

Press Release
June 11, 2019

Vostok Emerging Finance exits iyzico position as part of PayU acquisition

Vostok Emerging Finance Ltd (“VEF”) today announces that it has agreed to sell its holding in iyzico to PayU Global B.V., the fintech arm of Naspers Group, for approximately USD 35 mln. VEF is exiting as part of a broader sale agreement with iyzico’s venture investors with the full purchase valuation set at USD 165 mln and payable in cash upon closing of the transaction. The sale remains subject to Turkish regulatory and competition authority approvals and closing is expected to occur in the coming months.

From a total investment of USD 11 mln (USD 9mn 1Q17 and USD2mn 4Q18), the exit is expected to result in gross proceeds of USD 35 mln to VEF, an investment IRR of 65% and a CoC return of 3.2x at the time of closing. The sale is expected to have a positive impact on VEF’s Net Asset Value (“NAV”) of approximately +5% compared to the latest reported NAV as per March 31, 2019. VEF’s NAV per share following the transaction is expected to be approximately USD 0.33 or SEK 3.07¹.

The divestment from iyzico represents VEF’s second portfolio exit of 2019 and puts us in a very strong capital position to continue creating shareholder value through investing in the emerging fintech space.

Vostok Emerging Finance’s Managing Director Dave Nangle comments:

“iyzico represents a benchmark investment and exit for VEF. Since our initial investment, iyzico has been one of our cornerstone holdings, a strong driver of our NAV growth and a company that set the investment bar by which we measure all potential investments.

The investment and the company’s delivery is a great example, and indeed vindication, of why we started Vostok Emerging Finance and what we are looking to achieve through our investment strategy - creating value for shareholders by backing winning fintech companies and strong entrepreneurs across emerging and frontier markets.

Finally and most importantly, we would like to thank Barbaros, Tashin, Orkun, Ilkay and all the team at iyzico for welcoming us into their cap table back in 2017, for allowing us to be a small part of their hugely successful story to date. Great people and quality entrepreneurs, we are sorry to see them leave our portfolio, while we wish them all continued success in their adventure ahead as part of the Naspers Group.”

Founded in 2013, iyzico provides secure payments to over 300 marketplaces (with over 400,000 personal sellers of different sizes) as well as 30,000 online merchants which are using its checkout solution. Amazon, Nike, H&M and Zara are among the brands which have chosen iyzico as a trusted partner in Turkey.

¹ Based on a March 31, 2019 USD/SEK X-rate of 9.28

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Vostok Emerging Finance is an investment company with the goal of investing in early stage modern financial services companies across emerging and frontier markets. VEF trades in Sweden on Nasdaq First North under the ticker VEMF SDB.

Vostok Emerging Finance's Certified Adviser on Nasdaq First North is Pareto Securities AB, +46 8 402 50 00, certifiedadviser.se@paretosec.com.

This information is information that Vostok Emerging Finance Ltd is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 12:00 CEST on June 11, 2019.