



Information to SDR Holders in VEF Ltd.

Information to holders of Swedish Depository Receipts (“SDRs”) in VEF Ltd. (“**VEF Bermuda**”, the “**Company**” or the “**Bermuda Company**”) regarding the ongoing domicile change of the VEF group from Bermuda to Sweden (the “**Redomestication**”).

IMPORTANT INFORMATION

This document has been prepared for the purpose of providing information to the SDR holders of VEF Bermuda regarding the ongoing Redomestication. Documentation describing the Redomestication and the Scheme of Arrangement (as defined below) are available on the Company’s website, www.vef.vc.

Detta dokument finns även tillgängligt på svenska.

Background and reasons

On 31 March 2021, the Company announced the Board of Directors' proposal to change the domicile of the VEF group from Bermuda to Sweden. The Redomestication was unanimously approved by the Scheme Meeting (as defined below) on 6 May 2021. On 7 June 2021, the Bermuda Court (as defined below) heard and sanctioned the Redomestication by way of a Scheme of Arrangement (as defined below).

The Company believes that the Redomestication will increase the Company's strategic flexibility while posing no noticeable risks to the Company's operating model, long-term strategy and ability to maintain a competitive worldwide effective corporate tax rate.

The Company has carefully considered the effects of the Redomestication on its shareholders. Sweden has a well-developed legal system that encourages a high standard of corporate governance. Following the Redomestication, the VEF group will continue to follow IFRS reporting requirements and the corporate governance rules of Nasdaq Stockholm applicable on Nasdaq First North Growth Market as well as the Swedish Code of Corporate Governance.

Hamilton, Bermuda, 8 June 2021

VEF LTD.
The Board of Directors

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Description of the Redomestication

The Redomestication is carried out by way of a scheme of arrangement under Bermuda law (“**Scheme of Arrangement**”), whereby SDRs in VEF Bermuda are cancelled and exchanged for shares in a Swedish group entity (“**VEF Sweden**” or the “**Swedish Company**”) that, following the Redomestication, will constitute the new parent company of the VEF group. Each SDR holder in the Bermuda Company will receive one new voting share of the Swedish Company for each SDR held in the Bermuda Company for the purpose of changing our place of incorporation from Bermuda to Sweden.

The Redomestication requires the approval of the Scheme of Arrangement by a special court-ordered meeting of VEF Bermuda (the “**Scheme Meeting**”), at which the Scheme of Arrangement had to be approved by a majority in number and 75% in value of those SDR holders who were present and voting at the Scheme Meeting.

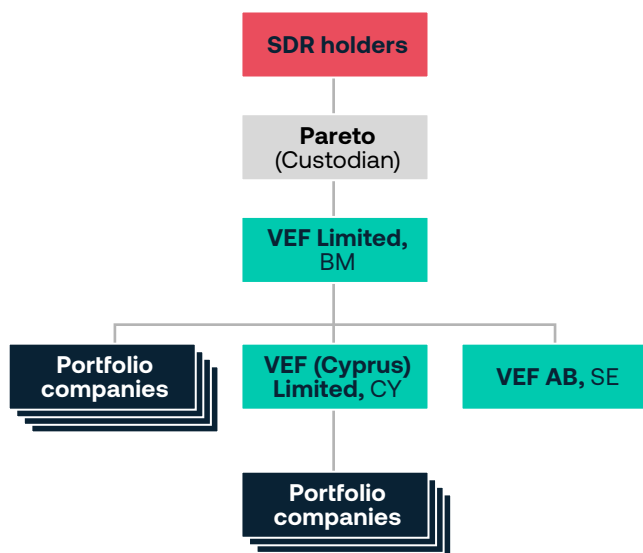
The Scheme Meeting, which was held immediately after the Annual General Meeting of the Company on 6 May 2021, unanimously approved the Scheme of Arrangement, and, by extension, the proposed the Redomestication. Subsequently, the Company applied to the Supreme Court of Bermuda (the “**Bermuda Court**”) for an order sanctioning the Redomestication by way of a Scheme of Arrangement at a hearing (the “**Sanction Hearing**”). The Sanction Hearing was held on 7 June 2021, at which the Scheme of Arrangement was sanctioned. In determining whether to exercise its discretion and approve the Scheme of Arrangement, the Bermuda Court determined, among other things, that the Scheme of Arrangement is fair to the SDR holders in the Bermuda Company in general.

Upon completion of the Redomestication, each SDR holder in VEF Bermuda will have the same ownership share and voting power in the Swedish Company as that holder previously had in the Bermuda Company. For ease of reference, please see the ownership structure below, illustrating the structure before and after the Redomestication. The Redomestication is not envisaged to affect the VEF group’s current or future operations as no restructuring of the VEF group is carried out apart from the change of parent company and otherwise to effect the Redomestication. The last day of trading of SDRs representing common shares in VEF Bermuda is expected to be 2 July 2021 and the first day of trading of common shares in VEF Sweden is expected to be 5 July 2021.

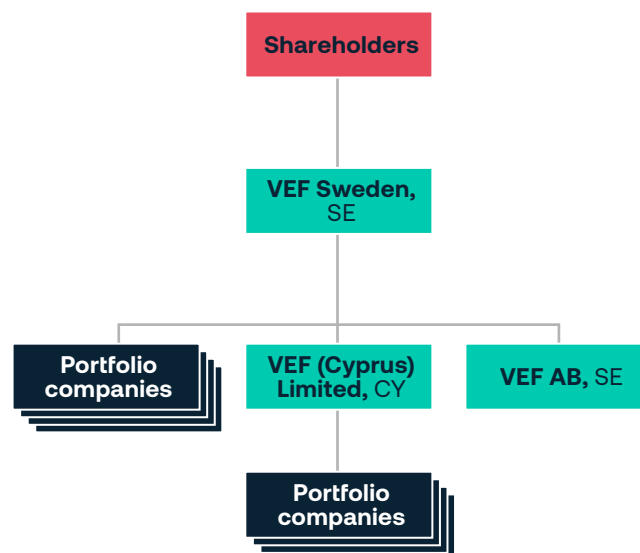
Note: As part of the Redomestication plan and immediately following completion of the Redomestication, VEF Bermuda will be liquidated and any remaining assets will be transferred to its shareholder, VEF Sweden.

The ownership structure before and after the redomestication

Before the Redomestication



After the Redomestication



Indicative timetable

- 2 July 2021** Last day of trading of SDRs in VEF Bermuda. SDR holders who do not wish to have their SDRs exchanged for common shares in VEF Sweden must sell their holdings of SDRs no later than this date.
- 5 July 2021** First day of trading of common shares in VEF Sweden.
- 6 July 2021** Record date for the exchange of SDRs in VEF Bermuda to common shares in VEF Sweden in the VPC register.
- 7 July 2021** Exchange of SDRs in VEF Bermuda to common shares in VEF Sweden.

Questions and answers

Q: As an SDR holder, do I have to take any action to cancel my SDRs in the Bermuda Company and receive shares in the Swedish Company?

A: No. Your SDRs in the Bermuda Company will be cancelled, and for each SDR that you hold in the Bermuda Company you will receive one new voting share of the Swedish Company, on a one-for-one basis, without any action on your part. All of the shares in the Swedish Company will be allocated in uncertificated book-entry form. Consequently, if you currently hold SDRs representing common shares of the Bermuda Company in certificated form, following the Redomestication, your share certificates will cease to have effect as documents or evidence of title. The transfer agent will make an electronic book-entry in your name and will mail you a statement evidencing your ownership of shares in the Swedish Company.

Q: Will the Redomestication dilute my economic interest?

A: As each SDR representing a common share in VEF Bermuda is exchanged for one share of the Swedish Company, no dilution of economic interest in the VEF group will occur as a result of the Redomestication.

Q: After the Redomestication, where can I trade shares in the Swedish Company?

A: VEF Sweden will apply for listing of its shares on Nasdaq First North Growth Market in Stockholm. The first day of trading in the shares of the Swedish Company is expected to be 5 July 2021.

Q: Is the Redomestication a taxable event for me?

A: Exchange of SDRs in VEF Bermuda for shares of VEF Sweden may have tax consequences for the SDR holder, depending on the tax status and tax residence of the individual SDR holder. Please refer to the section “*Certain tax considerations*” on page 6.

Q: Is the Redomestication a taxable transaction for either VEF Bermuda or VEF Sweden?

A: No. The Redomestication is not expected to have any direct tax consequences for either VEF Bermuda or VEF Sweden.

Q: What are the most important Swedish corporate tax consequences of being organized as a Swedish holding company?

A: VEF Sweden will be subject to Swedish corporate tax at currently 20.6 per cent on any taxable net profits. Holdings in unlisted shares are generally exempt from taxation.

Q: Will there be Swedish withholding tax on future dividends, if any, by VEF Sweden?

A: Dividend payments by VEF Sweden to non-resident shareholders will be subject to Swedish withholding tax. The withholding tax rate is 30 per cent. The tax rate is, however, generally reduced under applicable tax treaties.

Q: Will there be Swedish withholding tax on future share repurchases, if any, by VEF Sweden?

A: Payments as a result of repurchases of shares by VEF Sweden, through an offer directed to all shareholders or all holders of shares of a certain class, will be subject to Swedish withholding tax for non-resident shareholders. The withholding tax rate is 30 per cent. The tax rate is, however, generally reduced under applicable tax treaties.

Q: What were the SDR holders asked to vote on at the Scheme meeting?

A: The SDR holders were asked to vote on a Scheme of Arrangement whereby the SDRs representing common shares of the Bermuda Company will be cancelled, and for each SDR held in the Bermuda Company the SDR holder will receive one new voting share of the Swedish Company, on a one-for-one basis, for the purpose of changing our place of incorporation from Bermuda to Sweden. As a result of the Scheme of Arrangement, holders of SDRs representing common shares of the Bermuda Company will relinquish their SDRs and instead become shareholders of the Swedish Company.

Q: What were the voting recommendations of the Board of the Directors?

A: The Board of Directors of the Company unanimously recommended that SDR holders voted for the approval of the Scheme of Arrangement.

Certain tax considerations

The information presented under section “*Swedish tax considerations*” is a discussion of the material Swedish tax consequences (1) for shareholders resident for tax purposes in Sweden in connection with the Redomestication and (2) of the ownership and disposition of the VEF Sweden voting shares for shareholders resident for tax purposes in Sweden or a country outside of Sweden. The information presented under sections “*US tax considerations*” and “*Bermuda tax considerations*” is a discussion of the material US and Bermuda tax consequences of the Redomestication.

You should consult your own tax advisor regarding the applicable tax consequences of the Redomestication and of the ownership of the VEF Sweden shares under the applicable legislation, including the effect of a tax treaty.

Swedish tax considerations

Below is a summary of certain Swedish tax issues related to the Redomestication and the admission for trading of the shares in VEF Sweden on Nasdaq First North Growth Market for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide only general information.

Special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend on such shareholder’s particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences that could arise from the Redomestication and the admission for trading of the shares on Nasdaq First North Growth Market.

The summary does not cover:

- situations where shares are held as current assets in business operations;
- situations where shares are held by a limited partnership or a partnership;
- the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in VEF Bermuda that are deemed to be held for business purposes (for tax purposes);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies (Sw. *fåmansföretag*) or to shares acquired by means of such shares;
- foreign companies conducting business through a permanent establishment in Sweden; or
- foreign companies that have been Swedish companies.

Taxation of capital gains

The exchange of SDRs in VEF Bermuda for shares of VEF Sweden is a taxable disposal of the SDRs in VEF Bermuda for Swedish tax purposes. The tax consequences for private individuals and limited liability companies in connection with the Redomestication are described below.

Private individuals

For private individuals resident in Sweden for tax purposes, capital gains are taxed in the capital income category. The tax rate in the capital income category is 30 per cent.

The capital gain or the capital loss on the Redomestication is computed as the difference between the consideration (the fair market value of the shares in VEF Sweden), less selling expenses, and the acquisition value (of the SDRs). The acquisition value for all SDRs of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*), may be used at the disposal of listed SDRs/shares. This method means that the acquisition value may be determined as 20 per cent of the consideration less selling expenses.

Capital losses on listed SDRs/shares and other listed securities taxed as shares may be fully offset against taxable capital gains the same year on SDRs/shares, as well as on listed securities taxed as shares (however not mutual funds, Sw. *värdepappersfonder*, or hedge funds, Sw. *specialfonder*, containing Swedish receivables only, Sw. *räntefonder*). Capital losses not absorbed by these set-off rules are deductible at 70 per cent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of any remaining net loss. A net loss cannot be carried forward to future tax years.

VEF Sweden will apply for guidance from the Swedish Tax Agency on the taxable value of the shares in VEF Sweden to be used in the computation of a capital gain or loss.

For shares held in an investment savings account (Sw. *investeringssparkonto*) the Redomestication is not a taxable event.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains, is taxed as income from business operations at a rate of 20.6 per cent. Capital gains and capital losses are calculated in the same way as for private individuals, described above.

Deductible capital losses on shares may only offset taxable capital gains on SDRs/shares and other securities taxed as SDRs/shares. A net capital loss on SDRs/shares that cannot be utilised during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset against taxable capital gains on shares and other securities taxed as SDRs/shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on SDRs/shares and other securities taxed as SDRs/shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this treatment for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons (e.g. investment companies).

VEF Sweden will apply for guidance from the Swedish Tax Agency on the taxable value of the shares in VEF Sweden to be used in the computation of a capital gain or loss upon the Redomestication.

Taxation of dividends

Private individuals

For private individuals resident in Sweden for tax purposes, dividends are taxed in the capital income category. The tax rate in the capital income category is 30 per cent. Preliminary tax of 30 per cent is withheld on dividends paid by Euroclear Sweden or by another legal entity domiciled in Sweden.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including dividends, is taxed as income from business operations at a rate of 20.6 per cent.

Shareholders that are not tax resident in Sweden

For shareholders not resident in Sweden for tax purposes that receive dividends on shares of a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The withholding tax rate is 30 per cent. The tax rate is, however, generally reduced under an applicable tax treaty. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. The tax treaties Sweden has entered into generally enable the withholding tax deduction to be made in accordance with the tax rate stipulated in the treaty, provided that Euroclear Sweden or the nominee, as applicable, has the required information of the tax residency of the investor entitled to the dividend. Further, investors entitled to reduced tax rates under applicable tax treaties may seek a refund from the Swedish tax authorities if the full withholding tax rate at 30 per cent has been withheld.

Shareholders not resident in Sweden for tax purposes are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares in VEF Sweden, if they have been residents of Sweden due to a habitual abode in Sweden or a stay in Sweden for six consecutive months at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by tax treaties.

Transfer tax

There is no transfer tax payable in Sweden in connection with issuance, subscription or sale of shares.

US tax considerations

Pursuant to advice provided by the Company's US counsel, it is the Company's preliminary understanding that the envisaged transaction is subject to the following taxation effects for US SDR holders. The below described taxation effects do not purport to be a comprehensive description of all tax considerations that may be relevant to a particular SDR holder. In addition, the Company does not intend to request a ruling from the United States Internal Revenue Service (the "IRS") regarding any of the United States federal income tax consequences of the Redomestication and the characterization of the Redomestication set forth in this discussion will not be binding on the IRS or the courts. Therefore, there can be no assurance that the United States federal income tax consequences of the Redomestication will be respected by the IRS or the courts. Each SDR holder should consult its own tax adviser with regard to the application of US federal tax laws to the SDR holder's particular situation, as well as any tax consequences arising under the laws of any state, local or non-US taxing jurisdiction.

The Redomestication is intended to be part of a single integrated transaction for United States federal income tax purposes pursuant to which the Company will reincorporate as an entity organized under the laws of Sweden. The Company intends to treat the Redomestication as a reorganization described under Section 368(a) (1) (F) of the United States Internal Revenue Code. The benefit of the Redomestication qualifying as an 'F' Reorganization is that pursuant to this structure, there is neither an assignment or other transfer of the VEF Bermuda shares by SDR holders nor an assignment or other transfer of assets of the Company. As a result of the Redomestication, a US SDR holder generally is not expected to recognize any gain or loss upon the cancellation of SDRs in VEF Bermuda in exchange for shares in VEF Sweden and a US SDR holder's aggregate adjusted tax basis in the VEF Sweden shares received generally will be equal to such US SDR holder's aggregated adjusted tax basis in the VEF Bermuda shares cancelled, and a US SDR holder's holding period in the VEF Sweden shares received generally will include the US SDR holder's holding period in the VEF Bermuda shares cancelled.

Bermuda tax considerations

The Redomestication will not result in any tax consequences under Bermuda law to VEF Bermuda, VEF Sweden or their respective shareholders.

Where you can find additional information

Documentation describing the Redomestication and the Scheme of Arrangement are available on the Company's website, www.vef.vc. SDR holders who wish to obtain these documents by mail may order them by calling +46-8 545 015 50 or by sending an e-mail to info@vef.vc.

Notice to US investors in VEF Ltd.:

The Redomestication relates to the SDRs of a Bermuda company that is a "foreign private issuer" (as defined under Rule 3b-4 under the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**")) and is being made by means of a scheme of arrangement provided for under Bermuda law (a "**Scheme of Arrangement**"). A transaction effected by means of a Scheme of Arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Redomestication is primarily subject to the disclosure requirements and practices applicable in Bermuda to Schemes of Arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. There will be no public offering of securities in the United States. The issuance of shares pursuant to the Redomestication and Scheme of Arrangement will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and will be issued pursuant to the exemption provided by Section 3(a)(10) under the US Securities Act. Neither the US Securities and Exchange Commission, nor any US state securities commission, has approved or disapproved of the shares to be issued in connection with the Redomestication and Scheme of Arrangement, or determined if this announcement is accurate or complete. Any representation to the contrary is a criminal offense in the US.

Forward-Looking Statements:

This announcement may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "envisages", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company's or its affiliates' intentions, beliefs or current expectations concerning, among other things, the Company's or its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this announcement, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this announcement are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.



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