

The background of the entire page is a photograph of a city skyline at sunset. The sky is a mix of orange, yellow, and dark grey, with some clouds. The city buildings are silhouetted against the bright horizon. In the foreground, there is a body of water that reflects the sky and the city skyline.




**VEF**

The emerging market fintech investor

**Year-End Report  
2022**



## Key events during the quarter

-  VEF invested an additional USD 5 mln into Credits in the form of a convertible note.
-  In August VEF announced that the Board of Directors had approved a new buyback program of up to a maximum of USD 10 mln. During the year, VEF has repurchased shares equivalent to USD 2.9 mln, of which USD 1.7 mln worth of shares were repurchased during the fourth quarter.
-  USD NAV down 14% during the quarter, a reflection of the decrease in valuation of the underlying portfolio driven by market moves of listed peers. On a company level, delivery remained strong and broadly on forecast through the quarter.

## Net asset value

- NAV of VEF's portfolio as at YE22 is USD 381.8 mln (YE21 761.7). NAV per share has decreased by 49.9% to USD 0.37 (YE21: 0.73) per share during FY22.
- In SEK, NAV equals 3,981 mln (YE21: 6,885). NAV per share has decreased by 42.1% to SEK 3.82 (YE21: 6.61) per share during FY22.
- Cash position, including liquidity placements, was USD 48.5 mln (YE21: 61.8) at the end of 2022.

## Financial result

- Net result for 4Q22 was USD -61.5 mln (4Q21: 208.0). Earnings per share were USD -0.06 (4Q21: 0.22).
- Net result for FY22 was USD -377.4 mln (FY21: 275.5). Earnings per share were USD -0.36 (FY21: 0.30).

The financial result for the fourth quarter is principally a reflection of the decrease in valuation of the underlying portfolio (-12%) QoQ. Valuation changes in individual portfolio names were mainly driven by market moves in their respective listed peers coupled with moderately revised revenue forecasts, in parts, reflecting plans to reach profitability. The result for the quarter broadly mirrors the valuation decreases in global fintech indices, which experienced a further sell-off during the period. On an aggregated level, and specifically amongst the top portfolio names, underlying delivery remained strong and broadly on track vs. updated and profitability focused forecasts.

	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022
Net asset value (USD mln)	388.1	761.7	<b>381.8</b>
Net asset value (SEK mln)	3,178	6,885	<b>3,981</b>
Net asset value per share (USD)	0.47	0.73	<b>0.37</b>
Net asset value per share (SEK)	3.83	6.61	<b>3.82</b>
VEF AB (publ) share price (SEK)	4.04	6.05	<b>2.45</b>

## Events after the end of the period

No significant events after the end of the period.

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



**381.8**  
Net asset value  
(USD mln)

**3.82**  
Net asset value  
per share (SEK)

**-42%**  
Net asset value per  
share change YoY (SEK)

**-14%**  
Net asset value  
change QoQ (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,

2022 was a year when markets reminded you that building a business and delivering through cycle return on capital is hard – which is how it should be! If not, everyone would be doing it and it felt for a period, pre-2022, that nearly everybody was. Today, with inflation elevated, rates rising, capital less available and more expensive, the strong macro tailwinds for the industry have evaporated.

So, what does it mean for VEF?

Going into year eight of our journey, the structural growth story and opportunity for fintech within emerging markets remains clear, that is a constant. That said, one has to be extremely vigilant in volatile windows such as these. The bullets are flying, be them macro, sector or micro company directed, and one needs to be ready. It remains a window to play defence, first and foremost, constantly striving to be one to two steps ahead of it all. Then make forward moves carefully and above all, be patient and keep your head. We work hard to avoid the bullets and this year we have avoided the pitfalls in China, had minor exposure to Russia (written down in 1Q22) and are not exposed to the broader crypto ecosystem. Our top holdings, which make up the majority of our NAV and define our near-term success, remain in good shape, well-funded to continue a robust growth story and in many cases through to break even.

One of my great learnings from this window, is that we have built deep quality through-cycle muscles at VEF – proper long term business building blocks. We have come a long way since our launch in the summer of 2015. This is most apparent in the quality of our team, our ingrained processes, through cycle battle scars and learnings, quality of portfolio companies and our valued shareholder base, all of which has kept us on the front foot through a difficult period for markets. This base has allowed us to gradually lean forward in 2H22 and start to seek opportunity in the next leg of value creation for VEF and our shareholders. This is what drives us and gets us excited as we look into 2023 and beyond.

## 4Q22 NAV

In 2Q22, we moved fast to re-adjust our NAV to reflect the current public market reality, reducing our USD NAV 40% at that point. With that in place, and in the absence of a vibrant funding market, our quarterly NAV moves are largely a slave to the evolution of public markets – as they track the moves of public comparable listed companies and FX, alongside the evolution and roll over of our underlying financial models for each company.

While this can lead to a higher level of NAV mark quarterly volatility versus the majority of our private Venture fund peers, it does allow our marks to stay fresh and be reflective of the prevailing public market view. Hence, we are constantly in a position to stand behind our NAV.

We end 4Q22 with a NAV per share of SEK 3.82, down 20% QoQ and down 42% YoY. Total USD NAV ended the quarter at USD 382 mln, down 14% QoQ and off 50% YoY. The 8% strength of SEK vs USD QoQ drove NAV growth currency differential.

Specific to the quarter, global equity markets sold off again into the close of 2022. Of specific relevance to VEF, the average of global fintech indices we track (baskets of publicly traded fintech benchmark stocks) sold off further in 4Q22 and ended the year off 58% for FY22. Key portfolio currencies (BRL, MXN, INR, PKR) were broadly flat QoQ in 4Q22 versus USD.

The biggest portfolio valuation moves in the quarter were Creditas and Konfio. Creditas saw a moderate 8.7% QoQ valuation mark reduction, with peer comps pullback the main drag on our quarterly mark. We invested an additional USD 5 mln into Creditas via a convertible note in the quarter. We reduced our valuation mark in Konfio by a more substantial 34% in 4Q22. The main driver of this lower mark was peer comp sell-off over the quarter. We also moderately reduced our top line forecasts for the company as they drive a path towards break even, with moderated growth a key input. It is key to note that we are now valuing our stake in Konfio below our level of invested capital in the company, and thus below what our preferred shares would pay out, if the company was to exit at our current company valuation mark or above.

Two smaller portfolio names we applied valuation haircuts in the quarter were Finja and Magnetis (combined less than 1% of the portfolio). We moved Finja to mark-to-model valuation in 3Q22 and despite strong performance of late, post raising additional capital in 4Q22, we would prefer to rebuild our valuation mark with further delivery through 2023. The mark down in value of our stake in Magnetis reflects a more conservative plan for the business given the company's lower than average runway and the current environment for growth in the investment subsector.

The lower mark in JUMO is transaction timing driven. The company is in the process of carrying out a necessary and transformative funding round, that was not yet completed by YE22. As a result, we moved to value the company on the basis of a "no new capital" scenario, and hence a different set of cautious assumptions versus what would be the case post a successful raise. This is something we will look to address further in our 1Q23 report.

These moves, while NAV negative in the quarter, continue our conservative stance on valuation marks through 2022 and are reflective of the year that was. We like to keep a consistency of process in the eyes of our audit committee, auditors and most importantly the market, even if it can be overly harsh in terms of valuation mark output. On top of these 4Q22 changes, as a reminder, we moved REVO to a zero-valuation mark in 1Q22, post Russia's invasion of Ukraine (despite the company delivering double digit MUSD earnings in 2022). Overall, our NAV is off 50% YoY in USD terms in 2022, which ends up broadly in line with the performance of global fintech indices. While this performance disappoints us, as managers and shareholders, we are much happier to be able to stand behind our NAV and work it back up from this lower base.

On a more positive note, as we look ahead into 2023, we remain comfortable that there is a lot of value creation to come through. This is especially evident in the top half of our portfolio and specifically in Creditas, which continues to show strong delivery as evidenced by quarterly filings. Other standout names which show

clear 2023 valuation uplift potential include Juspay and Gringo. Both current valuation marks grow in conservatism given their continued strong underlying performance and the growing embedded discount they trade at to peers.

Finally, a clear output of the valuation process through 2022 has been a growing concentration of our portfolio to our larger "outperforming" holdings, something which we welcome. At the end of 4Q22, we sit on USD 48.5 mln of capital.

## Proud of our reaction and actions through 2022

Looking back on the year, I am pleased with how team VEF responded and adjusted focus to the changing environment. As investors in emerging markets, one is always ready for volatility and curve balls, this mindset is a constant.

Looking back, in 1H22, we were quick to go on the defensive as market mood music changed. First, we strengthened our balance sheet, raising our first sustainability bond. At portfolio level, we overly focused on our size holdings, namely Creditas, Konfio and Juspay (67% of portfolio at YE22), ensuring they were in a strong capital position to continue to grow at a healthy clip through to planned break even. We then addressed our NAV mark in our 2Q22 filing, given the sharp sell-off in public markets over that YTD period, and rebased it to a more conservative level. With our defence in place, 2H22 was a period where we started to lean back on the front foot. Specifically, we spent increasing time in our core investment ecosystems with VC partners, portfolio companies and pipeline. We were back marketing the VEF story to global investors, off strong underlying trends in our portfolio companies and a rebased NAV. Finally, given the dislocation between VEF's share price and the intrinsic value we see in our portfolio, we launched a share repurchase program.

At YE22, as a result of these actions, we feel we are in a good place, despite plenty of stress and volatility swirling in the system.

## Creditas 3Q22 IFRS numbers release – on trend

We like the growing business and financial transparency from Creditas and the benefits and look through it provides to the market on VEF. In this vein, in November, Creditas released its headline IFRS results for 3Q22, posting robust 98/90% YoY revenue/loan growth. In 2H22 Creditas has started to target more modest loan growth rates and focus on portfolio repricing. This repricing is clear, with pre-fixed loans pricing, for example, moving from 32% p.a. in Sep-2021 to 49% p.a. in Sep-2022. This has only started to feed through to gross profit margins, which bottomed out at c. 10% through 2Q/3Q22 and are set for strong recovery over the coming quarters. Management expects to regain 40–50% gross profit margins levels as this plays out through 2023. Below this line, Creditas continues to rationalize its overheads, drive efficiency gains, and bring down customer acquisition costs to lowest levels experienced. This is all ongoing while asset quality remains in solid shape given the collateralised nature of the loan book. It is this interplay of forces; 1) moderated but still robust portfolio growth, 2) loan repricing, 3) Selic peaking and funding costs with it, 4) cost and CAC optimisation and 5) stable asset quality, that excite us and provide a great risk/reward story as Creditas drives a path to profitability in 2023. Creditas continues to benefit from the timely Andbank equity injection in summer 2022 and the top up of the convertible loan note linked to that, in which VEF participated with a USD 5 mln additional investment in 4Q22. On the IPO front, the aim is to be ready to act when the market re-opens for business.

## VEF Portfolio – plenty coming through to be excited about

Given the nature of 2022, we overweighted our time living and working with our core portfolio companies. We have always been active shareholders, with board seats in the majority of our holdings, and in times like these, this is key. While pipeline building continues and investing remains a key facet of long term success, much of the unseen value creation in VC world is in the farming of current holdings, versus the hunting for new ones. So, 2022 was a year that

we spent in the trenches with our founders, and I am happy to report that we are there with some great people and companies who are up for the fight in a capital tight, macro headwind world. Emerging markets tend to build founders like this, as it is just a tougher through cycle environment to succeed in.

We acknowledge that we tend to overweight our communication towards the top end of our portfolio, namely Creditas, Konfío and Juspay, given their relative size and importance to our current NAV. But there are so many exciting stories within the portfolio, ones that had a robust-to-stellar 2022 despite the environment, some of which will be vying for these top portfolio spots in the quarters/years to come. I touch on a few below, with different degrees of defined success for each in 2022.

- TransferGo (migrant remittances and financial services across emerging markets), is one of our longer standing holdings, had yet another strong year of business as monthly remittance transactions grew 55% and gross profit 86% YoY, October YTD 2022. The business also reached operational profitability in 4Q22. Founded and managed by one of our most resourceful unflinching founders, TransferGo continues to grow the core remittance reach, while layering in broader financial services for their growing migrant client base.
- Rupeek (gold backed lending India) had a strong 2022 with all key metrics in the business on the up and net revenues forecast to grow 200%+ YoY. In September, Rupeek onboarded Indian Bank, one of the largest public sector banks in India, as lending partner on its platform at attractive unit economics. The company also launched a first in the market gold backed credit card with its new banking partner playing into the massively underpenetrated self-employed credit market with only 4% card penetration.
- VEF invested USD 12 mln into Gringo, leading their USD 34 mln Series B round in early 2022. Gringo's "super-app" for drivers in Brazil, had a super strong 2022 growing its active user-base close to 3 mln drivers in Brazil with top line revenues look set to grow 500%+ YoY. Many (fin)tech investments made at the start of 2022, have been value destructive ones to date – Gringo is one of the more unique ones, making a mockery of that ideology with its stellar performance since our investment.

- In 2022, Nibo (accounting software for SMEs in Brazil) achieved a significant milestone as it turned operationally profitable, becoming stewards of their own destiny. The business is now generating cash while continuing to deliver growth. Of more interest is that recent growth has been driven by more sales to SMEs versus traditional accountants – a much larger target market with increased ability to pay. With the launch of its new product for finance BPOs (Business Process Outsourcing), Nibo is now the only platform in the market that connects clients, accountants and their BPO providers. We are very excited by these developments at Nibo and shows how; 1) it can take time and 2) there are many ways to win, in a journey to build a sustainable business.

## Investment opportunities starting to appear

The VC funding market has been broadly dislocated through 2022. Investors, on average have been in risk-off mode as they allow markets and valuations to find a fresh floor. On the supply side, many of the best EM fintech companies that raised capital in size through 2021, have had no immediate capital needs and have been avoiding looking to test an unfriendly funding market. Those who have needed capital, have been looking internally first, for ways to tap fresh or bridge capital. So, the market became quite shallow, transaction light and very inward focused on own portfolios.

Through 4Q22, there are early signs that some companies are, once again, stepping out and looking to get ahead of the curve and bolster capital levels. We are starting to see many quality fintech companies, who's underlying businesses we always liked, but whose valuations had started to run away with themselves through 2021 have now started to come back into play. We are also in the early innings of a secondary market shake out, as company cap tables start to recycle – early-stage investors looking for exit windows coupled with a lot of investors finding themselves outside their comfort zones or investment zip codes in EM privates, at the wrong point in the investment cycle. This all screams opportunity to VEF and an opportunity we are actively working on as we look into 2023.

It is clear to us that there is a great investment vintage in the making here and with our team and experience, we firmly believe we are well placed to take advantage of it. As always, we will lean in when we feel the opportunity is ripe.

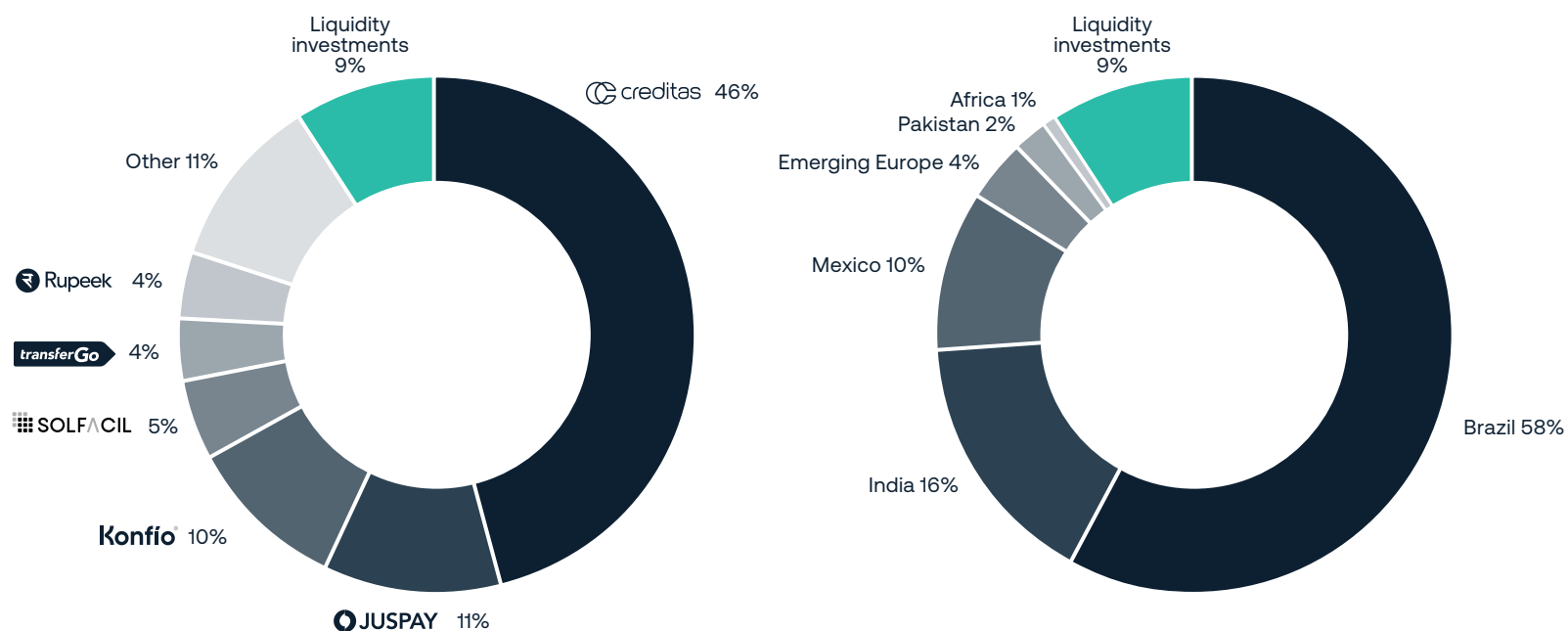
## Closing Remarks

We have been stress tested again and learned a lot in this window. We have a quality team and portfolio, whom I am very happy to be in the trenches with. We are proving ourselves through yet another crisis, as is the way in emerging markets. This is something we know lays the foundations for long term success. We also have a great set of through cycle investors, who continue to have our back in windows of macro and market dislocation, something we readily acknowledge and respect. After playing defence through 1H22, from an investment perspective, 2H22 has been time to provide support to our portfolio companies and has become a classic window to buy back our own shares. Patience is key at this time, as we await private markets to settle and the right assets to appear at the right price point. At VEF, we 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. Long a portfolio of quality emerging markets fintech holdings, while selectively shopping for new holdings, we are as well-positioned as ever to create long term value for our shareholders.

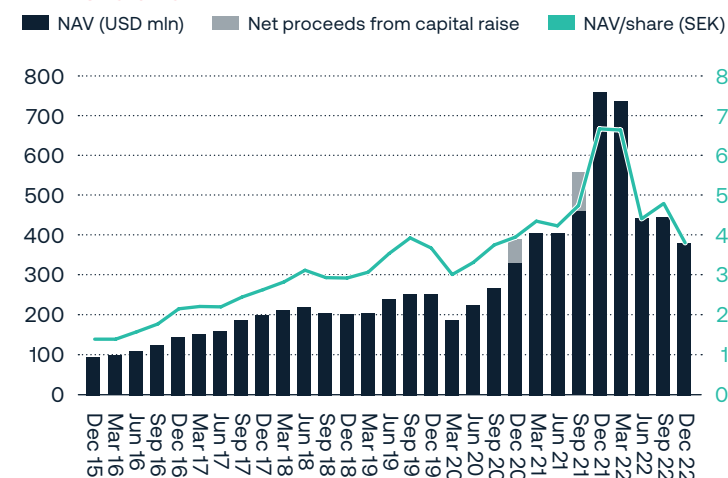
January 2023,  
Dave Nangle

# VEF in charts

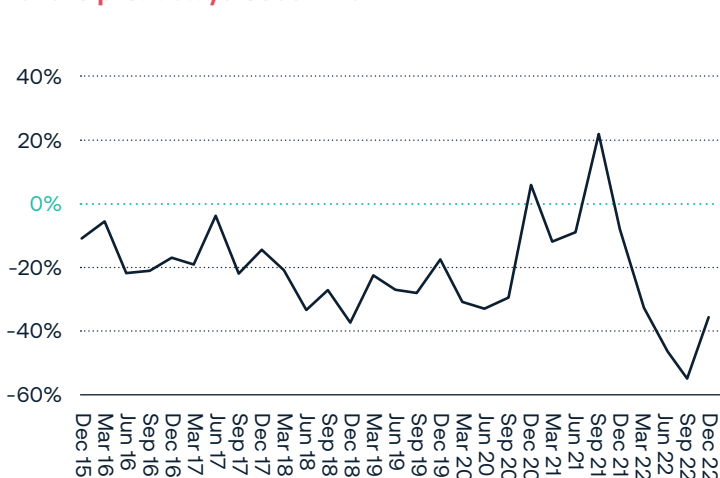
## Portfolio composition



## NAV evolution



## Share premium/discount to NAV



# Investment portfolio

## Portfolio development

VEF's net asset value per share decreased by 13.6% in USD over 4Q22, while VEF's share price in SEK increased by 13.5%. During the same period, the MSCI Emerging Markets index increased by 9.7% in USD terms.

## Liquidity placements

The Company has investments in money market funds and bonds as part of its liquidity management operations. As at Dec 31, 2022, the liquidity placements are valued at USD 39.9 mln.

## Net asset value

The investment portfolio stated at market value (TUSD) at December 31, 2022

Company	Fair value Dec 31, 2022	Net invested amount	Net investments 2022	Change in fair value 4Q22	Change in fair value FY22	Fair value Dec 31, 2021	Valuation method
Creditas	193,076	103,356	5,000	-23,251	-206,047	394,123	Calibration methodology <sup>1</sup>
Juspay	47,471	21,083	4,098	-	953	42,420	Latest transaction <sup>1</sup>
Konfio	40,146	56,521	-	-20,953	-95,436	135,582	Mark-to-model <sup>1</sup>
Solfácil	20,000	20,000	20,000	-	-	-	Latest transaction <sup>1</sup>
TransferGo	16,347	13,877	-	-558	-12,924	29,271	Mark-to-model <sup>1,2</sup>
Rupeek	15,195	13,858	1,873	-	170	13,152	Latest transaction <sup>1</sup>
Gringo	12,250	12,250	12,250	-	-	-	Latest transaction <sup>1</sup>
FinanZero	8,085	5,163	991	618	-4,788	11,882	Latest transaction <sup>1,2</sup>
Abhi	7,585	1,798	448	-	5,787	1,350	Latest transaction <sup>1</sup>
BlackBuck	6,894	10,000	-	-226	-3,106	10,000	Mark-to-model <sup>1</sup>
Nibo	6,817	6,500	-	134	-5,743	12,560	Mark-to-model <sup>1</sup>
Magnetis	2,637	6,668	1,000	-3,404	-8,889	10,526	Mark-to-model <sup>1</sup>
JUMO	2,322	14,614	-	-6,507	-16,087	18,409	Mark-to-model <sup>1</sup>
Mahaana	1,000	1,000	1,000	-	-	-	Latest transaction <sup>1</sup>
minu	541	450	-	116	91	450	Mark-to-model <sup>1</sup>
Finja	434	2,925	-	-2,490	-6,917	7,351	Mark-to-model <sup>1</sup>
REVO	-	6,664	-	-	-13,235	13,235	Mark-to-model <sup>1</sup>
Liquidity investments	39,877	38,300	-7,000	337	-3,765	50,642	<sup>1</sup>
<b>Investment portfolio</b>	<b>420,677</b>	<b>335,027</b>	<b>39,660</b>	<b>-56,184</b>	<b>-369,936</b>	<b>750,953</b>	
Cash and cash equivalents	8,612					11,131	
Other net liabilities	-47,458					-356	
<b>Total net asset value</b>	<b>381,831</b>					<b>761,728</b>	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.
2. Attributable to currency exchange differences.

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



## Portfolio highlights



### Creditas released its 3Q22 Financial Results

Creditas reported YoY top line revenue growth of 173% for the 9M22 period. The company is successfully repricing up its portfolio and increasing efficiency, all of which is driving operational leverage and robust trends in 4Q22. We expect these trends to continue into 2023.



### Konfio issued their Sustainability & Impact Report 2021

Konfio presented their Sustainability & Impact report, outlining how they identify and measure their impact on three main core areas: Corporate Governance, Diversity & Inclusion, and Ethical Products & Processes.



### Solfácil has released a study on the potential savings in energy costs from home solar energy

Solfácil study showed that the investment in a solar energy system can generate up to BRL 600 thousand in savings for Brazilian consumers over a period of 30 years.

## Key valuation considerations



While Creditas posted record revenues in 3Q22, up 173% for the 9M22 period compared to the same period last year, with a continued strong outlook, the value of our stake in the company fell 8.7% or USD 18.3 mln (incl. our USD 5 mln convertible bond investment), during the quarter, a reflection of a derating of public peers. We continue to value Creditas using a calibration methodology.



Our stake in Konfio saw a 34% valuation decrease during the quarter, driven mainly by lower public peer multiples coupled with moderately reduced revenue forecasts reflecting a plan to reach profitability. The resulting valuation decrease in USD terms was 21.0 mln. We value Konfio on a mark to model basis as in 3Q22.



JUMO's latest valuation mark, down USD 6.5 mln, 73.7% decrease QoQ, reflects a "prefunding round closure" conservative case. Through December 2022, JUMO was in the process of raising fresh capital, but the round had not completed by end of period. Hence, in 4Q22 we forecast and value JUMO on a "no fresh capital basis" and a different set of cautious assumptions versus what would be the case post a successful raise. JUMO is valued on a mark to model basis.

## Brazil



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

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

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

Share of VEF's portfolio:  
**46.0%**

VEF stake:  
**8.5%**



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

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

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

Share of VEF's portfolio:  
**4.8%**

VEF stake:  
**2.6%**



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

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

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

Share of VEF's portfolio:  
**2.9%**

VEF stake:  
**10.2%**



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 60 lenders at the best rates and terms in the market in one search.

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

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

Share of VEF's portfolio:  
**1.9%**

VEF stake:  
**19.0%**

# nibo

Nibo is the leading accounting SaaS provider in Brazil, transforming the way accountants and SMEs interact. Nibo services over 350 thousand SMEs through 4,100 accountants on their platform.

Since VEF's initial investment into Nibo in 2Q17 VEF made two follow-on investments in 2019 and 2020 and has in total invested USD 6.5 mln.

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

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

VEF stake:  
**20.1%**

# magnetis

Magnetis is a digital investment advisor democratizing access to affordable and easy-to-use investment management. Magnetis offers customers a simple, digital tool to manage their wealth.

Since 3Q17 VEF has invested USD 6.7 mln into Magnetis with the latest investment of USD 1.0 mln made in 2Q22.

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

Share of VEF's portfolio:  
**0.6%**

VEF stake:  
**16.8%**

## 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 80 bln+ annualized TPV.

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

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

Share of VEF's portfolio:  
**11.3%**

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 2022, Rupeek raised an additional USD 49 mln in its Series E extension round led by Lightbox with a participation of USD 7 mln from VEF. In total VEF has invested USD 14 mln into Rupeek.

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

Share of VEF's portfolio:  
**3.6%**

VEF stake:  
**2.3%**

# BLACKBUCK

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

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

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

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

VEF stake:  
**1.0%**

## Mexico

# Konfio

Konfio builds digital banking and software tools to boost SME growth and productivity in Mexico through three core offerings: credit, payments and SaaS.

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):  
**40.1 mln**

Share of VEF's portfolio:  
**9.5%**

VEF stake:  
**10.3%**

# minu

minu is an employee financial wellness company offering a digital compensation and benefits platform to thousands of employees in Mexico. minu's platform provides benefits including insurance, telemedicine, financial education, savings and credit product, and minu's market-leading salary-on-demand offering.

VEF made its initial investment of USD 0.5 mln into minu in 1Q21.

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

Share of VEF's portfolio:  
**0.1%**

VEF stake:  
**1.2%**

## Emerging Europe

# transferGo

TransferGo provides low-cost, fast, reliable digital money transfer services to migrants across Europe, with customers paying up to 90% less compared by 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):  
**16.3 mln**

Share of VEF's portfolio:  
**3.9%**

VEF stake:  
**12.5%**

## Pakistan

### abhi

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

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

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

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

VEF stake:  
**11.5%**

### Mahaana

Mahaana is Pakistan's first digital wealth management company, building a platform to allow working class Pakistanis to better invest their savings and pensions in a market where the individual savings rate significantly lags peers.

VEF invested USD 1 mln into Mahaana as part of their seed round in 3Q22, co-leading the USD 2.1 mln round with SparkLabs Group and local strategic partner IGI Holdings.

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

Share of VEF's portfolio:  
**0.2%**

VEF stake:  
**13.8%**

### FINJA

Finja is a digital lending platform for SMEs in Pakistan, providing small-ticket loans and invoice financing to kirya stores and for FMCG distributors to purchase inventory on credit.

VEF has invested a total of USD 2.9 mln into Finja since 2016.

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

Share of VEF's portfolio:  
**0.1%**

VEF stake:  
**21.2%**

## Africa

### JUMO

JUMO is a full technology stack for financial services that enables partner banks to reach millions of new customers with credit and savings products at affordable prices whilst making predictable returns. JUMO provides a full range of infrastructure and services from core banking to underwriting, KYC and anti-fraud and recently achieved B Corporation certification.

In 4Q21 JUMO raised USD 120 mln from new and existing investors in a round led by Fidelity Management, Visa and Kingsway. VEF has invested a total of USD 14.6 mln in JUMO since 2015.

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

Share of VEF's portfolio:  
**0.6%**

VEF stake:  
**4.5%**

## Financial information

### Investments

Total gross investments in financial assets during FY22 were USD 81.7 mln.

During 1Q22 VEF invested USD 32.2 mln into two new portfolio companies. USD 20.0 mln into Solfácil, Brazil's largest digital solar panel marketplace and financing platform and USD 12.2 mln into Brazilian Gringo and their super-app and one-stop shop for drivers.

During 2Q22 VEF deployed an additional USD 6.6 mln into the current portfolio. Follow-on investments were made into Juspay (USD 4.1 mln), FinanZero (USD 1.0 mln), Magnetis (USD 1.0 mln) in form of a SAFE note, and Abhi (USD 0.5 mln). VEF also took up its right and converted the outstanding SAFE note in Abhi (USD 0.5 mln) to shares in the company. USD 35.0 mln was also invested in liquidity placements during the quarter.

During 3Q22 VEF invested USD 1.0 mln into new portfolio company Mahaana, Pakistan's first digital wealth management company. VEF also deployed an additional USD 1.9 mln into portfolio company Rupeek.

During 4Q22 VEF invested 5.0 mln into Creditas in form of a convertible note.

### Divestments

Gross divestments in financial assets during FY22 were USD 42.0 mln, of which all relates to divestments in liquidity placements.

### Share info

VEF AB (publ)'s share capital per December 31, 2022, is distributed among 1,106,675,373 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

In August VEF announced that the Board of Directors had approved a new share buyback program based on the mandate from the annual general meeting of the Company on May 10, 2022.

The new buyback program allows VEF to buy shares for a maximum of USD 10 mln in total. The purpose of the buyback program is to allow the Company the flexibility to create additional shareholder value and optimize the Company's capital structure as and when deemed appropriate by reducing the Company's share capital. As per the end of FY22 the company holds 12,824,243 repurchased shares equivalent to USD 2.9 mln.

### Group – results for FY22

During FY22, the result from financial assets at fair value through profit or loss amounted to USD -369.9 mln (FY21: 284.6).

- Coupon income were USD 0.4 mln (FY21: 0.4).
- Operating expenses amounted to USD -7.4 mln (FY21: -8.9).
- Net financial items were USD -0.6 mln (FY21: -0.5).
- Net result was USD -377.4 mln (FY21: 275.5).
- Total shareholders' equity amounted to USD 381.8 mln by year end (YE21: 761.7).

### Group – results for 4Q22

During 4Q22, the result from financial assets at fair value through profit or loss amounted to USD -56.2 mln (4Q21: 210.7).

- Coupon income were USD 0.1 mln (4Q21: 0.1).
- Operating expenses amounted to USD -1.3 mln (4Q21: -2.7).
- Net financial items were USD -4.2 mln (4Q21: -0.1).
- Net result was USD -61.5 mln (4Q21: 208.0).

The financial result for the fourth quarter is principally a reflection of the decrease in valuation of the underlying portfolio (-12%) QoQ. Valuation changes in individual portfolio names were mainly driven by market moves in their respective listed peers coupled with moderately revised revenue forecasts, in parts, reflecting plans to



reach profitability. The result for the quarter broadly mirrors the valuation decreases in global fintech indices, which experienced a further sell-off during the period. On an aggregated level, and specifically amongst the top portfolio names, underlying delivery remained strong and broadly on track vs. updated and profitability focused forecasts.

## Liquid assets

The liquid assets of the Group, defined as cash and bank deposits, amounted to USD 8.6 mln on December 31, 2022 (YE21: 11.1). The Company also has placements in money market funds and bonds, as part of its liquidity management operations. As of December 31, 2022, the liquidity placements are valued at USD 39.9 mln (YE21: 50.6).

## Parent company

The parent company, VEF AB (publ), is the holding company of the Group. The net result for FY22 was SEK 24.0 mln (FY21: 155.3). VEF AB (publ) is the parent of four wholly owned subsidiaries; VEF Cyprus Limited, VEF Fintech Ireland Limited, VEF Service AB (under liquidation) and VEF UK Ltd. VEF AB (publ) is the direct shareholder of three portfolio companies (BlackBuck, Juspay and Rupeek).

## Current market environment

Following what was a difficult window for global financial markets in 1H22, 3Q22 showcased a mixed but on average positive quarter for publicly traded fintech stocks. However, during 4Q22 global equity markets experienced a new sell-off approaching the end of the quarter. The global fintech indices (a basket of publicly traded fintech benchmark stocks) that VEF is tracking experienced a 58% decrease on average during the year, while our key portfolio currencies were essentially stable during 4Q22.

Markets remain in favour of profitable stocks compared to growth-oriented assets. Inflation levels remain a challenge in many geographies, while Brazil, specifically, saw inflation consistently coming down over the course of 2H22. Interest rate hikes are very real for the most part, creating a low visibility and a risk-off mode environment. During the quarter VEF has traded at a deep discount to the latest reported NAV, similar to many global peers and other listed fintech stocks. VEF's financial position remains comfortable with a solid balance sheet and a USD 48.5 mln cash position at the end of the quarter, expected to be more than sufficient to support current portfolio over the coming twelve-months period. Importantly, the largest companies in our portfolio remain well funded following recent capital raises during the year, and we forecast the majority of our portfolio to continue growing at healthy levels, albeit at a somewhat slower pace to extend runway and improve financial flexibility. The negative impact on our portfolio is for the most part market-related in the short to medium term, affecting the respective valuations which may impact the ability to raise additional capital further on. Across the board, our portfolio companies have launched cost saving initiatives to extend runway and have plans in place to get to break even with the current funding levels.

## Write-down of holdings with exposure to Russia

VEF has one equity holding (REVO), in addition to liquidity placements (Tinkoff bonds) with direct or partial exposure to Russia, which was equivalent to 2.3% of YE21 NAV.

VEF wrote down the holdings in REVO and Tinkoff bonds to zero in 1Q22. As the situation in Russia remains highly uncertain, the valuations are kept unchanged at zero at the end of the year. Nevertheless, Tinkoff has honoured coupon payments and has followed through with the quarterly payments as planned during 2022.

# Consolidated income statement

Expressed in USD thousands	Note	FY 2022	FY 2021	4Q 2022	4Q 2021
Result from financial assets at fair value through profit or loss	4	-369,936	284,574	-56,184	210,696
Coupon income		410	388	117	96
Other income		193	8	14	-
Administrative and operating expenses		-7,404	-8,944	-1,277	-2,714
<b>Operating result</b>		<b>-376,737</b>	<b>276,026</b>	<b>-57,330</b>	<b>208,078</b>
<b>Financial income and expenses</b>					
Interest income		21	63	21	1
Interest expense		-3,009	-6	-1,224	-6
Currency exchange gains/losses, net		2,397	-547	-2,983	-75
<b>Net financial items</b>		<b>-591</b>	<b>-490</b>	<b>-4,186</b>	<b>-80</b>
<b>Result before tax</b>		<b>-377,328</b>	<b>275,536</b>	<b>-61,516</b>	<b>207,998</b>
Taxation		-31	-23	-	-9
<b>Net result for the period</b>		<b>-377,359</b>	<b>275,513</b>	<b>-61,516</b>	<b>207,989</b>
Earnings per share, USD		-0.36	0.30	-0.06	0.22
Diluted earnings per share, USD		-0.36	0.30	-0.06	0.22

## Statement of other comprehensive income

Expressed in USD thousands	FY 2022	FY 2021	4Q 2022	4Q 2021
<b>Net result for the period</b>	<b>-377,359</b>	<b>275,513</b>	<b>-61,516</b>	<b>207,989</b>
<b>Other comprehensive income for the period:</b>				
Items that may be classified subsequently to profit or loss:				
Currency translation differences	-	-5	-	-
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-5</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-377,359</b>	<b>275,508</b>	<b>-61,516</b>	<b>207,989</b>

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

# Consolidated balance sheet

Expressed in USD thousands	Note	Dec 31, 2022	Dec 31, 2021
<b>NON-CURRENT ASSETS</b>			
<b>Tangible non-current assets</b>			
Property, plant and equipment		156	102
<b>Total tangible non-current assets</b>		<b>156</b>	<b>102</b>
<b>Financial non-current assets</b>			
Financial assets at fair value through profit or loss	4		
Equity financial assets		380,800	700,311
Liquid financial assets		39,877	50,642
Other financial assets		32	27
<b>Total financial non-current assets</b>		<b>420,709</b>	<b>750,980</b>
<b>CURRENT ASSETS</b>			
Tax receivables		64	109
Other current receivables		449	387
Prepaid expenses and accrued income		104	138
Cash and cash equivalents		8,612	11,131
<b>Total current assets</b>		<b>9,229</b>	<b>11,765</b>
<b>TOTAL ASSETS</b>		<b>430,094</b>	<b>762,847</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt	6	46,979	-
<b>Total non-current liabilities</b>		<b>46,979</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		76	138
Tax liabilities		-	51
Other current liabilities		241	534
Accrued expenses		967	396
<b>Total current liabilities</b>		<b>1,284</b>	<b>1,119</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>430,094</b>	<b>762,847</b>

# Consolidated statement of changes in equity

Expressed in USD thousands	Note	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at Jan 1, 2021</b>					
Net result for the period		-	-	388,066	388,066
<b>Other comprehensive income for the period</b>					
Currency translation difference		-	-	-5	-5
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>275,508</b>	<b>275,508</b>
Transactions domicile change:					
- Issuance of share capital		1,006	-	-1,006	-
- Issuance of LTIP 2019 Plan shares		14	-	-14	-
- Issuance of LTIP 2020 Plan shares		39	-	-39	-
Transactions with owners:					
- Directed rights issue		238	97,120	-	97,358
Value of employee services:					
- Employee share option scheme		1	94	324	419
- Share based long-term incentive program		10	226	141	377
<b>Balance at Dec 31, 2021</b>		<b>1,308</b>	<b>97,440</b>	<b>662,980</b>	<b>761,728</b>
<b>Balance at Jan 1, 2022</b>					
Net result for the period		-	-	-377,359	-377,359
<b>Other comprehensive income for the period</b>					
Currency translation difference		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-377,359</b>	<b>-377,359</b>
Value of employee services:					
- Employee share option scheme	7	-	12	-	12
- Share based long-term incentive program	8	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>



# Consolidated statement of cash flows

Expressed in USD thousands	FY 2022	FY 2021	4Q 2022	4Q 2021
<b>OPERATING ACTIVITIES</b>				
Result before tax	-377,328	275,536	-61,516	207,998
<i>Adjustment for non-cash items:</i>				
Interest income and expense, net	2,988	-57	1,203	5
Currency exchange gains/-losses, net	-2,397	547	2,983	75
Depreciations	-54	109	-145	32
Result from financial assets at fair value through profit or loss	369,936	-284,574	56,184	-210,696
Result from long term receivables	-	-27	-	-
Other non-cash items affecting profit or loss	366	350	93	116
<i>Adjustment for cash items</i>				
Coupon income	-410	-388	-117	-96
Change in current receivables	-1,727	-411	137	-154
Change in current liabilities	-52	392	241	-492
<b>Adjustments of cash flow in operating activities</b>	<b>-8,678</b>	<b>-8,523</b>	<b>-937</b>	<b>-3,212</b>
Investments in financial assets	-81,660	-171,132	-5,000	-34,420
Sales of financial assets	42,000	86,909	6,000	37,308
Repayment of short-term loan receivables	-	2,176	-	-
Coupon income	410	388	117	96
Interest received	21	63	21	1
Interest paid	-	-6	-	-6
Tax paid	-65	-	-65	-
<b>Net cash flow used in operating activities</b>	<b>-47,972</b>	<b>-90,125</b>	<b>136</b>	<b>-233</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from sustainability bonds	53,080	-	-	-
Interest paid on sustainability bonds	-1,902	-	-994	-
Proceeds from directed rights issue, gross	-	101,557	-	-
Costs in relation to directed rights issue	-	-4,199	-	-72
Buybacks of own shares	-2,910	-	-1,651	-
Proceeds from new share issue through employee options	10	409	-	85
<b>Net cash flow from financing activities</b>	<b>48,278</b>	<b>97,767</b>	<b>-2,645</b>	<b>13</b>
<b>Change in cash and cash equivalents</b>	<b>306</b>	<b>7,642</b>	<b>-2,509</b>	<b>-220</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11,131</b>	<b>4,224</b>	<b>10,740</b>	<b>11,461</b>
Exchange gains/losses on cash and cash equivalents	-2,825	-735	381	-110
<b>Cash and cash equivalents at the end of the period</b>	<b>8,612</b>	<b>11,131</b>	<b>8,612</b>	<b>11,131</b>

# Alternative performance measures

Alternative Performance Measures (APMs) are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS) and have been issued by ESMA (the European Securities and Markets Authority).

VEF regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide meaningful supplemental information to analysts, investors and other parties.

It is important to know that not all companies calculate alternative performance measures identically, therefore these measurements have limitations and should not be used as a substitute for measures of performance in accordance with IFRS.

Below you find our presentation of the APMs and how we calculate these measures.

	FY 2022	FY 2021
Net asset value, USD	381,830,589	761,728,416
Exchange rate at balance sheet date, USD/SEK	10.43	9.04
Net asset value/share, USD	0.37	0.73
Net asset value/share, SEK	3.82	6.61
Net asset value, SEK	3,981,466,381	6,884,560,396
Share price, SEK	2.45	6.05
Traded premium/discount(-) to NAV	-35.8%	-8.4%
Weighted average number of shares for the financial period <sup>1</sup>	1,045,052,785	905,955,689
Weighted average number of shares for the financial period, fully diluted <sup>1,2</sup>	1,045,052,785	906,438,372
Number of shares at balance sheet date <sup>1</sup>	1,041,865,735	1,042,289,978
Number of shares at balance sheet date, fully diluted <sup>1,2</sup>	1,041,865,735	1,042,772,661

1. Number of shares does not include the 51,985,395 redeemable common shares issued under the 2020, 2021 and 2022 long-term incentive programs as well as the 12,824,243 repurchased shares.
2. Dilution from shares under long-term-incentive programs only occur when the incentive program's conditions of the respective program are fulfilled and if the shares have yet not been converted. As such, number of shares fully diluted is not adjusted for 51,985,395 redeemable common shares (Class C shares) issued under the 2020, 2021 and 2022 long-term incentive program as at the end of the period the conditions of the respective programs are not fulfilled.

## Reconciliation tables

	Dec 31, 2022	Dec 31, 2021
Net asset value, USD	381,830,589	761,728,416
<b>Net asset value, SEK</b>		
Net asset value, USD	381,830,589	761,728,416
SEK/USD	10.43	9.04
Net asset value, SEK	3,981,466,381	6,884,560,396
<b>Net asset value/share, USD</b>		
Net asset value, USD	381,830,589	761,728,416
Number of outstanding shares	1,041,865,735	1,042,289,978
Net asset value/share, USD	0.37	0.73
<b>Net asset value/share, SEK</b>		
Net asset value, USD	381,830,589	761,728,416
SEK/USD	10.43	9.04
Net asset value, SEK	3,981,466,381	6,884,560,396
Number of outstanding shares	1,041,865,735	1,042,289,978
Net asset value/share, SEK	3.82	6.61
<b>Premium/discount(-) to NAV</b>		
Net asset value, USD	381,830,589	761,728,416
SEK/USD	10.43	9.04
Net asset value, SEK	3,981,466,381	6,884,560,396
Number of outstanding shares	1,041,865,735	1,042,289,978
Net asset value/share, SEK	3.82	6.61
Share price, SEK	2.45	6.05
Premium/discount(-) to NAV	-35.8%	-8.4%

# Parent company income statement

## Alternative performance measures

### Net asset value (NAV), USD

Net value of all assets on the balance sheet, equal to the shareholders' equity.

### Net asset value per share, USD

Net asset value/share is defined as shareholders' equity divided by total number of outstanding shares.

### Net asset value, SEK

Net asset value in USD multiplied with the USD/SEK exchange rate at balance sheet date.

### Net asset value per share, SEK

Net asset value/share is defined as shareholders' equity divided by total number of outstanding shares multiplied with the USD/SEK exchange rate at balance sheet date.

### 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, fully diluted

Diluted basis considers the total number of outstanding common shares as well as the shares that could be claimed through the conversion of outstanding share options and Series C shares under the long-term incentive programs when the program's conditions has been fulfilled and the shares have not yet been converted.

## Other definitions

### Portfolio value

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

### Earnings per share

Earnings/share is defined as the result for the period divided by average weighted number of shares for the period.

### Diluted earnings per share

Diluted earnings/share is defined as the result for the period divided by average number of shares for the period fully diluted.

Expressed in SEK thousands	FY 2022	May 28– Dec 31, 2021	4Q 2022	4Q 2021
Result from financial assets at fair value through profit or loss	95,664	184,417	-97,935	138,344
Coupon income	4,174	1,716	1,199	880
Other income	156	–	17	–
Administrative and operating expenses	-49,045	-28,639	-8,471	-15,412
<b>Operating result</b>	<b>50,949</b>	<b>157,494</b>	<b>-105,190</b>	<b>123,812</b>
<b>Financial income and expenses</b>				
Interest income	216	–	216	–
Interest expense	-31,941	–	-12,972	–
Currency exchange gains/losses, net	4,745	-2,187	-583	2,801
<b>Net financial items</b>	<b>-26,980</b>	<b>-2,187</b>	<b>-13,339</b>	<b>2,801</b>
<b>Result before tax</b>	<b>23,969</b>	<b>155,307</b>	<b>-118,529</b>	<b>126,613</b>
Taxation	–	–	–	–
<b>Net result for the period</b>	<b>23,969</b>	<b>155,307</b>	<b>-118,529</b>	<b>126,613</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

Expressed in SEK thousands	Note	Dec 31, 2022	Dec 31, 2021
<b>NON-CURRENT ASSETS</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries		2,400,800	2,027,853
Financial assets at fair value through profit or loss			
Equity financial assets		725,327	592,653
Liquid financial assets		415,811	457,709
Other financial assets		50	244
<b>Total financial non-current assets</b>		<b>3,541,988</b>	<b>3,078,459</b>
<b>CURRENT ASSETS</b>			
Tax receivables		245	102
Other current receivables		4,310	3,102
Other current receivables, Group		9,746	11,028
Prepaid expenses and accrued income		956	1,245
Cash and cash equivalents		74,592	46,011
<b>Total current assets</b>		<b>89,849</b>	<b>61,488</b>
<b>TOTAL ASSETS</b>		<b>3,631,837</b>	<b>3,139,947</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	5	<b>3,128,670</b>	<b>3,132,572</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt	6	488,750	-
<b>Total non-current liabilities</b>		<b>488,750</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		649	995
Other current liabilities, Group		2,442	2,744
Other current liabilities		1,463	588
Accrued expenses		9,863	3,048
<b>Total current liabilities</b>		<b>14,417</b>	<b>7,375</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,631,837</b>	<b>3,139,947</b>

# Parent company statement of changes in equity

Expressed in SEK thousands	Note	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at May 28, 2021</b>					
		-	-	-	-
Net result for the period		-	-	155,307	155,307
Transactions domicile change:					
- Issuance of share capital		8,345	-	-	8,345
- Issuance of LTIP 2019 Plan shares		124	-	-	124
- Issuance of LTIP 2020 Plan shares		333	-	-	333
- Shareholders contribution		-	-	2,116,926*	2,116,926*
Transactions with owners:					
- Proceeds from directed rights issue, net		2,073	846,554	-	848,627
Value of employee services:					
- Employee share option scheme		5	811	-	816
- Share based long-term incentive program		83	2,011	-	2,094
<b>Balance at Dec 31, 2021</b>		<b>10,963</b>	<b>849,376</b>	<b>2,272,233</b>	<b>3,132,572</b>
<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
<b>Other comprehensive income for the period</b>					
Currency translation difference		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>23,969</b>	<b>23,969</b>
Value of employee services:					
- Employee share option scheme	7	-	122	-	122
- Share based long-term incentive program	8	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>

\* Transfer of all VEF Ltd's assets to VEF AB (publ) due to the redomestication from Bermuda to Sweden.

# Notes

(Expressed in USD thousand unless indicated otherwise)

## Note 1

### General information

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

As of December 31, 2022, the VEF Group consists of the Swedish Parent Company VEF AB (publ) and four wholly owned subsidiaries; VEF Cyprus Limited, VEF Fintech Ireland Limited, VEF Service AB (under liquidation), and VEF UK Ltd. VEF Cyprus Limited act as the main investment vehicle for the group, holding fourteen of seventeen investments at balance date. VEF AB (publ) holds the remaining three (BlackBuck, Juspay and Rupeek) and act as a service company, together with VEF Fintech Ireland Limited and VEF UK Ltd, providing business and investment support services to the Group.

The financial year is January 1–December 31.

### Parent company

The Parent Company VEF AB (publ) is a Swedish limited liability company, incorporated in Sweden and operating under Swedish law. VEF AB (publ) is the holding company of the Group and directly owns all the companies in the Group. The net result for FY22 was SEK 24.0 mIn (FY21: 155.3). VEF AB (publ) was incorporated on December 7, 2020, and became active on May 28, 2021. The parent company has four employees per December 31, 2022.

### 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 2021 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 2021 Annual Report, Note 2.

## Note 3 — Related party transactions

Related party transactions for the period are of the same character as described in the 2021 Annual Report. During the period VEF has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	FY22	FY21	YE22	YE21
Key management and Board of Directors <sup>1</sup>	2,887	3,984	–	–

1. Compensation paid or payable includes salary, bonus, and share based remuneration 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 of Directors 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, 2022

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	39,877	–	–	39,877
<i>of which:</i>				
Liquidity placements	39,877	–	–	39,877
Shares	–	111,586	251,085	362,671
Convertible 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>

### Assets measured at fair value at Dec 31, 2021

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	50,642	674,517	25,794	750,953
<i>of which:</i>				
Liquidity placements	50,642	–	–	50,642
Shares	–	649,012	24,434	673,446
Convertible and SAFE notes	–	25,505	1,360	26,865
<b>Total assets</b>	<b>50,642</b>	<b>674,517</b>	<b>25,794</b>	<b>750,953</b>

### Changes of financial assets in Level 3

	2022	2021
Opening balance Jan 1	25,794	158,181
Transfers from Level 2 to Level 3 <sup>1</sup>	605,712	–
Transfers from Level 3 to Level 2 <sup>1</sup>	–	-128,071
Change in fair value	-362,292	-4,316
Closing balance Dec 31	269,214	25,794

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, 2022, VEF has a liquidity management portfolio of listed corporate bonds and money market funds that are classified as Level 1 investments.

The investments in Creditas, Konfio, TransferGo, BlackBuck, Nibo, Magnetis, JUMO, minu, Finja and REVO are classified as Level 3 investments. The remaining portfolio companies are classified as Level 2 investments. During the year, Creditas, Konfio, TransferGo, BlackBuck, Magnetis, JUMO, minu and Finja have been transferred from Level 2 to Level 3. No holdings have been 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. During 4Q22, key portfolio currencies essentially remained flat. The holdings valued on the basis of the latest transactions all 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
Abhi	Latest transaction	2Q22
FinanZero	Latest transaction	2Q22
Gringo	Latest transaction	1Q22
Juspay	Latest transaction	2Q22
Mahaana	Latest transaction	3Q22
Rupeek	Latest transaction	4Q22
Solfácil	Latest transaction	2Q22

### Calibration methodology-based valuations

In 4Q22, we use the calibration methodology in our portfolio valuation process. The calibration methodology specifically helps us calibrating valuations of companies with recently closed priced investment rounds and where the implied valuation multiple has moved significantly out of sync with our pre-determined comp group based of a sharp decline in public markets. The methodology is a fair tool for reflecting dramatically changing market conditions ahead of moving to full mark-to-model.

Inputs used for the valuation include risk adjusted revenue forecasts, currency moves and the implied revenue multiple paid at the time of the latest transaction relative to a relevant peer group adjusted for market moves in the same peer group as of December 31, 2022. At the end of 2022, one company, Creditas, was valued using the calibration methodology.

### Mark-to-model-based valuations

Konfio, TransferGo, BlackBuck, Nibo, JUMO, minu and Finja are all valued on the basis of a twelve-months forward looking revenue multiple while Magnetis is based on a relative multiple to AUM. REVO's valuation model, in light of the geo-political situation in Russia, was assigned a liquidity discount of 100% in 1Q22, bringing the fair value to zero which remains in 4Q22. Inputs used for each valuation include risk adjusted revenue- and earnings forecasts, local currency moves and listed peer group revenue multiples as of December 31, 2022.

The difference in fair value change between the portfolio companies is dependent on relative revenue forecasts in each company as well as moves in the relevant peer group and moving exchange rates. Peers used in the 4Q22 peer set include a mix of listed emerging- and developed market companies representing accounting SaaS and BNPL companies, digitally focused wealth managers, 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 0.8x to 11.6x NTM revenues. As a standard process, the median of each group is used, and in applicable cases VEF will adjust the resulting multiple based on prevailing local market conditions, sector and company specific factors, applying discounts or premiums to reflect the fair value of the company.

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

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

Company	Valuation method	Peer group range	-15%	-10%	-5%	0%	+5%	+10%	+15%
Creditas	Calibration methodology	1.0-3.5x	167,551	176,060	184,568	193,076	201,585	210,093	218,602
Konfio	Revenue multiple	1.0-3.5x	35,897	37,313	38,730	40,146	41,563	42,979	44,395
TransferGo	Revenue multiple	1.9-5.1x	14,165	14,892	15,620	16,347	17,074	17,801	18,529
BlackBuck	Revenue multiple	5.2x	5,950	6,264	6,579	6,894	7,209	7,523	7,838
Nibo	Revenue multiple	5.6-7.7x	5,905	6,209	6,513	6,817	7,120	7,424	7,728
Magnetis	AUM multiple	5.2-74.4%	2,409	2,485	2,561	2,637	2,713	2,789	2,865
JUMO	Revenue multiple	2.6-11.0x	1,950	2,074	2,198	2,322	2,445	2,569	2,693
minu	Revenue multiple	2.3-5.6x	472	495	518	541	564	587	611
Finja	Revenue multiple	0.8-11.6x	401	412	423	434	445	457	468

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

Company	Jan 1, 2022	Investments/ (divestments), net	Fair value change	Dec 31, 2022	Percentage of portfolio	VEF ownership stake
Creditas	394,123	5,000	-206,047	193,076	46.0%	8.5%
Juspay	42,420	4,098	953	47,471	11.3%	10.2%
Konfio	135,582	-	-95,436	40,146	9.5%	10.3%
Solfácil	-	20,000	-	20,000	4.8%	2.6%
TransferGo	29,271	-	-12,924	16,347	3.9%	12.5%
Rupeek	13,152	1,873	170	15,195	3.6%	2.3%
Gringo	-	12,250	-	12,250	2.9%	10.2%
FinanZero	11,882	991	-4,788	8,085	1.9%	19.0%
Abhi	1,350	448	5,787	7,585	1.8%	11.5%
BlackBuck	10,000	-	-3,106	6,894	1.6%	1.0%
Nibo	12,560	-	-5,743	6,817	1.6%	20.1%
Magnetis	10,526	1,000	-8,889	2,637	0.6%	16.8%
JUMO	18,409	-	-16,087	2,322	0.6%	4.5%
Mahaana	-	1,000	-	1,000	0.2%	13.8%
minu	450	-	91	541	0.1%	1.2%
Finja	7,351	-	-6,917	434	0.1%	21.2%
REVO	13,235	-	-13,235	-	0.0%	23.0%
Liquidity investments	50,642	-7,000	-3,765	39,877	9.5%	-
Total	750,953	39,660	-369,936	420,677	100%	-

## Note 5 – Share capital

VEF AB (publ)'s share capital per December 31, 2022, is distributed among 1,106,675,373 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. The 12,400,000 Class C 2019 shares were converted into common shares on July 15, 2022 increasing the common shares to 1,054,689,978.

As per December 31, 2022, VEF holds 12,824,243 repurchased shares in accordance with the buyback program based on the mandate from the annual general meeting of the Company on May 10, 2022.

Share class	Number of shares	Number of votes	Share capital (SEK)
Common shares <sup>1</sup>	1,054,689,978	1,054,689,978	10,546,899.78
Class C 2020	33,250,000	33,250,000	332,500.00
Class C 2021	8,312,500	8,312,500	83,125.00
Class C 2022	10,422,895	10,422,895	104,228.95
Total	1,106,675,373	1,106,675,373	11,066,753.73

1. Whereof 12,824,243 common shares are repurchased common shares as at December 31, 2022.

## Note 6 – Long-term debt

### Sustainability bonds 2022/2025

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

## Note 7 – Option plan

Per December 31, 2022, a total of 1,000,000 options are outstanding. None to the Managing Director and 1,000,000 to other employees.

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

For more information on the option plan, please see Note 8 in the 2021 Annual Report.



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

There are three running and one completed 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 2021 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	19,950,000	4,987,500	7,097,895
Maximum no of shares, total	33,250,000	8,312,500	10,422,895
Maximum dilution	3.19%	0.80%	1.00%
Share price on grant date, SEK	3.14	4.34	2.306
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 (USD mln)</b>	<b>LTIP 2020<sup>2</sup></b>	<b>LTIP 2021<sup>2</sup></b>	<b>LTIP 2022<sup>2</sup></b>
2022	0.20	0.13	0.01
2021	0.20	0.02	–
2020	0.03	–	–
Total accumulated	0.43	0.15	0.01

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

### Completed program LTIP 2019

The Board of Directors determined on May 10, 2022, that the development of the Company's NAV and share price over the term of LTIP 2019 (Jan 1, 2019, through Dec 31, 2021), meets the so-called stretch level, whereby the Class C 2019 shares held by the participants were converted on July 15, 2022. A total of 12,400,000 Class C 2019 shares were converted.

### New program LTIP 2022

The Board has approved a long-term share incentive plan ("LTIP 2022") for eight key employees in the Company. LTIP 2022 is a five-year performance-based incentive program. The objective of LTIP 2022 is to encourage the employees to financially commit to the long-term value growth of VEF, and thereby align their interests with those of the shareholders. VEF has compensated the participants with a cash subsidy for the subscription price and the tax effects arising due to the subsidy of the subscription price and benefit.

## Note 9 – Events after the reporting period

No significant events after the end of the period.

# Other information

## Upcoming reporting dates

VEF's financial report for the period January 1, 2023–March 31, 2023, will be published on April 19, 2023.  
VEF's financial report for the period January 1, 2023–June 30, 2023, will be published on July 19, 2023.  
VEF's financial report for the period January 1, 2023–September 30, 2023, will be published on October 25, 2023.  
VEF's financial report for the period January 1, 2023–December 31, 2023, will be published on January 24, 2024.

## Annual General Meeting and Annual Report 2022

The annual general meeting of VEF is planned to take place on Tuesday, May 9, 2023. The annual report will be available on the Company's website ([vef.vc](http://vef.vc)) from March 27, 2023.

January 25, 2023

David Nangle  
Managing Director

**This information is information that VEF AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 2023-01-25 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