model
Juspay	72,538	21,083	–	-1,515	74,053	Mark-to-model
TransferGo	36,637	13,877	–	9,641	26,996	Latest transaction
Gringo	17,289	15,249	–	–	17,289	Latest transaction
Solfácil	15,415	20,000	–	-213	15,628	Mark-to-model
Nibo	12,136	6,500	–	-572	12,708	Mark-to-model
Rupeek	6,090	13,858	–	-1,637	7,727	Latest transaction
Other ¹	15,338	34,668	-10	-6,093	21,442	
Liquidity investments	3,947	800	–	54	3,893	
Investment portfolio	470,408	290,912	-10	6,506	463,913	
Cash and cash equivalents	13,963				17,708	
Other net liabilities	-36,768				-39,392	
Total net asset value	447,603				442,229	

1. Includes all companies individually valued at less than 1% of the total portfolio and portfolio company valuations that cannot be disclosed due to regulatory restrictions.

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

Portfolio highlights



Juspay acquired LotusPay, a leading innovator in NACH Debit solutions

The acquisition allows Juspay to supercharge their offerings to banks, merchants and tech companies with a focus on enhancing recurring payment capabilities to empower seamless transactions.



Solfácil launched its first Real Estate Receivables Certificates worth USD 120 mln

Solfácil announced its first issuance of Real Estate Receivables Certificates (CRI) worth USD 120 mln to facilitate financing for over 20 thousand photovoltaic systems projects for individuals and businesses.



Mahaana announced their partnership with IGI Life Insurance Limited

Mahaana was chosen as the Investment advisor and technology partner to launch a Voluntary Pension Fund with IGI Life Insurance Limited.

Key valuation considerations



Creditas was the single strongest positive NAV contributor during 1Q24, with a valuation uplift of USD 26.7 mln (+14% QoQ). Most of the position size increase this quarter was driven by an increase in valuation multiples, with some positive business plan contribution partly offset by a weaker BRL vis-a-vis USD.



TransferGo's valuation increase of USD 9.6 mln (+36% QoQ) reflects the valuation of the latest transaction in the company – a USD 10 mln investment round led by Taiwania Capital, which closed in March 2024.



Our stake in Konfio saw a USD 19.8 mln (-21% QoQ) valuation reduction during the quarter. This was driven primarily by lower valuation multiples in the quarter, as well as utilising multiples further down the income statement, reflecting the maturity of the business and its expanding gross margins towards steady-state levels. These were partly offset by continued MXN strength against the USD.



Brazil



Creditas is building an asset focused ecosystem that supports customers in three essential aspects: living (home), mobility (transport) and earning (salary) by primarily offering them asset-backed loans, insurance and consumer solutions. One of LatAm's leading private fintech plays, Creditas is on a clear path towards IPO.

In 3Q23 VEF made a follow-on investment of USD 5.0 mln into Creditas as part of a convertible round taking the total invested amount in Creditas to USD 108 mln.



Fair value (USD):
215.5 mln

VEF Stake:
8.8%

Share of VEF's portfolio:
45.8%



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

In 3Q23, VEF invested an additional USD 3.0 mln into Gringo as part of its Series C round, led by Valor Capital. The round also saw participation from other existing investors. In total, VEF has invested USD 15.2 mln into Gringo.



Fair value (USD):
17.3 mln

VEF Stake:
9.8%

Share of VEF's portfolio:
3.7%



Solfácil is building a digital ecosystem for solar energy adoption in Brazil. It offers a holistic solution covering solar equipment procurement and distribution, financing and insurance solutions for the end user, and proprietary IoT technology to optimise monitoring and service post installation.

In 1H22, VEF invested USD 20.0 mln into Solfácil, participating in its USD 130 mln Series C round led by QED and also saw participation from SoftBank and existing investors.



Fair value (USD):
15.4 mln

VEF Stake:
2.6%

Share of VEF's portfolio:
3.3%



Nibo is the leading accounting SaaS provider in Brazil, transforming the way accountants and SMEs interact. Nibo services over 400,000 SMEs through 4,600+ 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):
12.1 mln

VEF Stake:
20.1%

Share of VEF's portfolio:
2.6%

India



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 21.1 mln into Juspay, investing USD 13.0 mln leading its broader Series B round in 2020 and investing USD 8.1 mln in its Series C round in 2022.



Fair value (USD):
72.5 mln

VEF Stake:
10.2%

Share of VEF's portfolio:
15.4%



Rupeek is one of India's leading asset-backed digital lending platforms 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 1Q24, Rupeek raised an additional USD 6.2 mln to fund its growth plans. In total, VEF has invested USD 13.9 mln into Rupeek.



Fair value (USD):
6.1 mln

VEF Stake:
2.5%

Share of VEF's portfolio:
1.3%

Mexico



Konfio 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 Konfio since 2Q18, most recently participating in Konfio's USD 110 mln Series E2 round led by Tarsadia Capital in 3Q21.



Fair value (USD):
75.5 mln

VEF Stake:
10.3%

Share of VEF's portfolio:
16.1%

Emerging Europe



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):
36.6 mln

VEF Stake:
11.3%

Share of VEF's portfolio:
7.8%

Financial information

Investments

During 1Q24, no gross investments in financial assets have been made (1Q23: 0.0).

Divestments

Gross divestments in financial assets during 1Q24 were USD 0.0 mln (1Q23: USD 3.0 mln).

Share info

VEF AB (publ)'s share capital per March 31, 2024, is distributed among 1,101,417,500 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. The Board has not used the mandate and the Company currently holds no shares in treasury.

Group – results for 1Q24

During 1Q24, the result from financial assets at fair value through profit or loss amounted to USD 6.5 mln (1Q23: 32.3).

- Operating expenses amounted to USD -1.7 mln (1Q23: -2.4).
- Net financial items were USD 0.5 mln (1Q23: -1.4).
- Net result was USD 5.3 mln (1Q23: 28.4).
- Total shareholders' equity amounted to USD 447.6 mln (YE23: 442.2).

Financial markets closed the quarter strongly, driven by expectations of lower interest rates in 2024 and beyond. The rally in different risk assets appears to be broadening, although there have been mixed performance within listed emerging market fintech public companies depending on geography and business type. Key drivers of overall NAV performance during 1Q24 were robust underlying portfolio performance, partly offset in some cases by lower valuation multiples.

Liquid assets

The liquid assets of the Group, defined as cash and bank deposits, amounted to USD 14.0 mln on March 31, 2024 (YE23: 17.7). The Company also has placements in money market funds as part of its liquidity management operations. As of March 31, 2024, the liquidity placements are valued at USD 3.9 mln (YE23: 3.9).

Parent company

The parent company, VEF AB (publ), is the holding company of the Group. The net result for 1Q24 was SEK 2.6 mln (1Q23: 69.9). 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.

Current market environment

Positive momentum in risk assets has continued into 2024. During 1Q24, the global fintech indices ARKF and FINX that VEF is tracking, showed positive returns of 10% and 9% respectively. Brazil was joined by Mexico embarking upon an interest rate reduction cycle, fueling gains in the more credit-sensitive listed fintech companies.

Venture markets are starting to see a lagged benefit from these trends with increased activity in investing across stages, new fund launches and most importantly exits (M&A, IPO and secondary sales) occurring again. Despite this favorable backdrop, VEF shares continue to trade at a deep discount to the latest reported NAV. VEF's financial position remains comfortable with a solid balance sheet and a USD 17.9 mln cash position at the end of 1Q24, more than sufficient to support our current portfolio over the coming twelve-months period. Importantly, 95% of our active portfolio already are or have the capacity to reach break-even without additional funding, the remaining 5% have a weighted cash runway of 18 months.

Consolidated income statement

KUSD	Note	1Q 2024	1Q 2023
Result from financial assets at fair value through profit or loss	4	6,506	32,288
Administrative and operating expenses		-1,678	-2,420
Operating result		4,828	29,868
Financial income and expenses			
Interest income		157	5
Interest expense		-1,108	-1,284
Currency exchange gains/losses, net		1,429	-146
Net financial items		478	-1,425
Result before tax		5,306	28,443
Taxation		-6	-
Net result for the period		5,300	28,443
Earnings per share, USD	9	0.01	0.03
Diluted earnings per share, USD	9	0.01	0.03

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	Mar 31, 2024	Dec 31, 2023
NON-CURRENT ASSETS			
Tangible non-current assets			
Property, plant and equipment		92	100
Total tangible non-current assets		92	100
Financial non-current assets			
Financial assets at fair value through profit or loss	4		
Equity financial assets		466,462	460,020
Liquid financial assets		3,947	3,893
Other financial assets		35	35
Total financial non-current assets		470,444	463,948
CURRENT ASSETS			
Tax receivables		276	277
Other current receivables		126	191
Prepaid expenses		236	123
Cash and cash equivalents		13,963	17,708
Total current assets		14,601	18,299
TOTAL ASSETS		485,137	482,347
SHAREHOLDERS' EQUITY (including net result for the financial period)		447,603	442,229
NON-CURRENT LIABILITIES			
Long-term liabilities	6	36,703	38,891
Total non-current liabilities		36,703	38,891
CURRENT LIABILITIES			
Accounts payable		55	40
Tax liabilities		68	64
Other current liabilities		275	195
Accrued expenses		433	928
Total current liabilities		831	1,227
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		485,137	482,347

Consolidated statement of changes in equity

KUSD	Note	Share capital	Additional paid in capital	Retained earnings	Total
Balance at Jan 1, 2023		1,318	94,892	285,621	381,831
Net result for the period		–	–	60,066	60,066
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	–	6	–	6
- Share based long-term incentive program	8	–	326	–	326
Balance at Dec 31, 2023		1,318	95,224	345,687	442,229
Balance at Jan 1, 2024		1,318	95,224	345,687	442,229
Net result for the period		–	–	5,300	5,300
Transactions with owners:					
Retiring of shares		-3	–	-3	-6
Bonus issue		3	3	–	6
Value of employee services:					
- Employee share option scheme	7	–	1	–	1
- Share based long-term incentive program	8	13	60	–	73
Balance at Mar 31, 2024		1,331	95,288	350,984	447,603

Consolidated statement of cash flows

KUSD	1Q 2024	1Q 2023
OPERATING ACTIVITIES		
Result before tax	5,306	28,443
<i>Adjustment for non-cash items:</i>		
Interest income and expense, net	951	1,279
Currency exchange gains/-losses, net	-1,429	146
Depreciations	7	11
Result from financial assets at fair value through profit or loss	-6,506	-32,288
Other non-cash items affecting profit or loss	61	91
<i>Adjustment for cash items:</i>		
Change in current receivables	-85	86
Change in current liabilities	-452	185
Adjustments of cash flow in operating activities	-2,147	-2,047
Investments in financial assets	–	–
Sales of financial assets	10	3,000
Interest received	157	5
Tax paid	–	–
Net cash flow from/used in operating activities	-1,980	958
FINANCING ACTIVITIES		
Interest paid on sustainability bonds	-1,035	-1,113
Proceeds from new share issue through employee options	13	–
Net cash flow from/used in financing activities	-1,022	-1,113
Cash flow for the period	-3,002	-155
Cash and cash equivalents at beginning of the period	17,708	8,612
Exchange gains/losses on cash and cash equivalents	-743	49
Cash and cash equivalents at end of the period	13,963	8,506

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	Mar 31, 2024	Dec 31, 2023
Equity ratio	9	92.3%	91.7%
Net asset value, USD	9	447,603,296	442,229,211
Exchange rate at balance sheet date, SEK/USD		10.66	10.04
Net asset value/share, USD	9	0.43	0.42
Net asset value/share, SEK	9	4.58	4.26
Net asset value, SEK	9	4,771,642,710	4,440,676,513
Share price, SEK		1.92	1.84
Traded premium/discount(-) to NAV	9	-58.1%	-56.9%
Weighted average number of shares for the financial period	9	1,041,865,735	1,041,865,735
Weighted average number of shares for the financial period, fully diluted	9	1,041,865,735	1,041,865,735
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	1Q 2024	1Q 2023
Result from financial assets at fair value through profit or loss	22,815	95,807
Administrative and operating expenses	-10,708	-13,177
Operating result	12,107	82,630
Financial income and expenses		
Interest income	1,498	11
Interest expense	-11,476	-13,165
Currency exchange gains/losses, net	469	374
Net financial items	-9,509	-12,780
Result before tax	2,598	69,850
Taxation	-	-
Net result for the period	2,598	69,850

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	Mar 31, 2024	Dec 31, 2023
NON-CURRENT ASSETS			
Financial non-current assets			
Shares in subsidiaries		2,529,590	2,519,361
Financial assets at fair value through profit or loss			
Equity financial assets		914,295	894,463
Liquid financial assets		42,073	39,089
Other financial assets		50	50
Total financial non-current assets		3,486,008	3,452,963
CURRENT ASSETS			
Tax receivables		311	245
Other current receivables		1,361	1,740
Other current receivables, Group		4,501	6,352
Prepaid expenses		1,482	1,136
Cash and cash equivalents		142,619	171,628
Total current assets		150,274	181,101
TOTAL ASSETS		3,636,282	3,634,064
SHAREHOLDERS' EQUITY (including net result for the financial period)	5	3,235,387	3,232,214
NON-CURRENT LIABILITIES			
Long-term liabilities	6	390,833	390,000
Total non-current liabilities		390,833	390,000
CURRENT LIABILITIES			
Accounts payable		407	398
Other current liabilities, Group		3,945	3,938
Other current liabilities		1,770	828
Accrued expenses		3,940	6,686
Total current liabilities		10,062	11,850
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,636,282	3,634,064

Parent company statement of changes in equity

KSEK	Note	Share capital	Additional paid in capital	Retained earnings	Total
Balance at Jan 1, 2023					
		11,067	821,401	2,296,202	3,128,670
Net result for the period		-	-	100,174	100,174
Transactions with owners:					
Retiring of shares		-135	-31,559	-7	-31,700
Bonus issue		135	31,565	-	31,700
Value of employee services:					
- Employee share option scheme	7	-	66	-	66
- Share based long-term incentive program	8	-	3,304	-	3,304
Balance at Dec 31, 2023		11,067	824,777	2,396,370	3,232,214
Balance at Jan 1, 2024					
		11,067	824,777	2,396,370	3,232,214
Net result for the period		-	-	2,598	2,598
Transactions with owners:					
Retiring of shares		-35	-	-35	-70
Bonus issue		35	35	-	70
Value of employee services:					
- Employee share option scheme	7	-	9	-	9
- Share based long-term incentive program	8	129	437	-	566
Balance at Mar 31, 2024		11,196	825,258	2,398,933	3,235,387

Notes

(Expressed in KUSD unless indicated otherwise)

Note 1

General information

VEF AB (publ) was incorporated on December 7, 2020 and the registered office is at Mäster Samuelsgatan 1, 111 44 Stockholm, Sweden. The common shares of VEF AB (publ) are listed on Nasdaq Stockholm Main Market with the ticker VEFAB.

As of March 31, 2024, 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 Cyprus Limited act as the main investment vehicle for the group, holding twelve of fifteen investments at balance date. VEF AB (publ) holds the remaining three and acts as a service company, together with VEF Fintech Ireland Limited and VEF UK Ltd, providing business and investment support services to the Group.

The financial year is January 1–December 31.

Parent company

The Parent Company VEF AB (publ) is a public limited liability company, incorporated in Sweden and operating under Swedish law. VEF AB (publ) is the holding company of the Group and directly owns all the companies in the Group. The net result for 1Q24 was SEK 2.6 mIn (1Q23: 69.9). VEF AB (publ) was incorporated on December 7, 2020. The parent company has two employees per March 31, 2024.

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 2023 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 2023 Annual Report, Note 2.

Note 3 — Related party transactions

Related party transactions for the period are of the same character as described in the 2023 Annual Report. During the period VEF has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	1Q 2024	1Q 2023	Mar 31, 2024	Mar 31, 2023
Key management and Board of Directors ¹	653	1,168	–	–

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 looking 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 undertaken 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 Mar 31, 2024

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	3,947	63,142	403,319	470,408
<i>of which:</i>				
Liquidity placements	3,947	–	–	3,947
Shares	–	63,142	369,008	432,150
Convertibles and SAFE notes	–	–	34,311	34,311
Total assets	3,947	63,142	403,319	470,408

Assets measured at fair value at Dec 31, 2023

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	3,893	34,421	425,599	463,913
<i>of which:</i>				
Liquidity placements	3,893	–	–	3,893
Shares	–	34,421	391,808	426,229
Convertibles and SAFE notes	–	–	33,791	33,791
Total assets	3,893	34,421	425,599	463,913

Changes of financial assets in Level 3

	Mar 31, 2024	Dec 31, 2023
Opening balance Jan 1	425,599	269,214
Transfers from Level 2 to Level 3 ¹	–	75,056
Transfers from Level 3 to Level 2 ¹	-26,996	-2,637
Change in fair value	4,716	83,966
Closing balance	403,319	425,599

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

As per March 31, 2024, VEF has a liquidity management portfolio of listed money market funds that are classified as Level 1 investments.

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

Transaction-based valuations

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

Company	Valuation method	Date latest transaction
TransferGo	Latest transaction	1Q24
Gringo	Latest transaction	3Q23
Rupeek	Latest transaction	1Q24

Mark-to-model-based valuations

Creditas, Konfío, Juspay, Solfácil and Nibo are all valued on the basis of a twelve-months (NTM) forward looking revenue and/or gross profit multiple. Inputs used for each valuation include risk adjusted revenue and earnings forecasts, local currency moves and listed peer group revenue and/or gross profit multiples as of March 31, 2024.

The difference in fair value change between the portfolio companies is dependent on relative revenue and/or gross profit forecasts in each company as well as moves in the relevant peer group and moving exchange rates. Peers used in the 1Q24 peer set include a mix of listed emerging and developed market companies representing accounting SaaS and BNPL companies, solar companies, fast growth payments companies and a range of Latin American fintech companies. The NTM multiples across the different peer groups per company and valuation range from 0.5x to 21.7x revenues and 2.1-21.7x gross profit. As a standard process, the median of each group is used, and in applicable cases VEF will adjust the resulting multiple based on prevailing local market conditions, sector and company specific factors, applying discounts or premiums to reflect the fair value of the company.

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

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

Company	Peer group range valuation method		-15%	-10%	-5%	0%	+5%	+10%	+15%
	Revenue multiple	Gross profit multiple							
Creditas	0.7–6.1x	2.1–15.0x	184,235	194,652	205,069	215,486	225,903	236,320	246,737
Konfio	0.5–5.1x	2.1–11.9x	65,432	68,798	72,165	75,532	78,899	82,266	85,633
Juspay	2.0–21.7x	2.4–21.7x	62,285	65,702	69,120	72,538	75,956	79,374	82,791
Solfácil	0.5–5.1x	2.1–17.5x	13,141	13,899	14,657	15,415	16,173	16,931	17,688
Nibo	7.8–10.9x	9.8–13.2x	10,437	11,003	11,570	12,136	12,702	13,269	13,835

Change in financial assets at fair value through profit or loss

Company	Jan 1, 2024	Investments/ (divestments), net	Fair value change	Mar 31, 2024	Percentage of portfolio	VEF ownership stake
Creditas	188,828	–	26,658	215,486	45.8%	8.8%
Konfio	95,349	–	-19,817	75,532	16.1%	10.3%
Juspay	74,053	–	-1,515	72,538	15.4%	10.2%
TransferGo	26,996	–	9,641	36,637	7.8%	11.3%
Gringo	17,289	–	–	17,289	3.7%	9.8%
Solfácil	15,628	–	-213	15,415	3.3%	2.6%
Nibo	12,708	–	-572	12,136	2.6%	20.1%
Rupeek	7,727	–	-1,637	6,090	1.3%	2.5%
Other ¹	21,442	-10	-6,093	15,338	3.2%	
Liquidity investments	3,893	–	54	3,947	0.8%	
Total	463,913	-10	6,506	470,408	100%	

1. Includes all companies individually valued at less than 1% of the total portfolio and portfolio company valuations that cannot be disclosed due to regulatory restrictions.

Note 5 – Share capital

VEF AB (publ)'s share capital per March 31, 2024, is distributed among 1,101,417,500 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 2020–2023 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	1,041,865,735	1,041,865,735	10,550,596
Class C 2020	31,720,500	31,720,500	321,222
Class C 2021	7,044,835	7,044,835	71,340
Class C 2022	9,061,430	9,061,430	91,762
Class C 2023	11,725,000	11,725,000	118,735
Total	1,101,417,500	1,101,417,500	11,153,655

Note 6 – Long-term liabilities

Sustainability bonds 2023/2026

During 4Q23, VEF issued sustainability bonds of three years, to the amount of SEK 500 mln, within a frame of SEK 1,000 mln. VEF holds SEK 100 mln of the bonds. The bonds carry a floating coupon of 3m Stibor + 650 bps with interest paid quarterly. The bonds are due in December 2026. The bonds are trading on the sustainable bond list of Nasdaq Stockholm and the Open Market of the Frankfurt Stock Exchange. In connection with the issuance of the 2023/2026 bonds the outstanding 2022/2025 bonds were redeemed in full.

Note 7 – Option plan

Per March 31, 2024, a total of 500,000 options are outstanding, of which none to the Managing Director.

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

For more information on the option plan, please see Note 8 in the 2023 Annual Report.

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

There are four running LTIP programs for management and key personnel in the VEF Group. All four running programs, LTIP 2020-2023 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 2023 Annual Report.

	LTIP 2020	LTIP 2021	LTIP 2022	LTIP 2023
Performance measurement period	Jan 2020–Dec 2024	Jan 2021–Dec 2025	Jan 2022–Dec 2026	Jan 2023–Dec 2027
Vesting period	Nov 2020–Dec 2024	Sept 2021–Dec 2025	Aug 2022–Dec 2024	Jan 2024–Dec 2025
Maximum no of shares Managing Director	13,300,000	3,325,000	3,325,000	3,517,500
Maximum no of shares others	18,420,500	3,719,835	5,736,430	8,207,500
Maximum no of shares, total	31,720,500	7,044,835	9,061,430	11,725,000
Maximum dilution	2.95%	0.67%	0.86%	1.11%
Share price on grant date, SEK	3.14	4.34	2.31	1.77
Plan share price on grant date, SEK ¹	0.37	0.62	0.10	0.30

Total employee benefit expense excl. bonuses paid and social taxes	LTIP 2020 ²	LTIP 2021 ²	LTIP 2022 ²	LTIP 2023 ²
2024	33	-12	4	35
2023	187	103	31	-
2022	204	131	14	-
2021	201	22	-	-
2020	31	-	-	-
Total accumulated	656	244	49	35

- 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.
- 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

	1Q 2024	1Q 2023
Earnings per share, USD		
Weighted average number of shares	1,041,865,735	1,041,865,735
Result for the period	5,300,129	28,442,611
Earnings per share, USD	0.01	0.03
Diluted earnings per share, USD		
Diluted weighted average number of shares	1,041,865,735	1,041,865,735
Result for the period	5,300,129	28,442,611
Diluted earnings per share, USD	0.01	0.03

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 shareholders' 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

	Mar 31, 2024	Dec 31, 2023
Equity ratio		
Net asset value/shareholders equity, USD	447,603,296	442,229,211
Total assets, USD	485,137,463	482,345,699
Equity ratio	92.3%	91.7%
Net asset value, USD	447,603,296	442,229,211
Net asset value, SEK		
Net asset value, USD	447,603,296	442,229,211
SEK/USD	10.66	10.04
Net asset value, SEK	4,771,642,710	4,440,676,513
Net asset value/share, USD		
Net asset value, USD	447,603,296	442,229,211
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, USD	0.43	0.42
Net asset value/share, SEK		
Net asset value, USD	447,603,296	442,229,211
SEK/USD	10.66	10.04
Net asset value, SEK	4,771,642,710	4,440,676,513
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.58	4.26
Premium/discount(-) to NAV		
Net asset value, USD	447,603,296	442,229,211
SEK/USD	10.66	10.04
Net asset value, SEK	4,771,642,710	4,440,676,513
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.58	4.26
Share price, SEK	1.92	1.84
Premium/discount(-) to NAV	-58.1%	-56.9%

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 have taken place after the end of the period.

Other information

Upcoming reporting dates

VEF's financial report for the period January 1, 2024–June 30, 2024, will be published on July 17, 2024.
VEF's financial report for the period January 1, 2024–September 30, 2024, will be published on October 23, 2024.
VEF's financial report for the period January 1, 2024–December 31, 2024, will be published on January 22, 2025.

April 17, 2024

David Nangle
Managing Director

This information is information that VEF AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 2024-04-17 08:00 CEST.

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

VEF

The emerging market fintech investor