

VEF intends to carry out a directed share issue

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VEF AB (publ) (“VEF” or the “Company”) hereby announces its intention to carry out a directed share issue of up to 207,312,810 shares to Swedish and international institutional investors (the “Directed Share Issue”).

The transaction in brief

The General Meeting of VEF has resolved to authorize the Board of Directors to carry out a directed share issue of up to 25 percent of the shares outstanding at the time the authorization was adopted (1). The Company has engaged Pareto Securities AB and Nau Securities Limited to act as financial advisers in conjunction with the Directed Share Issue (together, the “**Joint Managers and Bookrunners**”), which will be carried out by way of an accelerated bookbuilding procedure (the “**Bookbuilding**”). The Bookbuilding will commence immediately.

The reasons for carrying out a share issue with deviation from the shareholders’ preferential rights are mainly to diversify the shareholder base among Swedish and international institutional investors and at the same time raise capital in a time and cost-efficient manner. The Board of Directors’ assessment is that the subscription price in the Directed Share Issue will be in accordance with market conditions, since it will be determined through an accelerated bookbuilding procedure.

The subscription price and allocation of the new shares is expected to be determined prior to commencement of trading on Nasdaq First North Growth Market at 09:00 CEST on 25 August 2021. The Company will announce the outcome of the Directed Share Issue immediately after closing of the Bookbuilding in a subsequent press release.

The Bookbuilding, determination of the subscription price and allocation may, at the discretion of the Company or the Joint Managers and Bookrunners close earlier or later and may be cancelled at any time and consequently, the Company may refrain from completing the Directed Share Issue.

Background and use of proceeds

The Company intends to deploy the expected net proceeds from the transaction in a value-added way both inside and outside of their current portfolio and will continue its investment mandate of allocating capital to the best and fastest growing emerging market fintech companies. VEF expects to allocate approximately half of the net proceeds towards current portfolio companies. More specifically, the Company foresees that some of the larger names in the portfolio will explore capital raising options within the coming six to twelve months. The remainder of the net proceeds are expected to be allocated to a number of new companies from the top end of the pipeline, some of which are expected to be realized within the coming twelve months.

Consummation of the Directed Share Issue is, among other things, subject to a resolution by the Board of Directors of VEF, pursuant to the authorisation given by the General Meeting of VEF to issue new shares, following closing of the Bookbuilding.

In connection with the Directed Share Issue, the Company has undertaken, subject to customary exceptions, not to issue additional shares for a period of 180 calendar days following the announcement of the outcome of the Directed Share Issue without Pareto Securities AB’s consent.

Board members and members of the management holding shares and/or warrants have undertaken not to sell any shares in VEF for a period of 180 calendar days following the announcement of the outcome of the Directed Share Issue without Joint Managers and Bookrunners' consent, subject to customary exceptions. Similarly, the Company's second largest shareholder, Libra Fund (2), has undertaken not to sell any shares in the Company for a period of 90 calendar days following the announcement of the outcome of the Directed Share Issue.

Advisers

Pareto Securities AB and Nau Securities Limited act as Joint Managers and Bookrunners in the Directed Share Issue, Advokatfirman Vinge KB and Milbank LLP act as legal advisers to the Company and Advokatfirmaet Schjødt AS acts as legal adviser to the Joint Managers and Bookrunners.

(1) The authorization was initially adopted by the Annual General Meeting of VEF Ltd. held on 6 May 2021. In connection with the redomestication of the VEF group from Bermuda to Sweden, a corresponding resolution was adopted by the Extraordinary General Meeting in VEF AB (publ) held on 17 June 2021.

(2) Board member Ranjan Tandon represents Libra Fund, which today owns 124,198,165 shares in the Company.

For further information please contact:

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About Us

VEF AB (publ) is an investment company whose Common Shares are listed in Sweden. We invests in growth stage private fintech companies, take minority stakes and are active investors with board representation in our portfolio companies, always looking to back the best entrepreneurs in each market. We focus on scale emerging markets and invest across all areas of financial services inclusive of payments, credit, mobile money and wealth advisors. VEF trades in Sweden on Nasdaq First North Growth Market under the ticker VEFAB. For more information on VEF, please visit <http://www.vef.vc>.

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

This information is information that VEF AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-08-24 17:31 CEST.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Pareto Securities AB. The information contained in this announcement is for background purposes only and does not purport to be complete. Thus, an investor should not place undue reliance on the information contained in this announcement or its accuracy or completeness. Pareto Securities AB is acting for the Company in connection with the transaction and no one else. Pareto Securities AB will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's decision with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and in all publicly available information. The price and value of the securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, the United States or in any other jurisdiction where the announcement, publication or distribution of the information would not comply with applicable laws and regulations or would require prospectuses, registration or any other measures than those required by Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, development, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by the fact that they contain words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. Neither the Company nor anyone else does undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

Information to distributors

MiFID II product governance: Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in VEF have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in VEF may decline and investors could lose all or part of their investment; the shares in VEF offer no guaranteed income and no capital protection; and an investment in the shares in VEF is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in VEF.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in VEF and determining appropriate distribution channels.

UK MiFIR product governance: Solely for the purposes of each UK manufacturer's product approval process, the target market assessment in respect of the shares in VEF has led to the conclusion that: (i) the target market for the shares in VEF is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and retail clients and professional clients, each as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the shares in VEF to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the shares (a "UK distributor") should take into consideration the UK manufacturers' target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the shares in VEF (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

For the avoidance of doubt, the above does not constitute: (i) an assessment of suitability or appropriateness for the purposes of UK MiFIR or otherwise; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in VEF.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in VEF and determining appropriate distribution channels.

Attachments

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