



# VEF

The emerging market fintech investor

## Year-End Report 2023

## Key events during the quarter

-  In 4Q23 our USD NAV increased 5% QoQ, ending 2023 up 16% YoY. Key NAV drivers continue to be improved portfolio company forecasts and outlook, combined with strengthening peer multiples, all driven by an improving macro and market outlook.
-  VEF successfully closed its second SEK 500 mln sustainability bond. The bond effectively rolled our previous issue, at improved terms, with a new duration set to December 2026. An important event that allowed us to de-risk duration matching of expected portfolio exits to our new bond maturity.
-  In November, we returned to a core tradition of hosting one of our board meetings in a focus investment geography – India. The mood on the ground was overwhelmingly positive, with a backdrop of political stability, underlying economic growth and buoyant capital markets, driven by both significant domestic and international capital flows.

## Net asset value

- NAV of VEF's portfolio as at YE23 is USD 442.2 mln (YE22 381.8). NAV per share has increased by 16% to USD 0.42 (YE22: 0.37) per share during FY23.
- In SEK, NAV equals 4,441 mln (YE22: 3,981). NAV per share has increased by 12% to SEK 4.26 (YE22: 3.82) per share during FY23.
- Cash position, including liquidity investments, was USD 21.6 mln (YE22: 48.5) at the end of 2023.

## Financial result

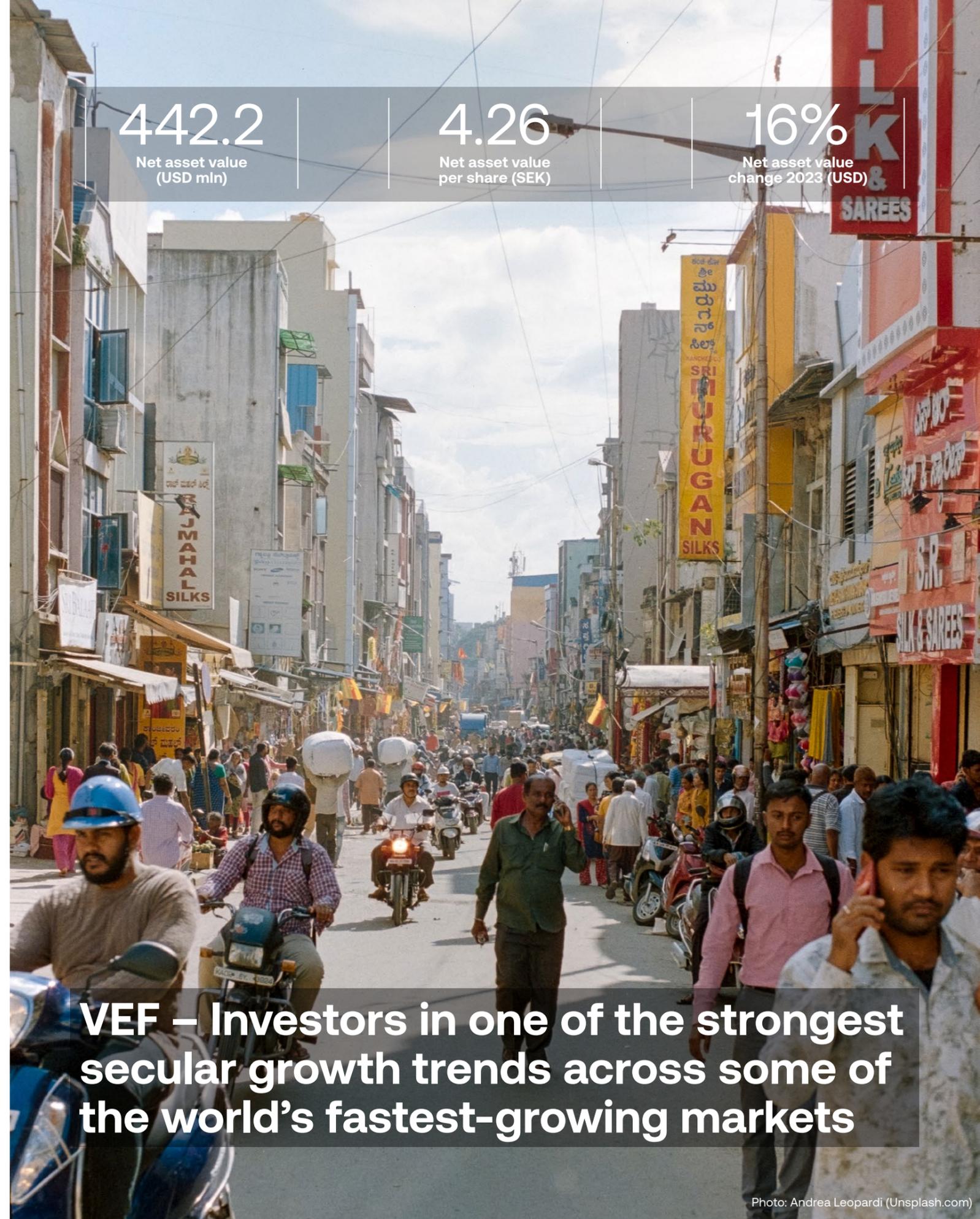
- Net result for 4Q23 was USD 19.4 mln (4Q22: -61.5). Earnings per share were USD 0.02 (4Q22: -0.06).
- Net result for FY23 was USD 60.1 mln (FY22: -377.4). Earnings per share were USD 0.06 (FY22: -0.36).

	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023
Net asset value (USD mln)	761.7	381.8	442.2
Net asset value (SEK mln)	6,885	3,981	4,441
Net asset value per share (USD)	0.73	0.37	0.42
Net asset value per share (SEK)	6.61	3.82	4.26
VEF AB (publ) share price (SEK)	6.05	2.45	1.84

## 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](https://vef.vc/investors)



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

# Management report

## Dear Fellow Shareholder,

We finish 2023 on a positive footing. 4Q23 continued a 2023 trend of better, and incrementally more positive with each passing quarter. As we look into 2024, our growing confidence is based on:

- **NAV tailwinds in place:** The 16% (USD 60.4 mln) growth in NAV in 2023 benefitted from strong macro and market level performance. At a portfolio level, growth remains robust and forecasts are bottoming out – in many cases we are starting to revise up estimates again.
- **Optimistic about our portfolio:** Creditas and Konfio – refocused and well capitalised, both well placed into macro and market recovery. Juspay – classic structural growth play on Indian payments – a key engine of medium-term NAV growth. A number of exciting names coming through in the portfolio – Gringo, Solfácil, BlackBuck, TransferGo and Abhi towards the top of that list.
- **Portfolio weighted towards “healthy” emerging markets:** 90%+ of the portfolio is focused on Brazil (interest rate falling and macro cycle turning), India (strong structural growth) and Mexico (US nearshoring beneficiary), a strong backdrop for portfolio performance in 2024.
- **Quality, maturity and balance in portfolio:** Our portfolio is maturing and is more robust than 18 months ago. A better risk/reward balance is showcased by the majority of our companies being profitable or cash flow positive, or on a clear path to that destination.
- **Venture industry continues to show signs of recovery:** We see increased activity in investing across stages, new fund launches and most importantly exits (M&A, IPO and secondary sales) occurring again. All positive top-down trends that provide a growing tailwind for the industry and VEF within it.
- **Balance sheet and traded discount are strategic priorities for 2024:** Top priority in 2024 is to strengthen our balance sheet. Bond roll-over managed, exits are a high priority. Our goal is to lower our traded discount to NAV and get back on the front foot investing.

We go deeper on some of these topics below.

## 4Q23 NAV positive – continuing YTD recovery momentum

We end 2023 with a USD NAV of 442.2 mln, up 5% QoQ and up 16% YoY, and a NAV per share of SEK 4.26, off 4% QoQ and up 12% YoY. The 8% quarterly SEK strength versus the USD explained the quarterly currency performance variation in the NAV.

Fintech and emerging markets shares recovered during 4Q23, and ended 2023 on a positive note. The two global fintech indices, ARKF and FINX, that we track, increased 42% and 27% QoQ and 93% and 33% YoY. With 93% of our portfolio marked to market, this trend was valuation supportive for the majority of our holdings. 2023 was a strong year for our exposure currencies, especially in LatAm (MXN +15% and BRL +9% YoY vs. USD), while we see company forecasts broadly rebased with an upward bias looking into 2024.

The positive quarterly moves in our largest holdings, Creditas (+3%), Konfio (+19%) and Juspay (+11%), were supported by a combination of trends in the aforementioned market multiples, company forecasts and currencies. TransferGo's (-13% QoQ, +65% FY23) business performance remains strong, with profitability in sight. However, the 4Q23 QoQ valuation pullback was a function of weak listed peer group performance over the quarter.

As a reminder, we keep a consistent valuation process in the eyes of our board, auditors and most importantly the market. At the end of 2023, we sit on USD 21.6 mln of liquidity.

## Macro, markets and venture industry recovery – key drivers into 2024

Rates globally are broadly accepted to have peaked with the question turning to when we see cuts in the system, a key driver of risk appetite. Brazil, our largest market, continued to move ahead of the curve, with a fourth 50bps rate cut in 4Q23 and more expected into 2024. India, VEF's third largest market, continues to deliver strong structural growth with 6%+ GDP growth expected again into 2024. Looking ahead, we are very satisfied with our country level exposure.

Financial markets have fed off macro recovery trends, delivering a significant end of year rally. Despite VEF shares not yet benefitting, we were encouraged as the rally went well beyond blue chip shares, with many emerging market fintech stocks and listed investment companies taking part. In turn, this has all fed through to venture markets, which are starting to see increased activity in investing across stages, new fund launches and most importantly exits (M&A, IPO and secondary sales) occurring again. Globally and locally, these are the type of conditions that VEF tends to revel in.

## Key portfolio company updates

At portfolio level, **Creditas** released headline 3Q23 IFRS results posting revenues of BRL 482 mln, +16.3% YoY, as they moderate growth and focus on profitability. After three quarters of stable SELIC, 3Q23 was the first quarter of falling interest rates, which intensified their ability to raise gross profit margins. Credit quality continued strong in 3Q23 with cost of credit at the lowest level since 2021. In 3Q23 Creditas also completed two transactions to strengthen their capital structure: (i) a USD 75 mln equity convertible note with broad based internal support and (ii) a USD 40 mln European bond. As they accelerate the expansion of gross profit and continue gaining operational leverage, Creditas is confident of delivering profitable growth in 2024.

We said goodbye to two portfolio companies in 4Q23. In 2023, Magnetis was sold to BTG Pactual, a Brazil banking corporation. JUMO closed out a recapitalisation in 4Q23, in which we decided not to take part, resulting in a write off of our holding. Both are failed investments, with losses and learnings banked. In both scenarios, we had taken our NAV marks well down in advance of final outcomes, with limited impact on 4Q23 results.

At YE23 our portfolio is more concentrated (15 names) and much more mature than just 18 months ago. A better risk/reward balance is showcased by the majority of our companies being profitable or cash flow positive, or on a clear path to that destination. Growth is less euphoric, but business models are more robust and sustainable as a result.

## Time in India with our Board

In November, we returned to a core tradition of hosting one of our board meetings in a focus investment geography – India. It was a great opportunity for our board to touch and feel India fintech first hand, visit portfolio company offices and engage directly with the local ecosystem, who we have worked closely with over the last five years. We also spent quality time with all three of our Indian holdings (Juspay, BlackBuck and Rupeek) while there, accounting for 19% of our portfolio.

The mood on the ground was overwhelmingly positive, with a backdrop of political stability, underlying economic growth and buoyant capital markets, driven by both significant domestic and international capital flows. At a general level one continues to be excited by the sheer scale of the opportunity, but more specifically the pace of development and the tailwinds for fintech, thanks in large part to a reform minded government and a progressive regulator. India is going to be an increasingly important investment destination for us and it does feel like a great window to be long quality and scarce private assets.

## A reminder of why we have our HQ and listing in Sweden

4Q23, was a quarter when we benefitted a lot from our Swedish base and listing, a clear reminder of “why Sweden”.

We successfully closed a SEK 500 mln (USD 48 mln) sustainability bond. As a second time issuer, the bond effectively rolled our previous issue with a new duration of December 2026. We kept SEK 100 mln of the new issue ourselves, reducing outstanding debt as part of the process. With strong support from Swedish and European investors we closed at improved terms to previous issue. It was an important event as it allowed us to de-risk duration matching our portfolio exits with our bond maturity.

In 4Q23, I was hosted by Ara Mustafa on Nordnet's Sparpodden, one of the best Swedish investor podcasts. At VEF, we love our following of risk taking Swedish retail investors and this was a great platform to reach out to them.

Finally, in 4Q23 we said goodbye to our longstanding CFO, Henrik Stenlund, a great servant to the firm and we wish him the best in the next leg of his career. More important to VEF, has been the smooth transition and succession of this key role, as Kim Ståhl, our former Deputy CFO, took the CFO title on an interim basis, before settling in on a permanent basis at the start of 2024.

## Confident as we look into 2024

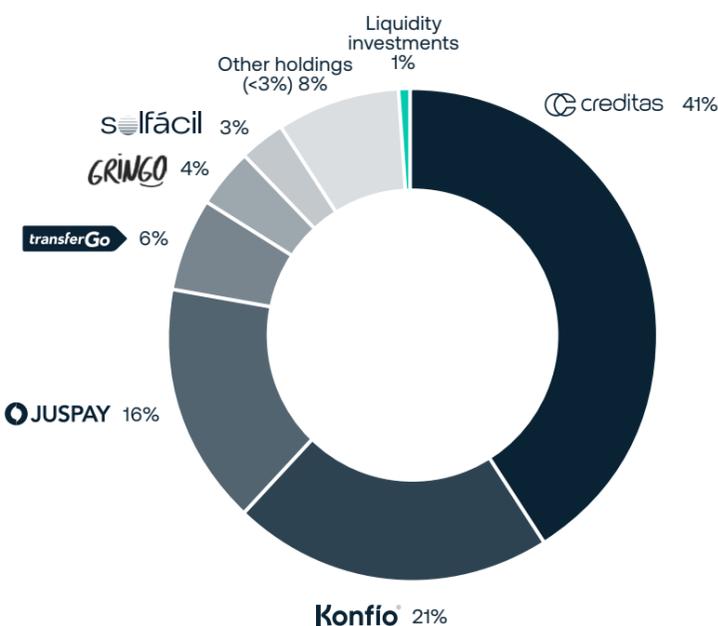
As we moved through 2023, positive data points became more evident, and momentum returned. 2022, with all its headwinds, does seem further in the rear view mirror. Macro and markets have been clear tailwinds. Having spent time on the ground with our companies through 2023, we have fresh confidence that we have a more focused quality portfolio in the right geographies well placed to create a lot of long-term value for our shareholders. We look at our shares at this juncture and see both a strong value and growth case to be made. Our goal as ever is to grow our NAV per share and close that discount to NAV. On the pipeline front, there are clear signs that we are on the cusp of a fresh and positive investment vintage. In 2024, getting back to investing is a key focus of all at VEF.

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.

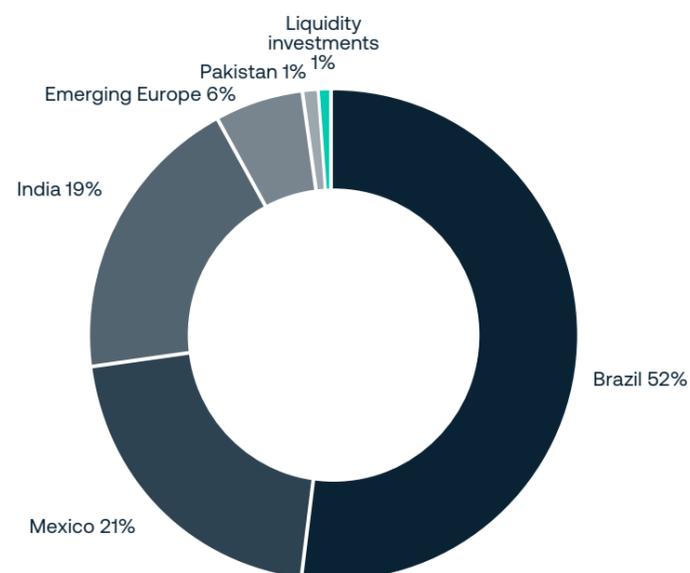
January 2024,  
Dave Nangle

# VEF in charts

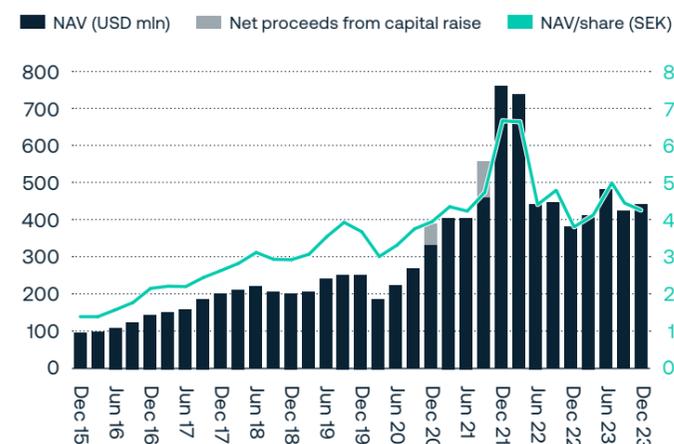
## Portfolio composition



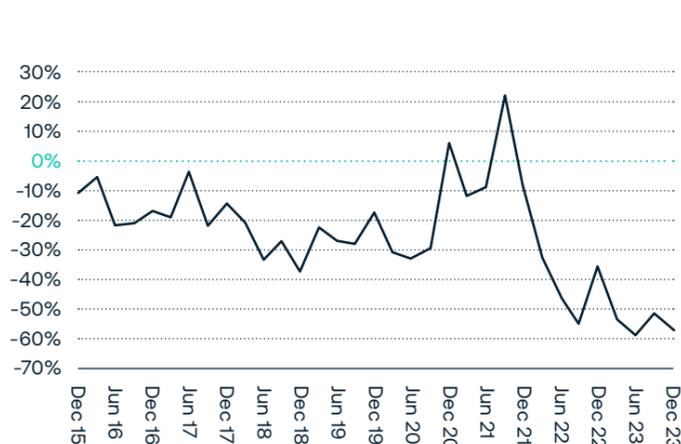
## Geographic distribution



## NAV evolution



## Share premium/discount to NAV



# Investment portfolio

## Portfolio development

VEF's net asset value per share increased by 5% in USD and decreased by 4% in SEK over 4Q23, while VEF's share price in SEK decreased by 15.7%. During the same period, the MSCI Emerging Markets index\* increased by 7.9% in USD terms.

## Liquidity investments

The Company has investments in money market funds as part of its liquidity management operations. As at December 31, 2023, the liquidity investments are valued at USD 3.9 mln.

## Net asset value

The investment portfolio stated at market value (KUSD) at December 31, 2023

Company	Fair value Dec 31, 2023	Net invested amount	Net investments/divestments FY23	Change in fair value 4Q23	Change in fair value FY23	Fair value Dec 31, 2022	Valuation method
Creditas	188,828	108,356	5,000	5,298	-9,249	193,076	Mark-to-model
Konfio	95,349	56,521	-	15,530	55,203	40,146	Mark-to-model
Juspay	74,053	21,083	-	7,511	26,582	47,471	Mark-to-model
TransferGo	26,996	13,877	-	-3,932	10,649	16,347	Mark-to-model
Gringo	17,289	15,249	3,000	-	2,040	12,250	Latest transaction
Solfácil	15,628	20,000	-	4,014	-4,372	20,000	Mark-to-model
Nibo	12,708	6,500	-	1,471	5,891	6,817	Mark-to-model
FinanZero	8,395	5,163	-	651	310	6,894	Latest transaction
Rupeek	7,727	13,858	-	-	-7,468	8,085	Latest transaction
BlackBuck	7,296	10,000	-	-2,052	402	15,195	Mark-to-model
Other <sup>2</sup>	5,751	34,119	-	-2,082	-8,768	14,519	
Liquidity investments	3,893	800	-39,159	173	3,175	39,877	
<b>Investment portfolio</b>	<b>463,913</b>	<b>305,526</b>	<b>-31,159</b>	<b>26,582</b>	<b>74,395</b>	<b>420,677</b>	
Cash and cash equivalents	17,708					8,612	
Other net liabilities	-39,392					-47,458	
<b>Total net asset value</b>	<b>442,229</b>					<b>381,831</b>	

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

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

## Portfolio highlights



### Creditas' 3Q23: Stable growth and profitability on track

Creditas posted a 16.3% revenue increase YoY in 3Q23, reaching BRL 482 mln. With a focus on profitability, they leveraged falling interest rates to enhance the gross profit margin. Solid credit quality, evidenced by the lowest cost of credit since 2021, coupled with strategic capital strengthening, positions Creditas to deliver profitable growth in 2024.



### Juspay SAFE 2.0: Elevating Payments Excellence

Juspay introduces SAFE 2.0, a refined SDK (software development kit) for an enhanced payment experience. SAFE 2.0 ensures up to 10% success rate improvement and exemplifies Juspay commitment to setting a new standard in seamless and secure payments.



### Solar success: Solfácil's insights

Solfácil's CEO, Fabio Carrara, participated in The J Curve podcast and shared key strategies for excelling in Brazil's solar energy market, from seizing market timing to navigating commoditization. Click on the link above and discover the opportunities, profits, and challenges in Brazil's solar space, and Solfácil's commitment to sustainable growth.

## Key valuation considerations



Konfio was the single strongest positive NAV contributor during 4Q23, with a valuation uplift of USD 15.5 mln (+19%) QoQ. The valuation change was, for the second consecutive quarter, driven by positive moves in the underlying comps set together with a continued positive revenue outlook.



Juspay, one of the strongest performers in the portfolio with consistently high growth rates and improving take rates, saw a USD 7.5 mln (+11%) valuation uplift QoQ, mainly driven by a recovery in publicly listed payment comps and operational performance.



TransferGo's outlook remains strong with sequentially improving gross profit margins and bottom line profitability in sight. In 4Q23, the value of our position in TransferGo (+65% YoY) decreases by USD 3.9 mln (-13%) QoQ to USD 27.0 mln, which reflects a contraction in multiples compared to last quarter.

## Brazil



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

In 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):  
**188.8 mln**

Share of VEF's portfolio:  
**40.7%**

VEF stake:  
**8.7%**



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**

Share of VEF's portfolio:  
**3.7%**

VEF stake:  
**9.8%**



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):  
**15.6 mln**

Share of VEF's portfolio:  
**3.4%**

VEF stake:  
**2.6%**



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

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

Fair value (USD):  
**12.7 mln**

Share of VEF's portfolio:  
**2.7%**

VEF stake:  
**20.1%**

## FinanZero

FinanZero is the leading online credit marketplace in Brazil, acting as an independent broker to give millions of customers access to credit from a network of over 80 lenders at the best rates and terms in the market in one search.

VEF made its initial investment into FinanZero in 2016, with the latest follow-on investment of USD 1.0 mln taking place in 2Q22. In total, VEF has invested USD 5.2 mln into FinanZero.

Fair value (USD):  
**8.4 mln**

Share of VEF's portfolio:  
**1.8%**

VEF stake:  
**18.3%**

## Mexico

### Konfio

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):  
**95.3 mln**

Share of VEF's portfolio:  
**20.6%**

VEF stake:  
**10.3%**

## India

### JUSPAY

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

VEF has made a cumulative investment of USD 21.1 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):  
**74.1 mln**

Share of VEF's portfolio:  
**16.0%**

VEF stake:  
**10.2%**

### Rupeek

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

In 2Q23, Rupeek raised an additional USD 5.2 mln to fund its growth plans. In total, VEF has invested USD 13.9 mln into Rupeek.

Fair value (USD):  
**7.7 mln**

Share of VEF's portfolio:  
**1.7%**

VEF stake:  
**2.5%**

## BLACKBUCK

BlackBuck is the largest online trucking platform in India digitizing fleet operations for truckers (payments solutions around tolls and fuel) It also operates a marketplace matching trucks with relevant loads and offers used commercial vehicle financing on the platform. BlackBuck represents VEF's first investment in the 'embedded finance' space.

VEF made its initial USD 10.0 mln investment into BlackBuck in 3Q21.

Fair value (USD):  
**7.3 mln**

Share of VEF's portfolio:  
**1.6%**

VEF stake:  
**1.0%**

## Emerging Europe

### transferGo

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

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

Fair value (USD):  
**27.0 mln**

Share of VEF's portfolio:  
**5.8%**

VEF stake:  
**11.9%**

# Financial information

## Investments

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

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

During 3Q23 VEF invested USD 8.0 mln into the current portfolio, USD 5.0 mln was invested into Creditas in form of a convertible note and USD 3.0 mln was invested into Gringo (3Q22: USD 2.9 mln).

During 4Q23, no gross investments in financial assets have been made (4Q22: USD 5.0 mln).

## Divestments

Gross divestments in financial assets during FY23 were USD 39.2 mln, of which all relates to divestments in liquidity investments (FY22: USD 42.0 mln).

## Share info

VEF AB (publ)'s share capital per December 31, 2023, is distributed among 1,093,199,255 shares with a par value of SEK 0.01 per share. For more information on the share capital please refer to Note 5.

## Share repurchases

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

## Group – results for FY23

During FY23, the result from financial assets at fair value through profit or loss amounted to USD 74.4 mln (FY22: -369.9).

- Coupon income were USD 0.0 mln (FY22: 0.4).
- Operating expenses amounted to USD -7.1 mln (FY22: -7.4).
- Net financial items were USD -7.1 mln (FY22: -0.6).
- Net result was USD 60.1 mln (FY22: -377.4).
- Total shareholders' equity amounted to USD 442.2 mln (YE22: 381.8).

## Group – results for 4Q23

During 4Q23, the result from financial assets at fair value through profit or loss amounted to USD 26.6 mln (4Q22: -56.2).

- Coupon income were USD 0.0 mln (4Q22: 0.1).
- Operating expenses amounted to USD -2.1 mln (4Q22: -1.3).
- Net financial items were USD -5.1 mln (4Q22: -4.2).
- Net result was USD 19.4 mln (4Q22: -61.5).

Financial markets closed the year strongly, driven by expectations of lower interest rates in 2024 and beyond. Tech stocks in general, and LatAm listed fintech in particular, had strong performance in 4Q23. Key drivers of overall NAV performance were expansion of peer valuation multiples and robust underlying portfolio performance, with continued moderated revenue growth a reflection of plans to reach break-even at a majority of portfolio companies.

## Liquid assets

The liquid assets of the Group, defined as cash and bank deposits, amounted to USD 17.7 mln on December 31, 2023 (YE22: 8.6). The Company also has placements in money market funds as part of its liquidity management operations. As of December 31, 2023, the liquidity placements are valued at USD 3.9 mln (YE22: 39.9).

## Parent company

The parent company, VEF AB (publ), is the holding company of the Group. The net result for FY23 was SEK 100.2 mln (FY22: 24.0). VEF AB (publ) is the parent of three wholly owned subsidiaries: VEF Cyprus Limited, VEF Fintech Ireland Limited and VEF UK Ltd. VEF AB (publ) is the direct shareholder of three portfolio companies (BlackBuck, Juspay and Rupeek).

## Current market environment

With 2022 behind us replete with market and sector headwinds, 2023 ended on a much more optimistic note, particularly within the listed fintech space. During 4Q23, the global fintech indices ARKF and FINX that VEF is tracking, experienced outsize returns of 42% and 27% respectively. Brazil, a VEF key market, is well into its monetary easing cycle with 200 bps of cumulative reductions during 2023, and more expected in 2024, providing a tailwind to listed LatAm fintech names which are key portfolio comps for VEF.

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 favourable backdrop, VEF shares continue to trade at a deep discount to the latest reported NAV, consistent with many investment company peers around the world. VEF's financial position remains comfortable with a solid balance sheet and a USD 21.6 mln cash position at the end of the year, more than sufficient to support current portfolio over the coming twelve-months period. Importantly, 94% of our active portfolio already are or have the capacity to reach breakeven without additional funding, the remaining 6% have a weighted cash runway of 21 months.

# Consolidated income statement

KUSD	Note	FY 2023	FY 2022	4Q 2023	4Q 2022
Result from financial assets at fair value through profit or loss	4	74,395	-369,936	26,582	-56,184
Coupon income		–	410	–	117
Other income		18	193	–	14
Administrative and operating expenses		-7,116	-7,404	-2,052	-1,277
<b>Operating result</b>		<b>67,297</b>	<b>-376,737</b>	<b>24,530</b>	<b>-57,330</b>
<b>Financial income and expenses</b>					
Interest income		531	21	322	21
Interest expense		-7,966	-3,009	-3,798	-1,224
Currency exchange gains/losses, net		336	2,397	-1,619	-2,983
<b>Net financial items</b>		<b>-7,099</b>	<b>-591</b>	<b>-5,095</b>	<b>-4,186</b>
<b>Result before tax</b>		<b>60,198</b>	<b>-377,328</b>	<b>19,435</b>	<b>-61,516</b>
Taxation		-132	-31	-19	–
<b>Net result for the period</b>		<b>60,066</b>	<b>-377,359</b>	<b>19,416</b>	<b>-61,516</b>
Earnings per share, USD	9	0.06	-0.36	0.02	-0.06
Diluted earnings per share, USD	9	0.06	-0.36	0.02	-0.06

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	Dec 31, 2023	Dec 31, 2022
<b>NON-CURRENT ASSETS</b>			
<b>Tangible non-current assets</b>			
Property, plant and equipment		100	156
<b>Total tangible non-current assets</b>		<b>100</b>	<b>156</b>
<b>Financial non-current assets</b>			
Financial assets at fair value through profit or loss	4		
Equity financial assets		460,020	380,800
Liquid financial assets		3,893	39,877
Other financial assets		35	32
<b>Total financial non-current assets</b>		<b>463,948</b>	<b>420,709</b>
<b>CURRENT ASSETS</b>			
Tax receivables		277	64
Other current receivables		191	449
Prepaid expenses		123	104
Cash and cash equivalents		17,708	8,612
<b>Total current assets</b>		<b>18,299</b>	<b>9,229</b>
<b>TOTAL ASSETS</b>		<b>482,347</b>	<b>430,094</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>		<b>442,229</b>	<b>381,831</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term liabilities	6	38,891	46,979
<b>Total non-current liabilities</b>		<b>38,891</b>	<b>46,979</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		40	76
Tax liabilities		64	–
Other current liabilities		195	241
Accrued expenses		928	967
<b>Total current liabilities</b>		<b>1,227</b>	<b>1,284</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>482,347</b>	<b>430,094</b>

# Consolidated statement of changes in equity

KUSD	Note	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at Jan 1, 2022</b>		<b>1,308</b>	<b>97,440</b>	<b>662,980</b>	<b>761,728</b>
Net result for the period		-	-	-377,359	-377,359
Value of employee services:					
- Employee share option scheme		-	12	-	12
- Share based long-term incentive program		10	350	-	360
Buyback of own shares		-	-2,910	-	-2,910
<b>Balance at Dec 31, 2022</b>		<b>1,318</b>	<b>94,892</b>	<b>285,621</b>	<b>381,831</b>
<b>Balance at Jan 1, 2023</b>		<b>1,318</b>	<b>94,892</b>	<b>285,621</b>	<b>381,831</b>
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
<b>Balance at Dec 31, 2023</b>		<b>1,318</b>	<b>95,224</b>	<b>345,687</b>	<b>442,229</b>

# Consolidated statement of cash flows

KUSD	FY 2023	FY 2022	4Q 2023	4Q 2022
<b>OPERATING ACTIVITIES</b>				
Result before tax	60,198	-377,328	19,435	-61,516
<i>Adjustment for non-cash items:</i>				
Interest income and expense, net	7,435	2,988	3,476	1,203
Currency exchange gains/-losses, net	-336	-2,397	1,619	2,983
Depreciations	56	-54	15	-145
Result from financial assets at fair value through profit or loss	-74,395	369,936	-26,582	56,184
Other non-cash items affecting profit or loss	333	366	82	93
<i>Adjustment for cash items:</i>				
Coupon income	-	-410	-	-117
Change in current receivables	-745	-1,727	-722	137
Change in current liabilities	-103	-52	-297	241
<b>Adjustments of cash flow in operating activities</b>	<b>-7,557</b>	<b>-8,678</b>	<b>-2,974</b>	<b>-937</b>
Investments in financial assets	-8,000	-81,660	-	-5,000
Sales of financial assets	39,159	42,000	25,000	6,000
Coupon income	-	410	-	117
Interest received	531	21	322	21
Tax paid	-70	-65	-	-65
<b>Net cash flow from/used in operating activities</b>	<b>24,063</b>	<b>-47,972</b>	<b>22,348</b>	<b>136</b>
<b>FINANCING ACTIVITIES</b>				
Interest paid on sustainability bonds	-7,521	-1,902	-3,842	-994
Proceeds from sustainability bonds	38,278	53,080	38,278	-
Redemption of sustainability bonds	-48,483	-	-48,483	-
Buybacks of own shares	-	-2,910	-	-1,651
Proceeds from new share issue through employee options	-	10	-	-
<b>Net cash flow from/used in financing activities</b>	<b>-17,726</b>	<b>48,278</b>	<b>-14,047</b>	<b>-2,645</b>
<b>Cash flow for the period</b>	<b>6,337</b>	<b>306</b>	<b>8,301</b>	<b>-2,509</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8,612</b>	<b>11,131</b>	<b>6,729</b>	<b>10,740</b>
Exchange gains/losses on cash and cash equivalents	2,759	-2,825	2,678	381
<b>Cash and cash equivalents at end of the period</b>	<b>17,708</b>	<b>8,612</b>	<b>17,708</b>	<b>8,612</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 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	Dec 31, 2023	Dec 31, 2022
Equity ratio	9	91.7%	88.8%
Net asset value, USD	9	442,229,211	381,830,589
Exchange rate at balance sheet date, SEK/USD		10.04	10.43
Net asset value/share, USD	9	0.42	0.37
Net asset value/share, SEK	9	4.26	3.82
Net asset value, SEK	9	4,440,676,513	3,981,466,381
Share price, SEK		1.84	2.45
Traded premium/discount(-) to NAV	9	-56.9%	-35.8%
Weighted average number of shares for the financial period	9	1,041,865,735	1,045,052,785
Weighted average number of shares for the financial period, fully diluted	9	1,041,865,735	1,045,052,785
Number of shares at balance sheet date	9	1,041,865,735	1,041,865,735
Number of shares at balance sheet date, fully diluted	9	1,041,865,735	1,041,865,735

# Parent company income statement

KSEK	FY 2023	FY 2022	4Q 2023	4Q 2022
Result from financial assets at fair value through profit or loss	219,153	95,664	-14,337	-97,935
Coupon income	-	4,174	-	1,199
Other income	3,369	156	-	17
Administrative and operating expenses	-42,236	-49,045	-12,488	-8,471
<b>Operating result</b>	<b>180,286</b>	<b>50,949</b>	<b>-26,825</b>	<b>-105,190</b>
<b>Financial income and expenses</b>				
Interest income	4,652	216	3,150	216
Interest expense	-82,170	-31,941	-38,872	-12,972
Currency exchange gains/losses, net	-2,594	4,745	-4,288	-583
<b>Net financial items</b>	<b>-80,112</b>	<b>-26,980</b>	<b>-40,010</b>	<b>-13,339</b>
<b>Result before tax</b>	<b>100,174</b>	<b>23,969</b>	<b>-66,835</b>	<b>-118,529</b>
Taxation	-	-	-	-
<b>Net result for the period</b>	<b>100,174</b>	<b>23,969</b>	<b>-66,835</b>	<b>-118,529</b>

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	Dec 31, 2023	Dec 31, 2022
<b>NON-CURRENT ASSETS</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries		2,519,361	2,400,800
Financial assets at fair value through profit or loss			
Equity financial assets		894,463	725,327
Liquid financial assets		39,089	415,811
Other financial assets		50	50
<b>Total financial non-current assets</b>		<b>3,452,963</b>	<b>3,541,988</b>
<b>CURRENT ASSETS</b>			
Tax receivables		245	245
Other current receivables		1,740	4,310
Other current receivables, Group		6,352	9,746
Prepaid expenses		1,136	956
Cash and cash equivalents		171,628	74,592
<b>Total current assets</b>		<b>181,101</b>	<b>89,849</b>
<b>TOTAL ASSETS</b>		<b>3,634,064</b>	<b>3,631,837</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	5	<b>3,232,214</b>	<b>3,128,670</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term liabilities	6	390,000	488,750
<b>Total non-current liabilities</b>		<b>390,000</b>	<b>488,750</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		398	649
Other current liabilities, Group		3,938	2,442
Other current liabilities		828	1,463
Accrued expenses		6,686	9,863
<b>Total current liabilities</b>		<b>11,850</b>	<b>14,417</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,634,064</b>	<b>3,631,837</b>

# Parent company statement of changes in equity

KSEK	Note	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at Jan 1, 2022</b>					
		10,963	849,376	2,272,233	3,132,572
Net result for the period					
		-	-	23,969	23,969
Value of employee services:					
- Employee share option scheme					
		-	122	-	122
- Share based long-term incentive program					
		104	3,590	-	3,694
Buyback of own shares					
		-	-31,687	-	-31,687
<b>Balance at Dec 31, 2022</b>		<b>11,067</b>	<b>821,401</b>	<b>2,296,202</b>	<b>3,128,670</b>
<b>Balance at Jan 1, 2023</b>					
		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
<b>Balance at Dec 31, 2023</b>		<b>11,067</b>	<b>824,777</b>	<b>2,396,370</b>	<b>3,232,214</b>

# 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. The common shares of VEF AB (publ) replaced the Swedish Depository Receipts representing shares in VEF Ltd. With effect as from July 5, 2021, in connection with the transfer of domicile of the group from Bermuda to Sweden.

As of December 31, 2023, the VEF Group consists of the Swedish Parent Company VEF AB (publ) and three wholly owned subsidiaries: VEF Cyprus Limited, VEF Fintech Ireland Limited and VEF UK Ltd. VEF Service AB was liquidated in 2Q23. VEF Cyprus Limited act as the main investment vehicle for the group, holding twelve of fifteen investments at balance date. VEF AB (publ) holds the remaining three (BlackBuck, Juspay and Rupeek) and act as a service company, together with VEF Fintech Ireland Limited and VEF UK Ltd, providing business and investment support services to the Group.

The financial year is January 1–December 31.

### Parent company

The Parent Company VEF AB (publ) is a 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 FY23 was SEK 100.2 mln (FY22: 24.0). VEF AB (publ) was incorporated on December 7, 2020. The parent company has four employees per December 31, 2023.

### Accounting principles

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

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

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

## Note 2 — Financial and operating risks

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

## Note 3 — Related party transactions

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

	Operating expenses		Current liabilities	
	FY 2023	FY 2022	Dec 31, 2023	Dec 31, 2022
Key management and Board of Directors <sup>1</sup>	3,076	2,887	–	–

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 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
<b>Total assets</b>	<b>3,893</b>	<b>34,421</b>	<b>425,599</b>	<b>463,913</b>

### Assets measured at fair value at Dec 31, 2022

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

### Changes of financial assets in Level 3

	Dec 31, 2023	Dec 31, 2022
Opening balance Jan 1	269,214	25,794
Transfers from Level 2 to Level 3 <sup>1</sup>	75,056	605,712
Transfers from Level 3 to Level 2 <sup>1</sup>	-2,637	–
Change in fair value	83,966	-362,292
<b>Closing balance</b>	<b>425,599</b>	<b>269,214</b>

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

As per December 31, 2023, VEF has a liquidity management portfolio of listed money market funds that are classified as Level 1 investments.

The investments in Creditas, Konfío, Juspay, TransferGo, Solfácil, Nibo and BlackBuck are classified as Level 3 investments. The remaining smaller portfolio companies are either classified as Level 2 or Level 3 investments. During the quarter no companies have been transferred between Level 2 and Level 3.

### Transaction-based valuations

Holdings classified as Level 2 investments are valued based on the latest transaction in the company, on market terms. The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment's fair value, the valuation is adjusted accordingly. The transaction-based valuations are frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models. When transaction-based valuations of unlisted holdings are used, no material event is deemed to have occurred in the specific portfolio company that would suggest that the transaction-based value is no longer valid. 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
FinanZero	Latest transaction	3Q23
Gringo	Latest transaction	3Q23
Rupeek	Latest transaction	2Q23

### Mark-to-model-based valuations

Creditas, Konfío, Juspay, TransferGo, Solfácil, Nibo and BlackBuck 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 December 31, 2023.

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 4Q23 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 17.5x revenues and 2.3–19.6x 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	0.5–8.4x	2.3–19.6x	161,669	170,722	179,775	188,828	197,881	206,934	215,987
Konfio	0.5–3.7x	–	82,316	86,660	91,004	95,349	99,693	104,037	108,381
Juspay	3.5–17.5x	–	63,641	67,111	70,582	74,053	77,524	80,995	84,465
TransferGo	2.0–5.6x	4.3–7.5x	23,231	24,486	25,741	26,996	28,250	29,505	30,760
Solfácil	0.5–4.4x	2.3–18.8x	13,313	14,085	14,856	15,628	16,400	17,171	17,943
Nibo	8.2–10.8x	–	10,921	11,517	12,112	12,708	13,303	13,899	14,495
BlackBuck	6.4–6.9x	–	6,279	6,618	6,957	7,296	7,635	7,974	8,313

### Change in financial assets at fair value through profit or loss

Company	Jan 1, 2023	Investments/ (divestments), net	Fair value change	Dec 31, 2023	Percentage of portfolio	VEF ownership stake
Creditas	193,076	5,000	-9,249	188,828	40.7%	8.7%
Konfio	40,146	–	55,203	95,349	20.6%	10.3%
Juspay	47,471	–	26,582	74,053	16.0%	10.2%
TransferGo	16,347	–	10,649	26,996	5.8%	11.9%
Gringo	12,250	3,000	2,040	17,289	3.7%	9.8%
Solfácil	20,000	–	-4,372	15,628	3.4%	2.6%
Nibo	6,817	–	5,891	12,708	2.7%	20.1%
FinanZero	8,085	–	310	8,395	1.8%	18.3%
Rupeek	15,195	–	-7,468	7,727	1.7%	2.5%
BlackBuck	6,894	–	402	7,296	1.6%	1.0%
Other <sup>1</sup>	14,519	–	-8,768	5,751	1.2%	
Liquidity investments	39,877	-39,159	3,175	3,893	0.8%	
Total	420,677	-31,159	74,395	463,913		

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

## Note 5 – Share capital

VEF AB (publ)'s share capital per December 31, 2023, is distributed among 1,093,199,255 shares with a par value of SEK 0.01 per share as set out in the table below. Each share of the Company carries one vote. The common shares trade on Nasdaq Stockholm Main Market, Mid Cap-segment.

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

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

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

## Note 6 – Long-term liabilities

### Sustainability bonds 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 Open Market of the Frankfurt Stock Exchange and will be listed on the sustainable bond list of Nasdaq Stockholm. In connection with the issuance of the 2023/2026 bonds the outstanding 2022/2025 bonds were redeemed in full.

## Note 7 – Option plan

Per December 31, 2023, a total of 500,000 options are outstanding, of which none to the Managing Director. In 3Q23, 500,000 options were exercised by a former employee but no new shares were issued since the exercise took place on a cash basis.

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 2022 Annual Report.

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

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

	LTIP 2020	LTIP 2021	LTIP 2022
Performance measurement period	Jan 2020–Dec 2024	Jan 2021–Dec 2025	Jan 2022–Dec 2026
Vesting period	Nov 2020–Dec 2024	Sept 2021–Dec 2025	Aug 2022–Dec 2024
Maximum no of shares, Managing Director	13,300,000	3,325,000	3,325,000
Maximum no of shares, others	19,451,250	4,904,375	7,027,895
Maximum no of shares, total	32,751,250	8,229,375	10,352,895
Maximum dilution	3.05%	0.78%	0.98%
Share price on grant date, SEK	3.14	4.34	2.31
Share price on grant date, USD	0.36	–	–
Plan share price on grant date, SEK <sup>1</sup>	0.37	0.62	0.10
Plan share price on grant date, USD <sup>1</sup>	0.04	–	–
<b>Total employee benefit expense excl. bonuses paid and social taxes</b>	<b>LTIP 2020<sup>2</sup></b>	<b>LTIP 2021<sup>2</sup></b>	<b>LTIP 2022<sup>2</sup></b>
2023	187	103	31
2022	204	131	14
2021	201	22	–
2020	31	–	–
Total accumulated	623	256	45

- 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

	FY 2023	FY 2022	4Q 2023	4Q 2022
<b>Earnings per share, USD</b>				
Weighted average number of shares	1,041,865,735	1,045,052,785	1,041,865,735	1,045,052,785
Result for the period	60,065,547	-377,358,503	19,415,561	-61,515,719
Earnings per share, USD	0.06	-0.36	0.02	-0.06
<b>Diluted earnings per share, USD</b>				
Diluted weighted average number of shares	1,041,865,735	1,045,052,785	1,041,865,735	1,045,052,785
Result for the period	60,065,547	-377,358,503	19,415,561	-61,515,719
Diluted earnings per share, USD	0.06	-0.36	0.02	-0.06

## 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

	Dec 31, 2023	Dec 31, 2022
<b>Equity ratio</b>		
Net asset value/shareholders equity, USD	442,229,211	381,830,589
Total assets, USD	482,345,699	430,093,844
Equity ratio	91.7%	88.8%
<b>Net asset value, USD</b>	442,229,211	381,830,589
<b>Net asset value, SEK</b>		
Net asset value, USD	442,229,211	381,830,589
SEK/USD	10.04	10.43
Net asset value, SEK	4,440,676,513	3,981,466,381
<b>Net asset value/share, USD</b>		
Net asset value, USD	442,229,211	381,830,589
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, USD	0.42	0.37
<b>Net asset value/share, SEK</b>		
Net asset value, USD	442,229,211	381,830,589
SEK/USD	10.04	10.43
Net asset value, SEK	4,440,676,513	3,981,466,381
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.26	3.82
<b>Premium/discount(-) to NAV</b>		
Net asset value, USD	442,229,211	381,830,589
SEK/USD	10.04	10.43
Net asset value, SEK	4,440,676,513	3,981,466,381
Number of outstanding shares	1,041,865,735	1,041,865,735
Net asset value/share, SEK	4.26	3.82
Share price, SEK	1.84	2.45
Premium/discount(-) to NAV	-56.9%	-35.8%

### Other definitions

#### Portfolio value

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

## Note 10 – Events after the reporting period

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

# Other information

## Upcoming reporting dates

VEF's financial report for the period January 1, 2024–March 31, 2024, will be published on April 17, 2024.

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.

## Annual General Meeting and Annual Report 2023

The annual general meeting of VEF is planned to take place on Tuesday, May 14, 2024. The annual report will be available on the Company's website ([vef.vc](https://vef.vc)) from March 28, 2024.

January 24, 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 2024-01-24 08:00 CET.**

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

# VEF

The emerging market fintech investor