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## **VEF has completed a directed share issue raising approximately SEK 522 million**

**The Board of Directors of VEF Ltd. ("VEF" or the "Company") has, in accordance with the Company's press release earlier today, with support of the authorization granted by the Special General Meeting 22 October 2020, resolved on a share issue of 165,850,248 shares, represented by Swedish Depositary Receipts ("SDRs") (the "Directed Share Issue"). The subscription price in the Directed Share Issue amounts to SEK 3.15 per SDR. Through the Directed Share Issue, which was substantially oversubscribed, VEF will receive proceeds amounting to approximately SEK 522 million (approx. USD 61 million) before deduction of transaction costs. Investors in the Directed Share Issue include existing shareholders and a number of well-renowned Swedish and international institutions.**

The subscription price in the Directed Share Issue is SEK 3.15 per SDR and has been determined by way of an accelerated bookbuilding procedure carried out by the Company's financial adviser Pareto Securities AB ("**Pareto Securities**"). The subscription price in the Directed Share Issue corresponds to a discount of approximately 8.7 percent compared to the closing price on Nasdaq First North Growth Market on 18 November, 2020 and 4.5 percent compared to the 10-day volume weighted average price (VWAP). Through the Directed Share Issue, the Company will receive approximately SEK 522 million (approx. USD 61 million) before deduction of transaction costs.

The reason for doing 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 Directed Share Issue is primarily carried out to support the Company's future investments, which includes both follow-on investments and new pipeline investments. The Board of Directors' assessment is that the subscription price in the Directed Share Issue is in accordance with market conditions, since it has been determined through an accelerated bookbuilding procedure.

The Directed Share Issue entails a dilution of approximately 20 percent of the number of common shares, represented by SDRs, and votes in the Company. Through the Directed Share Issue, the number of outstanding common shares and votes will increase by 165,850,248 from 663,400,995 to 829,251,243. The share capital will increase by approximately USD 1,658,502, from USD 6,634,009 to USD 8,292,512 for the common shares\*.

"We welcome all new shareholders to our story and thank many of our current shareholders for their continued support through this placement process. We look forward to putting this fresh capital to work and continue to drive value creation for all our shareholders over the coming years.", said Dave Nangle, CEO of VEF.

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' consent.

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

## Advisers

Pareto Securities is acting as Sole Manager and Bookrunner in the transaction. Advokatfirman Vinge KB and Shearman & Sterling (London) LPP are legal advisers to the Company and Baker McKenzie Advokatbyrå KB is the legal adviser to Pareto Securities.

*\*The Company has issued 45,650,000 Plan Shares under the Company's long-term incentive programs for 2019 and 2020 in addition to the common shares. The total number of shares, including Plan Shares, following the Directed Share issue will be 874,901,243 and the share capital will be approx. USD 8,749,012.*

*\*\*Board member Ranjan Tandon represents Libra Fund, which today owns 174,398,165 SDRs in the Company.*

## For further information please contact:

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*This information is information that VEF Ltd. 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 2020-11-18 22:45 CET.*

## About Us

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*VEF Ltd. is an investment company, whose SDRs are listed in Sweden, that invests in growth stage private fintech companies. We take minority stakes and are active investors with board representation in each of 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 VEFL SDB. 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](mailto:certifiedadviser.se@paretosec.com).*

## Important information

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complete. Thus, an investor should not place undue reliance on the information contained in this announcement or its accuracy or completeness. Pareto Securities is acting for the Company in connection with the transaction and no one else. Pareto Securities 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 US 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.

This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. VEF has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed and directed to, and any investment or investment activity to which this document relates is available only to, and can only be used by, "qualified investors" who are (i) persons having professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the British Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth individuals falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action based on this press release nor act or rely on it.

#### **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

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.

#### Attachments

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