Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)
JEFFERIES FINANCIAL GROUP INC.		13-2615557
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
STEVEN KAPLAN	212-284-2300	IR_8937@JEFFERIES.COM
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact
520 MADISON AVENUE - ATTN: TAX DEPT		NEW YORK, NY 10022

8 Date of action	9 Classification and description
JANUARY 13, 2023	COMMON STOCK

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
47233W 109	N/A	JEF	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHED

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHED

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHED

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHED

18 Can any resulting loss be recognized? ▶ SEE ATTACHED

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ 2/7/2023

Print your name ▶ STEVEN KAPLAN Title ▶ CHIEF TAX OFFICER

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

JEFFERIES FINANCIAL GROUP INC.
EIN: 13-2615557
ATTACHMENT TO FORM 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Form 8937 Part II

Item 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On January 13, 2023 (the "Distribution Date"), Jefferies Financial Group Inc. ("Jefferies") distributed shares of common stock of Vitesse Energy, Inc. ("Vitesse") pro rata to Jefferies shareholders of record as of the close of business on December 27, 2022 (the "Record Date," and such distribution, the "Spin-Off"). In the Spin-Off, each shareholder who held Jefferies common stock on the Record Date and did not sell them in the "regular way"[1] before the close of business on the Distribution Date received 1 share of Vitesse common stock for every 8.49668 shares of Jefferies common stock owned on the Record Date.

No fractional shares of Vitesse common stock were distributed. All fractional shares of Vitesse common stock that Jefferies shareholders otherwise would have been entitled to receive as a result of the Spin-Off were aggregated into whole shares and sold on the open market, and the resulting cash proceeds of the sale were paid to such shareholders.

Item 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

As a result of the Spin-Off, each Jefferies shareholder will be required to allocate their aggregate tax basis in their Jefferies common shares held immediately prior to the Spin-Off among (i) the Vitesse shares received in the Spin-Off (including any fractional Vitesse shares for which cash was received) and (ii) the Jefferies common shares in respect of which such Vitesse shares were received, in proportion to their relative fair market values on the Distribution Date. Accordingly, a Jefferies shareholder aggregate tax basis in their Jefferies common shares held immediately prior to the Spin-Off shall be equal to the aggregate tax basis in (i) and (ii) in the previous sentence.

Item 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated in the Spin-Off based on the fair market value of the resulting Jefferies and Vitesse shares received on the Distribution Date. The tax laws do not, however, provide any further guidance on the determination of fair market value. You should consult your tax advisor to determine the appropriate fair market values.

[1] Shares of Jefferies common stock that traded in the "regular-way" market on the New York Stock Exchange until the close of business on the Distribution Date traded with an entitlement to shares of Vitesse common stock distributed on the Distribution Date.

One method to determine the fair market value is to use the NYSE closing prices of the Jefferies and Vitesse common stock on the Distribution Date. The adjusted closing trading price of Jefferies and the closing trading price of Vitesse shares on the Distribution Date were $38.67 per share for Jefferies and $15.29 per share for Vitesse. Based on this measure of fair market value and the 1 to 8.49668 distribution ratio, on a per tax lot basis, 4.45% of the shareholder's tax basis would be allocated to the Vitesse shares received in the Spin-Off and 95.55% of the shareholder's tax basis would remain with the Jefferies shares.

For example, if a Jefferies shareholder owns a single tax lot of 100 common shares of Jefferies with a tax basis of $10 per share, and received 11 shares of Vitesse common stock in the Spin-Off as well as cash for 0.76930 Vitesse fractional share, 95.55% of the aggregate tax basis of $1,000, or $955.53, would be allocated to the 100 shares of Jefferies common stock, resulting in a tax basis of $9.56 per share (rounded) of Jefferies common stock. The remaining 4.45% of the aggregate tax basis, or approximately $44.47, would be allocated to the 11 shares and the 0.76930 fractional share of Vitesse common stock. This results in a tax basis of $3.78 per share of Vitesse common stock (rounded), with approximately $2.91 (rounded) of tax basis allocated to the Vitesse fractional share in respect of which cash is received.

Jefferies shareholders who acquired tax lots of Jefferies common stock at different times or at different prices should perform the foregoing allocation separately with respect to each such tax lot of Jefferies common stock in consultation with their own tax advisors. Other valuation methodologies may exist, and shareholders are urged to consult their tax advisors regarding these tax basis allocation calculations. Jefferies shareholders are not bound by the approach illustrated above and may, in consultation with their own tax advisors, use another approach in determining fair market values for Jefferies common stock and Vitesse common stock.

Item 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:

The applicable sections of the Internal Revenue Code of 1986, as amended (the "Code") upon which the tax treatment is based are sections 355, 358, 368, 1001 and 1223.

Item 18. Can any resulting loss be recognized?:

Generally, no gain or loss should be recognized for tax purposes as the result of the Spin-Off. A Jefferies shareholder who receives cash in lieu of a fractional share of Vitesse common stock will recognize gain or loss equal to the difference between the amount of cash received and the tax basis in the fractional share. The deductibility of capital losses is subject to limitations.

Item 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The Spin-Off occurred on the Distribution Date, January 13, 2023. As a result, any gain or loss recognized with respect to any cash payment received in lieu of any fraction of a full common share of Vitesse common stock to which a Jefferies shareholder was entitled under the distribution ratio should be recognized in the Jefferies shareholder's tax year which includes that date, and the tax basis in the shares of Jefferies common stock and Vitesse common stock should be adjusted as of that date. In the case of shareholders who are calendar year taxpayers, the Spin-Off is reportable in the tax year ending December 31, 2023.

For any additional information please also refer to the Form 10 – General Form for Registration of Securities filed with the U.S. Securities and Exchange Commission by Vitesse Energy, Inc.

This Form 8937 - Report of Organizational Actions Affecting Basis of Securities ("Report") is based upon the Code, the Treasury Regulations promulgated thereunder (the "Regulations"), other published administrative guidance and court and administrative rulings and decisions, all in effect as of the date this Report was first posted for the purpose of public reporting.

This Report addresses U.S. holders who held their shares as "capital assets" as the term is used in the Code and the Regulations, for U.S. federal income tax purposes. The tax consequences of the Spin-Off may be impacted by a holder's specific situation. Each holder should consult with their own tax advisor as to the tax consequences of the Spin-Off in their particular circumstances, including the applicability and effect of any state, local or other tax laws and of changes in those laws.

The information in this Report or any attachment thereto does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.