

A high-angle, nighttime photograph of a city, likely Singapore, showing a dense cluster of skyscrapers and residential buildings. The lights from the buildings and streets create a vibrant, glowing pattern against the dark sky. The perspective is from an elevated position, looking down and across the city.

VEF

Admission to trading of ordinary shares in VEF AB (publ)

IMPORTANT INFORMATION TO INVESTORS

This offering circular (the “**Offering Circular**”) has been prepared in connection with the admission to trading of shares in VEF AB (publ), org.nr 559288-0362, on Nasdaq Stockholm. In the Offering Circular, “**VEF**”, the “**Company**” or the “**Group**” refers to VEF AB (publ), the group in which VEF AB (publ) is, or VEF Ltd. has been, the parent company or a subsidiary of the group, as the context may require.

The figures included in the Offering Circular have, in certain cases, been rounded off and, consequently, the tables in the Offering Circular do not necessarily add up. Further, some percentages presented in this Offering Circular have been calculated on the basis of underlying figures which has not been rounded off and, as a consequence, these can deviate from percentages calculated based on figures that have been rounded off. All financial amounts are in Swedish kronor (“**SEK**”), unless stated otherwise, and “**MSEK**” indicates millions of SEK. Except as expressly stated herein, no financial information in the Offering Circular has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in the Offering Circular that is not part of the information audited or reviewed by the Company’s auditor as outlined herein originates from the Company’s internal accounting and reporting systems.

The Offering Circular is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering Circular.

A separate prospectus in Swedish (the “**Swedish Prospectus**”) has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) as competent authority pursuant to the European Union Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The SFSA only approves that the Swedish Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Swedish Prospectus nor of the quality of the securities that are the subject of the Swedish Prospectus, and investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on 30 May 2022. The validity period of the Swedish Prospectus expires on 30 May 2023, provided that the Swedish Prospectus is completed with supplements when required pursuant to Article 23 of Regulation (EU) 2017/1129. Any additions will be published on the Company’s website. The obligation to supplement the Swedish Prospectus in the event of significant new circumstances, factual errors or material inaccuracies does not apply when the Swedish Prospectus is no longer valid. In the event of discrepancies between the Offering Circular and the Swedish Prospectus, the Swedish Prospectus shall prevail.

FORWARD-LOOKING STATEMENTS

The Offering Circular contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Offering Circular concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements.

Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Offering Circular, including the following sections: “*Summary*”, “*Risk factors*”, “*Business overview*” and “*Operating and financial review*”, which include more detailed descriptions of factors that might have an impact on the Company’s business and the market in which it operates. The Company cannot give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Offering Circular may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Offering Circular may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels and changes in laws and regulations.

After the date of this Offering Circular, the Company doesn’t assume any obligation, except as required by law or Nasdaq Stockholm’s Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

BUSINESS AND MARKET DATA

This Offering Circular includes industry and market data pertaining to the Company’s business and markets. Such information is based on the Company’s analysis of multiple sources. VEF is not aware of any exhaustive industry or market report that compromises or addresses the market for the services of the Company, as applicable. It is the Company’s view that the information regarding market sizes and market shares in the offering Circular are appropriate and fair estimations of the markets where VEF is active. Furthermore, it is the Company’s view that the information fairly reflects the competitive position in these markets of the Company, as applicable. However, such information has not been confirmed by the Company or any independent party and VEF cannot guarantee that a third party, using other methods for sampling, analysis or reporting of market information, would come to the same result. Furthermore, certain information is based on estimations made by the Company.

Industry publications or industry reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Offering Circular that were extracted or derived from such industry publications or industry reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Information sourced from a third party has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition to what is stated above, neither the Company or its advisors have taken any further measures to check the accuracy of any industry or market information included in the Offering Circular.

Table of contents

Summary	2
Risk factors	8
Background and reasons	15
Market overview	17
Business overview	24
Selected financial information	34
Operating and financial review	40
Capitalization, indebtedness and other financial information	45
Board of directors, executive management and auditor	46
Corporate governance	50
Share capital and ownership structure	57
Articles of association	64
Legal considerations and supplementary information	72
Documents incorporated by reference	75
Addresses	76

Information about VEF

Ordinary shares

Traded as of the day of the Offering Circular on Nasdaq First North Growth Market under the ticker VEFAB and ISIN code SE0016128151.

Expected first day of trading of ordinary shares in VEF on Nasdaq Stockholm

1 June 2022

Financial calendar

Interim report for the period January–June 2022, Q2 20 July 2022

Interim report for the period January–September 2022, Q3 26 October 2022

Year-end report for the period January–December 2022 25 January 2023

Certain definitions

The Company, VEF or the Group

VEF AB (publ), the group in which VEF AB (publ) is, or VEF Ltd. has been, the parent company or a subsidiary of the group, as the context may require.

BRL

Brazilian Real.

EUR

Euro.

Euroclear Sweden

Euroclear Sweden AB.

The Code

The Swedish Corporate Governance Code.

Nasdaq Stockholm

The regulated market operated by Nasdaq Stockholm AB.

The Offering Circular

This offering circular.

SEK

Swedish krona.

USD

American dollar.

Summary

Introduction and warnings

Introduction and warnings	<p>This summary should be read as an introduction to this Offering Circular. Any decision to invest in the securities should be based on an assessment of the Offering Circular in its entirety by the investor.</p> <p>Investors may lose all or part of the invested capital.</p> <p>Where statements in respect of information contained in the Offering Circular are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Offering Circular before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Offering Circular or if it does not, together with other parts of the Offering Circular, provide key information to help investors when considering whether to invest in the securities.</p>
The Issuer	<p>VEF AB (publ), Reg. No. 559288-0362, Mäster Samuelsgatan 1 1st floor, SE-111 44, Stockholm, Sweden. LEI code: 549300GLLHHE80RQ2Y24 Ticker: VEFAB ISIN code: SE0016128151</p>
Competent Authority	<p>Finansinspektionen is the Swedish Financial Supervisory Authority (the “SFSA”) and the competent authority responsible for approving the Swedish language version of the Offering Circular (the “Swedish Prospectus”).</p> <p>The SFSA's street address: Brunnsgatan 3, SE-111 38 Stockholm, Sweden. The SFSA's postal address: Box 7821, SE-103 97 Stockholm, Sweden. E-mail address: finansinspektionen@fi.se Telephone number: +46 (0)8 408 980 00. Website: www.fi.se.</p> <p>The Swedish Prospectus was approved by the SFSA on 30 May 2022.</p>

Key information on the issuer

Who is the issuer of the securities?

Issuer information	<p>Issuer of the securities is VEF AB (publ), Reg. No. 559288-0362. The Company's registered office is in Stockholm. The Company is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated in Sweden and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI code is 549300GLLHHE80RQ2Y24.</p>
The issuer's principal activities	<p>VEF carries out investment activities with the business model of identifying and investing in fintech companies in emerging markets displaying scalable growth opportunities for various financial services. VEF's vision is to become the leading fintech investor in emerging markets. Fintech as a target market for investments is defined, according to VEF, as the market for innovation and change in the financial services sector. Fintech is thus a very broad concept and covers everything from payment solutions, financial markets, credit, mobile payments and remittance services. In emerging markets, the Company focuses on more populous and scalable markets, referenced against competitive opportunities and position in the market cycle.</p>

Major shareholders	As at 31 March 2022, taking into account changes known to the Company thereafter, the major shareholders of the Company, whose holdings exceed five percent of the number of shares and votes in the Company, are those set out below. To the best of the Company's knowledge, the Company is not directly or indirectly controlled by any individual.							
	Shares						Percentage of total shares and votes	
Shareholder	Ordinary	C 2019	C 2020	C 2021	C 2022	Capital	Votes	
Ruane Cunniff & Goldfarb	217,718,740	-	-	-	-	19.9 %	19.9 %	
Libra Fund	120,685,142	-	-	-	-	11.0 %	11.0 %	
Fidelity Investments (FMR)	95,139,868	-	-	-	-	8.7 %	8.7 %	
Swedbank Robur Fonder	92,102,205	-	-	-	-	8.4 %	8.4 %	
Wasatch Advisors Inc.	83,295,964	-	-	-	-	7.6 %	7.6 %	
Key managing directors	The Company's Board of directors consists of Lars Olof Grönstedt, Per Brilioth, David Nangle, Ranjan Tandon, Hanna Loikkanen, and Allison Goldberg. The Company's executive management consists of David Nangle, Henrik Stenlund, Helena Caan Mattsson and Alexis Koumoudos.							
Auditor	PricewaterhouseCoopers AB, with Bo Karlsson as auditor in charge.							

What is the key financial information regarding the issuer?

Key financial information regarding the issuer	The Group has complex financial history according to Article 18 of the Commission Delegated Regulation (EU) 2019/980. In order to give investors a true and fair view of the Group's results and financial position, the historical financial information presented in the Offering Circular is attributable to the Group with VEF Ltd. and VEF AB (publ), respectively, as parent company.					
	Selected income statement items					
Amount in TUSD	2021 ¹⁾ Audited	2020 ²⁾ Audited	2019 ³⁾ Audited	Jan–March 2022 ⁴⁾ Unaudited	Jan–March 2021 ⁵⁾ Unaudited	
Income	284,970	85,135	53,953	-21,460	16,401	
Operating result	276,026	79,137	48,347	-24,058	15,356	
Net result for the period	275,513	79,454	48,526	-24,125	15,271	
	Selected balance sheet items					
Amount in TUSD	2021 ¹⁾ Audited	2020 ²⁾ Audited	2019 ³⁾ Audited	Jan–March 2022 ⁴⁾ Unaudited		
Total assets	762,847	388,940	250,944	738,717		
Total shareholders' equity	761,728	388,066	249,439	737,689		
	<p>1) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements. 2) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements. 3) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements. 4) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report. 5) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.</p>					

Key information on the issuer, cont.

Key financial information regarding the issuer, cont.	Selected cash flow items					
	Amount in TUSD	2021 ¹⁾ Audited	2020 ²⁾ Audited	2019 ³⁾ Audited	Jan–March 2022 ⁴⁾ Unaudited	Jan–March 2021 ⁵⁾ Unaudited
Net cash flow from operating activities		-90,125	-59,831	1,626	-4,673	-9
Net cash flow from investment activities		-	-	46	-	-
Net cash flow from financing activities		97,767	58,186	-1,586	-4	-

1) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements.
2) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements.
3) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements.
4) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report.
5) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.

What are the key risks that are specific to the issuer?

Main risks related to the issuer	
	<p>Main risks related to the issuer include the following:</p> <p>Price and valuation risk related to non-quoted investments As of 31 March 2022, 97.0 percent of the Group's investment portfolio consisted of equity investments, including convertibles and SAFE (<i>Simple Agreement for Future Equity</i>) notes, in non-quoted companies. Valuation of non-quoted investments is generally subject to greater uncertainty than investments in listed companies and non-quoted investments can be subject to drastic changes in value. There is a risk that the Company's valuation is inaccurate or change significantly. In addition, the realised profit of an investment may deviate significantly from the most recent fair value valuation. Significant adverse changes in the value of one or more of VEF's holdings in non-quoted shares could have a material adverse effect on the Group's results, financial condition and prospects.</p> <p>Dependence on portfolio companies VEF's assets consist primarily of investments in portfolio companies and accordingly, VEF is subject to the risks associated with the operations of the portfolio companies. A decrease in revenue and income from the portfolio companies could have a material adverse effect on the Group's results and financial position.</p> <p>Risks related to the activities of the portfolio companies VEF's portfolio companies provide financial services in markets that are subject to risks and losses. Failure to mitigate operational risks in several portfolio companies could have a material adverse effect on the prospects of the relevant investments and the existence of adverse effects on the operations of several portfolio companies could have a material adverse effect on the Group's results and return on investments upon a disposition.</p> <p>Risks related to disposals The Company's strategy is to divest portfolio companies and generate revenue by divesting its holdings in the portfolio companies to strategic buyers or through the public market. There is a risk that, upon disposal of an investment, the Group may receive less than the expected value and/or less than the original amount invested, which could have a material adverse effect on the Company's results and financial position.</p> <p>Dependence on key personnel The Company is partly dependent on its senior executives and board members and on its ability to attract, retain and motivate appropriate management personnel within the Group. There is a risk that the Group may fail to retain significant talent within the Company, which could have a material adverse effect on VEF's business and, in turn, its financial position.</p>

<p>Main risks related to the issuer, cont.</p>	<p>Risks related to investments and acquisitions VEF is subject to risks related to its acquisitions of companies. Poor investment decisions could have a material adverse effect on the Group's business and competitiveness and ultimately its financial position. Furthermore, the inability to identify and complete favourable acquisitions may have a negative impact on the Group's future investment opportunities.</p> <p>Risks related to competition VEF is subject to risks related to competition. There is a risk that VEF may be exposed to increased competition, which in turn may cause higher acquisition costs or have a negative impact on the return on investments, which could have a material impact on VEF's investment activities and financial position.</p> <p>Emerging and frontier markets VEF's portfolio companies operate in emerging and frontier markets, which are often more volatile. Furthermore, economic turmoil in emerging markets tends to have a negative impact on equity markets in other emerging countries, or on the share price of companies operating in such markets. If any of the factors described above were to develop in an adverse direction, it could have a material adverse effect on the Group's business, results and financial condition.</p> <p>Exposure to Brazil A significant number of the Group's portfolio companies operate in Brazil. Brazil has experienced profound economic and social changes in recent years. Adverse economic developments and/or political uncertainty in Brazil may affect the value of the Group's investments, which could have a negative impact on VEF's financial position.</p> <p>Global capital markets and macroeconomic risks VEF's performance and investment activities are affected by conditions in global capital markets and macroeconomic conditions. A significant economic downturn could have a negative impact on the market value of VEF's investment portfolio, which in turn would have a material adverse effect on the Company's financial position.</p> <p>Regulatory risks The Group's portfolio companies provide financial services, for which regulatory requirements are generally extensive and strict. In addition, financial activities may require permits. Such requirements, or competent authorities' interpretation of such requirements, can change rapidly from time to time. Failure to adapt to the relevant requirements may lead to government sanctions or loss of business opportunities, which in turn could have a negative effect on the reputation, results, financial position and prospects of the portfolio companies and thus have a material adverse effect on VEF's financial position.</p>
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Key information on the securities

What are the main features of the securities?

<p>Securities subject to admission to trading</p>	<p>Ordinary shares in VEF AB (publ). Ticker: VEFAB. ISIN code: SE0016128151. The shares are denominated in SEK. Each share has a quota value of approximately SEK 0.01.</p>
<p>Total number of shares in the Company</p>	<p>As at the date of this Offering Circular, the Company has issued a total of 1,096,252,478 shares, of which 1,042,289,978 are ordinary shares, 12,400,000 are Class C 2019 shares, 33,250,000 are Class C 2020 shares and 8,312,500 are Class C 2021 shares. At the Annual General Meeting held on 10 May 2022, it was further resolved to introduce a new class of shares, Class C 2022, and to issue a maximum of 10,422,895 of Class C 2022 shares. The Company's ordinary shares are admitted to trading on Nasdaq First North Growth Market.</p>

Key information on the securities, cont.

Rights associated with the securities	<p>Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities, of each share class, proportionally to the number of shares held prior to the issue.</p> <p>The ordinary shares carry the right to payment of dividend for the first time on the record date for distribution which falls immediately after the listing. All ordinary shares in the Company give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.</p> <p>Shares of Class C 2021 and Class C 2020 are entitled to dividend from the year falling five years after establishment of the applicable incentive program, provided in each case that the applicable reclassification conditions have been met. Shares of Class C 2019 are entitled to dividend from the year falling three years after establishment of the incentive program, provided that the applicable reclassification conditions have been met. Shares of Class C 2021 and Class C 2020 are entitled to payment of an accumulated, outstanding, dividend corresponding to the dividend (per share) paid to the holders of common shares (paid dividends and other value transfers to the shareholders) during a period from the initial issue of the respective incentive shares, to and including the end of the calendar year falling five years after such issuance. Shares of Class C 2019 are entitled to payment of an accumulated, outstanding, dividend corresponding to the dividend (per share) paid to the holders of common shares (paid dividends and other value transfers to the shareholders) during a period from the initial issue of the incentive shares, to and including the end of the calendar year falling three years after such issuance. Payment of such accumulated dividends are subordinated dividends to holders of common shares.</p> <p>Shares of Class C 2021, Class C 2020 and Class C 2019 are subordinated common shares in terms of right to dividend and upon liquidation of the Company.</p> <p>The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).</p> <p>Shares of Class C 2022 shares will, after registration with the Swedish Companies Registration Office, carry equivalent rights as Shares of Class C 2021 shares and Class C 2020 shares.</p>
Restrictions on the free transferability	The shares are not subject to any restrictions on transferability.
Dividend and dividend policy	<p>According to the Company's dividend policy, the Company shall not pay any dividend within the foreseeable future.</p> <p>VEF has not paid any dividend for the most recent financial year.</p>

Where will the securities be traded?

Admission to trading	As at the date of the Offering Circular, the Company's ordinary shares are admitted to trading on Nasdaq First North Growth Market. The Company's ordinary shares are expected to be admitted to trading on Nasdaq Stockholm on or about 1 June 2022.
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What are the key risks that are specific to the securities?

Main risks related to the securities	<p>Main risks related to the securities include the following:</p> <ul style="list-style-type: none"> • The share price may be volatile and there is a risk that there will not be an active and liquid market for trading in VEF's shares at all times, which may affect investors' ability to recover their invested capital. • Current major shareholders have significant control over the outcome of matters referred to the Company's shareholders for resolution, whose interests may differ from those of other shareholders. In addition, the price of the Company's ordinary shares could decline if there are substantial sales of shares of the Company, particularly sales by the Company's directors, executive officers and major shareholders. • Shareholders in the United States and other jurisdictions may be subject to restrictions such as not being able to participate in rights offerings or having their participation otherwise impeded or restricted.
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Key information on admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Timetable for the Offering	The expected first day of trading of the ordinary shares in VEF on Nasdaq Stockholm is 1 June 2022.
Information about admission to trading on a regulated market	As at the date of the Offering Circular, the Company's ordinary shares are admitted to trading on Nasdaq First North Growth Market. The Company's ordinary shares are expected to be admitted to trading on Nasdaq Stockholm on or around 1 June 2022.

Why is this Offering Circular being produced?

Background and reasons	The Board of directors considers that a listing of the Company's ordinary shares on Nasdaq Stockholm is a logical and important next step in VEF's development. It will further increase awareness of VEF and its operations among current and potential shareholders as well as potential portfolio companies. The ordinary shares in VEF have been listed on Nasdaq First North Growth Market since 2015, but the Board of directors believes that admission to trading on Nasdaq Stockholm will increase the possibility to broaden the Company's shareholder base and give the Company further access to Swedish and international capital markets, which in turn is expected to promote the Company's continued growth and development. For these reasons, the Board of directors has applied for a listing of the Company's ordinary shares on Nasdaq Stockholm. The Company's application for admission to trading of the Company's ordinary shares on Nasdaq Stockholm has been approved by Nasdaq Stockholm's listing committee, provided that certain customary conditions are met.
Conflict of interests	VEF has engaged Advokatfirman Vinge KB as legal advisor in connection with the admission to trading of the Company's ordinary shares on Nasdaq Stockholm and Advokatfirman Vinge KB does not have a material contrary interest in the admission to trading and will receive customary compensation for its advice from the Company in connection with the admission to trading.

Risk factors

This section contains the risk factors and significant circumstances considered to be material to the Group's business and future development. The risk factors relate to the Group's business, industry and markets, and further include operational risks, legal risks, regulatory risks, risks related to governance, tax risks, financial risks as well as risk factors related to the securities. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Regulation (EU) 2017/1129 (the "Prospectus Regulation"), the risk factors mentioned below are limited to risks which are specific to the Company and/or to the securities and which are material for taking an informed investment decision.

The description below is based on information available as of the date of the Offering Circular. The risk factors that are currently considered to be the most material is presented first in each category and the subsequent risk factors are presented in no particular order.

The risks and uncertainties described below could have a material adverse effect on the Group's operations, financial position and/or results. They could also cause the value of the Company's shares to decrease, which could entail that shareholders in the Company lose all or part of their invested capital.

Risks related to VEF and its investments

Price and valuation risk of non-quoted investments

As of 31 March 2022, 97.0 percent of the Group's investment portfolio consisted of equity investments, including convertibles and SAFE (Simple Agreement for Future Equity) notes, in non-quoted companies. The Group records its equity holding at fair value in the consolidated balance sheet and 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 for the period in which they arise. At 31 March 2022, the Group's financial assets at fair value through profit or loss amounted to approximately USD 731.5 million.

The valuation of each non-quoted investment is carried out by application of such valuation method as the Company deems to be the most accurate. The valuation is based on observable market data or, where such data is missing, other valuation techniques at the time of valuation and assumptions regarding the future development of portfolio companies, which may be inaccurate, and which may not materialize as expected or at all. Furthermore, the valuation of non-quoted investments is generally less certain than the valuation of investments listed on a marketplace, and non-quoted investments may be subject of more drastic value changes from time to time. In addition, the realised profit of a non-quoted investment may deviate significantly from the most recent fair value valuation. As an example, the conditions for performing accurate valuations may be negatively affected by outbreaks of pandemics of infectious diseases such as Covid-19, or acts of war such as Russia's invasion of Ukraine, which may also lead to significant changes in values and in turn in VEF's results. There is a risk that VEF's fair value estimations are inaccurate and that the valuation of one or several portfolio

companies change significantly. Changes in fair value may cause significant changes in the Group's results over different reporting periods, which in turn could have a material adverse effect on the Group's return of investments, financial position and future prospects. For example, a 10 percent decrease in the price or the value of the non-quoted shares in the investment portfolio would, as at 31 March 2022, have affected post-tax profit and equity by approximately USD 71.5 million.

Dependence on portfolio companies

VEF holds few significant assets other than direct and indirect investments in its portfolio companies. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities and is consequently subject to the risks relating to the operations in the portfolio companies. VEF does not hold a voting majority in any portfolio company and its ability to exercise a decisive influence in each portfolio company may therefore be limited. As at 31 March 2022, VEF's ownership share in its three largest holdings (Creditas, Konfio and Juspay, jointly representing 77.6 percent of the investment portfolio), was 8.9 percent, 10.3 percent and 9.7 percent, respectively. Further, VEF's interests in relation to a portfolio company may conflict with the interests of other owners and lead to difficulties in the management of such portfolio company, which could have a material adverse effect on the value growth, dividends, cash flows or other income from the relevant portfolio company. A decrease of revenue and income from portfolio companies may, due to poor governance or other issues that may arise from ownership related disputes, have a material adverse effect on the Group's results and financial position. As an example, VEF divested its previous portfolio companies Guiabolso and Xerpa at loss during 2021.

In case any portfolio company is subject of foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, VEF's right to such portfolio company's assets may be limited due to claims from the creditors of the portfolio company. There is a risk that portfolio companies are declared bankrupt, liquidated or similar which could have a material adverse effect on the Group's results and financial position.

Risks related to the portfolio companies' operations

The portfolio companies provide financial services on emerging and frontier markets and are associated with the risk of incurring losses due to, for instance, deficient procedures, failure to increase and improve the functionality and quality of products and services, failure to extend licensing agreements on favorable conditions, failure to remain competitive or launch new products and services as well as fraud by employees, customers or third parties, mismanagement, unauthorized transactions by employees and operational errors. Furthermore, the portfolio companies may be dependent on IT systems and any disruption that affects critical systems, including data breach, could have severe operational implications. Failure to properly mitigate operational risks in several portfolio companies could have a material adverse effect on the prospects of the relevant investments, and in turn on the Group's results and financial position. For illustration, a ten percent value decrease of the investment portfolio would, as at 31 December 2021, have affected post-tax profit and equity by approximately USD 71.5 million, based on the Group's operating result for 2021 (which includes result from financial assets at fair value through profit or loss) being approximately USD 276 million.

There is also a risk that some portfolio companies will be unable to adapt to changing business landscapes, including but not limited to maintaining of key suppliers and customer relationships. Quality problems, delays in the introduction of new products and services could, in addition, lead to loss of orders and customers for each portfolio company and irregularities and/or internal events could also cause disruptions or damage the business.

Some markets in which the portfolio companies operate are competitive and each portfolio company is subject of a risk of failure in staying competitive, which in turn could have a material adverse effect on VEF's operations, financial position and results. Examples of factors which have an impact on the portfolio companies' ability to compete include competitors having better access to capital than the portfolio companies. The global fintech industry is evolving rapidly, which makes it difficult to forecast demand for fintech services. The portfolio companies are further exposed to the risk of not being able to compete successfully as a result of competitors being able to operate without posi-

tive results from operations, having significantly greater operating experience and brand recognition or better financial, marketing and technical expertise, which enable such competitors to develop and enhance their operations and to adapt more quickly to rapid technological development and other changes in the relevant market. The fact that the markets in which VEF's portfolio companies operate may be subject to increased levels of regulation or may receive negative publicity in traditional media as well as in social media, could also have a material adverse effect on the consumer behaviour and the portfolios companies' operations, which in turn could have a material adverse effect on the Groups operations, financial position and results.

The occurrence of adverse effects on operations in several portfolio companies could have a material adverse effect on the Group's results and return on investment upon exit. This risk is particularly high in relation to such portfolio companies that represent a large proportion of VEF's net asset value ("**NAV**"), refer to the section "*– Risks related to the concentration in VEF's investment portfolio*".

Risks related to disposals

The Company's strategy is to divest portfolio companies and generate revenue by divesting its holdings in portfolio companies to strategic buyers or via the public market. There is a risk that the Company will not succeed in selling its holdings at market price, or the price recorded in the balance sheet, at the time of the disposal, e.g. because the limited liquidity in non-quoted shares (see above under "*– Price risk of non-quoted shares*") or for other reasons. Furthermore, poor market conditions could decrease the possibility to sell ownership interests in portfolio companies and result in disposal prices that are lower than the value recorded by the Group, which could result in balance sheet write-offs. There is a risk that the Group upon disposal of investments, partly or in full, receive less than the expected value and/or less than the original sums invested, which could have a material adverse effect on the Company's results and financial position.

Dependence on key individuals

The Company is partly dependent on its senior executives and board members. VEF's CEO, David Nangle, and CIO, Alexis Koumoudos, is of particular significance for VEF's development. VEF's success is also dependent on its ability to attract, retain and motivate suitable senior executives to the Group. As of the day of this Offering Circular, The Company currently has eight employees, of which four are members of the management team, and six board members. There is a risk that the Group might lose significant competence, know-how and/or personal network if any or several of the senior executives and/or board members were to leave the Company.

If such risk was to materialize, it could have a material adverse effect on VEF's operations and, ultimately, its financial position.

Risks related to investments and acquisitions

VEF frequently acquires shares in unlisted fintech companies operating in emerging and frontier markets. In 2021, VEF made nine acquisitions in a total amount of USD 86 million, including share acquisitions in existing portfolio companies. Investments and acquisitions entail a need of operative expertise in order to, *inter alia*, identify investment and acquisition opportunities on favourable terms. Poor investment decisions, such as acquisitions of overvalued shares, could result in a material adverse effect on the Group's operations, competitiveness and, ultimately, its financial position. Inability to identify and complete favourable investments or failures in relation to the management and governance of the portfolio companies could have material adverse effect on the Group's future investment opportunities and its ability to identify and complete investments.

A majority of the investment portfolio consists of investments in companies in the start-up phase or early growth stage. Such companies typically generate negative cashflows and may be in need of additional capital to carry out their business. In case there are any profits, such are rarely distributed to the investors and instead re-invested into the business to fuel growth and build shareholder value. VEF does not expect to receive any substantial dividends from its portfolio in coming years and thus VEF does not expect to cover its operation costs through dividends. The Group's dividend and coupon income during 2021 amounted to approximately USD 0.4 million and was derived solely from liquidity placements, while the Group's net operating expenses amounted to approximately USD 8.9 million. There is a risk that VEF will need to sell investments in order to achieve a positive cash flow. For risks related to share disposals, see "– Risks related to disposals" above.

Risks related to the concentration in VEF's investment portfolio

VEF's operations include management of an investment portfolio consisting of a limited number of non-quoted portfolio companies. The portfolio is concentrated to companies operating in emerging and frontier markets within the fintech sector. As of 31 March 2022, VEF's investment portfolio comprised 16 companies, which together represented approximately 97.0 percent of VEF's NAV as of the same date. VEF's largest portfolio company, Creditas, is a cornerstone of its investment portfolio and represented 53.4 percent of VEF's NAV as of 31 March 2022. In addition, a number of the Group's portfolio companies (Creditas, Gringo, Solfacil, Nibo, FinanZero and Magnetis) operate in Brazil, representing in aggregate approximately 64 percent of the Group's NAV as of 31 March 2022.

The concentration of the investment portfolio, in particular in relation to Creditas, represents a significant risk for VEF as events that adversely affect the operations of such individual portfolio companies representing a large proportion of VEF's NAV may also have a negative effect on the value of VEF's investment in the relevant portfolio company. Furthermore, it may be difficult for the Group to change the composition of the portfolio over a limited period of time. Investments in early stage growth companies, compared to investments in mature and/or listed companies, may be associated with a higher level of risk, since there is greater uncertainty as to their future performance and, in some cases, their future ability to generate profitability. The concentration and composition of VEF's investment portfolio may therefore have a material adverse effect on VEF's NAV, financial position and results.

Risks related to competition

VEF competes with other investors for investment opportunities. There is a risk that VEF will be subject of increased competition, which could have a material adverse effect on its return on investment. High competition could also result in higher acquisition prices, which would have a material adverse impact on VEF's return from its investments. There have been situations where VEF has declined investments because of higher prices caused by high demand from competing investors. Thus, there is a risk that there will be less, or no, opportunities to complete acquisitions on conditions which are acceptable to VEF.

Should any of the aforementioned risks materialize, it could have a material adverse effect on VEF's investment activities and its financial position.

Risks related to VEF's markets

Emerging and frontier markets

The portfolio companies are incorporated in and/or operates in emerging and frontier markets, including Brazil, Mexico, India, Pakistan and broader Africa. Such growth markets are often more volatile, and investments may be affected by unusually large fluctuations in profit and loss and other factors outside the Company's control that may have a material adverse impact on the value of the Company's adjusted equity. Investors should be aware that investment activity in emerging and frontier markets entails a high level of risk and requires special consideration of factors, including those mentioned here, which are usually not associated with investments in developed countries.

Furthermore, emerging and frontier markets are subject to political risk. The value of VEF's investments in such emerging countries may be affected by uncertainties resulting from, for example, political and diplomatic developments, social or religious instability and unstable state administration, changes in government policies, taxes and interest rates, restrictions on political and

economic development by laws and regulations, major political changes or lack of consensus among leaders, executive and decision-making bodies and powerful political groups, and the imposing of new sanctions laws or regulations or changes to existing sanctions laws or regulations in relevant countries. Emerging countries typically have less developed legal systems in comparison with developed countries. In such judicial systems, existing laws and regulations are sometimes applied inconsistently and issues related to independence and efficiency of the court system constitute a significant risk. Statutory changes have been made at a rapid pace in emerging countries, and it remains difficult to predict the effect of legislative changes and legislative decisions for companies. It could be more difficult to obtain redress or exercise one's rights in emerging countries than in developed countries, with more mature legal systems. As these countries are still, from an economic point of view, in a development phase, VEF's investments may be affected by unusually large fluctuations in profits and losses and other factors beyond VEF's control. Investment activities in emerging markets involve a high level of risk and require special consideration of factors, including those mentioned here, that are not typically associated with investing in more well-regulated countries. If any of the above described risks were to materialize, or if any of the above described factors would have a negative development, it could have a material adverse effect on the Group's operations, results and financial position.

Economic unrest in an emerging market tends to have an adverse impact on the equity markets in other emerging countries, or the share price of companies operating in such markets, as investors opt to re-allocate their investment flows to more stable and developed markets. The Company's share price may be materially adversely affected during such periods. Financial problems or an increase in perceived risk related to a growth market may inhibit foreign investment in such market and have a negative impact on the country's economy. Such an economic downturn could have a material adverse effect on the Group's operations, results and financial position.

Exposure towards Brazil

A major part of the Group's portfolio companies operates in Brazil. Approximately 64 percent of the Group's NAV as of 31 March 2022 consist of shareholding in Creditas (53.4 percent), Solfácil (2.7 percent), Gringo (1.7 percent), FinanZero (1.5 percent), Nibo (1.4 percent) and Magnetis (1.4 percent).

Brazil has experienced deep economic and social changes in recent years. Between the years 2000 and 2013, Brazil was one of the fastest growing economies in the world according to information from the World Bank Group, until it hit a deep recession in 2014 with declining GDP and rising inflation. 2017 marked a year when the

economy started to recover, and inflation fell to middle two-digit levels. Following the presidential election of Jair Bolsonaro, monetary policy has been relaxed with consistent interest rate decreases throughout 2019 and early 2020 in a still challenging financial environment. As recent as 2 February 2022, the central bank of Brazil announced its eight-consecutive rate hike, now reaching above 10 percent. In the wake of the forecasted inflation, and additional hikes are expected to follow throughout the year. Further, 2022 marks an election year in Brazil with an uncertain outcome.

Uncertainties such as political and diplomatic developments, social or religious instability, changes in government policy, tax and interest rates, restrictions on the political and economic development of laws and regulations in Brazil, major policy changes or lack of internal consensus between leaders, executive and decision-making bodies and strong economic groups could affect the value of the Group's investments in Brazil, which could have a material adverse effect on the Company's results and financial position. In addition, political changes may be less predictable in an emerging country such as Brazil than in other more developed countries (see above under "*Emerging and frontier markets*").

Global capital markets and macroeconomic risks

VEF's results and investment activities are affected by the conditions on the global capital markets and macroeconomic conditions. Changes in market values resulting from global or regional economic downturn impact the result of the Company's operations through depreciation of the value of its investment assets. As at 31 March 2022, the Group's financial assets at fair value through profit or loss was approximately USD 731.5 million. Various factors – including concerns over geopolitical issues and changes in the geopolitical situation (e.g. acts of war), increased barriers to trade and protectionist currents, inflation, the availability and cost of credit, outbreaks of pandemics, decreasing consumer demand and public spending – could contribute to, or prolong, a large scale economic downturn. As an example, the relationship between Russia and Ukraine has deteriorated significantly during the beginning of 2022 and on 24 February 2022, Russia initiated its invasion of Ukraine, a war causing a high degree of global uncertainty and volatility in both global and local markets and a deterioration in the general security situation. At the end of 2021, VEF had two shareholdings as well as liquidity investments with direct or partial exposure to the region. These assets consist of the portfolio company TransferGo, which operates in key markets such as Ukraine, Turkey and Central Eastern Europe (3.8 percent of VEF's NAV as of 31 December 2021), the portfolio company REVO, which operates in Russia (1.7 percent of VEF's NAV as of 31 December 2021) and liquidity investments consisting of bonds in

the Russian company Tinkoff (0.6 percent of VEF's NAV as of 31 December 2021). The situation is characterized by great instability and the course of events is unpredictable, but in the short-term this has resulted in an economic downturn and volatility in the stock market. To this end, as of 31 March 2022, VEF has fully written down its holdings in REVO and the relevant liquidity positions in the Tinkoff bonds, representing USD -17.6 million, whilst TransferGo continues to be valued based on the latest transaction. The long-term consequences are very difficult to assess and the impact of the war in Ukraine on the global economy as well as the capital and credit markets remains uncertain.

Furthermore, Russia's full-scale invasion of Ukraine has led to heavy sanctions against Russia and Russian financial institutions. On 31 July 2014, EU imposed sanctions against Russia as a result of its illegal annexation of the Crimea peninsula. These sanctions have been extended by way of five sanctions packages since February 2022. EU stresses in its guidance that sanctions are designed to maximise the negative impact for the Russian economy while limiting as much as possible the consequences for EU businesses and citizens. Sanction legislation is complex and its application in certain circumstances may often be subject to interpretation and be difficult to determine with any certainty. The companies in which VEF has invested and which have operations in Russia are exposed to an increased risk of alleged sanctions violations with regard to previous, current or future business operations, which could result in financial losses and damage the Group's reputation and brand.

In addition, the fixed-income markets have experienced periods of volatility which has negatively affected market liquidity conditions. Securities that are less liquid are more difficult to value and may be hard to dispose of. Domestic and international equity markets have also been experiencing increased volatility and turmoil. The Group is therefore exposed to the risk of loss due to market volatility.

A substantial large scale economic downturn could have a material adverse effect on the market value of VEF's investment portfolio and increase the risk of VEF failing to make the expected returns on its investments, which in turn would have a material adverse effect on the financial position of the Company.

Legal and regulatory risks

Regulatory risks

The portfolio companies of the Group provide financial services in emerging and frontier markets. Regulatory requirements in the financial services sector are commonly comprehensive and strict. In addition, financial activities may require permits. Such requirements, or competent authorities' interpretation of those requirements, can change rapidly from time to time. This is particularly a risk for new business models in the fintech

sector, as these can develop rapidly with the maturation and spread of various products. Failure to adapt to the relevant requirements may lead to government sanctions or loss of business opportunities, which in turn could have a negative effect on the reputation, results, financial position and prospects of the portfolio companies and, ultimately, a material adverse effect on VEF's financial position.

Accounting practice and access to other information

Practice in accounting, financial reporting and auditing in emerging and frontier markets may not hold the same standards as in developed countries. It is not uncommon in such markets that there is low access to external analysis, unreliable statistics and inadequate historical data. The effects of inflation could, moreover, more often be difficult for external observers to analyse. Although special expanded accounts are prepared, and auditing is undertaken in accordance with international standards, no guarantees can be given with regard to the completeness or dependability of the information that relates to VEF's investments and potential investments. Inadequate information and weak accounting standards could have a material adverse impact on the valuation of existing and prospective portfolio companies and, ultimately, a material adverse effect on VEF's financial position.

Tax risks

VEF conducts its business, including intra-Group transactions, in accordance with its interpretation of current tax legislation in relevant jurisdictions, tax treaties and tax authorities' guidelines and other requirements. Notable examples include determining the proper jurisdiction for taxation of gains related to cross-border transactions, proper pricing of cross-border transactions, issues relating to the country of taxation as well as determining the taxation regime applicable to parties to transactions generally. Tax legislation and double tax treaty agreements have a trend of frequent changes including introduction of new taxes and fees (e.g. digital tax) and such changes could have a significant impact on the tax position of portfolio companies and the Company. There is a risk that the Company's interpretation of applicable rules and administrative practice is incorrect, or that rules or practice will be changed, potentially with retroactive effect, in a way that has a material adverse effect on the Group's results and financial position.

Corporate governance risks

Misuse of corporate governance remains a problem in emerging and frontier 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. In addition,

sales of assets to and transactions with related parties are common. Transfer pricing is generally applied by companies for the transfer of value from subsidiaries and external investors to various types of holding companies. Companies may neglect to comply with the rules that govern share issues, such as prior notification in sufficient time for the exercise of rights of pre-emption. Prevention of registration of shares is also widespread and there is a risk of unauthorized changes to share registers where these are controlled by management.

Inadequate accounting rules and standards may hinder the development of an effective system for uncovering fraud and increasing insight. Shareholders can conceal their ownership by acquiring shares through shell company structures based abroad which are not demonstrably connected to the beneficiary, leading to self-serving transactions, insider deals and conflicts of interest. The supervisory authorities' work to secure effective oversight and ensure that fraud is uncovered, is complicated by the lack of judicial and administrative enforcement instruments.

Further, deficiencies in legislation on corporate governance, judicial enforcement and corporate legislation may lead to hostile takeovers, where the rights of minority shareholders are disregarded or abused, which could have a material adverse effect on the Group's results and financial position.

Legal disputes

Since the Group 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 the Group and/or the portfolio companies may become involved in legal disputes of various kinds, including labor, intellectual property, contractual or regulatory in nature. Such disputes could result in negative publicity and lost revenues, which could have a material adverse effect on the Group's business, operating results, financial position and prospects.

Financial risks

Liquidity risk

Disruptions, uncertainty or volatility in the capital and credit markets may limit the Group's access to capital required to operate its business. Such market conditions may limit the Group's ability to repay, in a timely manner, maturing liabilities, to generate fee income and market-related revenue to meet liquidity needs and to access the capital necessary to grow its business or to finance the business of its portfolio companies', for example by participating in their raising of capital. As such, the Group may be forced to postpone raising capital or bear an unattractive cost of capital, which could decrease the Group's profitability and significantly reduce its financial flexibility. In the event the Company cannot

participate in its portfolio companies' raising of capital, it may result in dilution. If any of the above described risks were to materialize it could have a material adverse effect on the Group's operations, results and financial position.

Foreign exchange 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 American dollar (USD), the British pound (GBP) and Euro (EUR). The Group's management team monitors the exchange rate fluctuations on a continuous basis and as at the date of this Offering Circular, no currency derivative or hedgings are used. An increase/decrease of 10 percent of the SEK, GBP and EUR, respectively, towards USD as at 31 March 2022 would have affected the Group's profit or loss and equity by TUSD +/- 132 +/- 31 and +/- 28, respectively. Fluctuations in foreign exchange rates could therefore have a material adverse effect on the Group's results and financial position. The Group's exposure to foreign currencies, expressed in MUSD, is presented in the table below.

Exposure to foreign exchange	Gross assets 31 March 2022	Gross assets 31 Dec 2021	Gross assets 31 Dec 2020	Gross assets 31 Dec 2019
SEK	1.3	1.5	0.8	0.2
Other	0.6	0.3	0.1	0.1
Total	1.9	1.8	0.9	0.3

VEF's investments are preferably made and valued in USD, while monetisation is in local currency. This gives rise to a currency exposure that could materially affect the Group's results and equity. A 10 percent increase/decrease in underlying currencies, mainly BRL, MXN, INR and EUR against the USD as at 31 March 2022 would have affected the Group's results and equity by approximately USD 71.5 million.

Risks related to the securities

The share price could be volatile and the share price development is dependent on a number of factors

Since an investment in shares may decrease in value, there is a risk that an investor will not recover their invested capital. As of the date of the Offering Circular, VEF's ordinary share is listed on Nasdaq First North Growth Market. During the period 31 March 2021–31 March 2022, VEF's daily average volume-weighted share price has amounted to a minimum SEK 3.55 and a maximum of SEK 6.40. Consequently, the share price can be volatile and there may also, from time to time, be limited liquidity in the shares. The development of the share price depends on several factors, some of which are company-specific while others are linked to the

shares market as a whole. For example, the share price may be affected by supply and demand, variations in actual or expected results, inability to meet analysts' results expectations, failure to achieve financial and operational targets, changes in general economic conditions, changes in regulatory conditions and other factors. VEF's share price is also affected in some cases by competitors' activities and position in the market. There is a risk that there will not be an active and liquid market for trading in VEF's share at any given time, which may affect investors' ability to recover invested capital. This poses a significant risk to individual investors.

Existing shareholders' sale of shares may cause the share price to drop

Current major shareholders have significant control over the outcome of the matters referred to the Company's shareholders for settlements. As of 31 March 2022, taking into account subsequently known changes, the five largest shareholders in VEF hold approximately 55.7 percent of the votes and the interests of the largest shareholders may differ from those of other shareholders and may exercise their influence over the Company in a way that is not in the interests of other shareholders. If the interests of the largest shareholders differ from those of other shareholders, their influence may have a materially negative impact on the market value of the shares.

The price of the Company's ordinary share may decrease if there is extensive sale of shares in the Company, in particular sales of the Company's board members, executive management and major shareholders. The sale of the Company's board members, executive management and major shareholders, or the perception that such sales will take place, as well as the sale of large shareholdings, or the perception that such sales will take place, may have a material adverse impact on the Company's share price.

Shareholders in the U.S and other jurisdictions are subject to specific share-related risks

VEF's share is only listed in SEK and any dividend will be paid in SEK. For shareholders outside Sweden, this can have a negative effect on the value of holdings and any dividends when these are converted into other currencies if SEK decreases in value against the current currency. The recent weak trend for the SEK has therefore had an adverse impact on the value of shareholdings denominated in other currencies. Furthermore, tax legislation in both Sweden and the shareholder's home country may affect the income from any dividends paid. In certain jurisdictions, there may be restrictions in national securities legislation under which shareholders in such jurisdictions may not be able to participate in new share issue and other offerings of transferable securities to the public. VEF has shareholders in the United States and other jurisdictions where securities laws impose such restrictions. If VEF issues new shares with preferential rights for VEF's shareholders in the future, shareholders in some jurisdictions, including the aforementioned countries, may be subject to restrictions that, for example, mean that they cannot participate in new rights issues or that their participation is otherwise impeded or limited.

Background and reasons

The Board of directors considers that a listing of the Company's ordinary shares on Nasdaq Stockholm is a logical and important next step in VEF's development. It will further increase awareness of VEF and its operations among current and potential shareholders as well as potential portfolio companies. The ordinary shares in VEF have been listed on Nasdaq First North Growth Market since 2015, but the Board of directors believes that admission to trading on Nasdaq Stockholm will increase the possibility to broaden the Company's shareholder base and give the Company further access to Swedish and international capital markets, which in turn is expected to promote the Company's continued growth and development. For these reasons, the Board of directors has applied for a listing of the Company's ordinary shares on Nasdaq Stockholm. The Company's application for admission to trading of the Company's ordinary shares on Nasdaq Stockholm has been approved by Nasdaq Stockholm's listing committee, provided that certain customary conditions are met. The Company's ordinary shares are expected to be listed on Nasdaq Stockholm on or around 1 June 2022.

In other respects, reference should be made to the full particulars of this Offering Circular, which has been prepared by the Board of directors of VEF in connection with the admission to trading of the Company's ordinary shares on Nasdaq Stockholm.

The Board of directors of VEF is responsible for the contents of this Offering Circular. To the best of the knowledge and belief of the Board of directors the information contained in this Offering Circular is in accordance with the facts and this Offering Circular makes no omission likely to affect the significance of such information.

Stockholm, 30 May 2022

VEF AB (publ)

The Board of directors



Market overview

Unless otherwise stated, the information in the section below regarding market conditions is based on VEF's internal sources. This section contains some market and industry information that comes from third parties, such as statistics and data from industry publications, and other publicly available sources. Although the material has been reproduced correctly and the Company considers the sources to be reliable, the Company has not independently verified the information, so its accuracy and completeness cannot be guaranteed. Information sourced from a third party, including portfolio companies, has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Overview of investments in the private market

Companies need capital at different stages to be able to grow as well as for creating growth and jobs. Capital can be provided through bank loans or equity. For companies at an early stage, it can be difficult to find financing because future cash flows are uncertain, meaning that there is a high risk for financial institutions lending capital. At later stages, companies may need to raise additional capital, for example in the event of a new product launch or geographical expansion. In addition to capital, venture capital investors often provide a broad network of contacts, credibility and industry expertise. Without venture capital in the private market, it is therefore possible that several companies would never have been founded or growth and expansion would have been prevented.

Private market investments have been an asset class of growing importance for a long time. According to

McKinsey & Company, the private market industry's Assets under Management ("AUM") had an annual growth rate of 16.2 percent between 2015 and 2020 and has grown nearly ten times over since 2000.¹⁾ Volatility was high in 2020, but over time growth is expected to continue, driven by a number of trends:

- Increasing allocations from institutional investors into private markets;
- Strong growth of investable capital;
- New sources of capital; and
- Strong excess returns from investments in the private market compared to the stock market.

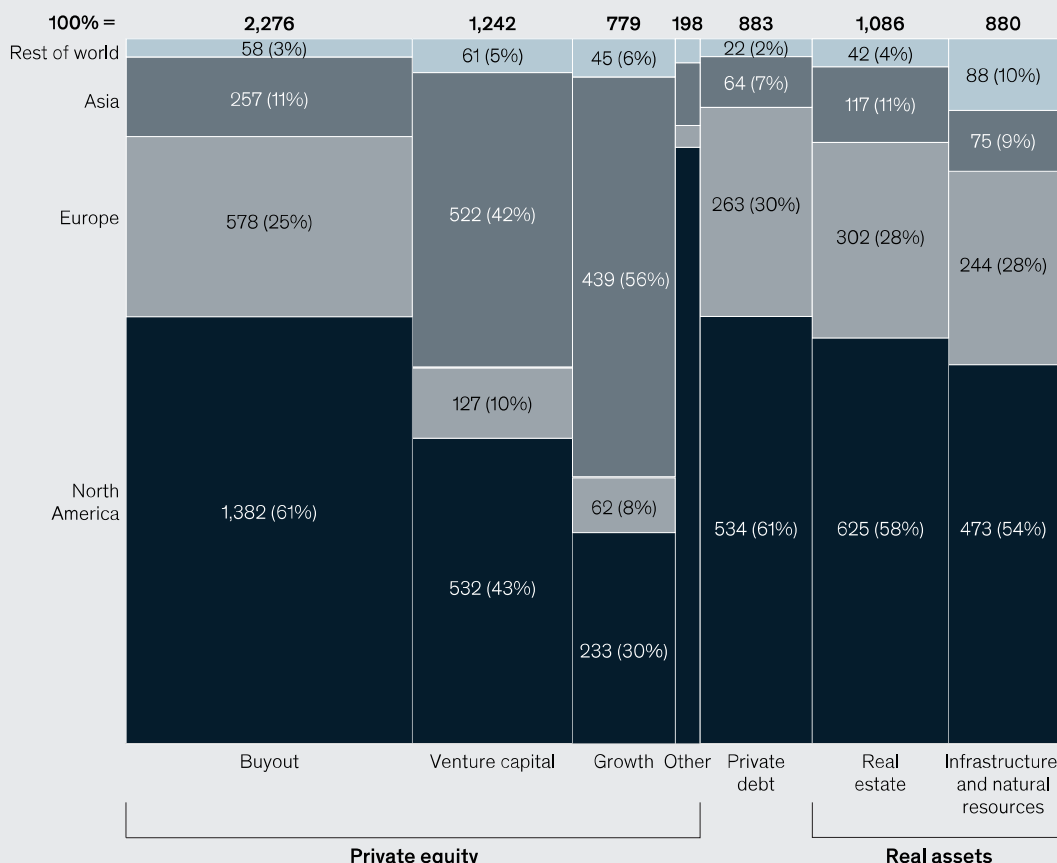
According to McKinsey & Company, AUM in the private market grew by 5.1 percent in 2020, despite volatility over the year, to reach a total of \$7.3 trillion. The year thus marked a new record.²⁾ The figure below shows the AUM for private market investments as of 30 June 2020, expressed in trillions of USD.



1) McKinsey & Company, "A year of disruption in the private markets – McKinsey Global Private Market Review 2021".

2) McKinsey & Company, "A year of disruption in the private markets – McKinsey Global Private Market Review 2021".

AUM of more than 7.3 trillion, almost 10x more than in the year 2000.



Data Source: McKinsey & Company, "A year of disruption in the private markets – McKinsey Global Private Market Review 2021".

Sector focus – fintech

VEF’s investment focus is on companies in the fintech sector that have scalable growth opportunities for various financial services. VEF’s vision is thus to become the leading fintech investor in emerging markets.

The fintech sector in general

Fintech as a target market for investments is defined, according to VEF, as the market for innovation and change in the financial services sector. Fintech is thus a very broad concept and covers everything from payment solutions, financial markets, credit, mobile payments and remittance services. In emerging markets, the Company focuses on more populous and scalable markets referenced against competitive

opportunities and point in the market cycle. In many cases, the business models of fintech companies are to provide all the classic services that the established competitors provide, but in a more digitized version. The key to the fintech segment’s success lies largely in strong sector trends together with changing attitudes among customers, companies and private stakeholders, as well as a great openness among customers to being served by newcomers, despite the sector traditionally being dominated by large established players.¹⁾

The global fintech market has developed rapidly, especially since the financial crisis of 2008. The financial crisis marked a shift in the market for financial services using innovative technologies and became a catalyst for a new generation of financial institutions that have

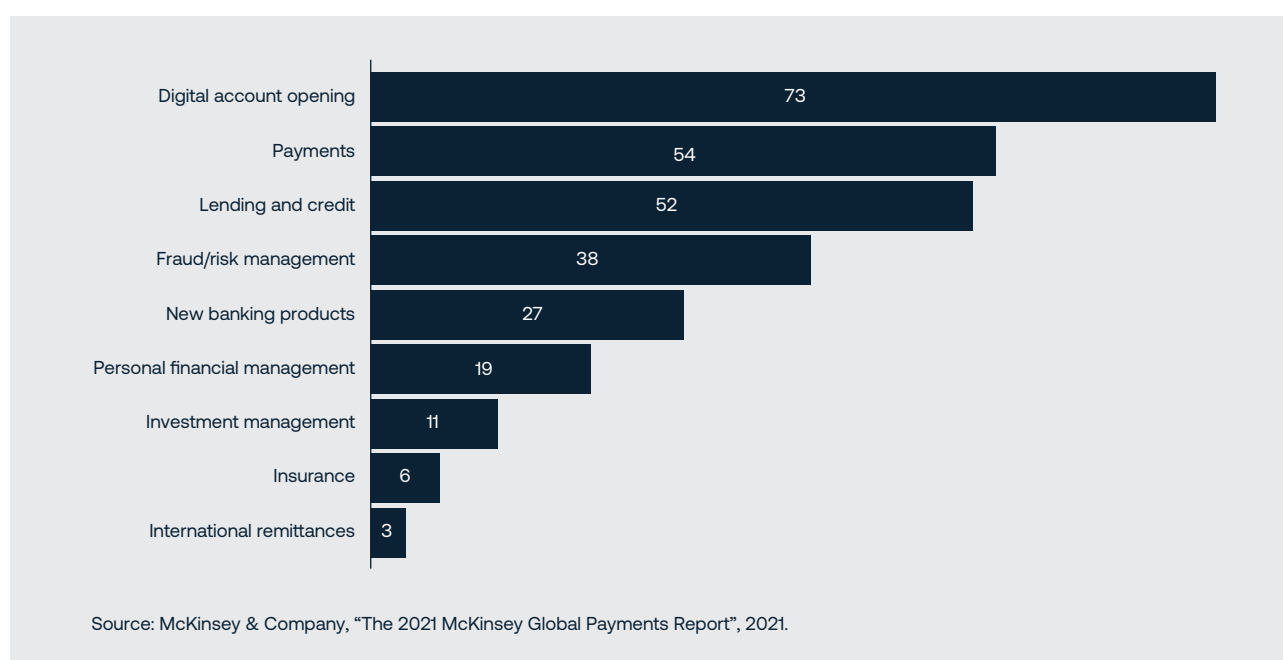
1) The company’s assessment.

changed the way the traditional banking ecosystem works. Following the financial crisis, these new fintech companies have quickly gained popularity, through disruptive, digital consumer experiences, low costs, low entry barriers, high availability and extensive digital engagement. Today, fintech companies are no longer to be regarded as newcomers, but as competent competitors and partners to the traditional banks.¹⁾

While the Covid-19 pandemic in 2020 posed challenges for the entire financial ecosystem, the fintech segment continued to grow.²⁾ Throughout the Covid-19 pandemic, significant shifts in payment patterns have taken place. These include reduced cash use, the shift

from physical store retail to e-commerce, and new methods of direct payments, creating new opportunities for players in the financial sector.³⁾

In recent years, there has also been a trend for traditional banks to partner with innovative fintech companies, offering shorter lead times when introducing new services and customer experiences.⁴⁾ The picture below shows the different focus areas for cooperation between traditional banks and fintech companies, given per area and as a percentage of the proportion of banks surveyed that consider such cooperation to be “very important” for the fintech cooperation strategy.



At present, few fintech companies are profitable on their own. It is therefore likely that the continued development of fintech companies will be driven by the companies’ ability to generate equity, secure revenues in a short time frame and keep costs down. Capgemini and Efma describe the path to profitability based on the following steps:

1. Diversify offers to enable a loyal and profitable customer base.
2. Create an ecosystem or join several different ecosystems of financial services.
3. Earnings through a 360 method and diversified revenue streams, pricing models and strategy.
4. Expansion into new markets to maintain momentum in growth.⁵⁾

Much of the aforementioned innovation and success has taken place in the more developed economies, centered in London, parts of Europe and the American west coast. This is logical given high levels of financial integration and penetration, together with the high degree of penetration of internet and mobile solutions that characterize these markets. In line with this, the Company has therefore so far seen more developed markets capture the interest and capital of most investors. Success stories such as Tinkoff Bank, M-pesa, NuBank, StoneCo, Pag Seguro and XP have shown, however, that through innovative business models there is great potential to reap success in the less developed but structurally more exciting growth markets.⁶⁾

1) Capgemini and Efma, “World FinTech Report 2021”, 2021.

2) Capgemini and Efma, “World FinTech Report 2021”, 2021.

3) McKinsey & Company, “The 2021 McKinsey Global Payments Report”, 2021.

4) McKinsey & Company, “The 2021 McKinsey Global Payments Report”, 2021.

5) Capgemini and Efma, “World FinTech Report 2021”, 2021.

6) The Company’s assessment.

Embedded finance as an emerging part of the fintech-sector

The emergence of the area of embedded finance is becoming increasingly important in the fintech sector¹⁾ and VEF has invested in portfolio companies, such as Gringo, and BlackBuck, whose operations are focused on the area. Embedded finance represents the ability to integrate financial services into the user experience, for all types of companies. Thanks to many factors, ranging from changing consumer habits (mobile-first), software innovation and buoyant funding which has accelerated access to innovation, non-financial service companies can offer payment, lending, insurance, and investment products to their customers in a seamless low cost and efficient way. Prior to the emergence of Embedded finance, financial services were provided almost exclusively by traditional institutions (primarily banks) under a heavily regulated framework. The barriers to entry were high due to extensive resource requirements ranging from compliance and regulatory to technical infrastructure and people. However, because of software innovation and deregulation, the unbundling of financial services is now possible, which has simplified the emergence of the Banking as a Service (“**BaaS**”). This means that software companies unbundle core parts of a traditional banking stack and offer them each (or collectively) as a software service. BaaS providers can be traditional banks or fintech companies.²⁾

VEF classifies the market participants within embedded finance into three main categories:

- BaaS providers (which are typically fintechs and/or banks)
- Fintechs enabled by BaaS; and
- Non-financial companies enabled by BaaS and fintechs.

VEF’s assessment is that Embedded finance is a potentially large source of value creation in the future because both banks and non-financial service companies can benefit from this – it does not have to be zero-sum. It is probable that it will significantly expand the potential adoption of fintech, whilst at the same time enabling non-financial service companies to improve the customer value proposition, create a virtuous circle between company and customer, which further increases retention and lower the costs and allows launching faster in the market.

Geographical focus – emerging and frontier markets

Emerging and frontier markets

VEF’s investment focus is centered on companies within the fintech sector that are active in emerging and frontier markets. This means that the Group’s geographic target markets for investment includes Latin America (mainly Brazil and Mexico), southern Asia (mainly India and Pakistan), Africa and Emerging Europe (such as the Baltics, Poland and Ukraine). As of the date of this Offering Circular, VEF’s largest (as a share of the net asset value (“**NAV**”)) emerging markets are the following:

- **Brazil** – With a population of over 200 million people, Brazil is one of the world’s largest economies and a large-scale growth market. Furthermore, Brazil is one of the most connected markets in the world with high use of smartphones and the internet, a growing e-commerce market and a great potential to adopt and integrate technology. The adoption of fintech in Brazil increased by 60 percent between 2017 and 2019. Unlike many other emerging markets, the Brazilian banking system is advanced in many respects, and the population is comfortable with using a wide range of financial products. It is less about financial education and more about offering better products at a better price with a better user experience than the established players. Furthermore, Brazil’s central bank supports the fintech ecosystem, as a way of levelling the playing field and improving the average Brazilian’s economic well-being, which is not always the case in emerging markets.
- **Mexico** – With a population of over 127 million people and over 7 million small to medium-sized businesses, there are extensive opportunities for Mexico as a growth market. Banks have historically focused primarily on serving large corporate customers and high-end retail companies, while less than 10 percent of small to medium-sized companies have access to finance.
- **India** – India is the world’s second most populous country and a large-scale growth market with widespread digital adaptation and smartphone and data use, which has resulted in a high degree of fintech adaptation. As a result of the state-led development of the public payment infrastructure and the digitization of ID documents, India has experienced a sensationally fast journey and is today considered to have one of the world’s most advanced payment infrastructures. India’s ecosystem of technology-focused companies has for a long time been the subject of large venture capital investments, which in turn has created a very large number of companies in the general tech sector as well as in the fintech sector.

1) The Company’s assessment.

2) Anthemis/11FS.

The fintech trend has clearly arrived in emerging and frontier markets. While emerging and frontier markets, in comparison with more developed countries, lag behind in terms of financial and technological penetration, this is offset by greater structural growth potential. A low degree of penetration means that emerging markets are favourable trial areas for modern financial services, as such countries can skip the development stages with traditional regional bank branches, as has long been standard in more developed countries. Lower regulatory standards, at least today, provide another opportunity for the fintech sector to thrive in these markets. Many successful early-stage models use existing infrastructure such as retail stores, mobile networks and ad networks in innovative ways to deliver their financial solutions. Finally, several companies have developed business models adapted to local cultures and geographies as a result of the special characteristics found in many emerging and frontier markets (e.g. religious, cultural or logistical), which may require specific financial solutions.

Demographic trends

The world's population continues to grow, with forecasts showing the global population growing to around 8.5 billion by 2030, 9.7 billion by 2050 and 10.9 billion by 2100. With an estimated contribution of over one billion people, sub-Saharan Africa can account for more than half of the world's population growth between 2019 and 2050, and the region's population is expected to continue to grow by the end of the century. In contrast, the population of East and Southeast Asia, Central and South Asia, Latin America, the Caribbean, Europe and North America is expected to reach its highest levels and then start to decline before the end of the century. More than half of the estimated growth of the world's population by 2050 will be concentrated in nine countries (most of which are emerging or frontier markets): Democratic Republic of Congo, Egypt, Ethiopia, India, Indonesia, Nigeria, Pakistan, Tanzania, and USA. The picture below shows the estimated populations in 2030, 2050 and 2100 in various regions.¹⁾

Region	2019	Population (millions)		
		2030	2050	2100
World	7,713	8,548	9,735	10,875
Sub-Saharan Africa	1,066	1,400	2,118	3,775
Northern Africa and Western Asia	517	609	754	924
Central and South-Eastern Asia	1,991	2,227	2,496	2,334
Eastern and South-Eastern Asia	2,335	2,427	2,411	1,967
Latin America and the Caribbean	648	706	762	680
Australia/New Zealand	30	33	38	49
Oceania*	12	15	19	26
Europe and Northern America	1,114	1,132	1,136	1,120
Least developed countries	1,033	1,314	1,877	3,047
Land-locked Developing Countries	521	659	926	1,406
Small Island Developing States	71	78	87	88

Data Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). *World Population Prospects 2019*.

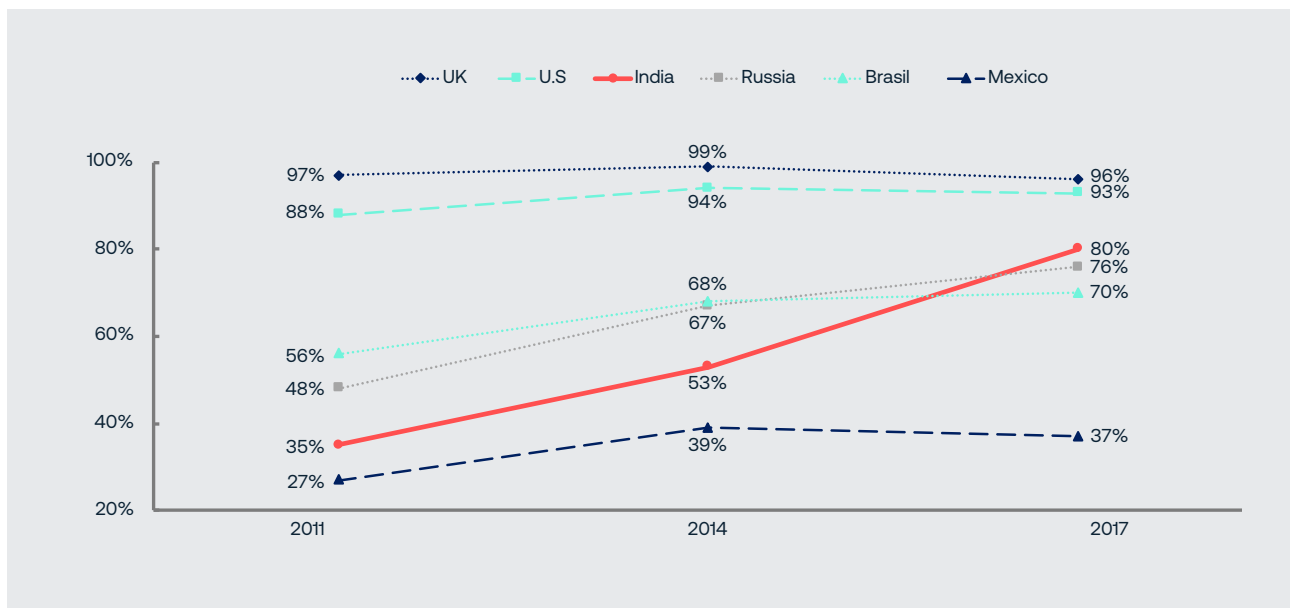
* excluding Australia and New Zealand

1) United Nations, Department of Economic and Social Affairs, Population Division, "World Population Prospects 2019", 2019.

The economic significance of financial inclusion

In large parts of the world, financial services for consumers and micro, small and medium enterprises (“MSMEs”) are largely either unavailable or of poor quality or available on unfavourable terms. Almost 1.7 billion people globally lack an account at a financial institution

or through a mobile money provider, of which 76 percent live in sub-Saharan Africa and South Asia. Almost 50 percent of these people lives in just seven countries, several of which are VEF’s focus markets India, Pakistan, Mexico and Nigeria.¹⁾



Financial inclusion has been recognized as key for improving growth and access to financial services is an important factor for reducing extreme poverty, boosting and building sustainable economic growth, and achieving rapid development and improving gender equality. Reliance on cash makes it difficult for individuals to save for needs such as education and healthcare, prepare for financial emergencies and invest in their small businesses. Fintech represents a massive opportunity for financial inclusion, with the World Bank asserting that fintech applications can especially help to drive development in emerging markets. Digital financial services, such as mobile wallets, electronic payments, fintech apps and digital credit services, can reach people previously excluded from these services.

Financial inclusion for MSMEs is key to promote the socio-economic advancement of emerging market economics. Two examples are that they support employment generation and the economic advancement of countries and communities. Firstly, more job opportunities are needed to absorb the growing workforce, and in emerging markets 70 percent of all formal jobs are generated in emerging markets. Secondly, contributing up to 40 percent of GDP and representing around 90 percent of businesses in emerging markets,

MSMEs contribute to further the economic development of countries and communities. Despite the importance of MSMEs in emerging markets, these companies face significant challenges when it comes to accessing affordable financial services.

The lack of credit history that many MSMEs have is a challenge that may be difficult to overcome when seeking affordable funding and subsequently this becomes a constraint on growth for these companies. Financial inclusion for MSMEs is believed to have a positive impact on poverty reduction, reduction of inequalities, employment generation and overall economic development of emerging markets.

Fintech companies can contribute to financial inclusion by:

- Providing access to financial services for previously unbanked or underbanked consumers and SMEs, that is democratizing access to financial services.
- Providing credit to low-income consumers and MSMEs.
- Providing financial services, for example loans and remittance services to consumers on fair and affordable terms.

1) The World Bank, “The Global Findex Database 2017 – Measuring Financial Inclusion and the Fintech Revolution”, 2018.



Business overview

This Offering Circular contains statistics, data and other information concerning markets, market size, market positions and other market-related information for VEF and its portfolio companies' operations and markets. Unless otherwise stated, such information is based on the Company's analysis of a number of external sources, such as the respective portfolio companies' financial reporting. Information acquired from third parties, including portfolio companies, has been reproduced correctly and as far as the Company knows and can ascertain from information published by this third party, no facts have been omitted that would make the reproduced information incorrect or misleading.

VEF in brief, business model, goals and strategy

VEF carries out investment activities with the business model of identifying and investing in fintech companies in emerging markets displaying scalable growth opportunities for various financial services. VEF's vision is to become the leading fintech investor in emerging markets. Fintech as a target market for investments is defined, according to VEF, as the market for innovation and change in the financial services sector. Fintech is thus a very broad concept and covers everything from payments, credit, asset management and accounting services. In emerging markets, the Company focuses on more populous and scalable markets, referenced against competitive opportunities and point in the cycle.

VEF's overall and main goal is to increase the NAV related to net investments in the investment portfolio over time. The main short-term goal for VEF is to allocate the Company's capital into a portfolio of fintech companies in emerging markets, while the main long-term goal for VEF is to create value through its portfolio companies. To achieve the goals, VEF usually takes an active role at board level and aim to sell the holdings at a profit. The Company assesses that it has good prospects to reach its short- and long-term goals. Furthermore, the Company assesses that its future challenges mainly consist of achieving its goals. Beyond this, VEF has decided not to disclose the Company's financial targets.

VEF is an active and supportive owner of its portfolio companies, striving to take minority interests of 10–20 percent and board representation in its portfolio companies. As of the date of this Offering Circular, VEF has board representation in all portfolio companies except five.

VEF's operations are based on three strategic pillars:

- **Invest well and live:** We are our investments. They define us. We are only a thesis and a bunch of human and financial capital without them. We spend a lot of our time making sure that the right assets and entrepreneurs populate our portfolio and when they are in, we do everything in our power to help them succeed.
- **Love your investors:** Our investors provide the capital we need to fuel our business. Simply put, without them we would not exist and our growth path from here would be all the harder. We love our investors, current, old and potential, and pride ourselves on doing our utmost to provide them with a healthy return on capital and good communication flow and transparency while on that journey.
- **Build a company with a long-term perspective:** While our first two pillars are necessary for success, VEF is built for the long term. Our goals are big, our timeline is long, we are consistently evolving and improving all to make sure VEF is a business that has the right people, processes, and strategy to grow over time.

VEF's view is that there are few ways to play the growing fintech investment theme in public markets and even less in the emerging markets, and that VEF thus offers investors a potentially high return through a combination of:

- attractive market conditions in the emerging world,
- active and supportive ownership,
- entrepreneurs with documented experience,
- scalable, fast-growing companies, with a clear path to profitability, and
- leveraging the disruption by fintech companies.

History and important events

Below is a summary of important events in VEF's history and development.

2015	<ul style="list-style-type: none"> – VEF is founded under the then name Vostok Emerging Finance Ltd, as a spin-off from VNV Global AB (publ) (then Vostok New Ventures Ltd) and is listed on Nasdaq First North Growth Market with a holding in the portfolio company Tinkoff Bank – The Company carries out a rights issue and thereby receives approximately SEK 588 million. – VEF makes its first new investments in REVO and JUMO.
2016	– VEF invests in several of its early portfolio companies such as Finanzero, Finja and TransferGo.
2017	– VEF invests in Creditas, the largest portfolio company as at the date of this Offering Circular.
2018	– VEF invests in Konfío, the second largest portfolio company as at the date of this Offering Circular.
2020	<ul style="list-style-type: none"> – The Company carries out a directed new share issue, thereby raising approximately SEK 522 million. – The parent company changes its name from Vostok Emerging Finance Ltd. to VEF Ltd. – VEF writes down its portfolio with 25 percent due to the covid-19 pandemic.
2021	<ul style="list-style-type: none"> – VEF changes its domicile from Bermuda to Sweden. The former parent company VEF Ltd. is liquidated and thus replaced by VEF AB (publ). – The Company carries out a directed new share issue, thereby raising approximately SEK 885 million. – VEF's NAV per share rises to a new record high value of USD 0.73, with a total NAV of USD 761.7 million.
2022	– VEF issues a sustainable bond of a total amount of SEK 500 million.

Organisation and employees

As at the date of this Offering Circular, the VEF Group has 8 employees. The table below shows the VEF Group's average employees for the periods 2021, 2020 and 2019 as well as the first quarter of 2022.

	First quarter 2022	2021	2020	2019
Average number of employees	7	7	6	6

Investment process

Identification of investment objects

When sourcing for new investment opportunities, VEF does not have a specific business model targeted. Instead, the key criteria for future investments are a scalable market and business model, excellent unit economics with a clear path to profitability and strong entrepreneurs, combined with high or rapidly growing digital use. Thus, VEF invests in companies led by entrepreneurs with strong results and in companies with clearly market-adapted products that have shown success early on and are scalable and fast-growing. Furthermore, VEF focuses on private fintech companies,

but also has the ability to invest in public companies. The Company's investment horizon is long-term and it creates added value in the form of capital, expertise and networks, all of which helps entrepreneurs on their journey towards profitability and a future exit. The process of identifying new investments can best be described as a continuous, ongoing and dynamic process.

Management continuously monitors macro trends in the most interesting emerging and frontier markets, from a holistic perspective, which includes scalable markets with a growing middle class, a lack of capital supply in the growth region, inflation and interest rates that show the right trends and where regulators are positive about the establishment of fintech companies.

Once the Company has selected an interesting market, an initial review is conducted based on available sources to identify opportunities, risks, competitors, relevant market participants and to create an overview of whether the identified target companies have a natural place in the local market and its ecosystem. Once a target company has been identified, VEF contacts the target company and/or its owners, arranges meetings and conducts study trips to understand the potential target company's underlying performance. Once it has been established that a company is of interest from a

scalability and market suitability perspective, the process of building a strong relationship with the company and its owners begins.

If the opportunity to invest is offered, VEF conducts a due diligence audit of the company, typically in the form of an operational, financial, legal and ESG audit that is conducted either by VEF's team, external consultants or others in VEF's network.

Valuation

VEF values investments in private companies at fair value, which is determined by the price of recent market transactions or by using different valuation techniques depending on the company's characteristics and the nature and risks associated with the investment. These valuation techniques involve valuations of discounted cash flows (DCF), exit-multiple valuation (LBO), asset-based valuations and valuations based on future-oriented multiples based on comparable listed companies. Fair value estimates are done quarterly by examining both external market factors and company-specific factors. The evaluation also includes a sensitivity analysis in order to highlight key parameters and their impact on estimated fair value.

VEF's Board of directors finally then approves the transaction-based valuation or confirms and approves the chosen valuation model and the assumptions that have been made.

Investment decision

The CEO, together with the Group's management, prepares investment recommendations. Detailed investment instructions that have been formalized and approved by the Group's management regarding a new investment aim to ensure that all steps in the evaluation criteria are fulfilled, that valuations are documented and that reviews are carried out in accordance with the guidelines for the investment process.

Final investment recommendations are submitted by the parent company's board to VEF Cyprus Limited's ("VEF Cyprus") board for the investments proposed to be carried out by VEF Cyprus. VEF Cyprus will carry out an autonomous and independent assessment of whether an investment should be approved. The final investment decision must be approved by the board of VEF Cyprus for an investment to be implemented. If the investment is made by the parent company, the final decision on the investment is made by the parent company's board.

Investment agreements

In the event that an investment opportunity results in an investment decision, the Company executes customary contractual documentation related to the investment, which usually means that the Company accedes to the existing shareholders' agreement regarding the portfolio company and enters into the relevant investment agree-

ments which have been prepared for the purpose of the Company's investment.

Divestments

In the same way as for investment proposals, decisions on the divestment of portfolio companies are first evaluated and discussed by the parent company's board, which makes a recommendation to VEF Cyprus' board, which in turn takes an autonomous and independent decision. Recommendations for divestment must always be in line with the Company's overall strategy, as decided by the board from time to time.

Sustainability analysis

VEF has a robust process for assessing sustainability risks, especially in light of the fact that some of the markets in which VEF invests are considered high-risk markets from a social and corporate governance perspective (for example, corruption, money laundering, regulatory compliance, labour rights and human rights). Furthermore, VEF believes that investments in companies with poor sustainability values and questionable business ethics are directly incompatible with the Company's primary strategy of delivering high returns to its shareholders.

VEF's investment process consists of a customized sustainability analysis, in two steps: analysis before the investment and analysis after the investment.

Before the investment

For the analysis preceding an investment, VEF focuses on three main areas within sustainability: (i) financial inclusion, (ii) responsible financing and consumer practices, by way of fair and transparent consumer practices and terms, responsible lending activities and data privacy and security as well as (iii) corporate governance and business ethics, by way of good governance, compliance with applicable laws and regulations and anti-corruption, AML and fraud prevention.

The analysis consists of a sustainability due diligence, through which VEF analyzes both immediate negative factors but also long-term sustainability growth possibilities. The process is carried out in-house by VEF's team and may therefore be tightly linked to the Company's values, while at the same time the Company can adapt the review to the specific investment. The purpose is not only to identify and avoid risks but also to identify opportunities to improve sustainability areas in the portfolio companies.

After the investment

By being an active shareholder, VEF can ensure that the Company's values and ethical principles are incorporated into the portfolio companies. VEF expects the portfolio companies to strive to comply with international standards and the highest levels of business ethics, data integrity, human rights, labour rights and environmental

issues. VEF conducts regular sustainability analyses of portfolio companies in order to stay up to date with regard to any sustainability deficiencies that may arise and to follow the portfolio companies' sustainability development. By conducting regular sustainability analyses of the portfolio companies, VEF has a regular and proactive method to ensure that its sustainability policies are being complied with. This approach, which encourages portfolio companies to identify existing or potential sustainability shortcomings, enables VEF to support companies in implementing appropriate corporate governance structures and policies.

Portfolio structure

Portfolio companies

As of the date of this Offering Circular, VEF has holdings in 16 portfolio companies, diversified by geography, business type and stage of development, all which the Company assesses has good opportunities within fintech in their respective markets. As part of the portfolio, the Group also has investments in money market funds and bonds for liquidity management purposes.

The table below shows a listing of the VEF Group's investment portfolio at market value (TUSD) as of 31 March 2022.

Company	Fair value, March 31, 2022	Net invested amount	Investments/divestments 2022	Change in fair value 2021 1Q22	Fair value March, 2022	Valuation method
Creditas ¹⁾	394,069	98,356	–	–55	394,123	Latest transaction ¹⁾
Konfio ¹⁾	135,582	56,521	–	–	135,582	Latest transaction ¹⁾
Juspay ¹⁾	42,420	16,985	–	–	42,420	Latest transaction ¹⁾
TransferGo ^{1, 2)}	28,419	13,877	–	–852	29,271	Latest transaction ^{1, 2)}
Solfácil ¹⁾	20,000	20,000	20,000	–	–	–
JUMO ¹⁾	18,409	14,614	–	–	18,409	Latest transaction ¹⁾
Rupeek ¹⁾	13,152	11,985	–	–	13,152	Latest transaction ¹⁾
Gringo ¹⁾	12,250	12,250	12,250	–	–	–
FinanZero ^{1, 2)}	10,818	4,172	–	–1,064	11,882	Latest transaction ^{1, 2)}
Magnetis ¹⁾	10,526	5,668	–	–	10,526	Latest transaction ¹⁾
Nibo ¹⁾	10,377	6,500	–	–2,182	12,560	Mark-to-model ¹⁾
BlackBuck ¹⁾	10,000	10,000	–	–	10,000	Latest transaction ¹⁾
Finja ¹⁾	7,351	2,925	–	–	7,351	Latest transaction ¹⁾
Abhi ¹⁾	1,350	1,350	–	–	1,350	Latest transaction ¹⁾
minu	450	450	–	–	450	Latest transaction ¹⁾
REVO	–	6,664	–	–13,235	13,235	Mark-to-model
Liquidity investments ¹⁾	16,309	15,300	–30,000	–4,333	50,642	–
Investment portfolio	731,482	297,617	2,250	–21,721	750,953	–
Cash and cash equivalents	6,380	–	–	–	11,131	–
Total investment portfolio	737,862	–	–	–	762,084	–
Other net liabilities/assets	–173	–	–	–	–356	–
NAV	737,689	–	–	–	761,728	–

1) This investment is shown in the balance sheet as a financial asset at fair value through profit or loss.

2) Attributable to currency exchange differences.

Business overview

VEF's largest geographical exposure is in Brazil, with investments in six different portfolio companies, representing 64 percent of NAV as of 31 March 2022, of which VEF's largest portfolio company, Creditas, represents 53.4 percent of NAV. The total geographical

exposure to Latin America, including Brazil, represents 83 percent of the Company's NAV as of 31 March 2022. The picture below shows VEF's geographical exposure.



Liquidity management

VEF has investments in money market funds and bonds as part of its liquidity management. As of 31 March 2022, cash investments amounted to USD 16.3 million based on the most recent NAV of each cash asset.

Description of the portfolio companies

The Company's larger portfolio companies

Creditas

Creditas is an asset-focused ecosystem which supports customers in three essential aspects of their lives – living (home), mobility (transportation) and earning (salary). Creditas' ecosystem leverages customers' assets to offer fintech solutions, digital insurance and consumer solutions. Collateral-based lending is the core monetisation tool and allows Creditas to build an enduring client relationship. In Brazil, consumers pay some of the highest interest rates in the world, where unsecured consumer loans have an average APR of 230 percent. The market for secured lending remains very small and it is relatively uncommon for consumers to take on secured debt. Approximately 70 percent of Brazilian homes and cars owned debt-free, which differs from e.g. Sweden where the norm is to use the residence as collateral for credits. Creditas reduces the Brazilian consumer debt burden and democratizes access to cheaper lending by leveraging customers' assets like their real estate, vehicle and salary to offer secured loans at a more reasonable rate through an efficient, tech-driven application system.

The core fintech product of asset-backed lending has clear synergies with insurance, and Creditas is now the largest independent insurance broker in Brazil offering auto, residential and employment insurance in partnership with more than 16 carriers. In addition, consumer solutions offered by Creditas allow customers to buy, sell and upgrade their assets, offering home renovation solutions, a proprietary online used car retail platform (Creditas Auto) and, after a strategic investment in Voltz Motors, the next generation of EV motorcycles and scooters. These solutions create a flywheel effect that increases customer engagement, reduces acquisition costs and expands Creditas' revenue streams.

At the end of 2021, Creditas loan portfolio reached over BRL 3.7 billion, with revenues of BRL +870 million during 2021. While secured lending is driving dynamic growth, Creditas asset-focused ecosystem is rapidly expanding, with acquisitions like Minuto Seguros and Volanti and a strategic partnership with the neobank Nubank.

Creditas is VEF's largest portfolio company and represents 53.4 percent of the Company's NAV as at 31 March 2022, with an ownership share of 8.9 percent. In the fourth quarter 2021, VEF announced a USD 25 million follow-on investment in Creditas as part of a broader USD 260 million round. Creditas continues to be one of the cornerstone holdings of the VEF portfolio, and VEF remains confident in Creditas' ability to create meaningful value and be a significant driver for the development of VEF's NAV as the company works towards an IPO.

Konfio

Konfio builds digital banking, payments and software tools to boost SME growth and productivity in Mexico through three strategic core offerings: credits, payments and business management tools. SMEs are key to economic development in emerging markets, yet while SMEs represent 88 percent of private sector employment in Mexico, they contribute only 32 percent of economic value added to the market. This is largely because SMEs have historically been underserved by traditional banks and thus have poor access to financial services – with only one out of ten businesses having access to formal credit – while low worker productivity also plays a part.

Konfio has built a full ecosystem of technology and business solutions for SMEs to boost their growth and productivity. Using advanced data capture, storage, and processing technologies, Konfio is able, without requesting financial statements from customers, generating credit offers with dynamic terms in less than 10 minutes in a 100 percent digital process. More recently, Konfio has broadened its product suite to include payments and SaaS tools, offering both online and offline B2B and consumer payment and financing solutions, and a cloud-based system for operational, accounting, and financial business management available to both SMEs and their accountants. These new offerings are leading to lower CAC, stronger customer engagement and an improvement in risk selection while diversifying revenues and a higher customer LTV at Konfio.

In 2021, Konfio expanded its product suite into SaaS tools and payments, with Konfio completing the acquisition of Sr Pago, a mobile POS and online consumer payments company, as part of this.

Konfio is VEF second largest portfolio company and represents 18.4 percent of the Company's NAV as at 31 March 2022 with an ownership share of 10.3 percent. During 2021, Konfio raised a total of USD 235 million over the course of two Series E funding rounds in 2021, in which VEF invested a total of USD 29.0 million.

The Company's other portfolio companies

Juspay

Juspay is payment company in India. India has one of the world's most advanced and complex electronic payment infrastructures globally and was an early mover on mandatory two factor authentication. This has resulted in friction and challenges unique to India which Juspay has been solving for some of India's largest merchants and banks. Juspay has created a unifying layer of products and value-added services that improves conversion rates for merchants and other stakeholders in the payment value chain. Juspay has had more than 250 million downloads of its SDK (Software Development Kit) and facilitates more than USD 75 million of annualized payment volume for some of India's largest merchants

including Amazon, Flipkart, Uber, Swiggy, Ola and Cred. During the fourth quarter 2021, VEF made a USD 6 million follow-on investment into the company as part of a broader USD 60 million financing round led by Softbank.

VEF's holding in Juspay represents 5.8 percent of the Company's NAV as at 31 March 2022 with an ownership share of 9.7 percent.

TransferGo

TransferGo is a low-cost, digital money transfer business offering real-time service to customers across the globe. The global remittance volumes total more than USD 700 billion annually and continues to grow. TransferGo strives to increase access to digital money transfers, to create more market choices and faster transfer options. With the help of TransferGo, customers can have their money delivered safely and at low cost in just 30 minutes. TransferGo's segment of focus are blue-collar migrant workers, who are some of the most consistent and regular remittance customers in the world with 5–20 transactions per year. Initially focused on the corridors of broader Europe, today TransferGo operates in over 60 countries across the world and has high market share in key markets such as Ukraine, Turkey and the Central Eastern Europe. TransferGo also offers digital remittance services for SMEs and enterprises.

VEF's holding in TransferGo represents 3.9 percent of the Company's NAV as at 31 March 2022, with an ownership share of 12.3 percent.

JUMO

JUMO provides inclusive financial services to unbanked consumers and SMEs across several emerging and developing markets, including Ghana, Kenya, Tanzania, Uganda, Zambia, Côte d'Ivoire, and Pakistan. Market expansion plans are underway for Nigeria, Cameroon and Benin. Over 1.7 billion adults across the globe are excluded from or underserved by traditional financial services, with over 76 percent of these people living in sub-Saharan Africa and South Asia. Reliance on cash and lack of access to credit makes it extremely difficult for individuals to save for needs such as education and healthcare, prepare for financial emergencies, and invest in their businesses. JUMO is a full technology stack for building and running financial services that enables banks to reach millions of new customers with credit and savings products. JUMO is focused on making it easier for capital providers to reach new customers at affordable prices whilst making predictable returns. JUMO's platform provides a full range of infrastructure and services that banks need in order to operate: from core banking to underwriting, KYC and fraud detection services. The company uses advanced data science and machine learning to power the fastest and leanest financial services infrastructure in their markets, giving

individuals and entrepreneurs access to savings and loan products via their mobile phone.

VEF's holdings in JUMO represents 2.5 percent of the Company's NAV as at 31 March 2022, with an ownership share of 4.6 percent.

Rupeek

Rupeek is an Indian asset-backed digital lending platform focused on gold-secured loans. Over 90 percent of Indians do not have access to formal credit, and for those who do have credit, 60 percent is in the form of expensive unsecured loans. At the same time, 95 percent of their net worth is held in some form of asset, with Indian households holding over 25,000 tonnes of gold. Rupeek is solving this paradox by building products to make credit accessible to the masses in a fair and convenient manner and is contributing to the financial inclusion of the Indian population. During the fourth quarter 2021, Rupeek raised a bridge financing round, in which VEF invested an additional USD 5 million.

VEF's holdings in Rupeek represents 2.1 percent of the Company's NAV as at 31 March 2022, with an ownership share of 1.8 percent.

REVO

REVO provides "buy now pay later" financing solutions ("BNPL") for customers in Russia and Central Eastern Europe through the Mokka brand. BNPL has become a mainstream option for financing purchases at the point of sale, taking a share of the pie from the credit card market, and often considered as an alternative payment method as opposed to credit. A model that has been verified globally by the likes of Afterpay, Affirm and Klarna. Mokka works with numerous scale merchants in both the online and offline space in categories such as apparel, sporting goods, travel, and electronics. These merchants benefit from increased conversion and basket size using Mokka's BNPL solution, while the company also provides targeted marketing services for merchants to further drive repeat purchases and loyalty.

Similarly to other companies with exposure to Russia, REVO has been put under pressure as a result of national and economic sanctions imposed on Russia. As a consequence of the continued uncertainty of the situation going forward, the Company has decided to write down its position in REVO to zero in the first quarter of 2022.

Nibo

Nibo is an accounting SaaS provider in Brazil, transforming the way accountants and SMEs interact in one of the most complex and regulated accounting and tax environments in the world. The Nibo platform uses technology to offer a suite of financial management tools to accountants and SMEs, including accounts and bank reconciliation, payment of bills, cash flow projection

tools and issuance of invoices and boletos, empowering accountants to serve their customers better and more profitably. As well as improving productivity, Nibo's products allow accountants to cross-sell additional value-added services, further strengthening the end customer relationship and diversifying their revenue stream. As their SME base grows, Nibo is accumulating and manages a unique pool of SME data which has the potential to serve as a base for offering a variety of additional financial services to Brazil's underserved SMEs as a natural extension of the core products. As of 31 December 2021, Nibo had over 346,000 SMEs serviced through 3,600 accountant customers on its platform.

VEF's holdings in Nibo represents 1.4 percent of the Company's NAV as at 31 March 2022, with an ownership share of 20.1 percent.

FinanZero

FinanZero is a digital marketplace for consumer loans in Brazil. Acting as an independent broker, FinanZero negotiates the customer's loan with several banks and credit institutions at once to find the loan with the best interest rate and terms for the consumer. FinanZero handles the lending process from start to finish, with the customer and the bank integrated into the platform. For consumers, this means that all the relevant credit providers are reached through one single application, and from the credit providers' perspective, FinanZero adds value through more effective distribution, lower customer acquisition cost, better segmentation, and lower administration costs. The company focuses on three major lending segments: unsecured consumer loans, secured car finance and property-backed mortgages.

VEF's holdings in FinanZero represents 1.5 percent of the Company's NAV as at 31 March 2022, with an ownership share of 18.4 percent.

Magnetis

Magnetis is a digital investment advisor in Brazil, democratizing access to affordable and easy-to-use investment management, offering customers a simple, digital tool to manage their wealth. Using state-of-the-art technology, the product takes the individual's risk preferences into account, then builds and manages a tailored portfolio of money market, insured fixed income, hedge funds and equity ETFs at the click of a button. Given the deep pool of wealth, high levels of consumer technology adoption, large existing revenue pool and lack of financial market literacy, Brazil represents one of the largest addressable markets for digital wealth management globally.

VEF's holdings in Magnetis represents 1.4 percent of the Company's NAV as at 31 March 2022, with an ownership share of 17.5 percent.

BlackBuck

BlackBuck is an online trucking platform in India with a market share of more than 90 percent of all online trucking activity. The Company contributes to a transformation in the India logistics industry, which is fast moving from pen and pencil to digital. BlackBuck digitizes fleet operations for truckers (mainly by providing predominantly payment solutions around tolls and fuel) and operates a marketplace matching trucks with relevant loads. As much as 35 percent of India's trucking toll spend today happens through BlackBuck. BlackBuck is VEF's third investment within embedded fintech, a category in which VEF sees an attractive and growing pipeline of opportunities. The company achieved unicorn status in the last completed financing round and is backed by marquee global investors alongside VEF.

VEF's holdings in BlackBuck represents 1.4 percent of the Company's NAV as at 31 March 2022, with an ownership share of 1.0 percent.

Finja

Finja is a digital lending platform with an integrated payments ecosystem focused on the financial wellness of businesses and their employees in Pakistan.

Pakistan is a scale market with a population of over 220 million people and a fast-growing middle class. However, in terms of financial services and credit, Pakistan is massively underpenetrated, with only 21 percent of the adult population owning a bank account, and as little as 2 percent of adults and 7 percent of SMEs receive formal credit from financial institutions. With an estimated 73 million smartphones in the market, fintech offers a massive opportunity to introduce financial services to the increasingly digitally savvy population. Finja offers working capital and supply chain financing to both SMEs and larger companies. Finja satisfies a large part of the market's credit needs through partnerships with banks, fintech companies, FMCG companies and kirana shops. In addition to this, Finja also operates a HR platform, Finja Business, where companies on the platform can track their employees' onboarding, attendance and payroll, and manage day-to-day functions such as invoices and payments.

VEF's holdings in Finja represents 1.0 percent of the Company's NAV as at 31 March 2022, with an ownership share of 22.0 percent.

Abhi

Abhi is a financial wellness company offering early wage access to employees in Pakistan. Most people in Pakistan live paycheck-to-paycheck and have no access to banking, savings and credit services. At the same time, mobile phone penetration in the country has moved in the same trajectory as other emerging markets, and stands at over 80 percent penetration today, meaning Pakistan's financial services are ripe for disruption by technology. Abhi aims to redefine access to financial

services for both businesses and employees across Pakistan. Accessing an employee base of hundreds of thousands of workers by partnering with large corporates, Abhi allows employees to access their earned income and avoid expensive payday loans when they need it most. Modernizing the pay cycle is the most fundamental transformation a company can make to its relationship with employees, and as a result, Abhi's partner companies benefit from a more motivated workforce with higher satisfaction and retention of employees. In addition, Abhi offers payroll processing and invoice factoring solutions to these businesses, further strengthening the partnership and aligning their interests.

VEF's holding in Abhi represents 0.2 percent of the Company's NAV as at 31 March 2022, with an ownership share of 15.0 percent.

minu

minu is an employee financial wellness company in Mexico. minu is on a mission to improve the financial health of millions of workers across Mexico. Access to traditional forms of credit in Mexico is extremely limited and distrust of banks is high and a large share of the adult population does not have a bank account. Mexico has a profound need for a liquidity solution and minu solves for the liquidity gap experienced by employees between pay-checks by offering 24/7 instant access to employees' earned wages ahead of payday for a fixed fee. minu partners with large corporate employers to give their employee base access to minu's product as a benefit, with this B2B2C distribution model resulting in trust amongst employees. It is a win-win for both employers and their employees whose needs are aligned: minu's solution reduces financial stress and allows users to avoid expensive loans, leading to financially healthier and thus more productive workers.

VEF's holdings in minu represents 0.1 percent of the Company's NAV as at 31 March 2022, with an ownership share of 1.2 percent.

Gringo

Gringo is a company building an application for drivers in Brazil with the ambition of becoming the driver's best friend. Vehicle ownership in Brazil is cumbersome and is driven by analogue processes, massive paperwork and broken legacy systems. Gringo offers vehicle-documentation related services such as payments, BNPL solutions for drivers to pay for renewal of driving licenses, taxes and fines amongst other things. In less than two years, Gringo has reached over five million drivers on the platform, doubling the number since its last Series A round in the fourth quarter of 2021.

VEF's holding in Gringo represents 1.7 percent of the Company's NAV as at 31 March 2022, with an ownership

share of 10.2 percent. During 2022, Gringo raised a total of USD 34 million in Series B round, in which VEF invested a total of USD 12.2 million.

Solfácil

Solfácil is a digital solar panel market-place and financing platform. The company is building a full ecosystem for solar energy adoption in Brazil, where electricity market dynamics, cheap labour, high levels of home ownership, and ideal climate conditions contribute to a significant TAM. Beyond the clear environmental benefits, there are economic benefits for consumers to adopt solar energy. Solfácil gives consumers access to financing for panels, where the cost of borrowing equates to consumers' current utility bills, and once the loan is paid down, the panels and thus electricity is effectively free from that point on. Solfácil disburses these loans through a fully digital channel, leveraging a fragmented network of partner solar installers across the country to originate the loans, and operates a marketplace for solar panels and offers additional services to customers such as maintenance and repair.

VEF's holding in Solfácil represents 2.7 percent of the Company's NAV as at 31 March 2022, with an ownership share of 2.6 percent. During 2022, Solfácil raised a total of USD 100 million in a Series C round, in which VEF invested a total of SEK 20 million.



Selected financial information

The financial information presented below has been derived from VEF's consolidated financial statements for the financial years ended 31 December 2021, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the EU and audited by VEF's independent auditor, PricewaterhouseCoopers AB, in accordance with the audit reports incorporated in the Offering Circular by reference (refer to the section "Documents incorporated by reference"). The information has also been derived from the Company's interim reports for the periods 1 January–31 March 2022, which has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554) and 1 January–31 March 2021, respectively, which has been prepared in accordance with IAS 34 Interim Financial Reporting. VEF's financial reports for the financial years ended 31 December 2021, 2020 and 2019 as well as the periods 1 January–31 March 2022 and 1 January–31 March 2021 are incorporated in the Offering Circular by reference (refer to the section "Documents incorporated by reference").

On 6 May 2021, the holders of depository receipts in the Group's previous parent company, VEF Ltd., resolved to carry out a restructuring of the Group, whereby depository receipts in the former parent company VEF Ltd. were annulled and redeemed in exchange for ordinary shares in the current parent company, VEF AB (publ) (the "**Redomestication**"). Refer to the section "Legal considerations and supplementary information – Redomestication", for further information regarding the Redomestication. Due to the Redomestication, the Company's operations as parent company of the Group is not reflected in the Company's historical financial information and accordingly, VEF has complex financial history according to Article 18 of the Commission Delegated Regulation (EU) 2019/980. In order to give investors a true and fair view of the Group's results and financial position, the historical financial information presented in the Offering Circular is attributable to the Group, with VEF Ltd. and VEF AB (publ), respectively, as parent company. For the time period prior to the Redomestication, the financial reports incorporated in the Offering Circular have been presented by the Group with VEF Ltd. as parent company, which refers to VEF's annual reports for 2020 and 2019 as well as the interim report for the period 1 January–31 March 2021. For the time period following to the Redomestication, the financial reports incorporated in the Offering Circular have been presented by the Group with VEF AB (publ) as parent company, which refers to VEF's annual report for 2021 as well as the interim report for the period 1 January–31 March 2022. The Redomestication is a business combination under common control. As such, the transaction is excluded from business combinations under IFRS 3 and has not affected the consolidated financial statements of VEF. The transfer of net assets between companies under common control does not affect prior periods which are therefore not restated.

Selected alternative performance measures that are not defined in accordance with IFRS, as specified in section "– Alternative performance measures" is based on information derived from the Group's audited financial reports for the financial years ended 31 December 2021, 2020 and 2019 as well as the interim reports for the periods 1 January–31 March 2022 and 1 January–31 March 2021 and/or internal accounting and reporting systems that are subject to internal control over the financial reporting and/or from management systems. Refer to the section "– Definitions of selected performance measures" for definitions and motivation for using these alternative performance measures that has not been defined by IFRS and section "– Reconciliation tables" for reconciliation of these alternative performance measures. Selected alternative performance measures have not been audited by the Groups independent auditor PricewaterhouseCoopers AB.

Except as expressly stated herein, no financial information in the Offering Circular has been audited or reviewed by the Company's auditor. Certain figures presented in the Offering Circular have been rounded off and the calculations have been done with a large number of decimals. The rounding of the amounts can lead to the sums in some tables not being correct. The following information should be read together with the Company's financial reports, including the notes, which has been incorporated in the Offering Circular by reference.

Consolidated income statement

TUSD, unless otherwise stated	1 January – 31 March		1 January – 31 December		
	2022 ¹⁾	2021 ²⁾	2021 ³⁾	2020 ⁴⁾	2019 ⁵⁾
	(Unaudited)		(Audited)		
Result from financial assets at fair value through profit or loss	-21,721	16,304	284,574	84,672	53,452
Dividend and coupon income	97	97	388	391	501
Other income	164	-	8	72	-
Administrative and operating expenses	-2,492	-922	-7,367	-3,255	3,869
Employee incentive programs	-106	-123	-1,578	-2,743	-1,737
Operating result	-24,058	15,356	276,026	79,137	48,347
Financial income and expenses					
Interest income	-	63	63	17	73
Interest expenses	-6	-	-6	-15	-
Currency exchange gains/losses, net	-60	-143	-547	389	160
Net financial items	-66	-80	-490	391	233
Result before tax	-24,124	15,276	275,536	79,528	48,580
Income tax	-1	-5	-23	-74	-51
Net result for the period	-24,125	15,271	275,513	79,454	48,529
Earnings per share (USD)	-0.02	0.02	0.30	0.11	0.07
Diluted earnings per share (USD)	-0.02	0.02	0.30	0.11	0.07

1) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report.

2) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.

3) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements.

4) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements.

5) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements.

Consolidated balance sheet

TUSD, unless otherwise stated	1 January – 31 March		1 January – 31 December		
	2022 ¹⁾	2021 ²⁾	2021 ³⁾	2020 ⁴⁾	2019 ⁵⁾
	(Unaudited)		(Audited)		
NON-CURRENT ASSETS					
Tangible non-current assets					
Property, plant and equipment	79	197	102	211	275
Total tangible non-current assets	79	197	102	211	275
Financial non-current assets					
Financial assets at fair value through profit or loss					
Equity financial assets	715,173	359,234	700,311	333,952	210,387
Liquid financial assets	16,309	40,678	50,642	48,205	34,521
Other financial assets	26	–	27	–	11
Total financial non-current assets	731,508	399,912	750,980	382,157	244,919
CURRENT ASSETS					
Tax receivables	56	51	109	58	53
Current loan receivables	–	–	–	2,176	–
Other current receivables	547	185	387	114	135
Prepaid expenses and accrued income	147	–	138	–	–
Cash and cash equivalents	6,380	4,055	11,131	4,224	5,562
Total current assets	7,130	4,291	11,765	6,572	5,750
TOTAL ASSETS	738,717	404,400	762,847	388,940	250,994
SHAREHOLDERS EQUITY (including net result for the period)	737,689	403,398	761,728	388,066	249,439
NON-CURRENT LIABILITIES					
Non-current liabilities	–	70	–	70	118
Total non-current liabilities	–	70	–	70	118
CURRENT LIABILITIES					
Other current liabilities	131	170	672	192	211
Tax liabilities	14	46	51	85	53
Accrued expenses	664	716	396	527	1,123
Total current liabilities	1,028	932	1,119	804	1,387
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	738,717	404,400	762,847	388,940	250,994

1) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report.

2) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.

3) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements.

4) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements.

5) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements.

Consolidated cash flow

TUSD, unless otherwise stated	1 January – 31 March		1 January – 31 December		
	2022 ¹⁾	2021 ²⁾	2021 ³⁾	2020 ⁴⁾	2019 ⁵⁾
	(Unaudited)		(Audited)		
OPERATING ACTIVITIES					
Result before tax	-24,124	15,276	275,536	79,528	48,581
<i>Adjustment for non-cash items</i>					
Interest income and expense, net	6	-63	-57	-2	-73
Currency exchange gains/-losses, net	60	143	547	-389	-160
Depreciations	24	14	109	64	-
Result from financial assets at fair value through profit or loss	21,721	-16,304	-284,574	-84,672	-53,452
Result from long term receivables	-	-	-27	-	-
Dividend and coupon income	-97	-97	-388	-391	-
Other non-cash items affecting profit or loss	91	76	350	881	632
Change in current receivables	-41	-73	-411	-113	-35
Change in current liabilities	-160	134	392	-314	147
Net cash used in operating activities	-2,520	-894	-8,523	-5,408	-4,360
Investments in financial assets	-32,250	-8,951	-171,132	-97,093	-48,819
Sales of financial assets	30,000	7,500	86,909	41,500	54,261
Repayment of convertible received	-	2,176	2,176	851	-
Dividend and coupon income	97	97	388	391	501
Interest received	-	63	63	17	73
Tax paid	-	-	-	-74	-30
Interest paid	-	-	-6	-15	-
Net cash flow used in operating activities	-4,673	-9	-90,125	-59,831	1,626
INVESTMENT ACTIVITIES					
Investment in office equipment	-	-	-	-	46
Net cash flow from investment activities	-	-	-	-	46
FINANCING ACTIVITIES					
Proceeds from directed rights issue, net	-	-	97,358	58,601	-
Repayment of lease liabilities	-	-	-	-72	-
Buy-back of own shares	-	-	-	-641	-1,586
Proceeds from new share issue through employee options	-4	-	409	298	-
Net cash flow from investment activities	-4	-	97,767	58,186	-1,586
Change in cash and cash equivalents	-4,677	-9	7,642	-1,645	86
Cash and cash equivalents at the beginning of the period	11,131	4,224	4,224	5,562	5,479
Exchange gains/losses on cash and cash equivalents	-74	-159	-735	307	-3
Cash and cash equivalents at end of the period	6,380	4,055	11,131	4,224	5,562

1) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report.

2) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.

3) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements.

4) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements.

5) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements.

Alternative performance measures

The Offering Circular contains performance measures that has not been defined by IFRS (alternative performance measures). VEF believes that the performance measures are widely used by certain investors, securities analysts and other stakeholders as a complementary measure of results development and financial position. VEF's alternative performance measures is not neces-

sarily comparable with similar measures presented by other companies and have certain limitations as an analysis tool. They should not therefore not be considered separately from, or as a substitute for, the Groups financial information that has been prepared in accordance with IFRS.

Financial performance measures	1 January – 31 March		1 January – 31 December		
	2022 ¹⁾	2021 ²⁾	2021 ³⁾	2020 ⁴⁾	2019 ⁵⁾
NAV, USD	737,689,261	403,398,426	761,728,416	388,065,953	249,438,540
Exchange rate at balance sheet date, SEK/USD	9.30	8.73	9.04	8.19	9.32
NAV/share, , USD	0.71	0.49	0.73	0.47	0.38
NAV/share, , SEK	6.58	4.24	6.61	3.83	3.55
NAV, SEK	6,862,289,517	3,520,056,070	6,884,560,396	3,178,263,331	2,324,683,504
Weighted average number of shares for the financial period	1,042,289,978	829,251,243	905,955,689	679,347,426	654,483,268
Weighted average number of shares for the financial period, fully diluted	1,042,642,295	834,351,786	906,438,372	684,148,738	664,376,019
Number of shares at balance sheet date	1,042,289,978	829,251,243	1,042,289,978	829,251,243	655,479,777
Number of shares at balance sheet date, fully diluted	1,042,642,295	834,351,786	1,042,772,661	834,052,555	665,372,528

1) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report.

2) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.

3) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements.

4) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements.

5) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements.

Reconciliation tables

TUSD, unless otherwise stated	1 January – 31 March		1 January – 31 December		
	2022 ¹⁾	2021 ²⁾	2021 ³⁾	2020 ⁴⁾	2019 ⁵⁾
NAV, USD	737,689,261	403,398,426	761,728,416	388,065,953	249,438,540
NAV, SEK					
NAV, USD	737,689,261	403,398,426	761,728,416	388,065,953	249,438,540
SEK/USD	9.30	8.73	9.04	8.19	9.32
NAV, SEK	6,862,289,517	3,520,056,070	6,884,560,396	3,178,263,331	2,324,683,504
NAV, USD					
NAV, USD	737,689,261	403,398,426	761,728,416	388,065,953	249,438,540
Number of outstanding shares	1,042,289,978	829,251,243	1,042,289,978	829,251,243	655,479,777
NAV/shares, , USD	0.71	0.49	0.73	0.47	0.38
NAV/shares, SEK					
NAV, USD	737,689,261	403,398,426	761,728,416	388,065,953	249,438,540
SEK/USD	9.30	8.73	9.04	8.19	9.32
NAV, SEK	6,862,289,517	3,520,056,070	6,884,560,396	3,178,263,331	2,324,683,504
Number of outstanding shares	1,042,289,978	829,251,243	1,042,289,978	829,251,243	655,479,777
NAV/share, SEK	6.58	4.24	6.61	3.83	3.55

1) Information regarding the period 1 January–31 March 2022 has been retrieved from VEF AB (publ)'s interim report.

2) Information regarding the period 1 January–31 March 2021 has been retrieved from VEF Ltd.'s interim report.

3) Information regarding the financial year 2021 has been retrieved from VEF AB (publ)'s consolidated financial statements.

4) Information regarding the financial year 2020 has been retrieved from VEF Ltd.'s consolidated financial statements.

5) Information regarding the financial year 2019 has been retrieved from VEF Ltd.'s consolidated financial statements.

Definitions of alternative performance measures

Definitions and justification for use		
Performance measure	Definition	Justification for use
NAV, USD	NAV, USD is defined as shareholders' equity, valued in USD.	Present the total value of the Company's shareholders' equity at a certain point in time, valued in USD.
NAV/share, USD	NAV/share, USD is defined as shareholders' equity divided by total number of outstanding shares.	See motives for use of NAV, USD.
NAV, SEK	NAV, SEK is defined as shareholders' equity multiplied with the exchange rate SEK/USD at balance sheet date.	Present the total value of the Company's shareholders' equity at a certain point in time, valued in SEK.
NAV/share, SEK	NAV/share, SEK is defined as shareholders' equity divided by total number of outstanding shares multiplied with the SEK/USD exchange rate at balance sheet date.	See motives for use of NAV, SEK.

Operating and financial review

The financial information presented below has been derived from VEF's consolidated financial statements for the financial years ended 31 December 2021, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the EU and audited by VEF's independent auditor, PricewaterhouseCoopers AB, in accordance with the audit reports incorporated in the Offering Circular by reference (refer to the section "Documents incorporated by reference"). The information has also been derived from the VEF's interim reports for the periods 1 January–31 March 2022, which has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554) and 1 January–31 March 2021, respectively, which has been prepared in accordance with IAS 34 Interim Financial Reporting. VEF's financial reports for the financial years ended 31 December 2021, 2020 and 2019 as well as the periods 1 January–31 March 2022 and 1 January–31 March 2021 are incorporated in the Offering Circular by reference (refer to the section "Documents incorporated by reference").

On 6 May 2021, the holders of depository receipts in the Group's previous parent company, VEF Ltd., resolved to carry out a restructuring of the Group, whereby depository receipts in the former parent company VEF Ltd. were annulled and redeemed in exchange for ordinary shares in the current parent company, VEF AB (publ) (the "**Redomestication**"). Refer to the section "Legal considerations and supplementary information – Redomestication", for further information regarding the Redomestication. Due to the Redomestication, the Company's operations as parent company of the Group is not reflected in the Company's historical financial information and accordingly, VEF has complex financial history according to Article 18 of the Commission Delegated Regulation (EU) 2019/980. In order to give investors a true and fair view of the Group's results and financial position, the historical financial information presented in the Offering Circular is attributable to the Group, with VEF Ltd. and VEF AB (publ), respectively, as parent company. For the time period prior to the Redomestication, the financial reports incorporated in the Offering Circular have been presented by the Group with VEF Ltd. as parent company, which refers to VEF's annual reports for 2020 and 2019 as well as the interim report for the period 1 January–31 March 2021. For the time period following to the Redomestication, the financial reports incorporated in the Offering Circular have been presented by the Group with VEF AB (publ) as parent company, which refers to VEF's annual report for 2021 as well as the interim report for the period 1 January–31 March 2022. The Redomestication is a business combination under common control. As such, the transaction is excluded from business combinations under IFRS 3 and has not affected the consolidated financial statements of VEF. The transfer of net assets between companies under common control does not affect prior periods which are therefore not restated.

The information below shall be read in conjunction with the sections "Selected financial information" and "Capitalization, indebtedness and other financial information" as well as the Group's audited annual reports for 2021, 2020 and 2019 and the interim reports for the period 1 January–31 March 2022 and 1 January–31 March 2021, which are incorporated in the Offering Circular by reference. The Group's actual results may deviate significantly from what is predicted in the forward-looking information due to a variety of factors, including but not limited to what is stated elsewhere in this Offering Circular, including those stated in the section "Risk factors".

Overview

Refer to the section "Business overview – VEF in brief".

Factors that affect the results of the business

In the past, VEF's results have been affected, and its results and prospects will continue to be affected, by a number of factors and challenges, of which some are outside VEF's control. The main factors and challenges deemed by VEF to have affected the operating profit during the periods discussed in this section and which are expected to continue to affect VEF's results and prospects are described below.

Macroeconomic conditions and market conditions

As an investment company, VEF is affected by a number of macroeconomic and market-related factors, including prevailing conditions in the financial market and the general economic and political development. A stronger or weaker economy or stock market, which is outside the Group's control, can both directly and indirectly affect the value of the Group's portfolio companies and thus also the Group's results and financial position. In addition to general economic conditions, which may lead to an increase or decrease in demand for the products of the Group's portfolio companies, and the prevailing stock market climate, market sentiment regarding investments in the fintech sector may also affect the

valuation of the Group's portfolio companies and thus affect the Group's NAV. The above-mentioned factors can also affect conditions for attracting capital to finance continued business development. For further information on risks related to economic conditions and market conditions, refer to the section "*Risk factors*".

The operational and financial developments in portfolio companies

VEF is an investment company whose results and financial position are a direct effect of the market value of its holdings. Given that operational and financial development in the portfolio companies has a direct impact on the companies' market value, it may in the long run also have a direct impact on the Group's NAV.

Ability to successfully realize investments and actively work with the holdings to generate an attractive return

The Group's ability to identify attractive investments and create an attractive return has a direct impact on the business' results. Thus, the Company's view is that the following factors are important for the Group's future results:

- The Group's ability to attract and employ capital and to identify attractive investments. This applies to both the ability to make additional investments in existing portfolio companies and the ability to identify investment opportunities in new portfolio companies.
- The Group's ability to successfully work with management teams and Board of directors in the Group's portfolio companies to achieve the adopted strategy and full value potential in the companies in question. The Group strives for minority interests of 10–20 percent with board representation in the majority of its portfolio companies, in order to be an active and supportive owner.
- The Group's network and its access to a wide range of international markets, as well as relationships with other players in the financial markets, enable the realization of various types of investments.

For further information on how the Group works actively with investments and portfolio companies, refer to the section "*Business overview – Investment process*".

Currency effects

Changes in exchange rates have had an impact on the Group's results and/or the value of its assets and liabilities. Exposure to exchange rate fluctuations consists partly of translation exposure and partly of transaction exposure. The translation exposure is a consequence of translating the income statement and balance sheet of the businesses with functional currencies other than the Group's reporting currency, being USD. Transaction exposure is a consequence of the businesses' income and expenses being denominated in foreign currency.

The Group's exposure to both translation and transaction risk is mainly attributable to the Swedish krona (SEK), the US dollar (USD), the British pound (GBP) and the euro (EUR).

Tax

VEF conducts its operations, including transactions within the Group, in accordance with its interpretation and understanding of applicable tax legislation, tax agreements and other regulations, as well as the requirements of tax authorities in relevant jurisdictions. There is no guarantee that the Group's interpretation and application of applicable laws, ordinances, case law or the tax authorities' administrative practice has been, or will continue to be, correct. There is also no guarantee that such laws, regulations or practices will not change, potentially with a retroactive effect. Potential changes in applicable tax legislation and treaties or other regulations, as well as the requirements from relevant tax authorities in relevant jurisdictions, may affect the Group's results and cash flows.

Description of main items in the income statement

Profit from financial assets valued at fair value via the income statement

Profit from financial assets valued at fair value via the income statement refers to profits and losses as a result of changes in fair value. For shares held both at the beginning and at the end of the year, the change in value is the difference in market value between these occasions. For shares acquired throughout the year, the change in value is the difference between the acquisition value and the market value at the end of the year. For shares sold throughout the year, the change in value is the difference between the cash received and the value at the beginning of the year.

Dividend income and coupon interest

Dividend and coupon income, which are reported in the income statement, are recognised as income when the dividend and coupon income are deemed secure. Moreover, dividend income is reported including withholding tax. These withholding taxes are included as an expense in the income statement or as a short-term receivable depending on whether the withholding tax is refundable or not.

Other incomes

Other income consists of income that cannot be considered to have arisen as part of the Group's main operations. Other operating income includes, for example, items such as realised interest income from convertible loans.

Administrative and operating costs

Administrative and operating costs mainly refer to costs for compensation paid to employees (excluding costs relating to employees' incentive programmes), external services and other administrative costs and depreciation.

Incentive programme for employees

The Group uses a share-based compensation plan. Remuneration to employees in the form of incentive programmes includes costs that correspond to the fair value of the estimated number of shares that are expected to be added to the employees.

For more information on the Group's incentive programmes, refer to the section "Share capital and ownership structure – Incentive programmes".

Operating profit

Operating profit consists of the Group's total income, including the fair value of what has been or will be received from the Group's current operations, dividend and coupon income and other income after deductions for operating expenses, consisting of administrative and operating costs as well as incentive programmes for employees.

Year's result

The result for the year consists of profit after financial items and taxes.

Comparison between the period 1 January–31 March 2022 and 1 January–31 March 2021

The figures in parentheses refer to the period 1 January–31 March 2021.

Results

Loss for the period amounted to USD –24.1 million (15.3). Loss from financial assets valued at fair value through profit or loss for the period amounted to USD –21.7 million (16.3). The result for the first quarter of 2022 was mainly attributable to depreciation of Russian assets and portfolio revaluations.

Equity and liabilities

As at 31 March 2022, the Group's equity and liabilities amounted to USD 738.7 million (404.4). Equity increased over the first quarter of 2022 to USD 737.7 million from USD 403.4 million during the first quarter of 2021, where the increase was mainly attributable to a directed share issue and portfolio revaluations. At the end of the period, long-term liabilities amounted to USD 0.0 million (0.1). The decrease of long-term liabilities was attributable to reclassification to current liabilities related to lease agreements.

Cash flow

Over the period, the Group's total cash flow amounted to USD 4.7 million (4.2). Cash flow from operating activities over the period amounted to USD 4.7 million (–0.01) and can be attributed to operating activities. Gross cash flow from investing in financial assets, which is included in operating activities, amounted to USD –32.2 million (–9.0) and can be attributed to investments in new portfolio companies. Cash flow from financing activities amounted to USD 0.0 million (–).

Changes in the portfolio

Major portfolio events over the period mainly include investments in Gringo of USD 12.3 million and Solfácil of USD 20 million. As of 31 March 2022, the seven largest investments were Creditas (53.4 percent of the NAV), Konfio (18.4 percent of the NAV), Juspay (5.8 percent of the NAV), TransferGo (3.9 percent of the NAV), Solfácil (2.7 percent of the NAV), JUMO (2.5 percent of the NAV) and Rupeek (1.8 percent of the NAV).

Comparison between the financial years 2021 and 2020

The figures in parentheses refer to the financial year 2020.

Results

Profit for the year amounted to USD 275.5 million (79.5). Profit from financial assets valued at fair value through profit or loss for the period amounted to USD 284.6 million (84.7). The result for the financial year 2021 was mainly attributable to revaluations of portfolio companies.

Equity and liabilities

As of 31 December 2021, the Group's equity and liabilities amounted to USD 762.8 million (388.1). Equity increased over the financial year 2021 to USD 761.7 million from USD 388.1 million the financial year 2020, where the increase was mainly attributable to profit for the year and a directed share issue. At the end of the period, long-term liabilities amounted to USD 0 million (0.1). The decrease of long-term liabilities was attributable to repayment of lease liabilities.

Cashflow

Over the year, the Group's total cash flow amounted to USD 7.6 million (–1.6). Cash flow from operating activities over the year amounted to USD 90.1 million (–59.8) and can be attributed to investing activities. Net cash flow from investing in financial assets, which is included in operating activities, amounted to USD 171.1 million (–97.1) and can be attributed to cash investments and investments in existing and new portfolio companies. Cash flow from financing activities amounted to USD 97.8 million (58.2) and can be attributed to the directed share issue during the year.

Changes in the portfolio

Major portfolio events in 2021 mainly include investments in Konfio of USD 29.0 million, Creditas of USD 25.0 million, BlackBuck of USD 10.0 million, Rupeek of USD 12.0 million, Juspay of USD 4.0 million, TransferGo of USD 2.8 million, FinanZero of USD 1.5 million, Abhi of USD 1.4 million, Minu of USD 0.5 million and investments in cash investments of USD 2.5 million. Income from divestments relate to the divestments of Guiabolso of USD 3.1 million, Xerpa of USD 1.3 million and cash investments of USD 82.5 million. At the end of 2021, the seven largest investments were Creditas (51.7 percent of the NAV), Konfio (17.8 percent of the NAV), Juspay (5.6 percent of the NAV), TransferGo, (3.8 percent of the NAV), JUMO (2.4 percent of the NAV), REVO (1.7 percent of the NAV) and Rupeek (1.7 percent of the NAV).

Comparison between the financial years 2020 and 2019

The figures in parentheses refer to financial year 2019.

Results

Profit for the year amounted to USD 79.5 million (48.5). Profit from financial assets valued at fair value through profit or loss for the period amounted to USD 84.7 million (53.5). The result for the financial year 2020 was mainly attributable to positive revaluations of the portfolio companies Creditas and TransferGo.

Equity and liabilities

As of 31 December 2020, the Group's equity and liabilities amounted to USD 388.9 million (250.9). Equity increased over the financial year 2020 to USD 388.1 million from USD 249.4 million the financial year 2019, where the increase was mainly attributable to profit for the year and a directed share issue. At the end of the period, long-term liabilities amounted to USD 0.1 million (0.1). The result of long-term liabilities was attributable to outstanding lease agreements.

Cashflow

Over the year, the Group's total cash flow amounted to USD -1.7 million (0.1). Cash flow from operating activities over the year amounted to USD -59.8 million (1.6) and can be attributed to cash investments and investments in new and existing portfolio companies. Net cash flow from investing in financial assets, which is included in

operating activities, amounted to USD -97.1 million (48.8) and can be attributed to investments in existing and new portfolio companies. Cash flow from financing activities amounted to USD 58.2 million (-1.6) and can be attributed to the directed share issue carried out during the year.

Changes in the portfolio

Major portfolio events in 2020 mainly include investments in Creditas of USD 24.9 million, Juspay of USD 13.0 million, TransferGo of USD 2.1 million, Nibo of USD 1.2 million, Finja of USD 0.9 million and investments in cash investments of USD 13.5 million. Income from divestments relate to the divestments of Revo of USD 3.0 million and cash investments of USD 41.5 million. By the end of 2020, the Group's seven largest investments were Creditas (43.7 percent of the NAV), Konfio (12.5 percent of the NAV), TransferGo (7.4 percent of the NAV), Juspay (4.5 percent of the NAV), Nibo (3.5 percent of the NAV), Revo (2.9 percent of the NAV) and FinanZero (2.6 percent of the NAV).

Intangible assets

As of 31 March 2022, the Group had no intangible fixed assets.

Tangible fixed assets

The Group's tangible fixed assets mainly pertain to equipment. Tangible fixed assets are reported at acquisition value less accumulated depreciation. Amortisation of equipment takes place on a straight-line basis with an estimated useful life of five years. The assets' residual values and useful lives are reviewed and adjusted as necessary on the balance sheet date.

Financial assets

As of 31 March 2022, the Group's financial assets amounted to USD 731.5 million and consisted mainly of participations in portfolio companies.

Investments

The following table shows VEF's investments over the financial year 2021, 2020 and 2019 and the three-month period ending 31 March 2022. VEF's investments mainly involve investments in financial fixed assets which consist of equity or debt investments where VEF expects value growth.

MUSD	January – March		January – December		
Investments	2022	2021	2021	2020	2019
Gross investments in financial assets	32.2	9.0	171.1	97.1	48.8
Net investments in office equipment	-	-	-	-	0.05
Total investments	32.2	9.0	171.1	97.1	48.9

The Company has no significant ongoing investments and no commitments with regard to future significant investments, in addition to investments in operating activities.

Working capital statement

VEF considers that its existing working capital is sufficient for the Company's current needs over the next 12-month period from the date of this Offering Circular. In this context, working capital refers to the Company's access to liquid funds and other available assets that are required to be able to settle its obligations as they fall due for payment.

Trends

Other than what is stated in the sections "*Risk factors*", "*Business overview*" and "*Significant changes since 31 March 2022*", as at the date of this Offering Circular, there are no known trends, uncertainties, potential receivables or other requirements, commitments or events that could be expected to have a significant impact on VEF's business prospects through the current financial year. In addition to what is stated in the section "*Risk factors*", the Company is also not aware of any public, economic, tax policy, monetary policy or other political measures that, directly or indirectly, have significantly impacted or could significantly affect VEF's operations.

Significant changes since 31 March 2022

Since 31 March 2022, VEF has issued senior unsecured sustainability bonds of SEK 500 million (USD 53 million), see further section "*Legal considerations and supplementary information – Agreements – Bonds 2022/2025*".

In addition to the above, no significant changes in VEF's financial position or results have occurred since 31 March 2022.

Capitalization, indebtedness and other financial information

The tables in this section describe the Company's capitalization and indebtedness at Group level at 31 March 2022. Refer to the section "Share capital and ownership" for further information about the Company's share capital and shares. The tables in this section should be read in conjunction with the Company's financial information, including the related notes, which have been incorporated by reference in accordance with what is stated in the section "Documents incorporated by reference".

Capitalization

TUSD	As at 31 March 2022
Total Current debt (including the current part of non-current debt)	1,028
Guaranteed	–
Secured	–
Unguaranteed/unsecured	1,028
Total non-current debt (excluding the current part of non-current debt)¹⁾	–
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Shareholders' equity	737,689
Share capital	1,308
Reserve(s)	–
Other reserves	736,381
Total equity	737,689

1) Excluding the unsecured sustainability bonds amounting to a total of SEK 500 million (USD 53 million) that the Company issued on 6 April 2022. Refer to the sections "Operating and financial review – Significant changes since 31 March 2022" and "Legal considerations and supplementary information – Agreements – Bonds 2022/2025".

Net indebtedness

VEF's net indebtedness as at 31 March 2022 is presented in the table below. As at 31 March 2022 the Company has no indirect indebtedness or contingent indebtedness.

TUSD	As at 31 March 2022
(A) Cash	6,380
(B) Cash equivalents	16,309
(C) Other current financial assets	–
(D) Liquidity (A+B+C)	22,689
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–
(F) Current portion of non-current financial debt	–
(G) Current financial indebtedness (E+F)	–
(H) Net current financial indebtedness (G-D)	– 22,689
(I) Non-current financial debt (excluding current portion and debt instruments)	–
(J) Debt instruments ²⁾	–
(K) Non-current trade and other payables	–
(L) Non-current financial indebtedness (I+J+K)²⁾	–
(M) Total financial indebtedness (H+L)²⁾	–22,689

2) Excluding the unsecured sustainability bonds amounting to a total of SEK 500 million (USD 53 million) that the Company issued on 6 April 2022. Refer to the sections "Operating and financial review – Significant changes since 31 March 2022" and "Legal considerations and supplementary information – Agreements – Bonds 2022/2025".

Board of directors, executive management and auditor

Board of directors

VEF's Board of directors consists of six ordinary members, including the Chairman of the Board of directors, with no deputy board members, all of whom are elected for the period up until the end of the Annual General Meeting 2023. The table below shows the members of the Board of directors, when they were first elected and whether they are considered to be independent of the Company and/or the major shareholders.

Name	Position	Member since	Independent of	
			The Company and executive management	The major shareholders
Lars O Grönstedt	Chairman	2015	Yes	Yes
Per Brilioth	Board member	2015	Yes	Yes
Allison Goldberg	Board member	2020	Yes	Yes
Hanna Loikkanen	Board member	2021	Yes	Yes
David Nangle	Board member	2015	No	Yes
Ranjan Tandon	Board member	2017	Yes	No

Lars O Grönstedt

Born 1954. Chairman of the Board since 2015.

Education: MBA from Stockholm School of Economics and BA in languages and literature from Stockholm University.

Other current assignments: Chairman of the board of VNV Global AB (publ) and Fabius East Pte Ltd.

Board member of Fabius Finans AB.

Deputy board member of Fabius Management AB. Speaker of Trygg-Stiftelsen.

Previous assignments (last five years): Chairman of the Board of directors of Eastnine AB (publ), Manetos Group AB, Manetos AB, Manetos Labs AB, Realcap Ventures AB, Realcap Ventures Holding AB and , Realcap Ventures Fund 1 AB, Manetos Smart Buildings AB, Realcap AB and Fabius Sud AG Zug. Board member of Fabius Holding AB.

Shareholding in the Company: Lars, together with related parties, holds 130,000 shares in the Company.

Per Brilioth

Born 1969. Board member since 2015.

Education: Graduate in Business Administration from Stockholm University and a Master of Finance from London Business School.

Other current assignments: Chairman of the Board of directors of Pet Sounds AB, Telegram Studios AB, Gavald Holdings AB, Pomegranate Investment AB (publ), Pet Sounds Digital AB, Vera L AB, VNV Pioneer AB, VNV Sweden AB, VNV AB and Global Health Equity II AB.

CEO of VNV Global AB (publ) and Global Health Equity AB (publ). Board member of VNV Global AB, Kontakt East Holding AB, Alva Labs AB, Babylon Holdings Limited, Comuto SA, Cow-Pow Studios AB, El Basharcoft Inc., Housing Anywhere B.V., Incrin Limited, JamesEdition B.V NMS INVEST AB, Oljo Exchange Limited, One Two Trip Ltd., Voi Technology AB, Global Health Equity AB (publ), GT Gettaxi Limited, Orquidea Investment AB and Property Finder International Ltd.

Deputy board member in Stockholmsvåning AB.

Previous assignments (last five years): Chairman of the Board of directors of VNV Global AB (publ), THUNDERROAD AB, Semjorka I AB and Barguzin I AB.

Board member of Tethys Oil AB, Fotografiska Trademark AB, LeoVegas AB (publ) and Avito AB.

Deputy board member of Digital Agency Ryssland AB.

Shareholding in the Company: Per holds 2,790,000 shares in the Company.

Allison Goldberg

Born 1976. Board member since 2020.

Education: Bachelor of Science in Economics from Wharton School at the University of Pennsylvania.

Other current assignments: Board member of Proletariat Inc., YieldMo Inc. and Tact.ai Technologies, Inc.
General Partner at Saints Capital Media Ventures.
Vice President at Comcast Corporation.

Previous assignments (last five years): Board member of Bustle Digital Group Inc., FirstMark Horizon Acquisition Corp Inc., Mashable Inc. and Outpost Games.
Senior Vice President of Time Warner Investments.

Shareholding in the Company: Allison holds no shares in the Company.

Hanna Loikkanen

Born 1969. Board member since 2021.

Education: Master's degree in economics from the Helsinki School of Economics and Business Administration.

Other current assignments: Chairman of the Board of directors of OnBoardSolution Oy.

CEO of OnBoardSolution Oy.

Board member of Bank of Georgia Group PLC, Bank of Georgia JSC, FCA Investments Oy, Finnfund Oy, PJSC Rosbank and T&B Capital Oy.

Previous assignments (last five years): Board member of BGEO Group PLC and PayiQ Oy.
Senior advisor and responsible for the Russian private equity-operations at East Capital.

Shareholding in the Company: Hanna holds 52,000 shares in the Company.

David Nangle

Born 1975. Board member since 2015.

Education: Bachelor of Commerce International (French) from University College Dublin Ireland.

Other current assignments: Board member of Abhi Limited, Creditas Financial Solutions Ltd., Finanzero Brazil AB, Finja Inc, Konfio Limited, TransferGo Holdings Limited, VEF Fintech Ireland Limited, VEF Service AB and VEF UK Ltd.

Previous assignments (last five years): Board member of Guiabolso (Cayman) Ltd., MFC Revo Technology LLC, Ivzico Ödeme Hizmetleri A.S. and JUMO WORLD LIMITED.

Shareholding in the Company: David holds 14,972,581 shares in the Company of which 971,000 constitute investment shares under LTIP 2019, LTIP 2020 and LTIP 2021, as well as 4,960,000 Series C 2019 shares under LTIP 2019, 13,300,000 Series C 2020 shares under LTIP 2020 and 3,325,000 Series C 2021 shares under LTIP 2021.

Ranjan Tandon

Born 1951. Board member since 2017.

Education: Degree in Chemical Engineering from Indian Institute of Technology in Kanpur, India and a graduate from Harvard Business School.

Other current assignments: Board member of NYU Tandon School of Engineering, ArborGen Inc and Greenwich Hospital.
Founder and Chairman of the board of Libra Advisors LLC.

Previous assignments (last five years): Board member of Carl Schurz Park Conservancy.

Shareholding in the Company: Ranjan holds 118,985,142 shares in the Company through Libra Fund LP and 1,700,000 shares through Libra Offshore Fund.

Executive management

David Nangle

Born 1975. CEO since 2015.

Education: Bachelor of Commerce International (French) from University College Dublin Ireland.

Other current assignments: Board member of Abhi Limited, Creditas Financial Solutions Ltd., Finanzero Brazil AB, Finja Inc, Konfio Limited, TransferGo Holdings Limited, VEF Fintech Ireland Limited, VEF Service AB and VEF UK Ltd.

Previous assignments (last five years): Board member of Guiabolso (Cayman) Ltd., MFC Revo Technology LLC, Ivzico Ödeme Hizmetleri A.S. and JUMO WORLD LIMITED.

Shareholding in the Company: David holds 14,972,581 shares in the Company of which 971,000 constitute investment shares under LTIP 2019, LTIP 2020 and LTIP 2021, as well as 4,960,000 Series C 2019 shares under LTIP 2019, 13,300,000 Series C 2020 shares under LTIP 2020 and 3,325,000 Series C 2021 shares under LTIP 2021.

Henrik Stenlund

Born 1976. CFO since 2017.

Education: MSc in Economics at Jönköping School of Economics.

Other current assignments: Chairman of the Board of directors of VEF Fintech Ireland Limited, VEF UK Ltd and Stockholm Value Ventures AB.

Board member of VEF Service AB.

Deputy board member of Stenlund Group AB and MUSCHEM AB.

Previous assignments (last five years): Chairman of the Board of directors of VEF AB (publ).¹⁾

Board member of VEF Ltd. and MUSCHEM AB.

COO of Pomegranate Investment AB (publ) and VNV Global AB (publ).

Shareholding in the Company: Henrik holds 2,005,500 shares in the Company of which 367,094 constitute investment shares under LTIP 2019, LTIP 2020 and LTIP 2021, as well as 1,860,000 Series C 2019 shares under LTIP 2019, 5,153,750 Series C 2020 shares under LTIP 2020 and 1,184,540 Series C 2021 shares under LTIP 2021.

Alexis Koumoudos

Born 1985. CIO since 2021 and Investment Manager since 2016.

Education: BA in Business Finance at Durham University and MSc in Quantitative Finance Economics at Cass Business School.

Other current assignments: Board member of Juspay, Gringo, Magnetis and Nibo.

Previous assignments (last five years): Board member of Xerpa.

Shareholding in the Company: Alexis holds 1,748,864 shares in the Company of which 685,637 constitute investment shares under LTIP 2019, LTIP 2020 and LTIP 2021, as well as 3,472,000 Series C 2019 shares under LTIP 2019, 9,476,250 Series C 2020 shares under LTIP 2020 and 2,369,045 Series C 2021 shares under LTIP 2021.

Helena Caan Mattsson

Born 1987. General Counsel and Head of Sustainability since 2017.

Education: LL.M. from Stockholm University and Master of Science in Business law from Jönköping University.

Other current assignments: Board member of VEF Fintech Ireland Limited, VEF UK Ltd and VEF Service AB.

Previous assignments (last five years): Board member of VEF AB (publ)²⁾ and VEF Ltd.

Associate at Advokatfirman Cederquist.

Shareholding in the Company: Helena holds 1,127,096 shares in the Company of which 343,344 constitute investment shares under LTIP 2019, LTIP 2020 and LTIP 2021, as well as 1,860,000 Series C 2019 shares under LTIP 2019, 4,322,500 Series C 2020 shares under LTIP 2020 and 1,184,540 Series C 2021 shares under LTIP 2021.

1) Refers to the period 29 April 2021–28 June 2021 as a step in the implementation of the Redomestication. Refer to section “Legal considerations and supplementary information – Redomestication”.

2) Refers to the period 29 April 2021–28 June 2021 as a step in the implementation of the Redomestication. Refer to section “Legal considerations and supplementary information – Redomestication”.

Other information about the Board of directors and executive management

There are no family ties between any of the members of the Board of directors or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of directors and executive management of the Company and their private interests and/or other undertakings.

No special agreement has been reached with major shareholders, customers, suppliers or other parties according to which any member of the Board of directors or executive management has been elected to the current position.

In 2018, David Nangle paid a fee to the SFSA for late reporting of PDMR transactions in 2016 and 2017.

Per Brilioth was the Chairman of the Board of directors of Pet Sounds Digital AB, in which a bankruptcy procedure was initiated on 26 October 2020. The bankruptcy is pending as of the date of this Offering Circular.

Lars Olof Grönstedt was the Chairman of the Board of directors of Manetos AB, in which a bankruptcy procedure was initiated on 24 October 2018. The bankruptcy was declared closed on 13 November 2020.

Other than what is stated above, none of the members of the Board of directors or the members of the executive management have, during the past five years, (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) been the subject to accusations and/or sanctions by any agency authorized by law or regulation (including recognized professional organisations) or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from holding a senior or overarching position of any company.

All members of the Board of directors and the members of the executive management are available at the Company's main office at Mäster Samuelsgatan 1 1 floor, SE-111 44 Stockholm.

Auditor

PricewaterhouseCoopers AB ("PwC") is the Company's auditor and was, at the Annual General Meeting 2022, re-elected until the end of the Annual General Meeting 2023. Bo Karlsson (born 1966) is the auditor in charge. Bo Karlsson is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). PwC's office address is Torsgatan 21, SE-113 97 Stockholm. PwC has been auditor throughout the entire period which the historic financial information in this Offering Circular covers. PwC, was elected as auditor by the Extraordinary General Meeting held on 28 April 2021 as a step in the implementation of the Redomestication¹⁾. Prior to that, since 2015, PwC has also been the auditor of VEF Ltd.

1) See also the section "Legal considerations and supplementary information – Redomestication".

Corporate governance

Corporate governance

VEF is a Swedish public limited liability company. Corporate governance in the Company is based on Swedish law and internal rules and instructions. Since the listing of the Company's shares on Nasdaq First North Growth Market, the Company also complies with Nasdaq First North Growth Market's rules for issuers. Following admission to trading on Nasdaq Stockholm, the Company will follow Nasdaq Stockholm's Rule Book for Issuers, instead of Nasdaq First North Growth Market's Rulebook.

The Company applies the Swedish Corporate Governance Code (the "**Code**"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle"). Any deviations from the Code will be disclosed in the Company's corporate governance report. In the Company's corporate governance report for financial year 2021, the Company did not report any deviation from the Code and the Company does not currently expect to report any deviation in the Corporate Governance Report for the financial year 2022.

General Meeting

According to the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*), the shareholders' meeting is the Company's ultimate decision-making body. At the shareholders' meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability of members of the Board of directors and the CEO, election of members of the Board of directors and auditors and remuneration to the Board of directors and the auditors.

The Annual General Meeting must be held within six months from the end of the financial year. In addition to the Annual General Meeting, Extraordinary General Meetings may be convened. According to the articles of association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Svenska Dagbladet.

Right to participate in shareholders' meetings

Shareholders who wish to participate in a shareholders' meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day falling six banking days prior to the meeting and notify the Company

of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend shareholders' meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the shareholders' meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all Company shares owned or represented by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the Board of directors. Such request must normally be received by the Board of directors no later than seven weeks prior to the shareholders' meeting.

Nomination committee

Companies applying the Code shall have a Nomination committee. According to the Code, the shareholders' meeting shall appoint the members of the Nomination committee or resolve on procedures for appointing the members. The Nomination committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the Company and the Group Management. In addition, at least one member of the Nomination committee shall be independent in relation to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of the Company's management.

The Annual General Meeting of the Company held on 10 May 2022 decided to adopt the following principles for the Nomination committee.

A Nomination committee shall be convened by the Chairman of the Board and comprise of one representative of each of the three shareholders with the largest number of votes. If a shareholder declines, or has an obvious conflict of interest, the Chairman of the Board should approach the next largest shareholder. The ownership shall be based on the statistics from Euroclear Sweden AB over shareholders as per the last business day in August 2022. The chairman of the board shall be co-opted (Sw. *adjungerad*) to the Nomination committee and, as such, is a participating member of the committee but not a voting member. The names of the members of the Nomination committee shall be announced and presented on the company's webpage as soon as they have been appointed, which shall be no later than six months prior to the Annual General Meeting but in any event no later than the last business day in September. If a member of the Nomination committee resigns during the committee term or is prevented from completing his or her assignment or in case of a material change in ownership prior to completion of the work to be performed by the Nomination committee, it shall be possible to change the composition of the Nomination

committee. Changes to the composition of the Nomination committee shall be announced as soon as possible after occurring. The Nomination committee's mandate period extends up to the appointment of a new Nomination committee. The Nomination committee shall appoint a Chairman among them, which cannot be the Company's Chairman of the Board. If the representatives cannot agree upon appointment of a Chairman, the representative representing the shareholder with the largest number of votes shall be appointed as Chairman. The Nomination committee shall prepare proposals for the following decisions at the Annual General Meeting in 2023: (i) election of the Chairman for the meeting, (ii) election of the members of the board, (iii) election of the Chairman of the Board of directors, (iv) remuneration to the members of the board, (v) election of the company's auditor (vi) compensation to the company's auditor, and (vii) proposal for how to conduct the nomination process for the Annual General Meeting in 2024. No remuneration shall be paid to the members of the Nomination committee. However, the Company shall bear the reasonable expenses related to the assignment of the Nomination committee.

Board of directors

The Board of directors is the second-highest decision-making body of the Company after the shareholders' meeting. According to the Swedish Companies Act, the Board of directors is responsible for the organization of the company and the management of the company's affairs, which means that the Board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The Board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the Board of directors appoints the CEO.

Members of the Board of directors are normally appointed by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's articles of association, the members of the Board of directors elected by the shareholders' meeting shall be not less than 3 and not more than 10 members with no deputy members.

According to the Code, the Chairman of the Board of directors is to be elected by the shareholders' meeting and have a special responsibility for leading the work of the Board of directors and for ensuring that the work of the Board of directors is efficiently organized.

The Board of directors applies written rules of procedure, which are revised annually and adopted by the inaugural board meeting every year. Among other things, the rules of procedure govern the practice of the Board of directors, functions and the division of work between the members of the Board of directors and the CEO. At the inaugural board meeting, the Board of directors also adopts instructions for the CEO, including instructions for financial reporting.

The Board of directors meets according to an annual predetermined schedule. In addition to these meetings,

additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the Chairman of the Board of directors and the CEO continuously discuss the management of the Company.

Currently, the Company's Board of directors consists of six ordinary members elected by the shareholders' meeting, who are presented in section "*Board of directors, executive management and auditor*".

Audit committee

VEF has an audit committee consisting of two members: Hanna Loikkanen (Chairman) and Lars O Grönstedt. The audit committee shall, without it affecting the responsibilities and tasks of the Board of directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the shareholders' meeting's decision on election of auditors.

Remuneration committee

VEF has a remuneration committee consisting of two members: Lars O Grönstedt (Chairman) and Per Brilioth. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and the executive management.

The CEO and other executive management

The CEO is subordinated to the Board of directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of directors and the CEO is set out in the rules of procedure for the Board of directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the Board of directors receives adequate information for the Board of directors to be able to evaluate the Company's financial condition.

The CEO must continuously keep the Board of directors informed of developments in the Company's operations, the development of sales, the Company's result and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and executive management are presented in section "*Board of directors, executive management and auditor*".

Remuneration to the members of the Board of directors, CEO and executive management

Guidelines for remuneration to the Board of directors, CEO and other executive managers

At the Annual General Meeting of VEF AB (publ) held on 10 May 2022, it was resolved to adopt the following guidelines for remuneration of directors, the CEO and executive management.

The guidelines shall apply to the members of the management team and the Board of directors of the Company. The guidelines shall apply to remuneration agreed, and changes made to remuneration already agreed, after the adoption of the guidelines. The guidelines do not apply to remuneration decided by the General Meeting of Shareholders.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

The Company's business strategy is to use its experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation. The sector mandate is broad and the proposition is to create shareholder value by investing in assets that are associated with risks which VEF is well-equipped to manage. Such typical risks include corporate governance risks, liquidity risks and operational risks.

For more information regarding the Company's business strategy, please see www.vef.vc.

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is the Company's ability to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer the management team a competitive total remuneration.

Long-term share-related incentive programs have been implemented in the Company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The long-term share-related incentive plan proposed by the Board of directors and submitted to the Annual General Meeting 2022 for approval (LTIP 2022) is excluded for the same reason. The proposed plan essentially corresponds to the plan adopted at the 2021 special general meeting (LTIP 2021). However, unlike previous programs, LTIP 2022 is proposed to be vested over a three-year vesting period of one third per year. The programs include all permanent employees of the Company. The performance criteria used to assess the outcome of the programs are distinctly linked to the business strategy and thereby to the Company's long-term value creation. At present, these performance criteria comprise average annual development of VEF's NAV per share over the lifetime of the programs, subject to market-based adjustments. The programs are further conditional upon the participant's own investment and holding periods of several years. For more information regarding the

programs, including the criteria on which the outcome depends, please see VEF's annual report for the financial year 2021, note 8 to the financial statements. Variable cash compensation covered by these guidelines shall be aimed at promoting the Company's business strategy and long-term interests, including its sustainability.

Remuneration to executive management

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may — irrespective of these guidelines — resolve on share or share price-related remuneration as well as other forms of remuneration without limitation.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 100 percent of the fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance and one-time highly remarkable achievements and results. Such remuneration may not exceed an amount corresponding to 200 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of directors (based on a proposal from the remuneration committee).

For the CEO and other executive management, pension benefits, including health insurance, shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance and partial compensation for loss of salary in connection with parental leave. Such benefits may amount to not more than 50 percent of the fixed annual cash salary.

For employments governed by rules other than Irish and Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for awarding variable cash remuneration, etc

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. These criteria may be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, e.g., by being clearly linked to the business strategy or to promoting the executive's long-term development.

The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be evalu-

ated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

Remuneration to the members of the Board of directors

Remuneration to members of the Board of directors for their work in the Board of directors of the Company shall be resolved upon by the general meeting. The members of the Board of directors are only entitled to remuneration resolved by the general meeting. However, members of the Board of directors may receive additional remuneration for services members of the Board of directors provide to the Company within their respective areas of expertise in addition to their duties as members of the Board of directors. Such remuneration shall be on market terms and based in a consultancy agreement approved by the Board of directors.

Employment conditions

Salary and employment conditions for employees

In the preparation of the Board of directors' proposal for these remuneration guidelines and the evaluation of whether the guidelines and the limitations set out herein are reasonable, salary and employment conditions for employees of the Company have been taken into account, including information on the employees' total income, the components of the remuneration and increase and growth rate over time.

Termination of employment

Upon termination of an employment, the notice period may not exceed twelve months, if notice of termination of employment is made by the Company. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for one year for the CEO and other executives. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

Decision-making process, amendments and deviations, etc.

The decision-making process to determine, review and implement the guidelines

The Board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Board of directors shall also monitor and evaluate programs for variable remuneration for the management team, the application of the guidelines of remuneration for executive management as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the management team do not participate in the Board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

Remuneration to members of the Board of directors

Fees and other remuneration to the members of the Board of directors, including the Chairman, are resolved by the shareholders' meeting. At the Annual General Meeting held on 10 May 2022, it was resolved that a fee of SEK 1,000,000 shall be paid to the Chairman of the Board of directors and fees of SEK 500,000 to each of the members who are not employed within the Company. The members of the Board of directors are not entitled to any benefits following termination of their assignments as directors of the board.

The table below presents an overview of the fees received by the members of the Board of directors elected by the general meeting of VEF AB (publ) during the financial year 2021 and for the time period after the Redomestication.

Name	Function	Board fee (SEK)
Lars O Grönstedt	Chairman	623,000
Per Brilioth	Board member	340,000
Allison Goldberg	Board member	283,000
Hanna Loikkanen	Board member	340,000
David Nangle ¹⁾	Board member	–
Ranjan Tandon	Board member	283,000
Total		1,869,000

1) Refers to remuneration for board assignments. Works operationally as CEO and the remuneration paid for this position is disclosed under "– Remuneration to the CEO and other executive management".

The table below presents an overview of the fees received by the members of the Board of directors elected by the general meeting of VEF Ltd. during the financial year 2021 and for the time period prior to the Redomestication.

Name	Function	Board fee (USD)
Lars O Grönstedt	Chairman	37,562
Per Brilioth	Board member	18,559
Allison Goldberg	Board member	16,003
Hanna Loikkanen	Board member	5,559
David Nangle ¹⁾	Board member	–
Ranjan Tandon	Board member	18,003
Total		95,686

1) Refers to remuneration for board assignments. Works operationally as CEO and the remuneration paid for this position is disclosed under “– Remuneration to the CEO and other executive management”.

The table below presents an overview of the fees received by the members of the Board of directors in the Group during the financial year 2021.

Name	Function	Board fee (SEK)
Lars O Grönstedt	Chairman	108,000
Per Brilioth	Board member	57,000
Allison Goldberg	Board member	48,000
Hanna Loikkanen	Board member	44,000
David Nangle ¹⁾	Board member	–
Ranjan Tandon	Board member	50,000
Total		307,000

1) Refers to remuneration for board assignments. Works operationally as CEO and the remuneration paid for this position is disclosed under “– Remuneration to the CEO and other executive management”.

Remuneration to the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other members of the executive management have been resolved by the Board of directors.

The CEO is entitled to a fixed monthly remuneration of USD 44,000. The CEO is also entitled to a variable remuneration of up to 12 months’ salary. In addition, the Company pays individual occupational pension insurance where the premium may not exceed 22 percent of the CEO’s fixed monthly remuneration. A mutual notice period of nine months applies between the Company

and the CEO. The CEO is entitled to a severance payment equivalent to six months’ salary in the event of termination by the Company.

Other members of the executive management are entitled to customary conditions of employment and individual occupational pension insurance. Members of the executive management domiciled in Sweden are entitled to a mutual period of notice of three to six months. Other members of the executive management are not entitled to severance payment upon termination.

The table below presents an overview of remuneration to the CEO and other members of executive management for the 2021 financial year (amounts in TSEK).

Name	Basic salary	Variable remuneration	Other remuneration ¹⁾	Pension costs ²⁾	Share-based remuneration	Total
David Nangle, CEO	2,028	–	2,262	437	804	5,531
Other senior executives (3)	1,457	–	1,322	42	1,159	3,979
Total	5,354	0	3,584	478	1,963	11,380

1) Other remuneration refers to remuneration paid to facilitate participation in incentive programmes as the Company is subsidizing programme participants for the acquisition cost.

2) The pension plans are defined contribution plans. Accordingly, no amounts are accrued or payable for pensions and similar benefits after termination of employment.

The table below presents an overview of remuneration to the CEO and other members of executive management in VEF Ltd. for the 2021 financial year and the time period prior to the Redomestication (amounts in TUSD).

Name	Basic salary	Variable remuneration	Other remuneration ¹⁾	Pension costs ²⁾	Share-based remuneration	Total
David Nangle, CEO	245	367	–	–	–	612
Other senior executives (3)	170	237	–	–	–46	361
Total	415	604	–	–	–46	973

1) Other remuneration refers to remuneration paid to facilitate participation in incentive programmes as the Company is subsidizing programme participants for the acquisition cost.
2) The pension plans are defined contribution plans. Accordingly, no amounts are accrued or payable for pensions and similar benefits after termination of employment.

The table below presents an overview of the total remuneration to the CEO and other members of executive management in the Group for the 2021 financial year (amounts in TUSD).

Name	Basic salary	Variable remuneration	Other remuneration ¹⁾	Pension costs ²⁾	Share-based remuneration	Total
David Nangle, CEO	475	367	261	50	147	1,301
Other senior executives (3)	676	535	863	98	202	2,375
Total	1,151	902	1,124	148	349	3,676

1) Other remuneration refers to remuneration paid to facilitate participation in incentive programmes as the Company is subsidizing programme participants for the acquisition cost.
2) The pension plans are defined contribution plans. Accordingly, no amounts are accrued or payable for pensions and similar benefits after termination of employment.

Incentive programme

For a description of the Company's incentive programme, refer to the section "*Share capital and ownership structure – Incentive programmes*".

Internal Control

Internal control comprises the control of the Company's and the Group's organisation, procedures and support measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the Company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards, that the Company's assets are protected and that other requirements are fulfilled. The system for internal control is also intended to monitor compliance with the Company's and the Group's policies, principles and instructions. Internal control also comprises risk analysis and follow-up of incorporating information and business systems. The Group identifies, assesses and manages risks based on the Group's vision and goals. Risk assessment of strategic, compliance, operational and financial risks shall be performed annually by the executive management under the direction of the CFO and presented to the audit committee and the Board of directors.

The Board of directors and the board's audit committee are responsible for internal control. Processes managing the business and delivering value shall be defined within the business management system. CEO is responsible for the process structure within the Group.

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process shall annually be performed and reported to the audit committee and the Board of directors. The CFO is responsible for the self-assessment process, which is facilitated by the internal controls function. In addition, the internal controls function performs reviews of the risk and internal controls system according to plan agreed with the Board of directors and Group Management.

Auditing

The auditor shall review the Company's annual reports and accounting, as well as the management of the Board of directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the Annual General Meeting.

Pursuant to the Company's articles of association, the Company shall have not less than one and not more than two auditors and not more than two deputy auditors. The Company's auditor is PricewaterhouseCoopers AB, with Bo Karlsson as auditor in charge. The Company's auditor is presented in more detail in section "*Board of directors, executive management and auditor*".



Share capital and ownership structure

General information

Pursuant to the Company's articles of association, the Company's share capital may not be less than SEK 8,000,000 and not more than SEK 32,000,000, and the number of shares may not be less than 800,000,000 and not more than 3,200,000,000. As at the date of this Offering Circular, the Company has issued a total of 1,096,252,478 shares, distributed among 1,042,289,978 ordinary shares, 8,312,500 Class C 2021 shares, 33,250,000 Class C 2020 shares and 12,400,000 Class C 2019 shares. At the Annual General Meeting held on 10 May 2022, it was further resolved to introduce a new class of shares, Class C 2022, and to issue a maximum of 10,422,895 Class C 2022 shares (together with Class C 2021 shares, Class C 2020 shares, and Class C 2019 shares, "**Class C shares**"). The Company's ordinary shares are admitted to trading on Nasdaq First North Growth Market. The shares are denominated in SEK and the quota value of each share is SEK 0.01.

All shares in the Company have been issued pursuant to Swedish law. All issued ordinary shares have been fully paid and are freely transferrable. The C-shares are subject to redemption and conversion rights for the Company in accordance with the articles of association.

The offered shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

Certain rights associated with the shares

The Company has four shares classes outstanding: ordinary shares, Class C 2021, Class C 2020 and Class C 2019. Furthermore, the Annual General Meeting held on 10 May 2022 has resolved to introduce a new class of shares, Class C 2022 shares, which will be registered with the Swedish Companies Registration Office. The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (SFS 2005:551).

Voting rights

Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential rights to new shares etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares of the respective share class held prior to the issue.

Rights to dividends and balances in case of liquidation

Ordinary shares entitle right to dividends from the first time on the record date for dividend that occurs following the shares being admitted to trading. All Ordinary shares give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.

Class C 2021 and Class C 2020 shares are entitled to dividend from the year falling five years after the establishment of the applicable incentive program, provided in each case that the applicable reclassification conditions have been met. Class C 2019 shares are entitled to dividend from the year falling three years after the establishment of the applicable program, provided that the applicable reclassification conditions have been met. Class C 2021 and Class C 2020 shares are entitled to payment of an accumulated, outstanding dividend corresponding to the dividend (per share) paid to the holders of ordinary shares (paid dividends and other value transfers to the shareholders) during a period from the initial issue of the respective incentive shares, to and including the end of the calendar year falling five years after such issuance. Class C 2019 shares are entitled to payment of an accumulated outstanding dividend corresponding the dividend (per share) paid to the holders of ordinary shares (paid dividends and other value transfers to the shareholders) during a period from the initial issue of the respective incentive shares, to and including the end of the calendar year falling three years after such issuance.

Shares of Class C 2022 will, after registration with the Swedish Companies Registration Office, be entitled to the same rights as shares of Class C 2021 and Class C 2020.

Class C Shares are subordinated ordinary shares in terms of right to dividend and upon liquidation of the Company.

Resolutions regarding dividend are passed by shareholders' meetings. All holders of ordinary shares registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the shareholders' meeting shall be entitled to receive dividends. C-shares entitle to dividends as described above. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, refer to the section "*Legal considerations and supplementary information – Important information on taxation*".

Information regarding mandatory bids and redemption of minority shares

Pursuant to the Swedish Takeovers Act (2006:451) any person who (i) does not hold any shares or holds shares representing less than three tenths of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the "**Target Company**"), and (ii) who through the acquisition of shares in the Target Company, alone or together with a closely related party, holds shares representing three tenths or more of the voting rights for all of the shares in the Target Company is obliged to immediately disclose the size of his holding in the Target Company and, within four weeks thereafter, make an offer to acquire the remaining shares in the Target Company (mandatory offer requirement). A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company has the right to redeem the rest of the shares in the company. The owners of the rest of the shares have a corresponding right to have their shares redeemed by the majority shareholder. The formal procedure for the redemption of minority shares is regulated in the Swedish Companies Act.

Dividend policy

According to the Company's dividend policy, the Company will not pay dividends in the foreseeable future.

VEF has not declared any dividend for the most recent financial year.

Central securities register

The Company's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company's shares. The ISIN code for the shares is SE0016128151.

Share capital development

The below table shows historic changes in VEF AB (publ)'s share capital since 7 December 2020, when the Company was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*).

Time ¹⁾	Event	Change in number of shares and votes		Number of shares and votes after the transaction		Share capital (SEK)	
		Shares	Votes	Shares	Votes	Change	Total
2020-12-07	New formation	500,000	500,000	500,000	500,000	500,000	500,000
2021-06-15 ²⁾	Reversed split of ordinary shares	499,999	499,999	1	1	–	500,000
2021-06-15 ²⁾	Split of ordinary shares	834,477,167	834,477,167	834,477,168	834,477,168	–	500,000
2021-06-15 ³⁾	New issue of ordinary share	1	1	834,477,169	834,477,169	0.0006	500,000.0006
2021-06-15 ⁴⁾	Redemption of ordinary share	1	1	834,477,168	834,477,168	–0.0006	500,000
2021-06-15 ⁵⁾	Bonus issue	–	–	834,477,168	834,477,168	7,844,771.68	8,344,771.68
2021-07-12 ⁶⁾	New issue of Class C 2019 shares	12,400,000	12,400,000	846,877,168	846,877,168	124,000	8,468,771.68
2021-07-12 ⁶⁾	New issue of Class C 2020 shares	33,250,000	33,250,000	880,127,168	880,127,168	332,500	8,801,271.68
2021-08-26 ⁷⁾	New issue of ordinary shares	207,312,810	207,312,810	1,087,439,978	1,087,439,978	2,073,128.10	10,874,399.78
2021-09-07 ⁸⁾	New issue of Class C 2021 shares	8,312,500	8,312,500	1,095,752,478	1,095,752,478	83,125	10,957,524.78
2021-11-05 ⁹⁾	New issue of ordinary shares	500,000	500,000	1,096,252,478	1,096,252,478	5,000	10,962,524.78

1) Refers to the date on which the change was registered with the Swedish Companies Registration Office.

2) The event was carried out as part of the Redomestication. Refer to the section "Legal considerations and supplementary information – Redomestication".

3) The event was carried out as part of the Redomestication. The subscription price amounted to SEK 7,844,771.6806 per share. Refer to the section "Legal considerations and supplementary information – Redomestication".

4) The event was carried out as part of the Redomestication. The purpose of the reduction concerned a transfer to unrestricted equity. Refer to the section "Legal considerations and supplementary information – Redomestication".

5) The transaction was carried out as part of the Redomestication. Refer to the section "Legal considerations and supplementary information – Redomestication".

6) The event was carried out as part of the Redomestication. The subscription price amounted to SEK 0.01 per share. Refer to the section "Legal considerations and supplementary information – Redomestication".

7) The transaction relates to a directed share issue. The subscription price amounted to SEK 4.27 per share.

8) The event relates to the implementation of LTIP 2021. The subscription price amounted to SEK 0.01 per share. Refer to the section "– Incentive programmes – LTIP 2021".

9) The event relates to the exercise of options under Option Program 2015. Refer to the section "– Incentive programmes – Option Program 2015". The subscription price amounted to SEK 1.46 per share.

In addition to the above, the Annual General Meeting held on 10 May 2022 resolved to issue 10,422,895 shares of series C 2022, which are intended to be registered with the Swedish Companies Registration Office during June 2022.

The below table shows historic changes in VEF Ltd.'s share capital from 1 January 2019 until 2 July 2021, when the Redomestication was completed.

		Change in number of shares and votes		Number of shares and votes after the transaction		Share capital (SEK)	
Time	Event	Shares	Votes	Shares	Votes	Change	Total
2019-06-04	New issue of incentive shares 2019	12,400,000	12,400,000	628,245,995	628,245,995	124,000	6,282,459.95
2020-06-29	New issue of incentive shares 2020	13,640,000	13,640,000	641,885,995	641,885,995	136,400	6,418,859.95
2020-08-24	New issue of ordinary shares	1,905,000	1,905,000	643,790,995	643,790,995	19,050	6,437,909.95
2020-11-05	New issue of incentive shares 2020	19,610,000	19,610,000	663,400,995	663,400,995	196,100	6,634,009.95
2020-11-23	New issue of ordinary shares	165,850,248	165,850,248	829,251,243	829,251,243	1,658,502.48	8,292,512.43
2021-05-07	New issue of ordinary shares	3,725,925	3,725,925	832,977,168	832,977,168	37,259.25	8,329,771.68
2021-05-19	New issue of ordinary shares	1,500,000	1,500,000	834,477,168	834,477,168	15,000	8,344,771.68
2021-07-02	Cancellation of incentive shares 2019	-12,400,000	-12,400,000	822,077,168	822,077,168	-124,000	8,220,771.68
2021-07-02	Cancellation of incentive shares 2020	-33,250,000	-33,250,000	788,827,168	788,827,168	-332,500	7,888,271.68
2021-07-02	Cancellation of ordinary shares	-788,827,168	-788,827,168	0	0	-788,827,168	0
2021-07-02	New issue of ordinary share	1	1	1	1	1	1

Warrants, convertibles, etc.

As of the date of this Offering Circular, other than what is stated in section “– Incentive programmes”, there are no outstanding warrants, convertibles or other share-related financial instruments.

Incentive programs

There are currently four outstanding incentive programs in VEF: (i) LTIP 2020 (ii) LTIP 2021, (iii) LTIP 2022 and Option program 2015. Furthermore, a previous incentive program, LTIP 2019, expired on 31 December 2021, entailing that a certain number of shares of Class C 2019 shares will be converted into ordinary shares.

The aggregate dilution from LTIP 2019, LTIP 2020, LTIP 2021, LTIP 2022 and Option Programme 2015, assuming that all performance conditions are met in full and all options are exercised, amounts to a maximum of approximately 6.27 percent, based on the number of ordinary shares in the Company as at the date of the Offering Circular.

LTIP 2019

At the Annual General Meeting of VEF Ltd. held on 21 May 2019, it was resolved to introduce a new three-year share-based long-term incentive programme for up to five (5) key employees in VEF Ltd. (“LTIP 2019”). The program runs from 1 January 2019 up until and including 31 December 2021. The participants were offered to purchase a certain number of savings certificates in VEF Ltd. and for each savings certificate, the participants obtained a right to subscribe for in aggregate not more than 12,400,000 incentive shares in VEF Ltd. In connection with the Redomestication, an Extraordinary General Meeting of VEF AB (publ) held on 17 June 2021 resolved on a new share issue of 12,400,000 Class C 2019 shares, after which such shares replaced the same number of incentive shares in VEF Ltd.

Depending on the development of VEF's NAV per share and of any net discount in the listing price of VEF's depository receipts and ordinary shares, respectively, during the three-year measurement period, the Class C 2019 shares will either be redeemed by the Company at quota value or reclassified to ordinary shares in the Company, provided that certain performance conditions have been met.¹⁾ The performance conditions relate to

1) For the period up until the admission to trading of the ordinary shares in VEF AB (publ), reference is made to the NAV and net discount, respectively, of VEF Ltd. and for the period thereafter, the NAV and net discount, respectively, of VEF AB (publ).

VEF's NAV per share. If VEF's NAV per share has increased by an average of 10 percent per year during the measurement period of the program, the participant will retain a total of 20 percent of the Class C 2019 shares, and if VEF's NAV per share has increased by an average of at least 20 percent per year during the measurement period, the participant will retain all the Class C 2019 shares. If VEF's NAV per share has increased on average between 10 percent and 20 percent per year during the measurement period, the shares will be converted on a linear basis. Class C 2019 shares that the participant does not keep will be redeemed by the Company at the quota value. If a participant ceases to be employed by the Group during this period, its Class C 2019 shares will be redeemed at the quota value, unless otherwise determined by the Board of directors on a case-by-case basis.

To promote participation in LTIP 2019, VEF subsidized the subscription price paid by participants for the incentive shares in VEF Ltd. The subsidy amounted to USD 0.27 million, excluding social security contributions. VEF also compensated the participants for the benefit value resulting from the subscription price being below the fair market value. The estimated cost of this subsidy, excluding social security contributions, amounted to USD 0,30 million.

LTIP 2019 comprises a total of 12,400,000 Class C 2019 shares. As the presentation condition has been met in full, the Board of directors of the Company has determined that participants may retain all of their Class C 2019 shares, representing a maximum dilution of 1.19 percent, based on the number of ordinary shares in the Company as at the date of the Offering Circular. The Class C 2019 shares will convert to ordinary shares in July 2022.

LTIP 2020

At the Annual General Meeting of VEF Ltd. held on 13 May 2020, it was resolved to introduce a new five-year share-based long-term incentive programme for up to six (6) key employees in VEF Ltd. ("LTIP 2020"). At the Extraordinary General Meeting of VEF Ltd, on 22 October 2020, the terms and conditions of LTIP 2020 were amended. The program runs from 1 January 2020 up until and including 31 December 2024. The participants were offered to purchase a certain number of savings certificates in VEF Ltd. and for each savings certificate, the participants obtained a right to subscribe for in aggregate not more than 33,250,000 incentive shares in VEF Ltd. In connection with the Redomestication, an Extraordinary General Meeting of VEF AB (publ)

held on 17 June 2021 resolved on a new share issue of 33,250,000 Class C 2020 shares, after which such shares replaced the same number of incentive shares in VEF Ltd.

Depending on the development of VEF's NAV per share and of any net discount in the listing price of VEF's depository receipts and ordinary shares, respectively, during the five-year measurement period, the Class C 2020 shares will either be redeemed by the Company at quota value or reclassified to ordinary shares in the Company, provided that certain performance conditions have been met.¹⁾ The performance conditions relate to VEF's NAV per share. If VEF's NAV per share has increased by an average of 10 percent per year during the measurement period of the program, the participant will retain in aggregate 10/35 of its Class C 2020 shares; if VEF's NAV per share has increased by an average of 15 percent per year during the measurement period, the participant will retain 20/35 of its Class C 2020 shares; and if VEF's NAV per share has increased by an average of at least 20 percent per year during the measurement period, the participant will retain all of its Class C 2020 shares. If VEF's NAV per share has increased on average between 10 percent and 15 percent per year during the measurement period, the shares will be converted on a linear basis between 10/35 and 20/35 and if VEF's NAV per share has increased on average between 15 percent and 20 percent per year during the measurement period, the shares will be converted on a linear basis between 20/35 to all shares of Class C 2020. Class C 2020 shares that the participant does not keep will be redeemed by the Company at the quota value. If a participant ceases to be employed by the Group during this period, its Class C 2020 shares will be redeemed at the quota value, unless otherwise determined by the Board of directors on a case-by-case basis.

To promote participation in LTIP 2020, VEF subsidized the subscription price paid by participants for the incentive shares in VEF Ltd. The subsidy amounted to USD 0.67 million, excluding social security contributions. VEF also compensated the participants for the benefit value resulting from the subscription price being below the fair market value. The estimated cost of this subsidy, excluding social security contributions, amounted to USD 0.80 million.

LTIP 2020 comprises a total of 33,250,000 Class C 2020 shares which, assuming that the performance conditions are met in full, represents a maximum dilution of 3.19 percent, based on the number of ordinary shares in the Company as at the date of the Offering Circular.

1) For the period up until the admission to trading of the ordinary shares in VEF AB (publ), reference is made to the NAV and net discount, respectively, of VEF Ltd. and for the period thereafter, the NAV and net discount, respectively, of VEF AB (publ).

LTIP 2021

At the Annual General Meeting of VEF Ltd. held on 6 May 2021, it was resolved to introduce a new five-year share-based long-term incentive programme for up to seven (7) key employees in VEF Ltd. (“**LTIP 2021**”). The program runs from 1 January 2021 up until and including 31 December 2025. The participants were offered to purchase a certain number of savings certificates in VEF Ltd. and for each savings certificate, the participants obtained a right to subscribe for in aggregate not more than 8,312,500 incentive shares in VEF Ltd. In connection with the Redomestication, an Extraordinary General Meeting of VEF AB (publ) held on 17 June 2021 resolved on a new issue of 8,312,500 Class C 2021 shares, which were subscribed for by the participants in LTIP 2021.

Depending on the development of VEF’s NAV per share and of any net discount in the listing price of VEF’s depository receipts and ordinary shares, respectively, during the five-year measurement period, the Class C 2021 shares will either be redeemed by the Company at quota value or reclassified to ordinary shares in the Company, provided that certain performance conditions have been met.¹⁾ The performance conditions relate to VEF’s NAV per share.

If VEF’s NAV per share has increased by an average of 10 percent per year during the measurement period of the program, the participant will retain in aggregate 10/35 of its Class C 2021 shares; if VEF’s NAV per share has increased by an average of 15 percent per year during the measurement period, the participant will retain 20/35 of its Class C 2021 shares; and if VEF’s NAV per share has increased by an average of at least 20 percent per year during the measurement period, the participant will retain all of its Class C 2021 shares. If VEF’s NAV per share has increased on average between 10 percent and 15 percent per year during the measurement period, the shares will be converted on a linear basis between 10/35 and 20/35 and if VEF’s NAV per share has increased on average between 15 percent and 20 percent per year during the measurement period, the shares will be converted on a linear basis between 20/35 and all shares of Class C 2021.

Class C 2021 shares that the participant does not keep will be redeemed by the Company at the quota value. If a participant ceases to be employed by the Group during this period, its Class C 2021 shares will be redeemed at the quota value, unless otherwise determined by the Board of directors on a case-by-case basis.

To promote participation in LTIP 2021, VEF subsidized the subscription price paid by participants for the Class C 2021 shares. The subsidy amounted to USD 0.02 million, excluding social security contributions. VEF also compensated the participants for the benefit value

resulting from the subscription price being below the fair market value. The estimated cost of this subsidy, excluding social security contributions, amounted to USD 0.65 million.

LTIP 2021 comprises a total of 8,312,500 of Class C 2021 shares which, assuming that the performance conditions are met in full, represents a maximum dilution of 0.80 percent, based on the number of ordinary shares of the Company as at the date of the Offering Circular.

LTIP 2022

At the Annual General Meeting of VEF Ltd. held on 10 May 2022, it was resolved to introduce a new five-year share-based long-term incentive programme for up to eight (8) key employees in the Company (“**LTIP 2022**”). The program runs from 1 January 2022 up until and including 31 December 2026. The participants were offered to purchase not more than 10,422,895 Class C 2022 shares in VEF AB (publ).

Depending on the development of VEF’s NAV per share and of any net discount in the listing price of VEF’s depository receipts and ordinary shares, respectively, during the five-year measurement period, 10,422,895 Class C 2022 shares will either be redeemed by the Company at quota value or reclassified to ordinary shares in the Company, provided that certain performance conditions have been met. The performance conditions relate to VEF’s NAV per share.

If VEF’s NAV per share has increased by an average of 10 percent per year during the measurement period of the program, the participant will retain in aggregate 10/35 of its Class C 2022 shares; if VEF’s NAV per share has increased by an average of 15 percent per year during the measurement period, the participant will retain 20/35 of its Class C 2022 shares; and if VEF’s NAV per share has increased by an average of at least 20 percent per year during the measurement period, the participant will retain all of its Class C 2022 shares. If VEF’s NAV per share has increased on average between 10 percent and 15 percent per year during the measurement period, the shares will be converted on a linear basis between 10/35 and 20/35 and if VEF’s NAV per share has increased on average between 15 percent and 20 percent per year during the measurement period, the shares will be converted on a linear basis between 20/35 and all shares of Class C 2022.

Class C 2022 shares that the participant does not keep will be redeemed by the Company at the quota value. If a participant ceases to be employed by the Group during this period, its Class C 2022 shares will be redeemed at the quota value, unless otherwise determined by the Board of directors on a case-by-case basis.

1) For the period up until the admission to trading of the ordinary shares in VEF AB (publ), reference is made to the NAV and net discount, respectively, of VEF Ltd. and for the period thereafter, the NAV and net discount, respectively, of VEF AB (publ).

To promote participation in LTIP 2022, VEF will subsidize the subscription price to be paid by participants for the class C 2022 shares and compensate the participants for the benefit value arising in the event that the subscription price is lower than the fair market value. The cost of this subsidy, including social security contributions, is estimated to amount to SEK 17.34 million.

LTIP 2022 comprises a total of 10,422,895 of class C 2022 shares which, assuming that the performance conditions are met in full, represents a maximum dilution of 0.99 percent, based on the number of ordinary shares of the Company as at the date of the Offering Circular.

Option program 2015

At an Extraordinary General Meeting of VNV Global Ltd. held on 9 June 2015, prior to the distribution of the shares in the Company, it was resolved to introduce a new employee stock option program, which was implemented in VEF Ltd. while the Company was still a subsidiary within the VNV Group. In connection with the Redomestication, an Extraordinary General Meeting of

VEF AB (publ) held on 17 June 2021, resolved to adopt an option program with corresponding terms and conditions (“**Option Program 2015**”). Under the Option Programme 2015, 1,000,000 options are outstanding, divided into two series comprising 500,000 options each.

The exercise period for options in the first series runs from 16 May 2023 up until and including 15 August 2023. Each option entitles the holder to subscribe for one ordinary share in the Company at a subscription price of SEK 2.35, or the Board of directors may resolve on cash settlement.

The exercise period for options in the second Class runs from 17 September 2024 up until and including 17 December 2024. Each option entitles the holder to subscribe for one ordinary share in the Company at a subscription price of SEK 3.69, or the Board of directors may resolve on cash settlement.

Ownership structure

The ten largest shareholders of the Company had, to the best of the Company’s knowledge, as at 31 March 2022, and subsequent changes known to the Company, the shareholdings shown in the table below.

Shareholder	Number of shares					Percentage of total shares and votes	
	Ordinary shares	Class C 2019	Class C 2020	Class C 2021	Total	Capital	Votes
Ruane Cunniff & Goldfarb	217,718,740	–	–	–	217,718,740	19.9 %	19.9 %
Libra Fund	120,685,142	–	–	–	120,685,142	11.0 %	11.0 %
Fidelity Investments (FMR)	95,139,868	–	–	–	95,139,868	8.7 %	8.7 %
Swedbank Robur Fonder	92,102,205	–	–	–	92,102,905	8.4 %	8.4 %
Wasatch Advisors Inc.	83,295,964	–	–	–	83,295,964	7.6 %	7.6 %
Wellington Management	49,585,580	–	–	–	49,585,580	4.5 %	4.5 %
David Nangle	14,972,581	4,960,000	13,300,000	3,325,000	36,557,581	3.3 %	3.3 %
Fidelity International (FIL)	26,436,939	–	–	–	26,436,939	2.4 %	2.4 %
Robeco	20,000,000	–	–	–	20,000,000	1.8 %	1.8 %
Avanza Pension	15,155,875	–	–	–	15,155,875	1.4 %	1.4 %
Other shareholders	307,197,084	7,440,000	19,950,000	4,987,500	339,574,584	31.0 %	31.0 %
Total	1,042,289,978	12,400,000	33,250,000	8,312,500	1,096,252,478	100 %	100 %

As far as the Company is aware, the Company is not directly or indirectly controlled by any individual.

In addition to the above, the Annual General Meeting held on 10 May 2022 resolved to issue 10,422,895 shares of series C 2022, which are intended to be registered with the Swedish Companies Registration Office during June 2022. 3,335,326 of these shares are proposed to be allocated to David Nangle. See further section “– *Incentive programs – LTIP 2022*”.

Articles of association

Articles of association for VEF AB (publ), registration number 559288-0362, adopted by the Annual General Meeting held on 10 May 2022.

1 § Name

The company's name is VEF AB (publ). The company is a public limited liability company (publ).

2 § Registered office

The Board of directors' registered office is in Stockholm.

3 § Object of the company's business

The object of the company's business is to own and manage real estate and chattels, and to carry out any other activities compatible therewith. The company shall also provide support services to other group companies, including but not limited to financial analysis services, management services, supervision and operational support, for example within asset management and finance, business development, legal, employee matters, marketing as well as IT and shareholder services.

4 § Share capital and shares

Share capital

The share capital shall be not less than SEK 8,000,000 and not more than SEK 32,000,000.

Number of shares

The number of shares shall be not less than 800,000,000 and not more than 3,200,000,000.

Share classes

The shares shall be ordinary shares and four classes of reclassifiable, sub-ordinated shares named Class C 2019, Class C 2020, Class C 2021 and Class C 2022. The reclassifiable share classes are together referred to as the "Reclassifiable Share Classes" and a specific class of reclassifiable shares is referred to as a "Reclassifiable Share Class", and the reclassifiable shares (of all classes) are referred to as the "Reclassifiable Shares". Ordinary shares may be issued to an amount corresponding to the entire share capital. The maximum number of shares that may be issued in each of the Reclassifiable Share Classes are: 12,400,000 shares of Class C 2019, 33,250,000 shares of Class C 2020 and 8,312,500 shares of Class C 2021 and 10,422,895 shares of Class C 2022.

Voting rights

All shares shall carry one (1) vote.

Dividends etc.

Ordinary shares are entitled to dividends

Shares of Class C 2019 are not entitled to payment of dividends up to and including 31 December 2021, shares of Class C 2020 are not entitled to payment of dividends up to and including 31 December 2024 and shares of Class C 2021 are not entitled to payment of dividends up to and including 31 December 2025 and shares of Class C 2022 are not entitled to payment of dividends during the period from January 2022 through December 2026.

Shares of Class C 2020 and Class C 2021 are instead, in 2025 as regards shares of Class C 2020, 2026 as regards shares of Class C 2021 and 2027 as regards shares of Class C 2022, entitled to payment of an accumulated, outstanding, dividend (per share) (the "Outstanding Amount").

The Outstanding Amount corresponds to the total dividend (per share) paid to the holders of ordinary shares, or, prior to the company's shares being admitted to trading on the marketplace, equivalent holdings in VEF Ltd. (paid dividends and other value transfers to the shareholders) (the "Paid Dividends") during the period from January 2020 through December 2024 as regards shares of Class C 2020, during the period from January 2021 through December 2025 as regards shares of Class C 2021 and during the period from January 2022 through December 2026 as regards shares of Class C 2022.

When calculating the Outstanding Amount, Paid Dividends shall be adjusted upwards with a multiple corresponding to the total shareholder return to the holders of ordinary shares (the "TSR Multiple") as from and including the first trading day without right to dividend or redemption share for 2020 through December 2024 as regards shares of Class C 2020, as from and including the first trading day without right to dividend or redemption share for 2021 through December 2025 as regards shares of Class C

2021 and as from and including the first trading day without right to dividend or redemption share for 2022 through December 2026 as regards shares of Class C 2022.

The Outstanding Amount as regards shares of Class C 2020 shall accordingly be calculated in accordance with the following: Paid Dividend per ordinary share 2020 * the TSR Multiple during 2020–2024, the Outstanding Amount as regards shares of Class C 2021 shall be calculated in accordance with the following: Paid Dividend per ordinary share 2021 * the TSR Multiple during 2021–2025 and the Outstanding Amount as regards shares of Class C 2022 shall be calculated in accordance with the following: Paid Dividend per ordinary share 2022 * the TSR Multiple during 2022–2026.

The Outstanding Amount for the following years shall be calculated in accordance with the same formulae, adjusted forward by one year.

The total shareholder return of the VEF AB (publ)'s ordinary share shall be calculated by dividing the closing price for VEF AB (publ)'s ordinary shares on the last trading day in December 2024 as regards shares of Class C 2020, on the last trading day in December 2025 as regards shares of Class C 2021 and on the last trading day in December 2026 as regards shares of Class C 2022, respectively, (the end value) with the closing price for VEF AB (publ)'s ordinary shares or, prior to the company's shares being admitted to trading on the marketplace, VEF Ltd.'s ordinary share, on the first trading day without right to dividend or redemption share for 2020 as regards shares of Class C 2020, on the first trading day without right to dividend or redemption share for 2021 as regards shares of Class C 2021 and on the first trading day without right to dividend or redemption share for 2022 as regards shares of Class C 2022, respectively, (the start value), adjusted on the basis of the shareholder reinvesting Paid Dividends, before tax, on each respective first trading day without right to dividend or redemption share.

Payment of the Outstanding Amount attributed to shares of Class C 2020, Class C 2021 and Class C 2022 requires that the Annual General Meeting the year the relevant share class may be reclassified as ordinary shares – i.e. 2025 as regards shares of Class C 2020, 2026 as regards shares of Class C 2021 and 2027 as regards shares of Class C 2022 – resolves on a dividend (per share) to the shares in that relevant share class corresponding to the Outstanding Amount. The shares' right to the payment of dividends corresponding to the Outstanding Amount shall be subordinated to the ordinary shares, meaning that payment of the Outstanding Amount to holders of shares of Class C 2020, Class C 2021 and Class C 2022 will only be made if there is an available amount after the dividend payment to holders of ordinary shares.

Shares of Class C 2019 will entitle the same right to dividends as ordinary shares as of 1 January 2022, shares of Class C 2020 will entitle the same right to dividends as ordinary shares as of 1 January 2025, shares of Class C 2021 will entitle the same right to dividends as ordinary shares as of 1 January 2026 and shares of Class C 2022 will entitle the same right to dividends as ordinary shares as of 1 January 2027.

The record dates for payments of the Outstanding Amount to Class C 2020, Class C 2021 and Class C 2022 as well as other dividends to a Reclassifiable Share Class may not be set to a day that occur prior to the Board's resolution that year to redeem shares of the Reclassifiable Share Classes for which the condition for reclassification has not been fulfilled and such resolution is due the relevant year.

Upon the company's liquidation, shares of Class C 2019 have a right to assets in the distribution as of and including 1 January 2022, shares of Class C 2020 as of and including 1 January 2025, shares of Class C 2021 as of and including 1 January 2026 and shares of Class C 2022 as of and including 1 January 2027. Reclassifiable Shares have a right to assets in the distribution only to the extent that the condition for reclassification for such Reclassifiable Shares, respectively, has been fulfilled, as set out below.

Reclassification of Reclassifiable Shares

The Reclassifiable Shares may, by a resolution by the Board, be reclassified into ordinary shares. The number of shares in a Reclassifiable Share Class which shall be reclassified into ordinary shares shall be based on the degree of fulfilment of the relevant condition for reclassification in that Reclassifiable Share Class during the measurement period. The measurement periods are 1 January 2019 to 31 December 2021 as regards the shares of Class C 2019, 1 January 2020 to 31 December 2024 as regards the shares of Class C 2020, 1 January 2021 to 31 December 2025 as regards the shares of Class C 2021 and 1 January 2022 to 31 December 2026 as regards the shares of Class C 2022, respectively.

A resolution by the Board to reclassify shares of Class C 2019 shall be made during the period 1 July 2022 – 31 August 2022, as regards shares of Class C 2020 during the period 1 July 2025 – 31 August 2025, as regards shares of Class C 2021 during the period 1 July 2026 – 31 August 2026 and as regards shares of Class C 2022 during the period 1 July 2027 – 31 August 2027.

The conditions that must be fulfilled for reclassification of shares of Class C 2019 are set forth in [Appendix 2019 / 2022](#).

The conditions that must be fulfilled for reclassification of shares of Class C 2020 are set forth in [Appendix 2020 / 2025](#).

The conditions that must be fulfilled for reclassification of shares of Class C 2021 are set forth in [Appendix 2021 / 2026](#).

The conditions that must be fulfilled for reclassification of shares of Class C 2022 are set forth in [Appendix 2022 / 2027](#).

If the Board resolves to reclassify a certain number or a certain portion of the shares in a Reclassifiable Share Class, the shareholders are entitled to have their shares of a Reclassifiable Share Class reclassified to new ordinary shares in proportion to the number of shares in the relevant Reclassifiable Share Class already held, or, to the extent that this is not possible, by lot.

Immediately after a decision to reclassify shares in a Reclassifiable Share Class, the Board shall report the reclassification to the Swedish Companies Registration Office for registration. The reclassification is effectuated when it has been registered and the reclassification has been noted in the Central Securities Depository ("CSD") register.

Redemption of Reclassifiable Shares

The Reclassifiable Shares are redeemable, for cancellation of shares through a reduction of the share capital. The reduction price per share shall correspond to the quota value.

A resolution by the Board to redeem shares shall be resolved no later than three months after a request from a shareholder, and shall refer to the shares encompassed by the request.

With effect from and including 1 January 2022 as regards shares of Class C 2019, 1 January 2025 as regards shares of Class C 2020, 1 January 2026 as regards shares of Class C 2021 and 1 January 2027 as regards shares of Class C 2022, respectively, a resolution by the Board regarding redemption of shares may also encompass all outstanding shares in a Reclassifiable Share Class for which the condition for reclassification has not been fulfilled, in relation to the number of shares in the relevant Reclassifiable Share Class owned by the holder, or, to the extent that this is not possible, by lot. Such resolution by the Board shall be made no later than 30 June 2022 as regards shares of Class C 2019, 30 June 2025 as regards shares of Class C 2020, 30 June 2026 as regards shares of Class C 2021 and 30 June 2027 as regards shares of Class C 2022, respectively.

When a resolution regarding redemption of shares is passed, an amount corresponding to the reduction amount shall be allocated as restricted equity, provided that requisite funds are available. Immediately after a resolution regarding redemption of shares is passed, the Board shall report the redemption to the Swedish Companies Registration Office (Sw. *Bolagsverket*) for registration. The redemption is effectuated when it has been registered and the redemption been noted in the CSD register.

5 § Issuances

Should the company resolve on an issue of new ordinary shares and of all Reclassifiable Share Classes against other payment than contribution in kind, each holder of ordinary shares and Reclassifiable Shares has preferential rights to subscribe for new shares of the same class in proportion to the number of shares previously held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares already held, or, to the extent that this is not possible, by lot.

Should the company resolve on an issue of new shares consisting solely of ordinary shares or of a Reclassifiable Share Class, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

Should the company resolve on an issue of warrants or convertibles, against other payment than contribution in kind, the above stated regarding the shareholders' preferential rights shall apply *mutatis mutandis*.

The stipulations in the sections above should not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

In the event of a share capital increase by a bonus issue including issuance of new shares, new shares shall be issued pro rata to the number of shares previously issued within that share class. Thereby, shares of a specific class entitles to new shares of the same class. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

6 § Euroclear company

The company's shares shall be registered in a securities register in accordance with the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479).

7 § Board of directors

The Board of directors shall comprise 3–10 members, with no alternate directors.

8 § Auditors

The company shall have 1–2 auditors and not more than 2 alternate auditors or a registered accounting firm.

9 § Notice to attend general meeting

Notice to attend general meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and shall be made available on the company's web. Simultaneously, information about the notice shall be published in Svenska Dagbladet.

Notice to attend an annual general meeting or a general meeting where a change of the articles of association shall be addressed shall be given not earlier than six weeks and not later than four weeks prior to the meeting. Notice to attend any other general meeting shall be given not earlier than six weeks and not later than two weeks prior to the meeting.

10 § Notice of participation in shareholders' meetings

A shareholder who wishes to participate in a shareholders' meeting must notify the company no later than on the day specified in the notice of the meeting. That day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and shall not be earlier than the fifth weekday prior to the meeting. If a shareholder wishes to be joined by counsel at the shareholders' meeting the number of counsellors (which shall not be more than two) must be stated in the notice of participation.

11 § Opening of the meeting

The Chairman of the Board of directors or a person appointed by the Board of directors for this purpose opens the general meeting and presides over the proceedings until a Chairman of the meeting is elected.

12 § Annual general meeting

The annual general meeting is held each year within six months of the end of the financial year.

The following matters shall be addressed at the annual general meeting.

1. Election of a chairman of the meeting,
2. Preparation and approval of the voting register,
3. Approval of the agenda
4. Election of one or two persons to attest the minutes, where applicable,
5. Determination of whether the meeting was duly convened,
6. Presentation of the annual report and auditor's report and, where applicable, the consolidated financial statements and auditor's report for the group,
7. Resolutions regarding
 - a) adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet,
 - b) allocation of the company's profit or loss according to the adopted balance sheet,
 - c) discharge from liability for board members and the managing director,
8. Determination of fees for the Board of directors and the auditors,
9. Election of the Board of directors and accounting firm or auditors,
10. Any other business incumbent on the meeting according to the Companies Act or the articles of association.

13 § Financial year

The company's financial year shall comprise the period commencing 1 January up to and including 31 December.

Appendix 2019 / 2022; conditions for reclassification of shares of Class C 2019

VEF AB (publ) shall keep its accounting so that the degree of fulfilment of the relevant condition for reclassification of shares of Class C 2019 set out below is disclosed.

20 percent of the shares of Class C 2019 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2019 – 31 December 2021 is 10.00 percent. All of the shares of Class C 2019 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2019 – 31 December 2021 is at least 20.00 percent. If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2019 – 31 December 2021 is between 10.00 percent and 20.00 percent, the shares of Class C 2019 will be reclassified on a linear basis. If the number of shares that shall be reclassified is not a whole number of shares, the number of shares to be reclassified shall be rounded down to the nearest whole number of shares.

The compounded annual growth rate of the NAV per share shall be calculated using the formula; $(B/A)^{1/n} - 1$ where (A) is the NAV per ordinary share at the beginning of the measurement period, and (B) is the NAV per ordinary share at the end of the measurement period, and (n) is the duration of the program in years. The compounded annual growth rate of the NAV per share shall be calculated adjusted for dividends, other value transfers to shareholders and repurchases of shares. The value of VEF AB (publ)'s assets shall be based on the NAV statements in VEF AB (publ)'s or VEF Ltd's (as applicable) financial reports for the periods January – December 2018 (the start value) and January – December 2021 (the end value), respectively.

Appendix 2020 / 2025; conditions for reclassification of shares of Class C 2020

VEF AB (publ) shall keep its accounting so that the degree of fulfilment of the relevant condition for reclassification of shares of Class C 2020 set out below is disclosed.

Ten thirty-fifths (10/35) of the shares of Class C 2020 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2020 – 31 December 2024 is 10.00 percent. Twenty thirty-fifths (20/35) of the shares of Class C 2020 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2020 – 31 December 2024 is 15.00 percent. All of the shares of Class C 2020 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2020 – 31 December 2024 is at least 20.00 percent. If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2020 – 31 December 2024 is between 10.00 percent and 15.00 percent, the shares of Class C 2020 will be reclassified on a linear basis as from ten thirty-fifths (10/35) to twenty thirty-fifths (20/35). If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2020 – 31 December 2024 is between 15.00 percent and 20.00 percent, the shares of Class C 2020 will be reclassified on a linear basis as from twenty thirty-fifths (20/35) to all shares of Class C 2020. If the number of shares that shall be reclassified is not a whole number of shares, the number of shares to be reclassified shall be rounded down to the nearest whole number of shares.

The compounded annual growth rate of the NAV per share shall be calculated using the formula; $(B/A)^{1/n} - 1$ where (A) is the NAV per ordinary share at the beginning of the measurement period, and (B) is the NAV per ordinary share at the end of the measurement period, and (n) is the duration of the program in years. The compounded annual growth rate of the NAV per share shall be calculated adjusted for dividends, other value transfers to shareholders and repurchases of shares. The value of VEF AB (publ)'s assets shall be based on the NAV statements in VEF AB (publ)'s or VEF Ltd's (as applicable) financial reports for the periods January – December 2019 (the start value) and January – December 2024 (the end value), respectively.

Appendix 2021 / 2026; conditions for reclassification of shares of Class C 2021

VEF AB (publ) shall keep its accounting so that the degree of fulfilment of the relevant condition for reclassification of shares of Class C 2021 set out below is disclosed.

Ten thirty-fifths (10/35) of the shares of Class C 2021 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2021 – 31 December 2025 is 10.00 percent. Twenty thirty-fifths (20/35) of the shares of Class C 2021 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2021 – 31 December 2025 is 15.00 percent. All of the shares of Class C 2021 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2021 – 31 December 2025 is at least 20.00 percent. If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2021 – 31 December 2025 is between 10.00 percent and 15.00 percent, the shares of Class C 2021 will be reclassified on a linear basis as from ten thirty-fifths (10/35) to twenty thirty-fifths (20/35). If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2021 – 31 December 2025 is between 15.00 percent and 20.00 percent, the shares of Class C 2021 will be reclassified on a linear basis as from twenty thirty-fifths (20/35) to all shares of Class C 2021. If the number of shares that shall be reclassified is not a whole number of shares, the number of shares to be reclassified shall be rounded down to the nearest whole number of shares.

The compounded annual growth rate of the NAV per share shall be calculated using the formula; $(B/A)^{1/n}-1$ where (A) is the NAV per ordinary share at the beginning of the measurement period, and (B) is the NAV per ordinary share at the end of the measurement period, and (n) is the duration of the program in years. The compounded annual growth rate of the NAV per share shall be calculated adjusted for dividends, other value transfers to shareholders and repurchases of shares. The value of VEF AB (publ)'s assets shall be based on the NAV statements in VEF AB (publ)'s or VEF Ltd's (as applicable) financial reports for the periods January – December 2020 (the start value) and January – December 2025 (the end value), respectively.

Appendix 2022 / 2027; conditions for reclassification of shares of Class C 2022

VEF AB (publ) shall keep its accounting so that the degree of fulfilment of the relevant condition for reclassification of shares of Class C 2022 set out below is disclosed.

Ten thirty-fifths (10/35) of the shares of Class C 2022 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2022 – 31 December 2026 is 10.00 percent. Twenty thirty-fifths (20/35) of the shares of Class C 2022 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2022 – 31 December 2026 is 15.00 percent. All of the shares of Class C 2022 shall be reclassified to ordinary shares if the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2022 – 31 December 2026 is at least 20.00 percent. If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2022 – 31 December 2026 is between 10.00 percent and 15.00 percent, the shares of Class C 2022 will be reclassified on a linear basis as from ten thirty-fifths (10/35) to twenty thirty-fifths (20/35). If the compounded annual growth rate of VEF AB (publ)'s NAV per share during the period 1 January 2022 – 31 December 2026 is between 15.00 percent and 20.00 percent, the shares of Class C 2022 will be reclassified on a linear basis as from twenty thirty-fifths (20/35) to all shares of Class C 2022. If the number of shares that shall be reclassified is not a whole number of shares, the number of shares to be reclassified shall be rounded down to the nearest whole number of shares.

The compounded annual growth rate of the NAV per share shall be calculated using the formula; $(B/A)^{1/n} - 1$ where (A) is the NAV per ordinary share at the beginning of the measurement period, and (B) is the NAV per ordinary share at the end of the measurement period, and (n) is the duration of the program in years. The compounded annual growth rate of the NAV per share shall be calculated adjusted for dividends, other value transfers to shareholders and repurchases of shares. The value of VEF AB (publ)'s assets shall be based on the NAV statements in VEF AB (publ)'s financial reports for the periods January – December 2021 (the start value) and January – December 2026 (the end value), respectively.

Legal considerations and supplementary information

Approval from the SFSA

The Swedish Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of the Swedish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

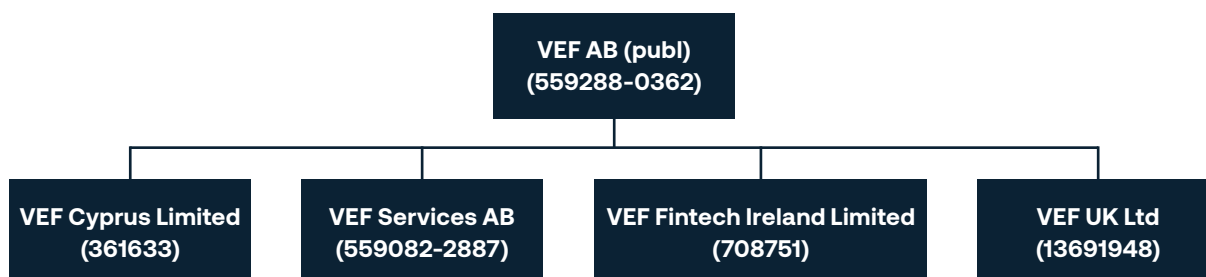
The Swedish Prospectus was approved by the SFSA on 30 May 2022. The Swedish Prospectus is valid for up to 12 months after approval, provided that the Swedish Prospectus is completed with supplements when required pursuant to article 23 Prospectus Regulation. Any additions will be published on the Company’s website. The obligation to supplement the Swedish Prospectus in the event of significant new circum-

stances, factual errors or material inaccuracies does not apply when the Swedish Prospectus is no longer valid.

Legal group structure

The Company’s business is conducted in accordance with the Swedish Companies Act. The parent company VEF AB (publ), which is the Company’s registered name (registration number 559288-0362) is a Swedish public limited liability company which was founded on 17 November 2020 and registered with the Swedish Companies Registration Office on 7 December 2020. The founder was Bolagsrätt Sundsvall AB (Box 270, 851 04 Sundsvall). The company’s LEI code is 549300GLLHHE80RQ2Y24. The Company’s registered office is situated in Stockholm.

The Company is currently the parent company of four subsidiaries, including subsidiaries in Sweden, Cyprus, Ireland and Great Britain. The subsidiaries are wholly-owned by VEF. The Group structure is shown in the chart below.



Redomestication

The holders of depository receipts in VEF Ltd., the VEF Group’s former parent company, resolved at a special court ordered shareholders’ meeting on 6 May 2021, to approve the implementation of a change of domicile of the Group from Bermuda to Sweden in accordance with a Scheme of Arrangement according to Bermudian law (the “**Scheme**” and “**Redomestication**” respectively). On 7 June 2021, the Scheme was also approved by the Supreme Court of Bermuda at a sanction hearing. The Redomestication and restructuring of the Group was implemented in four steps: (i) all issued outstanding ordinary shares in VEF Ltd., which were represented by depository receipts, were redeemed, (ii) ordinary shares in VEF AB (publ) were delivered on a one-to-one basis to holders of depository receipts in VEF Ltd., (iii) VEF Ltd.

issued one new ordinary share to VEF AB (publ) and (iv) VEF Ltd. was liquidated. The ordinary shares of VEF AB (publ) were admitted to trading on Nasdaq First North Growth Market on Monday 5 July 2021. On the Friday before, 2 July 2021, the depository receipts of VEF Ltd. were delisted from Nasdaq First North Growth Market, after the close of trading on the exchange. Furthermore, the incentive programmes in VEF Ltd. were transferred to VEF AB (publ), as described in the section “*Share capital and ownership structure – Incentive programmes*”.

The rationale for the Redomestication was to increase the Company’s strategic flexibility without posing any noticeable risks to the Company’s operating business model, long-term strategy and ability to maintain a globally competitive corporate tax rate. Given that

VEF Ltd.'s depository receipts were listed on Nasdaq First North Growth Market, Sweden was deemed to be an appropriate location for VEF's headquarter. Furthermore, the effects of the Redomestication on the holders of depository receipts in VEF Ltd. were considered, concluding that Sweden has a well-developed legal system that promotes a high standard of corporate governance and that after the Redomestication the Group would continue to be subject to IFRS reporting requirements, Nasdaq Stockholm's corporate governance rules applicable to Nasdaq First North Growth Market and the Swedish Corporate Governance Code.

Applicable laws and regulations

VEF conducts investment activities in a number of different countries, which means that the Company must comply with the requirements of a number of codes, laws, and regulations, refer to the section "*Risk factors – Legal and regulatory risks*". VEF is also subject to labour laws governing the Company's relationships with its employees, including overtime, compensation claims from employees, terms of employment and work permit requirements. Furthermore, VEF is subject to general regulations that apply to Swedish public limited liability companies, and in the future the Company will also be subject to the laws, regulations and recommendations which follow from the admission to trading of the Company's ordinary shares on Nasdaq Stockholm.

Agreements

Other than as set out below under "*– Bonds 2022/2025*", the Company does not consider any individual agreement, entered into within the course of its business or otherwise, to be material to the Group.

For a general description of the Group's investment agreements, refer to the section "*Business overview – Investment process – Investment agreements*"

Bonds 2022/2025

On 31 March 2022, VEF published a newly established Sustainability Bond Framework and on 6 April 2022 it was announced that the Company has issued senior unsecured sustainability bonds under the framework. The Company has initially issued sustainability bonds of SEK 500 million to Nordic institutional and private investors (series 2022/2025). The terms and conditions of the bonds are customary for a Swedish bond transaction. Under the terms and conditions, the Company's is allowed to issue bonds up to a maximum total amount of SEK 1,000 million. The bonds carry a floating interest rate of 3m Stibor plus a margin of 7.25 percent and will mature for repayment on 22 April 2025. The bond proceeds shall be used by the Company in accordance with its sustainability bond framework. The bonds were admitted to trading on Frankfurt Stock Exchange on 14 April 2022 and shall be admitted to trading on the Nasdaq Stockholm sustainable bond list (or any other

relevant regulated market) no later than on 20 June 2022.

The terms and conditions contain customary obligations on part of the Company, including certain restrictions as regards the Company's and its subsidiaries use of capital. Inter alia, the Company shall use the proceeds from the bond issue to finance investments, in whole or in part, that create positive sustainability impact by promoting financial inclusion as well as meet certain other sustainability criteria (as set forth in the Company's disclosed bond sustainability framework). The terms and conditions also include other customary restrictions for the Company's and its subsidiaries use of capital, e.g. distributions to the Company's shareholders and any prepayments under any long-term debt ranking junior or *pari passu* with the bonds are (with certain exceptions) subject to an incurrence test.

Intellectual property

The Company is the registered owner of the domain name vef.vc.

Disputes

The Group has not been part to any administrative procedures, legal proceedings or arbitration proceedings (including not yet settled cases and cases that the Company is aware of that might arise) that recently had or could have material effects on the Company's financial position or profitability during the last 12 months.

Insurance

VEF considers that the Group's insurance coverage is in line with that of other companies in the same sector and that it is adequate and satisfactory in view of the risks normally associated with the Group's activities.

Related party transactions

Other than employment-related compensation, no related party transactions that are individually or in aggregate material to VEF have occurred after 31 March 2022 through the date of this Offering Circular.

For more information on related party transactions, please refer to note 23 of the Group's annual report for the financial year 2021, note 23 of the Group's annual report for the financial year 2020 and note 22 of the Group's annual report for the financial year 2019 and note 2 in the Group's interim report for the period 1 January–31 March 2022.

Advisors' interests

VEF has engaged Advokatfirman Vinge KB as legal advisor in connection with the admission to trading of the Company's ordinary shares on Nasdaq Stockholm. Advokatfirman Vinge KB does not have a material contrary interest in the admission to trading and will receive customary remuneration from the Company for its advice in connection with the admission to trading.

Documents available for inspection

VEF's (i) articles of association, and (ii) annual reports for the financial years 2021, 2020 and 2019, including audit reports, will be available for inspection during the validity period of the Swedish Prospectus during office hours at the Company's head office at Mäster Samuelsgatan 1 1 floor, SE 111 44 Stockholm, Sweden. These documents are also available in electronic form on VEF's website, www.vef.vc. The information contained on the Company's website, or on any other specified website, is not part of the Swedish Prospectus or the Offering Circular unless such information is incorporated by reference and has been reviewed or approved by the competent authority.

Important information on taxation

The tax legislation in the investor's home country and in Sweden may affect any income received from shares in VEF. The taxation of any dividend as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depends on the shareholder's particular circumstances. Special tax rules apply to certain categories of tax payer and certain type of investment forms. Each holder of share should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the application and effect of foreign tax rules and tax treaties.

Documents incorporated by reference

The documents below are incorporated by reference and form part of the Offering Circular. VEF's financial statements for the financial years 2021, 2020 and 2019 and for the periods 1 January–31 March 2022 and 1 January–31 March 2021 are incorporated by reference and accordingly form part of the Offering Circular and should be read as part thereof. The documents incorporated by reference are available throughout the entire validity period for the Swedish Prospectus at VEF's website, www.vef.vc. Other than the information incorporated by reference in the Offering Circular, information on VEF's website or any other specified website is not included in the Offering Circular or the Swedish Prospectus and has not been reviewed or approved by the SFSA.

- i. VEF Ltd.'s audited financial statements for the financial year ended 31 December 2019, including the auditor's report: the Group's income statement (p. 52), statement of the Group's other comprehensive income (p. 52), the Group's balance sheet (p. 53), statement of changes in the Group's equity (p. 54), statement of the Group's cash flows (p. 55), the notes (p. 61–76) and the independent auditor's report (p. 78–79).
- ii. VEF Ltd.'s audited financial statements for the financial year ended 31 December 2020, including the auditor's report: the Group's income statement (p. 68), statement of the Group's other comprehensive income (p. 68), the Group's balance sheet (p. 69), statement of changes in the Group's equity (p. 70), statement of the Group's cash flows (p. 71), the notes (p. 77–94) and the independent auditor's report (p. 96–97).
- iii. VEF AB (publ)'s audited financial statements for the financial year ended 31 December 2021, including the auditor's report: the Group's income statement (p. 52), statement of the Group's other comprehensive income (p. 52), the Group's balance sheet (p. 53), statement of changes in the Group's equity (p. 54), statement of the Group's cash flows (p. 55), the notes (p. 57–69) and the independent auditor's report (p. 80–82).
- iv. VEF Ltd.'s financial report for the period 1 January–31 March 2021: the Group's income statement (p. 15), statement of the Group's other comprehensive income (p. 15), the Group's balance sheet (p. 16), statement of changes in the Group's equity (p. 17), statement of the Group's cash flows (p. 18) and the notes (p. 23–26).
- v. VEF AB (publ)'s financial report for the period 1 January–31 March 2022: the Group's income statement (p. 20), statement of the Group's other comprehensive income (p. 20), the Group's balance sheet (p. 21), statement of changes in the Group's equity (p. 22), statement of the Group's cash flows (p. 23) and the notes (p. 29–34).

The financial statements for the financial years 2021, 2020 and 2019 have been audited by the Group's independent auditor PricewaterhouseCoopers AB with the Company's former authorised public accountant Ulrika Ramsvik as auditor in charge (subsequently replaced by Bo Karlsson). Other information in the Offering Circular has not been audited by the auditor unless expressly stated. The parts of the respective financial statements not referred to contain information that is included in other parts of the Offering Circular or that is not considered relevant to investors in connection with the listing. The documents incorporated by reference are available during the validity of the Offering Circular on VEF's website, www.vef.vc. Other than the information incorporated by reference in the Offering Circular, information on VEF's website or on any other specified website is not included in the Offering Circular and has not been reviewed or approved by the SFSA.

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