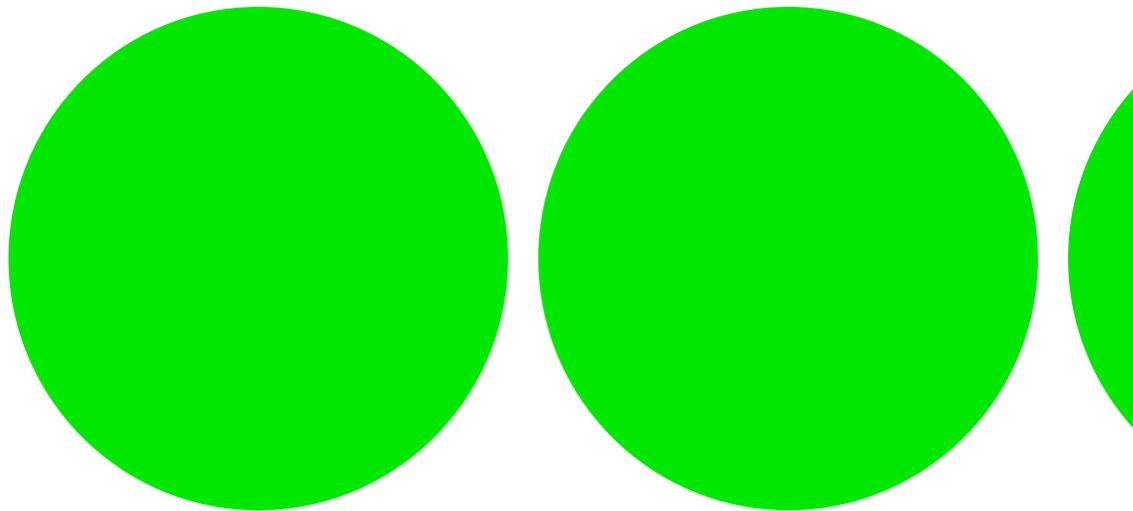


VNV Global AB (publ)
Financial Report
for the Second Quarter and the
First Six Months
2020



Financial Report for the Second Quarter and the First Six Months 2020



Net asset value (NAV) and financial results for the six-month period 2020

The VNV Global AB (publ) ("VNV Global") group's net asset value was USD 768.84 million (mln) on June 30, 2020 (December 31, 2019: 776.98), corresponding to USD 9.70 per share (December 31, 2019: 9.94). Given a SEK/USD exchange rate of 9.35 the NAV was SEK 7,187.91 mln (December 31, 2019: 7,239.24) and SEK 90.72 per share (December 31, 2019: 92.63), respectively.

The group's NAV per share in USD decreased by -2.4%. The value change in the portfolio is mainly driven by positive revaluations of Babylon and SWVL and negative revaluations of BlaBlaCar and Voi.

Net result for the period was USD -8.69 mln (January 1, 2019–June 30, 2019: 85.90). Earnings per share were USD -0.11 (1.08).

Financial results for the second quarter 2020

Net result for the quarter was USD 36.97 mln (112.48). Earnings per share were USD 0.47 (1.44).

Key events during the quarter

April 1, 2020–June 30, 2020

On April 7, 2020, the Company announced that the Board of Directors proposed to change the domicile of the VNV Global group from Bermuda to Sweden. The Redomestication was resolved at a Special General Meeting ("SGM") on May 12, 2020, and was carried out by way of a Bermuda scheme of arrangement, whereby SDRs in the Company were cancelled and exchanged for shares in the Swedish group entity that, following the Redomestication, constituted the new parent company of the VNV Global group.

On May 12, 2020, the AGM 2020 resolved to change the Company's name to VNV Global AB (publ).

On June 23, 2020, VNV Global Ltd. announced that the SGM held on the same date had approved the rights issue of units consisting of new common shares and warrants in its wholly owned Swedish subsidiary VNV Global AB (publ), with preferential right for VNV Global's existing shareholders (the "Rights Issue") as per the record date on July 6, 2020.

Key events after the end of the period

On July 24, 2020, VNV Global announced that the Company's Rights Issue was significantly oversubscribed. The Rights Issue provides VNV Global with proceeds amounting to approximately SEK 872 million prior to transaction costs. Upon full exercise of warrants, the Company is from and including July 13, 2023 up until and including August 10, 2023, expected to raise an additional SEK 1,009.5 million prior to transaction costs.

Management report



Per Brilioth, Managing Director
Photo: Tobias Ohls

Market

Two enormous acceleration themes are by now very clear as a result of this pandemic. We have spoken about both before, but they are worth reiterating:

— *Digital health*. The switch to digital first care in all aspects of health. We knew this was coming but the pandemic has accelerated this change enormously.

— *Mobility*. The clear drive from both consumers and authorities to not spend time in crowded methods of transportation, be it long distance or short distance where the sense of lack of control in terms of contagion of this virus and others is very high.

In our portfolio we are exposed to both macros' themes. Humbly it is worth reminding ourselves that our quest is not to invest into macro themes but to seek companies which are exposed to network effects which in turn has the ability to generate very high and sustainable barriers to entry, in many assuming the characteristics of natural monopolies. However, we are of course fascinated by the strong macro forces at work in classifieds, mobility and digital health. A new macro theme for us, where we are yet to deploy capital but where we see an increasing amount of deal flow with potentially exciting network effect characteristics is climate, not so much in market places but within the sharing economy, communities and like Babylon under the notion that the one who has the most data wins.

Capital market for young private companies

The best companies are also the best run in terms of fund raising and liquidity and have not been side stepped by this pandemic. Fortunately, our largest holdings are of this category. They have all been active in extending their runway to the next fund raise by cutting cost throughout the spring. All of this means that none of them need to raise any cash in the midst of this market volatility at low levels for defensive reasons. However, they may at the same time be interested in raising money for aggressive reasons to take advantage of weak competition or market opening opportunities. Voi is a good example. More on this below.

Capital raise

We closed our capital raise bringing in some USD 95 mln to the company through a rights issue. We increased the number of shares in the company from 82 mln to 97 mln. In addition to this we also have 21 mln warrants outstanding. Two warrants will enable the holder to convert into one new share of the company in July 2023 for SEK 94.32 per share. If completed this will bring another USD 107 mln to the company.

Use of proceeds

The use of proceeds of this right issue is to both be ready to fund companies in our existing portfolio as well be active in the market for new companies. As per above the best companies are not necessarily out fund raising today as they are not required to do so for defensive reasons and are looking for better environments to price primary issues. However, all of them have early backers and perhaps former employees looking for liquidity. This is a shareholder category that is less sensitive to the price of the shares. VNV Global's degrees of freedom allows us to be a buyer of these type of secondary shares, in fact a large part of our stake in BlaBlaCar was built up in this manner.

We have also launched a scout program, designed to in an efficient way provide us with exposure to a large number of very young companies. A typical scout is a person that has been close to us in the form of an entrepreneur or another type of actor in the startup community. This person is typically subject to a deal flow of young companies looking for help and also capital. If the scout decides to invest some personal money, we will back him or her and invest another 5–10x, offering the scout a portion of the upside of this first ticket in return for helping us monitor the position. I think we will reasonably have some 5–6 scout each doing five or so deals all in all giving us a portfolio of 25–30 companies. They will initially and individually be too small to matter as contributors to the overall portfolio but has they hopefully grow in a successful manner our presence in the cap-table will enable us to allocate more capital as they raise more money.



Voi

Micro Mobility and e-scooters in particular are showing clear signs of being among some of the winners post pandemic. People are clearly opting to walk, bike or scoot in dense urban areas. Cities are keen to reduce the number of cars in city centers and also want to limit the number of people using public transport to avoid overcrowding.

Voi was the first “use of proceeds” of our rights issue. We led their latest round which was a total of USD 20 mln, to be upsized to USD 30 mln. We have contributed USD 10 mln and will invest a further USD 5 mln. This is an aggressive raise on behalf of Voi as they did not need funding well into last year under their current business plan. The raise allows them to accommodate for the increased demand triggered by the recovery including new countries opening up, of which most importantly the UK.

Voi is actively participating in the approximately 50 city tenders on going in the UK. Early indications show Voi coming out as the clear UK winner. To date they have been appointed 12 cities (by far the most of all operators) in the regions of Cambridgeshire, Northamptonshire and West Midlands and more are on the way. All these tenders are exclusive and will thus allow for a blueprint moving forward on how best a city can roll out micro mobility as well as a captive audience. To put it into context – already Voi will be offering its service to a pool of around 10 million persons exclusively (pretty much the size of the entire Swedish population).

It is also key to point out that the West Midlands tender is the largest in the world to date as not only it is exclusive but is also for 10k scooters.

Feedback from cities has been clear – they are opting for Voi as they stand head and shoulders above the other operators when it comes to safety, sustainability and their hyper local approach.

Although it was frustrating to see the company not be awarded a license in Paris it is important to remember that the tender was submitted back in February and since then the company – during Covid – was able to reset,

reshape and refocus and the recent line up of tender wins are testament to.

On the topic of tenders, Voi has also been awarded licenses in Milan and Rome and will be rolling out in those cities the coming weeks.

We were also pleased to see that Voi launched its Voi pass and is already hugely successful. It allows riders for a fixed monthly fee to ride as much as they want. The value add of this is that not only does it make scooters more affordable to more users but also provides loyal users and a recurring revenue stream for the company.

We are super excited on Voi and proud that we are part of the absolute first inning of the company. We are impressed by Fredrik and team who have navigated some choppy waters of late a way which smacks of a seniority that is rarely seen in such a young setting. We own about a third of the company and are convinced that over the coming 12 months lots of visibility will be created on the potential USD 100 mln annual profit that lies ahead in the not too distant future.

Babylon

Full steam ahead as easily observed in the quarterly KPI that we share from the company, daily consultation which was up some 70% during the second quarter.

Years of strong technical foundations means Babylon can now deliver fully integrated, personalised healthcare at scale. The results speak for themselves: for instance, in the UK, NHS data shows that the average Babylon appointment is rated 4.8 stars, scores 97% in clinical quality, while doctors report three times more job satisfaction than the wider clinical community. The NHS data also shows Babylon saves up to 35% of hospital costs, while growing the practice by some 30-fold. Babylon is achieving this at scale for millions of members and 170 global partners, across countries in four continents (including the UK, North America, 13 territories in Asia, the Middle East and Rwanda).

At the end of Q2 2020, Babylon had booked 3x revenue YTD versus the same period last year; we believe this growth will continue to the end of 2020 and during 2021.

The merger of Teladoc and Livongo in the US has put the Digital Health sector in the spotlight, creating a USD 30 bln company. The combined company’s 2020 revenues are expected to amount to USD 1.3 bln resulting in a revenue multiple of 30x. Babylon’s current revenues are lower but I believe it is fair to state its tech product is far more sophisticated than the competition so a comparison these multiples is likely unfair on Babylon’s potential. However just the current year’s multiple of Teladoc/Livongo on Babylon’s end of year ARR provides a USD 5 bln+ mark for Babylon. I think our expectation that Babylon has the potential to assume a USD 20 bln valuation in five years may prove conservative. There is certainly upside beyond this.

BlaBlaCar

Whereas Voi is benefiting from the phenomenon that in recovery mode populations have started to move inside cities but have in general been adverse to moving beyond their home city, the opposite has been true for BlaBlaCar. However, as the recovery has continued the demand for long distance travel has also increased, especially for the historic car sharing product. Travellers prefer the controllable environment of a car to buses and trains. In a car one can essentially become comfortable with all other passengers, in fact BlaBlaCar’s platform has always been focused on creating visibility on the other passengers. BlaBlaCar has also offered the option of a reduced number of passengers in the car, essentially offering social distancing within the perimeters of the car.

For these reasons 2020 is not proving up to be the year of large growth on 2019 but for the full year it will look a lot like last year, so at least not experiencing a large drop, despite the stand still that we witnessed in the second quarter.

Also, emerging markets is continuing to perform well, for both cars and buses, and of course these are geographies where BlaBlaCar is especially strong. And these markets are enormous! To get you the perspective in terms of buses Germany is a EUR 400 mln market and France EUR 300 mln but Russia is USD 3 bln, Brazil 7 bln and Mexico USD 10 bln!

Future

All in all, thank you so much for your continued support in our recent rights issue. Times are volatile but opportunities, both in the existing portfolio and in new companies are plentiful. We don’t know for sure what the future holds in store for us, but we are so excited by our focus on businesses with network effects and the enormous macro forces at work around especially mobility and digital health. Onwards and upwards.

Per Brilioth
Managing Director

Investment portfolio

The VNV Global investment portfolio

/June 30, 2020/



Category

Mobility

46.6%



Company

BlaBlaCar	20.5%
Gett	9.4%
Voi	7.8%
SWVL	3.0%
OneTwoTrip	2.6%
Dostavista	1.5%
Monopoliya	1.0%
Shohoz	0.8%

Category

Digital Health

34.1%



Company

Babylon	32.4%
Vezeeta	0.5%
Numan	0.5%
Grace Health	0.3%
DOC+	0.2%
Yoppie	0.2%
Napopravku	0.1%

Category

Classifieds

14.8%



Company

Property Finder	4.8%
Hemnet	2.9%
Booksy	1.4%
Housing Anywhere	1.2%
ElBasharsoft	1.0%
Merro	0.8%
Wallapop	0.8%
Inturn	0.6%
JamesEdition	0.4%
Naseeb Networks	0.4%
Shwe Property	0.2%
Agente Imóvel	0.1%
Dubicars	0.1%
JobNet	0.1%

Category

Other

4.5%



Company

Cash and cash equivalents	2.9%
Liquidity management	1.0%
YouScan	0.5%
Marley Spoon	0.1%
Vinden AB	0.0%

Portfolio structure — Net Asset Value



The investment portfolio stated at fair market value as at H1, 2020, is shown below.

/Expressed in USD thousands/

Category	Company	Fair value, 12/31/2019	Investments/ Disposals	Fair value change	Valuation change per share	Fair value, 06/30/2020	Percentage weight	Ownership	Valuation method
Digital Health	Babylon	200,000	–	78,242	39%	278,242	32.4%	10.8%	Revenue multiple
Mobility	BlaBlaCar	209,454	–	-33,429	-16%	176,025	20.5%	8.7%	Revenue multiple
Mobility	Gett	74,853	2,300	3,380	5%	80,533	9.4%	5.3%	Revenue multiple
Mobility	Voi	102,434	–	-35,323	-34%	67,111	7.8%	30.5%	Last transaction
Classifieds	Property Finder	47,883	–	-6,450	-13%	41,433	4.8%	9.5%	Revenue multiple
Mobility	SWVL	16,002	7,002	3,174	23%	26,178	3.0%	12.6%	Revenue multiple
Classifieds	Hemnet ¹	25,845	–	-598	-2%	25,247	2.9%	6.0%	EBITDA multiple
Mobility	OneTwoTrip	28,653	–	-6,109	-21%	22,544	2.6%	21.1%	Revenue multiple
Mobility	Dostavista	11,561	1,000	–	0%	12,561	1.5%	16.5%	Last transaction
Classifieds	Booksy	12,931	–	-822	-6%	12,109	1.4%	11.8%	Revenue multiple
Classifieds	Housing Anywhere	6,366	3,315	220	7%	9,901	1.2%	29.4%	Revenue multiple
Mobility	Monopoliya	9,372	–	-855	-9%	8,517	1.0%	9.1%	Revenue multiple
	Other equity investments ²	57,801	3,639	-2,933	14%	58,507	6.8%		
	Other convertible notes ²	7,167	-89	93	0%	7,171	0.8%		
Other	Liquidity management	20,660	-12,276	30		8,414	1.0%		
	Investment portfolio	830,982	4,891	-1,379		834,493	97.1%		
Other	Cash and cash equivalents	18,855				24,915	2.9%		
	Total investment portfolio	849,836				859,408	100.0%		
	Borrowings	-68,582				-85,841			
	Other net receivables/liabilities	-4,270				-4,724			
	Total NAV	776,984				768,843			

1. Indirect holding through YSaphis S.A. and Sprints Capital Rob RPartners S.A.

2. For further details on the holdings, see Note 3.



Change in financial assets at fair value through profit or loss per Q2 2020, is shown below.

/Expressed in USD thousands/

Category	Company	Fair value, 03/31/2020	Investments/ Disposals	Fair value change	Valuation change per share	Fair value, 06/30/2020	Percentage weight	Ownership	Valuation method
Digital Health	Babylon	262,478	–	15,764	6%	278,242	32.4%	10.8%	Revenue multiple
Mobility	BlaBlaCar	159,237	–	16,788	11%	176,025	20.5%	8.7%	Revenue multiple
Mobility	Gett	71,272	2,300	6,961	10%	80,533	9.4%	5.3%	Revenue multiple
Mobility	Voi	85,916	–	-18,805	-22%	67,111	7.8%	30.5%	Last transaction
Classifieds	Property Finder	39,642	–	1,791	5%	41,433	4.8%	9.5%	Revenue multiple
Mobility	SWVL	24,425	–	1,752	7%	26,178	3.0%	12.6%	Revenue multiple
Classifieds	Hemnet ¹	19,225	–	6,022	31%	25,247	2.9%	6.0%	EBITDA multiple
Mobility	OneTwoTrip	15,151	–	7,393	49%	22,544	2.6%	21.1%	Revenue multiple
Mobility	Dostavista	11,462	1,000	99	1%	12,561	1.5%	16.5%	Last transaction
Classifieds	Booksy	10,818	–	1,291	12%	12,109	1.4%	11.8%	Revenue multiple
Classifieds	Housing Anywhere	8,678	–	1,223	14%	9,901	1.2%	29.4%	Revenue multiple
Mobility	Monopoliya	7,609	–	908	12%	8,517	1.0%	9.1%	Revenue multiple
	Other equity investments ²	53,598	158	4,752	12%	58,507	6.8%		
	Other convertible notes ²	5,707	1,350	114	0%	7,171	0.8%		
Other	Liquidity management	13,364	-5,358	409		8,414	1.0%		
	Investment portfolio	788,580	-551	46,464		834,493	97.1%		
Other	Cash and cash equivalents	25,181				24,915	2.9%		
	Total investment portfolio	813,761				859,408	100.0%		
	Borrowings	-78,342				-85,841			
	Other net receivables/liabilities	-3,957				-4,724			
	Total NAV	731,462				768,843			

1. Indirect holding through YSaphis S.A. and Sprints Capital Rob R Partners S.A.

2. For further details on the holdings, see Note 3.

Portfolio events



Investment activities during the six-month period

During the six-month period 2020, net investments in financial assets, excluding liquidity management investments, were USD 17.20 mln (2019: 91.83) and proceeds from sales, excluding liquidity management investments, were USD – mln (2019: 539.87).

Current portfolio

During the second quarter of 2020, global markets have continued to see significant volatility on the back of the global outbreak of Covid-19, and everyday life in most cities and countries was disrupted due to the virus and related actions taken by governments to prevent further spread. Towards the end of the second quarter 2020 most cities started lifting restrictions again and activity has started to increase towards pre-Covid levels. VNV Global's portfolio companies, to various degrees, have seen direct and indirect effects on their operations due to Covid-19.

Babylon

During the first six months 2020, Babylon has continued to expand its services in the US and also seen increasing demand of their services on the back of Covid-19. In the US, Babylon has launched clinical services to 2.6 million Americans in California, New York, Iowa and Missouri, with more to come. Babylon also launched a partnership with Mount Sinai Health Partners to serve 8.6 million New Yorkers. Babylon also expanded its service in Southeast Asia to six additional countries, now covering nearly 10 million Prudential members.

Babylon also invested in Higi, a consumer health engagement company, to increase access to Babylon services through 10k community and retail units within 5 miles of over 75% of the US population.

During the second quarter 2020, Babylon delivered 17.8 k daily consultations, up 76.2% yoy. Global registrations reached 5.1 mln, up from 3.8 mln as per year-end 2019.

Babylon launched a Covid-19 Care Assistant product on March 23, 2020, for their users in the UK. This service delivers appropriate information and care for each individual according to their needs, supporting the patient throughout the different stages of their illness and allocating doctors' time to the patients who need it the most.

During the first quarter, Babylon also signed a 10-year contract with the government of Rwanda to grant free access to digital services for all citizens in the country over the age of 12. Furthermore, the Royal Wolverhampton NHS Trust and Babylon announced a 10-year partnership to deliver joined-up care to the entire population of the city of Wolverhampton and to create the world's first integrated digital health system to serve the city's population.

BlaBlaCar

Due to the different measures governments across Europe have introduced to limit the spread of Covid-19, BlaBlaCar has seen direct negative effects on the activity on their platform during the first six months of

2020. In March, BlaBlaCar temporarily suspended all bus operations, on the back of this situation and is expected to resume operations as soon as practically. BlaBlaCar's main ride-sharing business has continued to operate, but given the current measures in place across Europe, activity was low in April/May. In June 2020, search intent on the BlaBlaCar platform in Spain and France recovered and surpassed levels during the same period in 2019. BlaBlaCar has a strong financial position and has also taken well balanced decisions during these volatile times, which allowed them a strong start of a recovery phase when markets started open up again in the end of the second quarter.

BlaBlaCar ended the second quarter with 95.2 mln members. During the second quarter of 2020 BlaBlaCar noted 4.7 mln passengers, which is a -71.3% decrease on the same quarter in 2019, severely impacted by Covid-19 related lockdowns.

During April 2020, BlaBlaCar launched BlaBlaHelp, an app to connect helpers and help-seekers together in the context of the Covid-19 crisis. The new app saw more than 10k volunteers registered in less than 24 hours post launch.

Voi

Similar to BlaBlaCar, Voi has seen direct negative impact from Covid-19 and the different measures governments across Europe have introduced to limit the spread of the virus. The company temporarily paused operations in most cities outside the Nordics in mid-March. Voi, which is well capitalized following its funding round of October 2019, also took further measures to preserve cash in this special situation and, as markets started open up was able to reaccelerate growth across its many markets. In July 2020, Voi announced it had achieved double-digit EBITDA margins in June on the group level across its 40 markets in 11 countries. The company also announced it would raise up to USD 30 mln in new capital to enable further growth and expansion into newly opened UK market. VNV Global participated with USD 10 mln in the funding round alongside other existing and new investors.

Gett

During the six months, Gett also saw direct negative effects of Covid-19 but was able to deliver according to their pre-Covid-19 budget and has seen a strong recovery during the last month of the second quarter.

Gett's strong performance during the first quarter, despite Covid-19, is mainly driven by their unique business model of focusing on being the SaaS booking platform for ground transportation for Corporates.

In July 2020, Gett announced the completion of a USD 100 mln funding round. VNV Global participated with an additional USD 2.3 mln in May and another USD 3 mln in August 2020 as part of the final close of the round.

SWVL

SWVL raised a larger funding round in February 2020 pre Covid-19, where VNV Global participated with USD 7.0 mln. SWVL's management has swiftly adapted the business to the new reality with less activity temporarily, although the markets SWVL operates in lags western Europe in terms of Covid-19 related measures.

New investments during the second quarter

VNV Global did not complete any significant investments in new names during the second quarter 2020.

Liquidity management

The Company also has investments in money market funds, as part of its liquidity management operations. As per June 30, 2020, the liquidity management investments are valued at USD 8.41 mln (2019: 48.5), based on the latest NAV of each fund and bond's market value.

For further information about the portfolio companies please see: [VNV Global's website](#)

Financial information



This is the first financial report of VNV Global AB (publ) after the Redomestication and the comparative figures presented in this financial report are attributable to the VNV Global Ltd. Group with VNV Global Ltd. as the parent Company.

Group – results for the six-month period 2020 and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD -1.38 mln (2019: 114.65) related to general negative value changes in the entire portfolio, with exception for Babylon and SWVL which showed positive value changes. Dividend and coupon income was USD 0.12 mln related to Merro dividends (2019: 2.22 related to Merro dividends).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -3.83 mln (2019: -22.78). Last year's increase in net operating expenses is mainly related to one-time extraordinary bonus following the successful exit of Avito.

Net financial items were USD -3.48 mln (2019: -8.19), mainly related to SEK/USD depreciation.

Net result for the period was USD -8.69 mln (2019: 85.90).

Total shareholders' equity amounted to USD 768.84 mln on June 30, 2020 (December 31, 2019: 776.98).

Liquid assets

Cash and cash equivalents of the group amounted to USD 24.91 mln (December 31, 2019: 18.86). The liquid asset investments, USD 8.41 mln (2019: 53.54), are in money market funds, as part of its liquidity management operations.

Group – results for the second quarter 2020

During the second quarter, the result from financial assets at fair value through profit or loss amounted to USD 46.34 mln (2019: 114.44) related to general positive value changes in the entire portfolio, with exception for Voi which showed negative value change. Dividend and coupon income was USD - mln (2019: -).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -2.33 mln (2019: -1.95).

Net financial items were USD -7.04 mln (2019: -0.15), mainly related to SEK/USD depreciation.

Net result for the quarter was USD 36.97 mln (2019: 112.48).

Covid-19 impact on the investment portfolio

During the first six months of 2020, Covid-19 and its impact have resulted in extraordinary volatility in financial markets globally that bottomed out in mid-March followed by a strong recovery that was underway until the end of June 2020. VNV Global continues to work closely with its portfolio companies to evaluate the financial and operational impact of Covid-19 both in a short- and longer-term perspective. Given the current remaining uncertainty and lack of visibility on a macro level, although it has improved during the second quarter 2020, VNV Global also closely monitors the Group's financial position including the terms of outstanding debt as well as potential capital needs across its portfolio companies. The direct impact of Covid-19 to date differs from company to company. During the first six months of 2020, mobility and travel-related businesses have, as an example, seen a direct negative effect given the significant impact on domestic and international travel (both ground and air) across the globe, while businesses in the digital health space currently are seeing unprecedented demand for their services and products.

Risks and risk management

For a more detailed description of risks and risk management, please see the section "Business combinations under common control" within the financial report.

Income statements Group



/Expressed in USD thousands/	H1 2020	H1 2019	Q2 2020	Q2 2019	FY 2019
Result from financial assets at fair value through profit or loss ¹	-1,501	114,647	46,342	114,443	203,825
Dividend and coupon income	122	2,221	–	–	3,065
Other operating income	167	150	85	73	336
Operating expenses	-4,000	-22,926	-2,417	-2,024	-33,641
Operating result	-5,212	94,092	44,010	112,492	173,585
Financial income and expenses					
Interest income	145	74	140	52	756
Interest expense	-2,405	-4,021	-1,520	-35	-5,234
Currency exchange gains/losses, net	-1,190	-4,244	-5,628	-32	-5,189
Other financial income	-28	–	-28	–	–
Net financial items	-3,479	-8,191	-7,036	-15	-9,667
Result before tax	-8,691	85,901	36,974	112,477	163,918
Taxation	–	–	–	–	-241
Net result for the financial period	-8,691	85,901	36,974	112,477	163,677
Earnings per share (in USD)	-0.11	1.08	0.47	1.44	2.08
Diluted earnings per share (in USD)	-0.11	1.08	0.47	1.44	2.07

1. Financial assets at fair value through profit or loss (including listed bonds) are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the period in which they arise.

Statement of comprehensive income

/Expressed in USD thousands/	H1 2020	H1 2019	Q2 2020	Q2 2019	FY 2019
Net result for the financial period	-8,691	85,901	36,974	112,477	163,677
Other comprehensive income for the period					
Items that may be classified subsequently to profit or loss:					
Currency translation differences	–	-37	–	4	-45
Total other comprehensive income for the period	–	-37	–	4	-45
Total comprehensive income for the period	-8,691	85,864	36,974	112,481	163,632

Balance sheet Group



/Expressed in USD thousands/	06/30/2020	06/30/2019	12/31/2019
Non-current assets			
Tangible non-current assets			
Property, plant and equipment	910	1,257	1,080
Total tangible non-current assets	910	1,257	1,080
Financial non-current assets			
Financial assets at fair value			
through profit or loss	834,493	646,386	830,982
Total financial non-current assets	834,493	646,386	830,982
Current assets			
Cash and cash equivalents	24,915	53,535	18,855
Tax receivables	340	567	523
Other current receivables	437	234	428
Total current assets	25,692	54,336	19,806
Total assets	861,095	701,979	851,868

/Expressed in USD thousands/	06/30/2020	06/30/2019	12/31/2019
Shareholders' equity (including net result for the financial period)			
	768,843	697,735	776,984
Non-current liabilities			
Interest bearing liabilities			
Long-term debts and leasing liabilities	86,335	805	69,233
Total non-current liabilities	86,335	805	69,233
Current liabilities			
Non-interest bearing current liabilities			
Tax payables	183	397	437
Other current liabilities	2,540	1,777	1,503
Accrued expenses	3,193	1,265	3,711
Total current liabilities	5,916	3,439	5,651
Total shareholders' equity and liabilities	861,095	701,979	851,868

Statement of Changes in Equity Group



/Expressed in USD thousands/

	Note	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2019		14	-	-	876,695	876,709
Net result for the period January 1, 2019 to June 30, 2019		-	-	-	85,901	85,901
Other comprehensive income for the period						
Currency translation differences		-	-	-	-37	-37
Total comprehensive income for the period January 1, 2019 to June 30, 2019		-	-	-	85,864	85,864
Transactions with owners:						
Redemption program		-	-	-	-215,310	-215,310
Value of employee services:						
- Share-based remuneration		-	-	-	3,200	3,200
- Share-based long-term incentive program		-	-	-	764	764
Buy-back of own shares		-	-	-	-53,491	-53,491
Total transactions with owners		-	-	-	-264,838	-264,838
Balance at June 30, 2019		14	-	-	697,721	697,735
Balance at July 1, 2019		14	-	-	697,721	697,735
Net result for the period July 1, 2019 to December 31, 2019		-	-	-	77,776	77,776
Other comprehensive income for the period						
Currency translation differences		-	-	-	-8	-8
Total comprehensive income for the period July 1, 2019 to December 31, 2019		-	-	-	77,768	77,768
Transactions with owners:						
Value of employee services:						
- Share-based long-term incentive program		-	-	-	1,975	1,975
Buy-back of own shares		-	-	-	-495	-495
Total transactions with owners		-	-	-	1,481	1,481
Balance at December 31, 2019		14	-	-	776,970	776,984
Balance at January 1, 2020		14	-	-	776,970	776,984
Net result for the period January 1, 2020 to June 30, 2020		-	-	-	-8,691	-8,691
Other comprehensive income for the period						
Currency translation differences		-	-	-	-	-
Total comprehensive income for the period January 1, 2020 to June 30, 2020		-	-	-	-8,691	-8,691
Transactions with owners:						
Bonus share issue		775	-	-	-789	-14
Value of employee services:						
- Share-based long-term incentive program	6	28	-	-	536	564
Total transactions with owners		803	-	-	-253	550
Balance at June 30, 2020		817	-	-	768,026	768,843

Cash flow statements

Group



/Expressed in USD thousands/

	H1 2020	H1 2019	Q2 2020	Q2 2019	FY 2019
Operating activities					
Result before tax	-8,691	85,901	36,974	112,477	163,918
Adjustment for:					
Interest income	-145	-74	-141	-52	-756
Interest expense	2,405	4,021	1,520	35	5,234
Currency exchange gains/-losses	1,190	4,244	5,628	32	5,189
Depreciation	322	170	240	93	335
Result from financial assets at fair value through profit or loss	1,501	-114,647	-46,342	-114,443	-203,825
Dividend and coupon income	-122	-2,221	-	-	-3,065
Other non-cash adjustments	324	3,941	180	-15,317	7,126
Change in current receivables	56	131	122	-5	253
Change in current liabilities	-481	-471	-234	-926	-116
Net cash used in operating activities	-3,640	-19,005	-2,053	-18,106	-25,707
Investments in financial assets	-21,756	-139,095	-8,931	-79,039	-279,609
Sales of financial assets	17,743	539,874	10,359	-	584,955
Dividend and coupon income	122	2,221	-	-	3,065
Tax paid	-	-26	-	-59	-169
Net cash flow used in/from operating activities	-7,531	383,969	-624	-97,204	282,535
Investment activities					
Net cash flow used in investment activities	-	-	-	-	-
Financing activities					
Proceeds from borrowings	15,551	-	-	-	65,012
Repayment of borrowings	-	-91,205	-	-	-91,205
Interest paid for borrowings	-2,163	-3,113	-1,137	-	-3,113
Repayment of lease liabilities	-150	-	-66	-	-343
Redemption program including transaction fees	-	-215,310	-	-2	-215,310
Proceeds from LTIP and options issued to employees	-	-	-	-	1,118
Buy back of own shares	-	-53,491	-	-	-53,986
Net cash flow from/used in financing activities	13,238	-363,119	-1,203	-2	-297,827
Change in cash and cash equivalents	5,707	20,850	-1,827	-97,206	-15,292
Cash and cash equivalents at beginning of the period	18,855	40,303	25,181	150,377	40,303
Exchange gains/losses on cash and cash equivalents	353	-7,618	1,561	364	-6,156
Cash and cash equivalents at end of period	24,915	53,535	24,915	53,535	18,855

Income statement

Parent



/Expressed in SEK thousands/	H1 2020	H1 2019	Q2 2020	Q2 2019	FY 2019
Result from financial assets at fair value through profit or loss	1,641	–	1,641	–	–
Other operating income	11,116	23,529	3,669	17,307	57,908
Operating expenses	-24,485	-23,517	-17,502	-16,577	-57,024
Operating result	-11,728	12	-12,192	730	884
Financial income and expenses					
Interest income	2,039	–	2,039	–	–
Interest expense	-2,592	–	-2,592	–	–
Currency exchange gains/losses, net	-5	–	-5	–	–
Net financial items	-558	–	-558	–	–
Result before tax	-12,286	12	-12,750	730	884
Taxation	–	–	–	–	-569
Net result for the financial period	-12,286	12	-12,750	730	315

Statement of comprehensive income

/Expressed in SEK thousands/	H1 2020	H1 2019	Q2 2020	Q2 2019	FY 2019
Net result for the financial period	-12,286	12	-12,750	730	315
Total other comprehensive income for the period	–	–	–	–	–
Total comprehensive income for the period	-12,286	12	-12,750	730	315

Balance sheet Parent



/Expressed in SEK thousands/	06/30/2020	06/30/2019	12/31/2019
Non-current assets			
Tangible non-current assets			
Property, plant and equipment	1,343	1,659	1,501
Total tangible non-current assets	1,343	1,659	1,501
Financial non-current assets			
Shares in subsidiaries	6,601,999	–	–
Financial assets at fair value through profit or loss	22,511	–	–
Receivables from Group companies	583,469	13,043	10,675
Total financial non-current assets	7,207,979	13,043	10,675
Current assets			
Cash and cash equivalents	193,057	2,618	1,194
Tax receivables	3,176	3,150	2,507
Other current receivables	1,567	1,616	1,944
Total current assets	197,800	7,385	5,645
Total assets	7,407,122	22,087	17,821

/Expressed in SEK thousands/	06/30/2020	06/30/2019	12/31/2019
Shareholders' equity (including net result for the financial period)			
	6,598,060	13,705	14,008
Non-current liabilities			
Interest bearing liabilities			
Long-term debts	802,253	–	–
Total non-current liabilities	802,253	–	–
Current liabilities			
Non-interest bearing current liabilities			
Other current liabilities	3,440	5,994	2,098
Accrued expenses	3,370	2,388	1,715
Total current liabilities	6,810	8,382	3,813
Total shareholders' equity and liabilities	7,407,122	22,087	17,821

Statement of Changes in Equity Parent



/Expressed in SEK thousands/

	Note	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2019		100	-	43,430	-32,055	11,475
Net result for the period January 1, 2019 to June 30, 2019		-	-	-	12	12
Total comprehensive income for the period January 1, 2019 to June 30, 2019		-	-	-	12	12
Transactions with owners:						
Shareholders contribution		-	-	2,218	-	2,218
Total transactions with owners		-	-	2,218	-	2,218
Balance at June 30, 2019		100	-	45,648	-32,043	13,705
Balance at July 1, 2019		100	-	45,648	-32,043	13,705
Net result for the period July 1, 2019 to December 31, 2019		-	-	-	303	303
Total comprehensive income for the period July 1, 2019 to December 31, 2019		-	-	-	303	303
Total transactions with owners		-	-	-	-	-
Balance at December 31, 2019		100	-	45,648	-31,740	14,008
Balance at January 1, 2020		100	-	-	13,908	14,008
Net result for the period January 1, 2020 to June 30, 2020		-	-	-	-12,286	-12,286
Total comprehensive income for the period January 1, 2020 to June 30, 2020		-	-	-	-12,286	-12,286
Transactions with owners:						
Bonus share issue		7,823	-	-	6,588,252	6,596,075
Value of employee services:						
- Share-based long-term incentive program	6	263	-	-	-	263
Total transactions with owners		8,086	-	-	6,588,252	6,596,338
Balance at June 30, 2020		8,186	-	-	6,589,874	6,598,060

Notes to the financial statements



/ Expressed in USD thousand unless indicated otherwise /

Note 1

General information

VNV Global AB (publ) was incorporated in Stockholm on March 11, 2005. The common shares of VNV Global are listed on Nasdaq Stockholm, Mid Cap segment, with the ticker VNV. The common shares of VNV Global replaced the Swedish Depository Receipts representing shares in VNV Global Ltd. with effect as from June 29, 2020, in connection with the transfer of domicile of the group from Bermuda to Sweden.

As of June 30, 2020, the VNV Global Group consists of the Swedish parent company VNV Global AB (publ); one wholly owned Cypriot subsidiary, VNV (Cyprus) Limited; one controlled Dutch cooperative, Vostok Co-Investment Coöperatief B.A.; and one wholly owned Bermudian subsidiary, VNV Global Ltd.

The financial year is January 1–December 31.

Parent company

The parent company VNV Global AB (publ) is a Swedish limited liability company, incorporated in Sweden and operating under Swedish law. VNV Global AB (publ) owns directly or indirectly all the companies in the Group. The net result for the period was SEK -12.29 mln (2019: 0.01). Financial assets at fair value through profit or loss refers to liquidity management investments. The parent company had eight employees per June 30, 2020.

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.

This is the first financial report of VNV Global AB (publ) after the Redomestication and the comparative figures presented in this financial report are attributable to the VNV Global Ltd. Group with VNV Global Ltd. as the parent Company.

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

The capital reorganisation within the Group where VNV Global AB (publ) has become the new parent company is a transaction under common control. As such, the transaction is excluded from business combinations under IFRS 3 and will not affect the consolidated financial statements of the VNV Group. The accounting principles in the section "Business combination under common control" sets out the principles for the Group and the Parent company.

Note 2

Related party transactions

During the period, VNV Global has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	H1 2020	H1 2019	H1 2020	H1 2019
Key management and Board of Directors ¹	-1,433	-16,915	-13	-88

1. Compensation paid or payable includes salary and accrued bonus to the management and remuneration to the Board members.

VNV Global has entered into agreements with Keith Richman, Victoria Grace and Josh Blachman, all Directors of VNV Global, for consultancy services above and beyond their duties as Directors in the Company in relation to current or prospective investments. The gross annual cost per contract is USD 0.1 mln.

The costs for the long-term incentive programs (LTIP 2018, LTIP 2019 and LTIP 2020) for the management amounted to USD 0.6 mln, excluding social taxes, during the six-month period 2020. See details of LTIP 2018, LTIP 2019 and LTIP 2020 in Note 6.

Note 3

Fair value estimation

The fair value of financial instruments is measured by level of the following fair value measurement hierarchy, see the section "Business combination under control: Accounting policies":

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

The following table presents the group's assets that are measured at fair value at June 30, 2020.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	9,656	101,816	723,021	834,493
Total assets	9,656	101,816	723,021	834,493

The following table presents the group's assets that are measured at fair value at December 31, 2019.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	20,828	384,914	425,240	830,982
Total assets	20,828	384,914	425,240	830,982



The following table presents the group's changes of financial assets in level 3.

	H1
Opening balance January 1, 2020	425,240
Transfers from level 3	-629
Transfers to level 3	267,917
Change in fair value and other	30,493
Closing balance June 30, 2020	723,021
	Q2
Opening balance April 1, 2020	750,736
Transfers from level 3	-97,541
Transfers to level 3	5,866
Change in fair value and other	63,960
Closing balance June 30, 2020	723,021

During the second quarter of 2020, Voi has been transferred to from level 3 to level 2 and JamesEdition has been transferred from level 2 to level 3. The level 3 investments are either based on valuation models, usually using EBITDA and revenue multiples of comparable listed peers or transactions that include more uncertainty given the time elapsed since it closed or structure of the transactions.

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 group, 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 fair value 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. Usually, transaction-based valuations are kept unchanged for a period of 12 months unless there is cause for a significant change in valuation. After 12 months, the Group usually derives fair value for non-traded assets 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. No significant events in the portfolio companies, which have had an impact on the valuations, has occurred since the latest transactions except as described below. The transaction-based valuations are also frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models when warranted.

VNV Global follows a structured process in assessing the valuation of its unlisted investments. VNV Global evaluates company specific and external data relating to each specific investment on a monthly basis. The data is then assessed at monthly and 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 approved by the Board of Directors in connection with the Company's financial reports.

Babylon

As per June 30, 2020, VNV Global values its 10.8% ownership in Babylon, based on a forward-looking EV/Revenue model, at USD 278.2 mln. VNV Global has invested USD 92.6 mln in the company and it is classified as a level 3 investment. The EV/Revenue model reflects better fair value of the company on the back of Covid-19 during 1H20 than valuation based on latest transaction used in December 31, 2019. On the back of Covid-19 the company has seen higher demand of its services and signed a number of new deals and expanded existing contracts during the first quarter.

The peer group includes 10 digital health related companies including Livongo, Teladoc, PA Good Doctor, to name a few. The unadjusted median multiple of the peer group is 10.5x. The multiple used in the model has been discounted significantly to reflect the higher uncertainty in VNV Global's forward-looking revenue estimate compared with the more mature companies in the peer group.

BlaBlaCar

As per June 30, 2020, VNV Global values its 8.7% ownership in BlaBlaCar, based on a forward-looking EV/Revenue model, at USD 176.0 mln. VNV Global has invested USD 122.4 mln in the company and it is classified as a level 3 investment. The model looks at EV/Revenue multiples for a peer group including high margin marketplace businesses such as Rightmove, REA Group, Info Edge, to name a few that has been adjusted to better reflect BlaBlaCar's business model which comprise of both a high margin C2C market place and lower margin bus operations. The model has also been adjusted to reflect the direct negative impact of Covid-19 expected on the back of Covid-19. Short-term impacts include suspend bus operations across Europe because of city and nation-wide lock-downs. The unadjusted median multiple of the peer group relevant to the c2c ridesharing marketplace is 15.3x. The implied revenue multiple for the bus operations is 4.3x.

Voi

As per June 30, 2020, VNV Global values Voi based on the latest funding round closed in July 2020, where existing and new investors also participated, at USD 67.1 mln. As per June 30, 2020, VNV Global has invested USD 60.8 mln in Voi Technology, the leading European free-floating electric scooter sharing service and owns 30.5% of the company on a fully diluted basis and classified as a level 2 investment. Despite Covid-19, which negatively impacted Voi's operations in the short term, with suspended operations in cities where there was a full lockdown, the company saw a strong recovery during the second quarter of 2020. The company's long-term potential remains intact due to Voi's strong balance sheet and its position to reaccelerate as soon as practically possible.

Gett

As per June 30, 2020, VNV Global values Gett based on a forward-looking revenue multiple-based valuation at USD 80.5 mln. VNV Global owns 5.3% of Gett on a fully diluted basis and believes that the revenue multiple valuations accounting for the company's preference structure is the best fair value estimate. The company is classified as a level 3 investment. Compared



to the company's listed peers Uber and Lyft, which show significant losses, Gett became operationally profitable globally in December last year and has grown since then. It is on track to become cashflow positive despite Covid-19 impacts.

Property Finder

As per June 30, 2020, VNV Global values Property Finder at USD 41.4 mln based on a forward-looking revenue multiple-based valuation, classified as a level 3 investment. VNV Global owns 9.5% of Property Finder on a fully diluted basis and believes that the revenue multiple valuation is the best fair value estimate. The unadjusted median multiple of the listed peer group is 11.5x.

SWVL

As per June 30, 2020, SWVL is valued at USD 26.2 mln and is classified as a level 3 investment based on a forward-looking EV/revenue valuation model, although the latest transaction was in February 2020 where VNV Global invested USD 7 mln. The EV/Revenue valuation model looks at expected revenue, adjusted for Covid-19 related impacts, and the peer group consists of listed mobility and delivery business where the unadjusted median multiple of the peer group is 3.5x.

Hemnet (through YSaphis S.A. and Sprints Capital Rob R Partners S.A.)

As per June 30, 2020, Hemnet is valued at USD 25.2 mln and is classified as a level 3 investment, based on a forward-looking EV/EBITDA valuation model. EV/EBITDA is used as Hemnet is a mature and profitable company compared to many other portfolio investments that have not reached profitability yet. The peer group's median multiple is 27.8x.

OneTwoTrip

As per June 30, 2020, OneTwoTrip is classified as a level 3 investment based on a forward-looking peer multiples model, valued at USD 22.5 mln. VNV Global owns 21.1% of the company on a fully diluted basis. Current global travel restrictions, RUB weakness to USD and lower oil prices negatively impact the company, thereof the peer multiples model valuation. The unadjusted median multiple of the peer group is 2.4x.

Dostavista

As per June 30, 2020, Dostavista is valued at USD 12.6 mln and is classified as a level 2 investment based on a transaction in the company in 2Q20. The company has been developing according to plan since closing of the trans-

action and seen accelerating activity on the back of Covid-19 during 1Q20. This positive development is offset by a depreciating RUB.

Booksy

As per June 30, 2020, Booksy is valued at USD 12.1 mln and is classified as a level 3 investment based on a forward-looking EV/Revenue valuation model, although the latest transaction was in 2Q19. The EV/Revenue model is using a broad classifieds peer group given the similarities in those business models with Booksy's very niched approach for one vertical. The same network effects characteristics and margins dynamics should apply at maturity. The peer group's median multiple is 7.9x.

Housing Anywhere

As per June 30, 2020, Housing Anywhere is valued at USD 9.9 mln and classified as a level 3 investment based on a forward-looking EV/Revenue multiples model, although the latest transaction was in 1Q20 where VNV Global invested USD 3.3 mln. The peer group's unadjusted median multiple is 7.9x.

Monopoliya

As per June 30, 2020, Monopoliya is valued at USD 8.5 mln and is classified as a level 3 investment based on an fx-adjusted transaction-based valuation. VNV Global invested USD 9.4 mln for 9.1% ownership in the company during 4Q19. The company has not seen any or expect to see any negative impact from Covid-19. However, given the RUB depreciation on the back of a low oil price VNV Global has as per June 30, 2020, FX adjusted the transaction-based valuation which is deemed to be the best fair value estimate as per end of 2Q20.

EI Basharsoft

As per June 30, 2020, EI Basharsoft is valued at USD 8.2 mln and is classified as a level 3 investment based on an EV/Revenue valuation model. The peer group's unadjusted median multiple is 9.2x.

Liquidity management (Level 1)

As per June 30, 2020, VNV Global owns USD 8.41 mln in money market funds and bonds as part of the Company's liquidity management operations. The funds and bonds are quoted daily and the fair value as per June 30, 2020, is the last published NAV as per end of June 2020.

Current liabilities

The book value for interest-bearing loans, accounts payable and other financial liabilities are deemed to correspond to the fair values.



The following table presents the group's sensitivity in level 3 valuations.

/Expressed in USD thousands/

Company	Investment amount	Ownership, %	Sensitivity valuation					Benchmark
			-15%	-10%	H1 2020	+10%	+15%	
Babylon	92,562	10.8	236,506	250,418	278,242	306,066	319,978	Revenue estimate
BlaBlaCar	122,425	8.7	149,622	158,423	176,025	193,628	202,429	Revenue estimate
Gett	54,880	5.3	68,453	72,480	80,533	88,586	92,613	Revenue estimate
Property Finder	24,655	9.5	35,218	37,290	41,433	45,576	47,648	Revenue estimate
SWVL	23,004	12.6	22,251	23,560	26,178	28,796	30,105	Revenue estimate
Hemnet	10,118	6.0	21,460	22,723	25,247	27,772	29,034	EBITDA & SEK/USD estimate
OneTwoTrip	20,654	21.1	19,162	20,289	22,544	24,798	25,925	Revenue & RUB/USD estimate
Booksy	9,489	11.8	10,293	10,898	12,109	13,320	13,925	Revenue estimate
Housing Anywhere	9,601	29.4	8,416	8,911	9,901	10,891	11,386	Revenue estimate
Monopoliya	9,372	9.1	7,239	7,665	8,517	9,368	9,794	Revenue & RUB/USD estimate
El Basharsoft (Wuzzuf and Forasna)	3,801	23.7	6,984	7,395	8,217	9,038	9,449	Revenue estimate
Shohoz	7,004	15.5	5,895	6,242	6,936	7,629	7,976	Revenue estimate
Merro	8,763	22.6	5,641	5,973	6,636	7,300	7,632	Model based valuation
Wallapop	9,059	2.4	5,571	5,898	6,554	7,209	7,537	Revenue estimate
YouScan	8,094	20.9	3,387	3,586	3,985	4,383	4,583	Revenue estimate
JamesEdition	3,341	27.6	2,928	3,101	3,445	3,790	3,962	Revenue estimate
Naseeb Networks (Rozee and Mihnati)	4,500	24.3	2,769	2,932	3,258	3,584	3,747	Revenue estimate
DOC+	7,750	26.7	1,275	1,350	1,500	1,650	1,725	Revenue & RUB/USD estimate
Agente Imóvel	2,000	27.3	957	1,013	1,126	1,239	1,295	Revenue estimate
JobNet	500	3.8	540	572	635	699	730	Revenue estimate
Total level 3	524,195		614,568	650,719	723,021	795,323	831,474	



Change in financial assets at fair value through profit or loss

/Expressed in USD thousands/

Category	Company	Opening balance 01/01/2020	Investments/ (disposals), net	FV change	Closing balance 06/30/2020	Valuation method
Digital Health	Babylon	200,000	–	78,242	278,242	Revenue multiple
Mobility	BlaBlaCar	209,454	–	-33,429	176,025	Revenue multiple
Mobility	Gett	74,853	2,300	3,380	80,533	Revenue multiple
Mobility	Voi	102,434	–	-35,323	67,111	Latest transaction
Classifieds	Property Finder	47,883	–	-6,450	41,433	Revenue multiple
Mobility	SWVL	16,002	7,002	3,174	26,178	Revenue multiple
Classifieds	Hemnet ¹	25,845	–	-598	25,247	EBITDA multiple
Mobility	OneTwoTrip	28,653	–	-6,109	22,544	Revenue multiple
Mobility	Dostavista	11,561	1,000	–	12,561	Latest transaction
Classifieds	Booksy	12,931	–	-822	12,109	Revenue multiple
Classifieds	Housing Anywhere	6,366	3,315	220	9,901	Revenue multiple
Mobility	Monopoliya	9,372	–	-855	8,517	Revenue multiple
Classifieds	El Basharsoft (Wuzzuf and Forasna)	8,630	16	-429	8,217	Revenue multiple
Mobility	Shohoz	7,004	–	-68	6,936	Revenue multiple
Classifieds	Merro	7,652	-122	-894	6,636	Mixed
Classifieds	Wallapop	7,347	–	-794	6,554	Revenue multiple
Digital Health	Vezeeta	3,156	–	1,213	4,369	Revenue multiple
Digital Health	Numan	1,064	2,553	730	4,347	Latest transaction
Other	YouScan ²	3,867	–	118	3,985	Revenue multiple
Classifieds	JamesEdition	3,359	–	86	3,445	Revenue multiple
Classifieds	Naseeb Networks (Roze and Mihnati)	3,528	–	-270	3,258	Latest transaction
Digital Health	Grace Health	1,073	995	172	2,241	Latest transaction
Digital Health	DOC+	3,556	250	-2,306	1,500	Latest transaction
Digital Health	Yoppie	1,481	–	-9	1,472	Revenue multiple
Classifieds	Shwe Property	1,435	–	–	1,435	Revenue multiple
Other	Marley Spoon	168	–	1,074	1,242	Listed company
Classifieds	Agente Imóvel	2,800	–	-1,674	1,126	Latest transaction
Classifieds	Dubicars	508	400	147	1,056	Revenue multiple
Classifieds	JobNet	719	–	-84	635	Latest transaction
Other	Vinden AB	–	54	-0	54	Latest transaction
Classifieds	CarZar	451	-507	56	–	Model valuation
Classifieds	Inturn, convertible debt	5,062	–	152	5,213	Convertible
Classifieds	El Basharsoft, convertible debt	–	1,000	19	1,019	Convertible
Digital Health	Napopravku, convertible debt	–	700	17	717	Convertible
Classifieds	Naseeb Networks, convertible debt	212	–	10	222	Convertible
Digital Health	Numan, convertible debt	1,332	-1,239	-93	–	Convertible
Classifieds	Housing Anywhere, convertible debt	562	-550	-12	–	Convertible
Other	Liquidity management	20,660	-12,276	30	8,414	
	Total investment portfolio	830,982	4,891	-1,379	834,493	

1. Indirect holding through YSaphis S.A. and Sprints Capital Rob R Partners S.A.

2. Reflects VNV Global's indirect shareholding in YouScan through a 33.2% holding in Kontakt East Holding AB, which owns 63% of YouScan.

**Note 4****Share capital**

Following the restructuring and redomestication of the Group, the Company's share capital amounts to SEK 8,185,545.60 and the number of shares to 81,855,456, distributed among 79,230,456 common shares, 2,100,000 LTIP 2019 Incentive Shares and 525,000 LTIP 2020 Incentive Shares.

Year	Event	Change in number of shares	Total number of shares after change	Quota value, SEK	Change in share capital, SEK	Total share capital after change, SEK
Jan 1, 2020	Opening balance	–	100,000	1.00	–	100,000
2020	Reversed share split/ Share split and bonus issue ¹	79,230,456	79,230,456	0.10	7,823,046	7,923,045.60
2020	Issuance of LTIP 2019 Incentive Shares ²	2,100,000	81,330,456	0.10	210,000	8,133,045.60
2020	Issuance of LTIP 2020 Incentive Shares ³	525,000	81,855,456	0.10	52,500	8,185,545.60
Jun 30, 2020	Closing balance	–	81,855,456	0.10	–	8,185,545.60

1. At the Company's annual general meeting on April 24, 2020, it was resolved to i) merge the Company's shares of 1,000:1, whereby the previous 1,000 shares were merged into one (1) share, ii) share split of 1:79,230,456, whereby one (1) existing share was divided into 79,230,456 shares, and iii) bonus issue whereby the Company's share capital was increased by SEK 7,823,045.60 through transfer of funds from unrestricted equity. The bonus issue was made without issue of new shares. The purpose was to adjust the number of outstanding shares in VNV Global AB prior to the change of domicile.
2. The company issued LTIP 2019 Incentive Shares to VNV Global Ltd. as part of the Group's change of domicile. The subscription price amounted to SEK 0.1.
3. The company issued LTIP 2020 Incentive Shares to VNV Global Ltd. as part of the Group's change of domicile. The subscription price amounted to SEK 0.1.



Note 5
Long-term debts

Bond 2019/2022

During the first quarter 2020, VNV Global carried out a subsequent issue of bonds in an amount of SEK 150 mln under the framework of its outstanding bond 2019/2022 with ISIN SE0013233541. The subsequent issue was priced at 102.75 per cent of par. Following the subsequent issue, the total amount outstanding under the Company's bond loan is SEK 800 mln.

Leasing liabilities

As per June 30, 2020, leasing liabilities are recognized with a provision of future long-term lease payments amounting to USD 0.5 mln.

Note 6
Long-term incentive programs (LTIP)

	LTIP 2017/Completed	LTIP 2018	LTIP 2019	LTIP 2020
Program measurement period	Jan 2017–Dec 2019	Jan 2018–Dec 2020	Jan 2019–Dec 2023	Jan 2020–Dec 2024
Vesting period	May 2017–May 2020	May 2018–May 2021	Aug 2019–May 2024	Jun 2020–May 2025
Maximum number of depository receipts not adjusted for split and redemption program Mar 2019	225,000	510,000	2,100,000	525,000
Maximum number of depository receipts adjusted for split and redemption program Mar 2019	330,750	742,350	2,100,000	525,000
Maximum dilution, adjusted for redemption program	0.42%	0.95%	2.7%	0.66%
Common share price per grant day in SEK	72.50	74.70	63.50	68.80
Common share price per grant day in USD	8.25	8.59	6.60	7.44
Plan share price per grant day in SEK	–	–	6.84	2.44
Plan share price per grant day in USD	–	–	0.71	0.26
/LTIP share-based remuneration expense, excluding social fees in USD mln/	LTIP 2017/Completed	LTIP 2018	LTIP 2019	LTIP 2020
6m 2020	–	0.42	0.08	0.3
2019	0.71	0.83	0.09	–
2018	0.70	0.52	–	–
2017	0.45	–	–	–
Total	1.86	1.77	0.25	0.3



There are three running long-term share-based incentive programs for management and key personnel in the VNV Global Group. The 2018 program is linked to the long-term performance of the Company's Net Asset Value, the 2019 and 2020 programs are linked to the long-term performance of both the Company's Net Asset Value and of the VNV Global share price.

Outstanding program 2018

Participants in the 3-year 2018 program purchased shares (Swedish Depository Receipts) in the Company. For each purchased share, participants are entitled to receive additional shares, so-called performance shares, free of charge, subject to fulfillment of performance conditions set by the Board of Directors based on the Company's Net Asset Value.

The rights to receive shares automatically convert into common shares at the end of the program at an exercise price of nil. The participants do not receive any dividends and are not entitled to vote in relation to the rights to receive shares during the vesting period. If a participant ceases to be employed by the Group within this period, the rights will be forfeited, except in limited circumstances that are approved by the board on a case-by-case basis.

The fair value of the depository receipts on the grant date was calculated on the basis of the market price of the Company's depository receipts on the grant date per depository receipt without adjustment for any dividends during the vesting period.

Outstanding programs 2019 and 2020

Similarly, to the 2018 program, participants in the five-year 2019 and 2020 programs purchased shares in the Company.

For each purchased share, participants are entitled to subscribe for newly issued redeemable common shares (2019 and 2020 Plan Shares) in the Company. Depending on the performance of both the Company's Net Asset Value and of the VNV Global share price, the 2019 and 2020 Plan Shares will be redeemed or reclassified as ordinary common shares and represented by Swedish Depository Receipts, provided certain performance conditions have been fulfilled. If the performance conditions have not been fulfilled, then the plan shares will be redeemed.

The participants will be compensated for dividends and other value transfers to the shareholders. The participants are also entitled to vote for their 2019 and 2020 Plan Shares during the measurement period.

If a participant ceases to be employed by the Group within this period, the plan shares will be redeemed, unless otherwise resolved by the Board on a case-by-case basis.

The fair value of the 2019 and 2020 Plan Shares on the grant date was calculated on the basis of the market price of the Company's depository receipts on the grant date and prevailing market conditions by using a Monte Carlo Valuation Method.

To carry through the incentive program, the Company subsidized the subscription price payable by the incentive program participants for the 2019 Plan Shares. The subsidy for LTIP 2019 amounted to USD 2.6 mln and for LTIP 2020 the subsidy amounted to USD 0.3 mln, social fees excluded, for the cost of acquiring plan shares. The cost for financing and acquiring plan shares is expensed directly.

The Company also compensated participants for the tax impact arising from the fact that the subscription price was below fair market value. The cost of this subsidy, social fee excluded, amounts to USD 1 mln for LTIP 2019 and USD 0.01 mln for LTIP 2020 and will be expensed over five years, treated as vesting expense.

Completed program 2017

On March 24, 2020, the Board of Directors determined that the development of the Company's Net Asset Value over the performance measurement period of LTIP 2017 (January 1, 2017 through December 31, 2019), meets the so-called target level, whereby each savings share held by program participants throughout the vesting period (until March 31, 2020) was allocated of five performance shares free of charge. As a result, following adjustment for the redemption program of SEK 25 per share, participants in LTIP 2017 received a total of 330,750 shares in May 2020.

Accounting principles

In accordance with IFRS 2, the costs for the program, including social fees, will be reported over the income statement during the program's vesting period. The value is recognized in the income statement as a personnel cost on-line operating expenses, allocated over the vesting period with a corresponding increase in equity. The recognized cost corresponds to the fair value of the estimated number of shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested shares. However, no adjustment is made when shares expire only because share price-related conditions do not reach the level.

Note 7

Events after the reporting period

On July 24, 2020, VNV Global announced that the Company's Rights Issue was significantly oversubscribed. The Rights Issue provides VNV Global with proceeds amounting to approximately SEK 872 million prior to transaction costs. Upon full exercise of warrants, the Company is from and including July 13, 2023 up until and including August 10, 2023, expected to raise an additional SEK 1,009.5 million prior to transaction costs.

Key and Alternative Performance Measures Group



Alternative Performance Measures (APM) apply the European Securities and Markets Authority (ESMA) guidelines.

APMs are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS).

VNV Global 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.

Definitions of all APMs used are found below.

IFRS-defined performance measurements (not alternative performance measurements)

Performance measurements	Definitions
<i>Earnings per share, USD</i>	When calculating earnings per share, the average number of shares is based on average outstanding common shares. 2019 and 2020 Plan Shares, issued to participants in the Company's 2019 and 2020 long-term share-based Incentive programs (LTIP 2019 and 2020), are not treated as outstanding common shares and thus are not included in the weighted calculation. The issue of 2019 and 2020 Plan Shares is however recognized as an increase in shareholders' equity.
<i>Diluted earnings per share, USD</i>	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.
<i>Number of shares outstanding at year-end</i>	Number of common shares at balance sheet date at year-end excludes 7,685,303 repurchased shares and the 2,100,000 redeemable common shares issued under LTIP 2019.
<i>Weighted average number of shares outstanding</i>	Weighted average number of common shares for the period.

Alternative performance measurements

Performance measurements	Definitions	Motives
<i>Equity ratio, %</i>	Equity ratio is defined as Shareholders' equity in percent in relation to total assets.	The performance measure demonstrates how much of the total assets that have been financed with equity for the assessment of the company's capital structure and financial risk.
<i>Net asset value, USD and SEK</i>	Net asset value is defined as the amount of shareholders' equity according to the balance sheet.	The performance measure determines the value of the company's net assets and thus shows the carrying amount of the company enabling a comparison with the company's enterprise value.
<i>Net asset value per share, USD and SEK</i>	Shareholders' equity divided by total number of common shares at the end of the period.	An established performance measure for investment companies that demonstrates the owners' share of the company's total net assets per share and enables comparison with the company's share price.
<i>Net asset value/share adjusted for the February 2019 split and redemption program, USD</i>	Net asset value/share adjusted for the February 2019 split and redemption program is defined as equity increased by an amount corresponding to the redemption amount increased by the development in equity since the redemption date, divided by total number of outstanding common shares.	The net asset value cleared for effects of non-recurring items, e.g. redemption program 2019 which enables a true comparison with earlier periods.
<i>Net asset value development per share adjusted for the February 2019 split and redemption program, USD, %</i>	Change in net asset value per share in USD compared with previous accounting year, in percent, adjusted for the February 2019 split and redemption program	A measure of profitability that shows the company's return and how the net asset value per share develops between different periods.



Key ratios

	H1 2020	FY 2019	H1 2019
QTD Earnings per share /USD/	0.47	1.12	1.44
QTD Diluted earnings per share /USD/	0.47	1.11	1.44
YTD Earnings per share /USD/	-0.11	2.08	1.08
YTD Diluted earnings per share /USD/	-0.11	2.07	1.08
Number of common shares outstanding	79,230,456	78,150,006	78,080,206
YTD Weighted average number of common shares	78,243,173	78,787,830	79,434,729
YTD Weighted average number of common shares – diluted	78,243,173	79,118,580	79,682,609

Alternative Performance Measures

	H1 2020	FY 2019	H1 2019
Equity ratio	89.29%	91.21%	99.40%
Net asset value /USD/	769,842,910	776,983,782	697,734,733
Net asset value /SEK/	7,187,912,366	7,239,235,595	6,468,908,030
Net asset value per share /USD/	9.70	9.94	8.94
Net asset value per share /SEK/	90.72	92.63	82.85
Net asset value per share adjusted for split and redemption program /USD/	13.16	13.49	12.23
Net asset value per share development	-2%	30%	17%

Reconciliation tables, VNV Global

	H1 2020	FY 2019	H1 2019
Number of common shares outstanding	79,230,456	78,150,006	78,080,206
Number of plan shares outstanding	2,625,000	2,100,000	–
Total number of shares outstanding	81,855,456	80,250,006	78,080,206

QTD

	Q2 2020	Q4 2019	Q2 2019
QTD Weighted average number of common shares	78,336,341	78,150,006	77,867,005
QTD Weighted average number of plan shares	2,625,000	2,100,000	–
QTD Weighted average number of total shares	80,961,341	80,250,006	77,867,005
QTD Weighted average number of common shares – diluted	78,336,341	78,480,756	78,089,060
<i>QTD Earnings per share /USD/</i>			
QTD Net result for the financial period	36,974,145	87,211,201	112,476,963
QTD Weighted average number of common shares	78,336,341	78,150,006	77,867,005
QTD Earnings per share /USD/	0.47	1.12	1.44
<i>QTD Diluted earnings per share /USD/</i>			
QTD Net result for the financial period	36,974,145	87,211,201	112,476,963
QTD Weighted average number of common shares – diluted	78,336,341	78,480,756	78,089,060
QTD Diluted earnings per share /USD/	0.47	-1.11	1.44



YTD

	H1 2020	FY 2019	H1 2019
YTD Weighted average number of common shares	78,243,173	78,787,830	79,434,729
YTD Weighted average number of plan shares	2,625,000	2,100,000	–
YTD Weighted average number of total shares	80,868,173	80,887,830	79,434,729
YTD Weighted average number of common shares – diluted	78,243,173	79,118,580	79,682,609
<i>YTD Earnings per share /USD/</i>			
YTD Net result for the financial period	-8,691,346	163,677,067	85,900,816
YTD Weighted average number of common shares	78,243,173	78,787,830	79,434,729
YTD Earnings per share /USD/	-0.11	2.08	1.08
<i>YTD Diluted earnings per share /USD/</i>			
YTD Net result for the financial period	-8,691,346	163,677,067	85,900,816
YTD Weighted average number of common shares – diluted	78,243,173	79,118,580	79,682,609
YTD Diluted earnings per share /USD/	-0.11	2.07	1.08

Reconciliations of Alternative Performance Measures

	H1 2020	FY 2019	H1 2019
<i>Equity ratio</i>			
Shareholders' equity /USD/	768,842,910	731,462,032	697,734,733
Total assets /USD/	867,827,091	815,687,551	701,979,306
Equity ratio	89.29%	89.67%	99.40%
<i>Net asset value /USD/</i>			
Net asset value /USD/	768,842,910	776,983,782	697,734,733
<i>Net asset value /SEK/</i>			
Net asset value /USD/	768,842,910	776,983,782	697,734,733
SEK/USD	9.3490	9.3171	9.27163
Net asset value /SEK/	7,187,912,366	7,239,235,595	6,468,908,030
<i>Net asset value per share /USD/</i>			
Net asset value /USD/	768,842,910	776,983,782	697,734,733
Number of common shares outstanding	79,230,456	78,150,006	78,080,206
Net asset value per share /USD/	9.70	9.94	8.94
<i>Net asset value per share /SEK/</i>			
Net asset value /USD/	768,842,910	776,983,782	697,734,733
SEK/USD	9.3490	9.3171	9.27163
Net asset value /SEK/	7,187,912,366	7,239,235,595	6,468,908,030
Number of common shares outstanding	79,230,456	78,150,006	78,080,206
Net asset value per share /SEK/	90.72	92.63	82.85



Reconciliations of Alternative Performance Measures (continued)

	H1 2020	FY 2019	H1 2019
<i>Net asset value per share adjusted for the February 2019 split and redemption program /USD/</i>			
Net asset value /USD/	768,842,910	776,983,782	697,734,733
<i>Split and redemption program /SEK/</i>			
Number of shares at redemption	79,660,042	79,660,042	79,660,042
Redemption program /SEK 25 krona per share/	25	25	25
Redemption program /SEK/	1,991,501,050	1,991,501,050	1,991,501,050
<i>Split and redemption program /USD/</i>			
SEK/USD redemption	9.2678	9.2678	9.2678
Redemption program /USD/	214,882,963	214,882,963	214,882,963
<i>Price development per share /%/</i>			
Net asset value per share – opening value /USD/	7.57	7.57	7.57
Net asset value per share – closing value /USD/	9.70	9.94	8.94
Net asset value per share – development /USD/	28.19%	31.34%	18.05%
<i>February 2019 split and redemption program – adjusted for share price development /USD/</i>			
February 2019 split and redemption program – adjusted for share price development /USD/	275,455,573	282,220,816	253,662,049
Number of shares at redemption	79,660,042	79,660,042	79,660,042
Redemption share price /USD/	3.46	3.54	3.18
Net asset value per share /USD/	9.70	9.94	8.94
Net asset value per share adjusted for split and redemption program /USD/	13.16	13.49	12.12
<i>Net asset value development per share in USD /%/</i>			
Net asset value per share adjusted for split and redemption program – opening value /USD/	13.49	10.37	10.37
Net asset value per share adjusted for split and redemption program – closing value /USD/	13.16	13.49	12.12
Net asset value per share development	-2.43%	30%	17%

Business combinations under common control



Background

This is the first financial report of VNV Global AB (publ) after the Redomestication and the comparative figures presented in this financial report are attributable to the VNV Global Ltd. Group with VNV Global Ltd. as the parent Company. Since this is the first consolidated financial statements prepared by the Group with VNV Global AB (publ) as the parent company, the applicable accounting policies as well as risks and risk management for the Group are outlined below. The accounting policies for VNV Global AB (publ) as a stand-alone entity are outlined in the VNV Global AB (publ) annual report for 2019.

Common control transactions have characteristics that are similar to a business combination but do not meet the requirements to be accounted for as a business combination. A business combination is defined as a transaction in which an acquirer obtains control of one or more businesses while combinations among entities under common control may result a change in control from the perspective of a standalone reporting entity. Common control transactions do not result in a change in control at the controlling shareholder level. Therefore, unlike accounting for business combinations, common control transactions are not accounted for at fair value with a following recognized goodwill. Rather, common control transactions are generally accounted for at the carrying amount of the net assets or equity interests transferred.

Because transactions among entities under common control do not result in a change in control at the controlling shareholder level, the consolidated financial statements will not be affected by a common control transaction.

As such, the transfer of net assets that are not a business is accounted for prospectively in the period in which the transfer occurs and prior periods are not restated.

Accounting policies

Accounting basis

VNV Global AB prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. RFR 1 is issued by the Swedish Financial Reporting Board. The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled "The Parent Company's Significant Accounting Policies" according to the Swedish Financial Reporting Board's recommendation RFR 2.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

In accordance with IFRS 10 Consolidated Financial Statements the Group values its investments (portfolio companies) at fair value. VNV falls within the classification of an investment company as its business concept is to use experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation and obtain a return.

Investments in associated companies

Associated companies are all entities where the Company has the right to exercise significant influence, which is normally the case when the Company holds between 20% and 50% of the voting rights. As VNV falls within the classification of an investment company, all investments in associates are accounted for by applying fair value. On increase/decrease of the investments in associated companies, the Group makes an assessment of fair value for the total investment.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker in the same way as for a Swedish company governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The Board of Directors of an investment company is by necessity deeply involved in the investment process and monitoring portfolio companies' performance. The Board has therefore been identified as the chief operating decision maker of the Company for purposes of internal reporting. In the internal reporting of the Company, there is only one operating segment.

Functional currency and reporting currency

The Parent Company's presentation currency is the Swedish krona (SEK) and not the Group's reporting currency of US Dollar due to Swedish Company regulations. The consolidated financial statements are presented in USD since that is the currency in which the majority of the Group's transactions are denominated. All amounts are rounded to the nearest thousand, unless otherwise stated.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation on furniture, fittings and equipment is based on cost on a straight-line basis of estimated useful life of three and five years.

Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value through profit or loss and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

Recognition and derecognition

Purchases and sales of financial assets are recognized on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments, namely amortized cost and FVPL.

Equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in operating results in the statement of profit or loss as applicable.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial liabilities

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents

Cash and bank include cash and bank balances and other short-term highly liquid investments with original maturities of three months or less.

Share capital

Share issue costs associated with the issuance of new equity are treated as a direct reduction of the proceeds. Buy back of own shares recorded as a reduction of retained earnings with the amount paid after reduction of transaction costs.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Pension obligations

The Group has a defined contribution pension plan which is based on Swedish market practice. The Group has no further obligations once the contributions have been paid. The contributions are reported as a cost recognized as employee benefit pension expense in profit or loss when they are due.

Share-based remuneration

In accordance with IFRS 2, the costs for the program, including social fees, will be reported over the income statement during the program's vesting period. The value is recognized in the income statement as a personnel cost in operating expenses, allocated over the vesting period with a corresponding increase in equity. The recognized cost corresponds to the fair value of the estimated number of shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested shares. However, no adjustment is made when shares expire only because share price-related conditions do not reach the level.

Operating Income

Operating income comprises the fair value of the consideration received in the ordinary course of the Group's activities.

For investments held at both the start and end of year, the change in value consists of the difference in the market value between these dates. For investments acquired during the year, the change in value consists of the difference between cost and the market value at the end of the year. For investments sold during the year, the change in value consists of the difference between the sales price received and the value of investments at the start of the year. All changes in value are reported in the income statement within 'Result from financial assets at fair value through profit or loss' or 'Result from loan receivables', depending on from what category of assets the changes in value relate.

Dividend income is recognized when the right to receive payment is established. Furthermore, dividend income is accounted for inclusive of withholding taxes. These withholding taxes are shown either as an expense in the income statement, or as a current receivable, depending on whether or not the withholding tax is refundable.

Interest income on non-current loan receivables is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired non-current loan receivables is recognized using the original effective interest rate.

Interest income on current loan receivables and other receivables is recognized taking into account accrued interest on the balance sheet date.

Other consideration received in the ordinary course of the Group's activities is reported as "other operating income" in the income statement.

Leases

The Group's leases refer mainly to office rents and office machines.

When entering into a new lease contract the right-of-use asset is measured at cost. Short-term leases and leases of low-value assets are exempt. At the same time, a lease liability is recognized representing the obligation to pay lease payments for the leased assets. The lease liability is measured at the present value of the lease payments that are not paid at that date.

Accounting Policies – Parent Company

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed companies are also applied. RFR 2 requires the Parent Company, as a



legal entity, to prepare its annual financial statements in compliance with all the IFRS and IFRIC interpretations adopted by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act.

The Parent Company applies the accounting policies detailed for the Group with the exception of the following:

Leases

All leasing agreements in the Parent Company are recognized as operating leases.

Shares in subsidiaries

Subsidiaries are recognized in accordance with the acquisition method, implying that holdings are recognized at cost in the balance sheet less any impairment. Dividends from subsidiaries are recognized as dividend income.

For more information about the accounting policies for the parent company, see VNV Global AB (publ) annual report for 2019.

Risk and risk management

Risks and risk management

In its business, VNV group is exposed to:

- 1) Investment- and other business risks
- 2) Market risk
- 3) Financial risks including price-, exchange rate-, interest rate-, credit-, liquidity and financing risk
- 4) Legal and regulatory risks

Risk Management

Risk management is carried out by management under policies approved by the Board of Directors. Risk management is an integral part of the group's processes, meaning that control and responsibility for control is close to the Business operation, Finance and Legal.

1) Investment- and other business risks

Risks related to the portfolio companies' operations

All business operations in the portfolio companies are associated with the risk of incurring losses due to, for instance, deficient procedures, failure to increase and improve the functionality and quality of existing products and services, failure to extend existing licensing agreements on favorable conditions, failure to remain competitive or launch new products and services and to successfully optimize production and introduce cost reduction measures.

Dependence on key individuals

VNV is dependent on its senior executives. Its Managing Director, Per Brilioth, is of particular significance to the development of the Company. It cannot be ruled out that VNV might be seriously affected if any of the senior executives left the Company.

Disposal risks

VNV has an explicit exit strategy to sell its holdings in portfolio companies to strategic investors or via the market. There is a risk that VNV will not succeed in selling its holdings at the price recorded in the balance sheet at the time of the disposal.

Exposure to early-stage companies

The majority of the investment portfolio consists of investments in startups and other companies in an early stage of growth. Such companies typically generate negative cash flows and will rarely pay dividends to their investors, mainly because the profits are typically re-invested into the business to fuel growth and build shareholder value.

Acquisition risks

VNV frequently acquires shares in unlisted companies. Such acquisitions may entail operative risks, such as the need to identify investment and acquisition opportunities on favorable terms and conditions, and failure to do so may have a detrimental effect on the company's operational or competitive environment.

2) Market risk

Emerging markets and country-specific risks

Several portfolio companies are incorporated in and/or operates in emerging countries, notably the United Arab Emirates, Turkey, Egypt, Pakistan, Myanmar and Russia. As such countries are still, from an economic point of view, in a phase of development, investments may be affected by unusually large fluctuations in profit and loss and other factors outside the Company's control that may have an adverse impact on the value of the Company's adjusted equity.

General market risks

Investment operations carried out by VNV are subject to general market risks, which refers to the risk of loss resulting from changes in the market value of the portfolio companies due to any global or regional economic downturn, particularly in Europe. Changes in market value impact the result of VNV's operations through changes in value of its investment assets.

3) Financial risks including price-, exchange rate-, interest rate-, liquidity and financing risk

The Group's activities expose it to a variety of financial risks described below. Financial market risks refer to the risk of a change in value in financial instruments because of changes in share prices, exchange rates and interest rates. VNV is also exposed to credit risk, liquidity and financing risks.

Share price risk

A decrease in value of the non-quoted shares may affect the Company's net income and capital, and thereby have a material negative impact on the Group's operations, earnings and financial position. The Group takes an active role in portfolio companies mainly through Board representation.

Exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to the Swedish Krona (SEK), the British Pound (GBP) and Euro (EUR).

Interest rate risk

The majority of the Group's financial assets are non-interest bearing, and the majority of outstanding interest-bearing liabilities carry a fixed interest. As a result, the Group is not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

Credit risk

The Group is exposed to counterparty credit risk on cash and cash equivalents and deposits with banks and financial institutions. The majority of cash is placed in bank accounts with financial institutions with high credit rating and a significant part of cash is placed in cash securities which are fully protected in the event of a bankruptcy of the custodian institution since securities on account are separate from the custodian's balance sheet and thus never become a part of the custodian's bankruptcy estate.

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities.

For the Group, prudent liquidity risk management implies maintaining sufficient cash.



Financing risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders.

4) Legal and regulatory risks

Accounting practice and access to other information

Several portfolio companies are incorporated in and/or operates in emerging countries. Practice in accounting, financial reporting and auditing in emerging markets cannot be compared with the corresponding practices that exist in developed countries. The formal requirements are less broad in terms of publishing information than in more developed markets. In addition, there is a risk that access to external analysis, reliable statistics and historical data is inadequate.

Tax risks

VNV conducts its business in accordance with the legislation in relevant jurisdictions, tax treaties and tax authorities' guidelines and other requirements. Tax legislation and double tax treaty agreements have a trend of frequent changes including introduction of new taxes and fees and such changes could have a significant impact on the tax position.

Corporate governance risks

Misuse of corporate governance remains a problem in emerging markets. Minority shareholders may be mistreated in various ways, for instance in the sale of assets, transfer pricing, dilution, limited access to annual General Meetings and restrictions on seats on boards of directors for external investors. Furthermore, inadequate accounting rules and standards have hindered the development of an effective system for uncovering fraud and increasing insight.

Legal disputes

Since VNV invests in companies operating in countries in which the legal framework is less certain and the business environment less reliable, there is an increased risk that VNV may become involved in legal disputes of various kinds, including labor, intellectual property, contractual or regulatory in nature.



Upcoming Reporting Dates

VNV Global's report for the nine-month period January 1, 2020–September 30, 2020, will be published on October 23, 2020.

Stockholm, Sweden, August 31, 2020

Lars O Grönstedt <i>Chairman of the Board</i>	Josh Blachman <i>Board member</i>	Victoria Grace <i>Board member</i>
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Ylva Lindquist <i>Board member</i>	Keith Richman <i>Board member</i>	Per Brilioth <i>Managing Director and Board member</i>
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This report has not been subject to review by the Company's auditors.

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