Vostok New Ventures Ltd.

Financial Report

For the Fourth Quarter and Twelve Months Period 2017

- Net result for the period was USD 161.39 million (mln) (January 1, 2016–December 31, 2016: 135.47). Earnings per share were USD 1.94 (1.77).
- Net result for the quarter was USD 144.96 mln (51.54). Earnings per share for the quarter were USD 1.71 (0.63).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 879.99 mln on December 31, 2017 (December 31, 2016: 725.52), corresponding to USD 10.40 per share (December 31, 2016: 8.47). Given a SEK/USD exchange rate of 8.2322 the values were SEK 7,244.35 mln (December 31, 2016: 6,600.09) and SEK 85.65 (December 31, 2016: 77.02), respectively.
- The group’s net asset value per share in USD increased by 22.79% over the period January 1, 2017–December 31, 2017.
- During the quarter October 1, 2017–December 31, 2017, the group’s net asset value per share in USD increased by 19.82%.
- The main driver of the result for the period and the NAV increase during the quarter October 1, 2017–December 31, 2017 and the period January 1, 2017–December 31, 2017 is a revaluation of Avito which is a result of valuing the company using a refined EV/EBITDA multiple valuation model to better reflect Avito’s EBITDA growth compared to the listed online classifieds peer group.
- In November 2017, Vostok New Ventures finalized a follow-on investment into CarZar in the amount of USD 1.5 mln.
- During the quarter, the Company has repurchased 150,000 shares (SDRs) under the Board of Directors’ repurchase authorization of August 11, 2017.
- The number of outstanding shares (SDRs) at the end of the period was 84,582,357.
- At the end of the period the Company holds 1,105,952 repurchased SDRs.
- After the end of the period, on February 14, 2018, Vostok announced that the Company has received authorization from the Board, valid until December 31, 2018, to repurchase additional SDRs, subject to remaining in compliance with the terms and conditions of the Company’s outstanding bond 2017/2020.

Management report

Happy New Year! 2017 was an inspiring year. Our largest holding continued to grow revenues, grow earnings even faster and turn earnings into cash dividends to its shareholders. The analogy with Rightmove in 2007 that we have touched upon before still holds very well. Rightmove tripled revenues during the 10 years following 2007 whilst maintaining world class margins. We believe Avito is on the same route, possibly even at a faster rate.

In this quarterly report we continue our analysis of Avito as a multi-vertical asset, this time focusing on the real estate vertical.

We have seen network effects continued to be built in our other large holdings, most notably BlaBlaCar. We are full of confidence knowing that earnings and cash flow must always come after building a leading position in liquidity. Building liquidity takes time but when critical mass has been attained then barriers to entry are high. Stable high cash margins follow. We clearly see liquidity continuing to be built with BlaBlaCar now having 60 million members and 18 million travelers per quarter compared to the 20 million members and 10 million travelers per quarter when we first invested back in 2015.

We are very happy to have invested into another company within the health sector, babylon. The health industry is one of the last sectors to be properly disrupted by digital. Due to the size, complexity of the space and also the presence of regulations which differ from market to market, visibility into the end status post digital disruption is low, in turn hiking the risk premium associated with investments into the changes. This situation creates the potential for very high returns. Apart from focusing on the areas which have the potential to benefit from network effects, I believe our persistent emphasis on backing strong entrepreneurs is especially important here. A strong entrepreneur will be able to navigate the shifts at sea to successfully steer his ship to that unknown promised land of a digital, mobile, efficient, affordable and available best-in-class health sector.

In addition to babylon (our largest investment during the year) we initiated exposure to a couple of very exciting young companies. Agente Imóvel aims to become the Zillow of Brazil, while CarZar aims to disrupt the second-hand car market of South Africa with an Auto1-inspired model. These investments are small in relation to Avito of course, but it is important to remember that Avito started as a EUR 4 mln investment once upon a time. Small things can grow!

During the year, we also exited the Delivery Hero debt investment in connection with the company's IPO this summer. Delivery Hero was a successful investment for us, generating 22% IRR through coupon payments and equity compensation. We still hold a small number of shares in Delivery Hero as per year-end that have been under lock-up following the IPO until late December 2017.

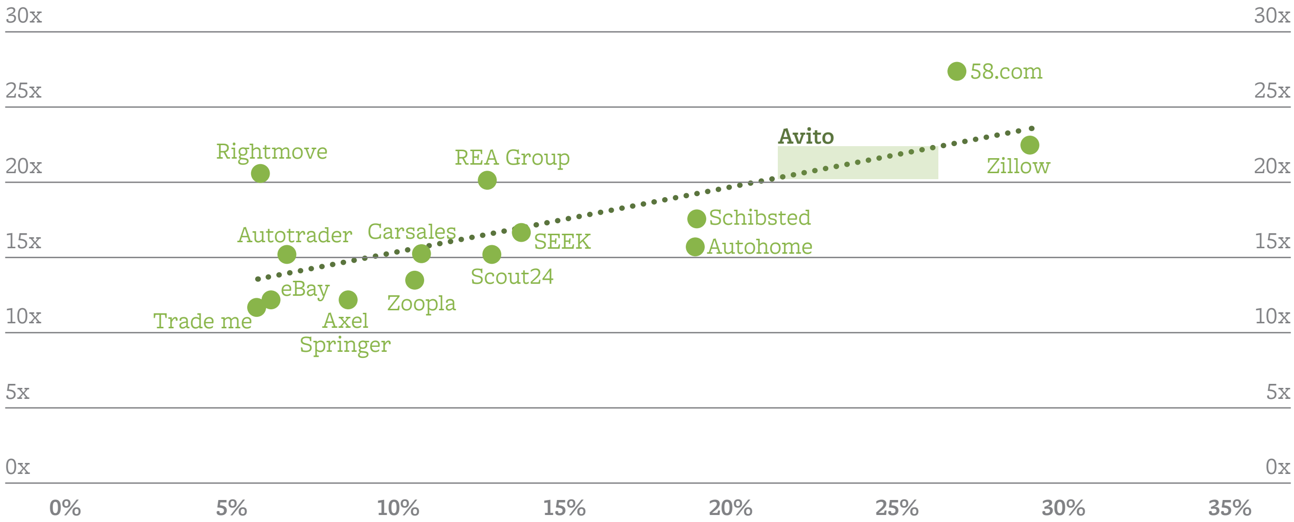
Avito

We have per the end of the year refined our valuation model for Avito to capture the "Rightmove-a-la-2007" mode the company is now in and better reflect the company's earnings growth. This mode entails revenue growth in the range of 25–35% but at consistently high margins, in turn providing earnings growth at the higher end of the global benchmarks. At the end of the day what matters for valuations are earnings and our new mark on Avito captures this. Our new mark for Avito is USD 4.5 bn, compared to USD 3.4 bn at the end of 2016.

The graph on next page shows the relationship between the EV/EBITDA multiple and earnings growth for a large set of listed online classifieds peers. Earnings growth of some 22–26% corresponds to an EV/EBITDA multiple of around 20–22x.

Avito continues to convert their earnings into dividends for shareholders. During 2015 we got USD 30.57 mln in dividends and for the calendar year of 2017 we received a total of USD 8.2 mln in dividends (of which USD 6.8 mln was accounted for as a receivable on our

EV/EBITDA 2018E vs. EBITDA CAGR 2018E–2020E



balance sheet already at year-end 2016). In January 2018 we received an additional USD 10.2 mln in dividends.

In terms of absolute sums, USD 4.5 bn for Avito is not an aggressive number. We believe this company is on the route to making USD 300 mln in EBITDA some years out, which results in an undemanding multiple of 15x, whilst emerging markets peers such as MercadoLibre and Info Edge (not included in above table as they would skew the trendline substantially) are trading at 20x+ on earnings three years out. Also, as a useful sanity check, Australia's online classifieds sector (incorporated in several different companies) is currently valued at some USD 13 bn combined.

Going forward, we will report Avito's financial performance on a bi-annual basis to align our reporting with Avito's majority shareholder Naspers. On a quarterly basis, we will continue to report a selection of operational KPIs so that you will be able to continue follow Avito's development.

We very much look forward to 2018. We are currently evaluating some new investments but as always comparing them to the risk-reward profile of our existing portfolio and the opportunity of our own stock.

Avito study: Real Estate

In the last quarterly report we presented the case for looking at Avito as a collection of verticals rather than a horizontal player when assessing the company's long-term potential. In this report we kick off the deep dives in each of Avito's verticals, starting with Real Estate.

Background

Our view is that the intrinsic value of a classifieds property can be derived from the total addressable market multiplied with the property's share of leads generated in that specific vertical.

The logic behind this is quite simple. Advertisers in a given vertical have a bag of money to spend on advertising. This bag of money can grow bigger (or smaller) with time, but the size of the advertising spend is unlikely to change with more than single digit percentage numbers per year. The total addressable market is often fairly stable.

What can change relatively quick, however, is how advertisers chose to distribute this spend.

In the last decade we have seen a tremendous shift in spend from offline to online. Advertisers have simply followed consumers as they have shifted their time allocated from offline to online, from print classifieds to online classifieds. As consumers' time allocation shifts from one type of media to another, so does the number of leads generated. And as one resource starts working better than the other – that is, starts generating more leads – advertisers move their spend to the best performing sources.

In the long run, a property's share of leads generated and share of spend should converge. In the short to medium term there might be nuances in different properties' monetization strategies, sales capabilities, etc., but we prefer to take the long view.

Therefore, in this report we will first look at the addressable market – in this case the Russian real estate market – and then at Avito's competitive position on this market. We will then use those data points as input for a discussion for Avito's real estate vertical potential on a stand alone basis.

The Russian real estate market

The inner workings of real estate markets might differ substantially from country to country. In some countries the real estate agent profession is licensed, in others (like Russia) all you need to call yourself an agent is a mobile phone and an account on the largest classifieds property. In some countries agents have exclusive mandates (i.e.

the seller is bound to sell with the chosen agent for a period of time), and in other (like Russia) a property can be marketed by an unlimited number of agents.

Despite the differences, our experience is that the way agents think about marketing spend is remarkably similar. The price of the property multiplied with the commission rate equals the agent's gross proceeds from a sale. Every agent understands that a certain percentage – often around 5–10% – needs to be allocated to marketing of the property. Each agent of course want to minimize this number, but the way the market works in most countries agents understands that this is a necessary cost of doing business. Again, there might be nuances deepening on region and subsets of the market, but our experience is that the above is correct on a high level.

So the formula for deciding the total addressable market is quite straight forward:
*number of properties sold per year * average price * average commission * share of gross revenue allocated to marketing.*

The Russian real estate market is huge in terms of number of transactions – we believe that around 2.5 million properties are transacted every year in a way relevant to Avito. The total number of transactions is substantially higher, but some of those transactions are not relevant to Avito since they happen without agents or are between family members or similar. 2.5 million is our rather conservative estimate (Avito's main business is in secondary sales – Avito is not as strong in new homes yet). This can be compared with 1.2 million homes on the UK market, the home of both Rightmove (USD 5.7 bn market cap) and Zoopla (USD 2.1 bn market cap). Or it can be compared with the Australian market where 0.5 million homes are sold each year and where REA Group is the leading property marketplace (USD 7.8 bn market cap with 94% of its revenues coming from the Australian market).

However, the average selling price in Russia is relatively low in an international perspective, much because of the weak rouble. We have used the pricing function on Domofond.ru and based on that made the assumption that the average price is RUB 4.0 mln.

The commission is typically between 2–3% – much in line with international benchmarks.

These numbers result in a total addressable market of about RUB 17.5 bn per year, summarized in the table below.

Metric	Number
Number of properties per year	2.5 mln
Average selling price	RUB 4 mln
Average commission	2–3%
Share of gross revenue allocated to marketing	5–10%
Total addressable market	Ca. RUB 17.5 bn

Internet's share of spend

According to the AKAR, The Association of Russian Advertisers, Internet surpassed TV as the largest advertising channel in terms of spend in the third quarter of 2017. This is a major milestone in the structural shift towards online, and the trend will continue. More than 40% of budgets are now allocated to online channels. Among smaller advertisers – such as real estate agents – the share of spend going to online is naturally much higher since this type of advertisers cannot afford TV. We think it is reasonable to assume that at least half of RE agent's spend is allocated to online channels. So of the RUB 17.5 bn we assume that agents spend, around RUB 8.5–9.0 bn is directed to online channels.

Avito's position on the Russian real estate market

Avito's position on the Russian real estate market is immensely strong. In this section we will walk you through the different products Avito offers in the vertical and what market position the company has reached in the vertical by aggressively pushing these products to the market.

Avito Real Estate – Russia's leading RE vertical under Avito's umbrella brand

The Real Estate section of Avito has been present since the very early days, but it was not until 2012 that the company started to put serious efforts and resources behind creating awareness about the RE vertical for the general public. At this time, a large part of the transactions still happened through agents sitting on closed databases with objects for sale, and classifieds sites were mostly used to attract potential clients with fake items that were too good to be true. Through consistent marketing, sales and content moderation efforts, Avito Real Estate managed to build a functioning marketplace which quickly grew into the largest federal real estate marketplace in Russia.

Domofond – a 100% owned stand alone vertical second only to Avito Real Estate

Domofond was started as a joint venture between Avito and South Africa's Property24. The rationale for launching was that there was no dedicated federal real estate vertical in Russia at the time, and that the Russian real estate market certainly is large enough to have both a leading horizontal player (Avito) and a vertical player. Unless Avito themselves took the position, someone else would. Among the pure Real Estate verticals, Domofond is now the largest federal vertical.

ActiAgent – a SaaS offering simplifying agents' daily life

ActiAgent is a software for agents where they can manage all their listings in a easy and intuitive way. Whereas the listing interface on Avito is built for private users, ActiAgent is built solely for professional users with their needs in mind. This creates a stronger connection between Avito and the agents, and become an even greater part of their everyday work.

Market position

Avito has a strong position in the real estate vertical in Russia with Avito Real Estate and Avito's wholly owned dedicated vertical Domofond. Together they are the clear market leader in the space. We estimate that Avito has 60–70% market share in terms of traffic and ultimately also leads. This is supported by research performed by independent market researchers, e.g. "sales tests" where the same homes are published on all services available and then the response is measured and from what site the response came. Similar numbers are reached for Avito when you ask people who have used Internet to search for properties about what service they actually used.

For the purposes of this exercise, we assume that agents allocate their spend in the same proportions as they get their leads. That is, that ⅔ of the budget goes to Avito.

Valuation approach

Using this top down approach to calculate the pricing power and "fair revenue share" of Avito, we land at approximately RUB 5.5–6.0 bn for the current year.

Zillow trade at 22.5 times 2018 earnings, Rightmove at 20.7 and REA Group at 20.1, but they all have substantially slower growth rate than Avito. A peer group of online classifieds in emerging markets trade at 27.4 times 2018 earnings. Given the growth rate of Avito, the quality of the company and for the reasons laid out in the 3Q17 report (higher pricing power, lower risk for disruption and synergies to drive best in class margins) we think a multiple of 25 is fully justified for Avito Real Estate on a stand alone basis. Assuming 60% EBITDA margin, we believe that the present value of the RE vertical only is somewhere around RUB 90 bn or USD 1.5 bn.

In the last report we calculated "implied market caps" of each verticals where we took a much longer horizon. In that report, we assigned a long term value potential of USD 3.4 bn to the RE vertical based on the current market cap of Rightmove and the relative sizes of the Russian and UK real estate markets. We still believe this number makes sense. With time, a number of important factors play into the Avito's hands: 1) the overall marketing budgets in Russia will grow, 2) more and more will move over to online, 3) Avito will take an even larger share of overall spend thanks to the industry dynamics, and 4) Avito will continue to launch new and innovative products expanding the market further.

February 2018,
Per Brilioth

Portfolio structure – Net Asset Value

The investment portfolio stated at market value as at December 31, 2017, is shown below.

Company	Fair value, USD Dec 31, 2017	Percentage weight	Fair value, USD Dec 31, 2016	Fair value change per share, USD 2017
Avito[2]	591,938,454	62.2%	449,281,016	9% [1]
BlaBlaCar[2]	118,615,542	12.5%	107,738,524	-18% [1]
Gett[2]	59,198,650	6.2%	50,358,980	18% [1]
Propertyfinder[2]	28,704,345	3.0%	19,999,199	44% [1]
babylon[2]	23,335,857	2.5%	–	8% [1,3]
OneTwoTrip[2]	20,810,533	2.2%	14,958,960	7% [1]
Wallapop[2]	13,533,279	1.4%	11,520,768	17% [1]
Hemnet (through YSaphis S.A. and Merro Partners S.A.)[2]	11,207,369	1.2%	10,252,714	9% [1,3]
Merro[2]	9,358,731	1.0%	12,384,907	-24% [1]
Naseeb Networks (Rozee and Mihnati)[2]	4,203,772	0.4%	4,034,693	4% [1]
CarZar	3,521,186	0.4%	–	– [1]
El Basharsoft (Wuzzuf and Forasna)[2]	2,347,911	0.2%	1,158,956	68% [1]
Vezeeta (DrBridge)[2]	1,833,313	0.2%	894,724	49% [1]
KEH AB (YouScan)[2]	1,526,375	0.2%	3,515,204	-57% [1]
Agente Imóvel	1,000,000	0.1%	–	– [1]
Carable (Garantibil)[2]	–	–	2,198,526	-100% [1]
Delivery Hero AG, equity	888,401	0.1%	2,137,575	20% [1]
Delivery Hero AG, equity component	–	–	1,147,070	– [1]
Delivery Hero AG, debt	–	–	24,074,461	
Kite Ventures, loan	–	–	7,698,611	
Liquidity management	8,023,392	0.8%	–	
Cash	51,078,919	5.4%	34,780,024	
Total investment portfolio	**951,126,029**	**100.0%**	**758,134,913**	
Borrowings	-71,541,440		-32,399,831	
Other net receivables/liabilities	405,089		-219,172	
Total NAV	**879,989,679**		**725,515,910**	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.
2. Private equity investment.
3. Valuation change due to exchange rate movement.

Avito

Vostok New Ventures' number of shares as at December 31, 2017	6,166,470
Total Value (USD)	591,938,454
Share of total portfolio	62.2%
Share of total shares outstanding	13.2%
Value development Jan 1–Dec 31, 2017 (in USD)	32%

avito.ru

Avito is the largest and most liquid online classifieds platform in Russia, and the clear market leader in terms of visitors and ads. During 2017, the company has continued to deliver strong growth and profitability. Avito's firm market-leading position has proven to be a key factor in terms of the potential to reach high profitability similar to that of peers in other countries. Avito is the leading brand and with strong brand awareness throughout Russia. Compared to western countries, Russia still lags behind in terms of low proportion of internet users in relation to the total population. According to International Telecommunication Union (ITU) Russia now has just over 100 mln internet users. The market for internet-related services continues to grow in correlation with an increased internet penetration. The Russian e-commerce market is also expected to grow with the increasing internet penetration and consumers and businesses migrating online.

Avito continues to strengthen its position in the key verticals, Auto, Real Estate, and Jobs and Services with an increasing product offering for professional sellers. Domofond, the designated real estate portal for the Russian market, launched in 2014, continues to grow and is the largest property vertical by visitors after Avito itself in the Russian market.

As per December 31, 2017, Vostok New Ventures values its stake in Avito to USD 591.9 mln (USD 4.5 bn for the entire company) on the basis of a EV/EBITDA peer multiples valuation model. As per December 31, 2017, the model has been further refined to better reflect Avito's strong EBITDA growth compared to the listed peer group. This represents a 31.8% increase in valuation compared with Vostok's valuation as per year-end 2016. The main drivers of the revaluation during 2017 are the refined valuation model as well as a stronger ruble and slightly higher peer multiples.

As per December 31, 2017, Vostok New Ventures owns a 13.2% stake in the company on a fully diluted basis.

Other shareholders in Avito are Naspers (majority shareholder), Baring Vostok and the two founders.

During 2017, Vostok New Ventures received a total of USD 8.2 mln in dividends from Avito. The dividends were paid during the first (USD 6.8 mln) and second (USD 1.4 mln) quarters of 2017.

Key performance indicators October–December 2017[1]

- Revenues of RUB 4,241 mln (USD 73.6 mln[2]), up 29% compared with the fourth quarter 2016 (RUB 3,299 mln).
- Adjusted EBITDA margin of 53% or RUB 2,232 mln (USD 38.7 mln[2]), compared with the fourth quarter 2016 (Adjusted EBITDA margin of 47% or RUB 1,536 mln).
- Listers[3] amounted to 12.2 mln and grew by 8% compared to 11.3 mln for the same period previous year.

Avito Quarterly Key Performance Indicators

	Oct–Dec 2017	Oct–Dec 2016	Oct–Dec q-o-q change, %
Revenue, RUB mln	4,241	3,299	29%
EBITDA, RUB mln	2,232	1,536	
EBITDA margin	53%	47%	
Listers, mln	12.2	11.3	8%

1. Source: unaudited figures from Avito.
2. Translated with FX rate of 57.6002 as of December 31, 2017.
3. Source: internal company information.

BlaBlaCar

Vostok New Ventures' number of shares as at December 31, 2017	14,492,319
Total Value (USD)	118,615,542
Share of total portfolio	12.6%
Share of total shares outstanding	9.5%
Value development Jan 1–Dec 31, 2017 (in USD)	-18%*

* Attributable to change in valuation methodology and currency exchange differences.

blablacar.com

BlaBlaCar connects people looking to travel long distances with drivers already going the same way, so that both can save money by sharing the cost of their journey. This model has made BlaBlaCar a leader of the global sharing economy with over 60 million members in 22 countries, and is helping to make road travel more efficient and affordable.

BlaBlaCar was founded in 2006 by Frédéric Mazzella, CEO, Francis Nappez, CTO, and Nicolas Brusson, COO and has raised more than USD 300 mln in funding to date. Currently, BlaBlaCar operates in Benelux, Croatia, France, Germany, Hungary, India, Italy, Mexico, Poland, Portugal, Romania, Russia, Serbia, Spain, Turkey, Ukraine and the United Kingdom.

BlaBlaCar has during the last 12 months increased its efforts in emerging markets, especially in Russia, and has also launched the service in a number of South American markets including Brazil. The most recent markets to launch were the Czech Republic and Slovakia.

In May 2017, BlaBlaCar launched a new carpooling app for commuters, BlaBlaLines on two pilot routes in France, and in August 2017, BlaBlaCar was integrated as a transportation alternative in Google Maps in the markets where the service is available.

Since 2015, Vostok New Ventures has invested a total of EUR 107 mln into BlaBlaCar. The most recent transaction (EUR 2.3 mln) was completed during the fourth quarter of 2017.

As per December 31, 2017, Vostok New Ventures owns approximately 9.5% of BlaBlaCar on a fully diluted basis and the investment is valued on the basis of a valuation model focused on multiples of GMV (Gross Merchandise Volume) and revenue as the last transaction on market terms is now more than 12 months old.

Propertyfinder

Vostok New Ventures' number of shares as at December 31, 2017	142,308
Total Value (USD)	28,704,345
Share of total portfolio	3.0%
Share of total shares outstanding	10.1%
Value development Jan 1–Dec 31, 2017 (in USD)	44%

propertyfinder.ae

Propertyfinder Group was founded 10 years ago by Michael Lahyani and operates real estate classifieds platforms in seven countries across the MENA region (Middle East/North Africa). Propertyfinder is the clear market leader in UAE and Qatar and in at the top together with a few competitors in its other markets. Propertyfinder is headquartered in Dubai, employs more than 150 people and is profitable in its core markets as well as on group level in terms of EBITDA. During the second quarter of 2016, Propertyfinder announced that it had acquired a small competitor in Morocco. Vostok New Ventures invested USD 20 mln for 10% in primary equity of the company during the fourth quarter 2015. During the third quarter of 2017, Vostok New Ventures acquired a small number of secondary shares in the company for a total of USD 500k. The transaction is deemed small and not transacted at market terms and therefore not suitable as basis for valuation of the investment in Propertyfinder.

As per December 31, 2017, Vostok New Ventures values its stake in Propertyfinder to USD 28.7 mln (USD 278 mln for the entire company) on the basis of an EV/Sales peer multiples valuation model. This valuation represents a 44% increase in valuation compared to Vostok's initial investment into the company. The valuation increase is driven by a strong revenue growth during 2017 and a positive outlook for 2018.

Group KPI development 4Q17

- Total page views are up 38.3% year on year
- Total sessions are up 23.0% year on year
- Total leads generated are up 48.8% year on year
- Total unique users are up 23.8% year on year

Gett

Vostok New Ventures' number of shares as at December 31, 2017	18,171,609
Total Value (USD)	59,198,650
Share of total portfolio	6.3%
Share of total shares outstanding	3.6%
Value development Jan 1–Dec 31, 2017 (in USD)	18%

gett.com

Gett is a global ride sharing app built on a simple idea – if you treat drivers better, they will treat riders better.

A leading provider in Europe, Gett is currently active in four countries and across 100+ cities, including Moscow, London, and NYC. Gett's technology enables consumers to instantly book on-demand transportation, delivery and logistics. The addressable market for the company within its existing markets is worth some USD 30 bn. Of this Gett's revenues are typically some 15–30% depending on whether it is servicing a private or business client. In total, Gett has raised over USD 640 mln in venture funding.

Gett is a company driven by quality; it means Gett does everything to put drivers first, resulting in the best-rated drivers in all markets in which it operates. The best drivers, in turn, deliver the highest quality rides to Gett's riders.

With its focus on quality, Gett is equally successful in both B2C and B2B markets. As the global leader in corporate transportation, Gett already serves more than 12,000 leading global corporations today, using its "Gett for Business" product. The corporate market offers higher profitability and also immense growth opportunities, as competition is lower. Gett deals solely with licensed drivers, making it a safe and valid option within the European and NYC regulatory framework.

Gett's most recent shareholders include the Volkswagen Group, who invested USD 300 mln in the company in 2016, and Sberbank, who has provided the company with a seven-year USD 100 mln debt facility, which also includes an equity component.

In late April 2017, Gett announced its acquisition of JUNO in NYC in a deal worth USD 200 mln. Gett and JUNO share a passion for treating drivers and riders better, as well as an unrelenting focus on quality. Since its foundation, JUNO experienced tremendous growth, providing the highest-quality service in NYC. With this acquisition, Gett is now set to become the second-largest ride sharing app in NYC (after Uber).

In October 2017, Gett announced a strategic partnership with Carey International for business travelers. The partnership expands Gett's global footprint to over 1,000 cities worldwide through Carey International's exclusive Global Franchise Network.

As per December 31, 2017, the Gett investment is valued at USD 59.2 mln, based on a valuation model following the company's progress since last funding round led by Volkswagen in 2016 (now more than 12 months old) and the acquisition of JUNO during 2017.

babylon

Vostok New Ventures' number of shares as at December 31, 2017	84,246
Total Value (USD)	23,335,857
Share of total portfolio	2.5%
Share of total shares outstanding	10%
Value development Jan 1–Dec 31, 2017 (in USD)	8%*

* Attributable to currency exchange differences.

babylonhealth.com

babylon launched in 2015 and is a pioneer in personal digital healthcare globally. babylon's technology, available from any mobile phone or personal computer worldwide, aims to put an accessible and affordable health service into the hands of every person on Earth. babylon has brought together one of the largest teams of scientists, clinicians, mathematicians and engineers to focus on combining the ever-growing computing power of machines, with the best medical expertise of humans. babylon currently has over 900,000 registered patients in the UK, and also runs a pilot program in Rwanda. On November 6, 2017, babylon launched GP at Hand, its service for the National Health Service (NHS) funded healthcare, across most of London.

In April 2017, Vostok New Ventures invested GBP 17.3 mln in primary shares in babylon in the context of a larger GBP 48 mln (USD 60 mln) financing round.

As per December 31, 2017, the babylon investment is valued at GBP 17.3 mln (USD 23.3 mln), on the basis of this latest transaction in the company.

OneTwoTrip

Vostok New Ventures' number of shares as at December 31, 2017	96,228
Total Value (USD)	20,810,533
Share of total portfolio	2.2%
Share of total shares outstanding	16.7%
Value development Jan 1–Dec 31, 2017 (in USD)	39%

onetwotrip.com

OneTwoTrip (OTT) is serving the underpenetrated USD 63 bn Russian travel market characterized by lack of focused local/foreign competition, and with inherent scalability via fully virtual inventory. It is the number one player in a leading e-commerce segment with the best overall product proposition, nimble and bottom-line focused executive team and rapidly growing mobile channel. Opportunity to participate in the ongoing growth in online penetration of travel products, coupled with diversification of revenue streams, including major upside opportunities in

(1) hotel cross-sell,
(2) dynamic packaging (tickets + lodging combo), and
(3) geographic expansion.

In December 2016, Vostok New Ventures agreed to invest an additional USD 5.8 mln in OTT through a purchase of secondary shares from an existing investor in the company. The additional investment was disbursed in January 2017. Following the transaction, Vostok New Ventures owns 16.7% of the company on a fully diluted basis.

Vostok New Ventures has invested a total of USD 12.2 mln in OTT during 2015 and 2016. As per December 31, 2017, the company is valued based on an EV/Sales peer multiples model.

Wallapop

Vostok New Ventures' number of shares as at December 31, 2017	21,872*
Total Value (USD)	13,533,279
Share of total portfolio	1.4%
Share of total shares outstanding	2.9%
Value development Jan 1–Dec 31, 2017 (in USD)	17%

* Shares held indirectly through a limited partnership.

wallapop.com

Wallapop is an online marketplace that enables users to buy and sell goods in categories such as fashion, decoration, motorcycles, electronics, and more. The company was founded by Agustin Gomez, Gerard Olivé and Miguel Vicente in January 2013.

Wallapop has over a short space of time taken great strides in terms of market share in online classifieds in Spain and is also making good inroads to France. Wallapop is also active in the UK and in the US. During the fall of 2015, Wallapop increased its marketing efforts in the US, taking on competitors such as Craigslist and Ebay. In the second quarter of 2016 Wallapop announced it would merge it US business with Naspers' owned Letgo. As part of this merger the new US company raised further funding from its existing shareholders. During fourth quarter of 2016 the US joint-venture raised further funding to continue to build on its efforts on the US market.

In the end of 2016, Wallapop started monetizing in Spain letting users pay to highlight their listings for 24 hours. The price of the highlight varies slightly by type of product and region, but it is around EUR 2 in Wallapop's main urban markets such as Barcelona, Madrid and London.

Vostok New Ventures has in total invested approximately USD 9 mln in three separate transactions during 2015. As per December 31, 2017, Vostok New Ventures indirectly owns approximately 2.9% of the company and values its indirect stake in the company to USD 13.5 mln on the basis of the latest primary transaction in the company, adjusted for the latest transaction based valuation of Wallapop's share in Letgo US, both of which closed in 2017.

Hemnet

(Hemnet Sverige AB through YSaphis S.A. and Merro Partners S.A.)

Vostok New Ventures' number of shares as at December 31, 2017	81,024,902
Total Value (USD)	11,207,369
Share of total portfolio	1.2%
Share of total shares outstanding	5.9%
Value development Jan 1–Dec 31, 2017 (in USD)	9%*

* Attributable to currency exchange differences.

hemnet.se

Hemnet is Sweden's largest online property portal, founded in 1998, with two million unique visitors each week to its mobile and desktop products. In 2015, 220,000 real estate listings were published on Hemnet. Hemnet's mobile app has over 1.5 mln downloads on iOS and 630k on Android. During 2016, the company generated revenue of SEK 253.6 mln (2015: 182) and EBIT of SEK 67.4 mln (2015: 46.5). Hemnet has a strong position in the Swedish market with substantial network effects through its relationships with real estate brokers and home sellers alike, and is in an excellent position to continue to grow its business. For more information, please visit www.hemnet.se.

The investment in Hemnet was made through the co-investment vehicle YSaphis S.A., together with a consortium led by Henrik Persson and Pierre Siri, which alongside majority investor General Atlantic acquired Hemnet in December 2016.

In December 2016, Vostok New Ventures invested SEK 93.3 mln (USD 10.3 mln) in YSaphis S.A., which translates into an equity exposure of approximately 5.9% in Hemnet on a fully diluted basis immediately after closing. The transaction was closed in early January 2017. As per December 31, 2017, Vostok New Ventures values its investment on the basis of this transaction.

Merro

Vostok New Ventures' number of shares as at December 31, 2017	10,900
Total Value (USD)	9,358,731
Share of total portfolio	1.0%
Share of total shares outstanding	22.5%
Value development Jan 1–Dec 31, 2017 (in USD)	-24%

merro.co

Merro is an investment holding company that focuses on online marketplace businesses with network effects in developing markets. Merro was founded in 2014 by Henrik Persson, Michael Lahyani and Pierre Siri having each a third of the company. Henrik Persson was formerly Head of Investments at Kinnevik and is our partner from many ventures, most notably Avito. Michael Lahyani is the founder and CEO of Propertyfinder, the largest real estate property portal in the MENA region. Pierre Siri has a long background within online classifieds, which includes the role as CEO and investor in Blocket.se, the Swedish online classifieds asset that is today owned by Schibsted and in many ways the benchmark asset for online classifieds players globally.

Merro's portfolio includes a number of investments, most of which are online classifieds companies in the MENA region. These are Opensooq, the leading online classifieds operator in the MENA region, Propertyfinder, the leading property vertical in the MENA region, Dubicars, an early stage car classifieds site in the UAE and six other smaller investments.

- Opensooq represents the largest value in Merro's portfolio and in July 2017 Opensooq generated approximately 1.2 bn page views. Opensooq is on a clear path in becoming the "Avito" of the MENA-region.
- Propertyfinder represents the second largest value in Merro's portfolio. Over the past ten years, Propertyfinder has quickly become the leading real estate classified website in the UAE, Qatar, Bahrain and Lebanon and is growing in popularity in the Kingdom of Saudi Arabia, Egypt and Morocco.
- Dubicars generates more than a million weekly page views and has more than 400 active car dealers from across the UAE.
- CloudSight (formerly Camfind) is a technology company that simplifies the creation of classifieds listings dramatically through its API (application programming interface).
- Yta.se (formerly Objektia), a company that simplifies the process of finding commercial real estate to lease or purchase. By relaying relevant information about the property and its surroundings in a classic marketplace setting, Yta.se aims to be the Trulia of the commercial real estate industry.
- TipTapp, a mobile marketplace in Sweden which operates "reverse classifieds" whereby consumers can post listings with products they will pay to get rid of, most often bulky trash that would otherwise have to be transported to a recycling center or similar.
- QuintoAndar is an end-to-end real estate rentals service in Brazil that connects landlords and tenants. There are significant pain points within rentals in the country due to bureaucratic legislation that effectively requires a co-signer to guarantee rent obligations. QuintoAndar removes this friction by baking in a free insurance product to the end users' contract as well as improving the general processes of searching for properties, arranging viewings and contracts signing.

As per December 31, 2017, Merro is valued on basis of a sum of the parts (sotp)-valuation model as there has been no transaction in the company in the most recent 12 months. The sotp valuation is 24% lower than the latest transaction in the company, mainly driven by a revised valuation of Opensooq which represents the majority of the fair value of Merro.

Naseeb Networks

(Rozee and Mihnati)

Vostok New Ventures' number of shares as at December 31, 2017	11,481,176
Total Value (USD)	4,203,772
Share of total portfolio	0.4%
Share of total shares outstanding	23.7%
Value development Jan 1–Dec 31, 2017 (in USD)	4%

naseebnetworks.com

Naseeb Networks operates leading employment marketplaces in Pakistan (Rozee) and Saudi Arabia (Mihnati) focused on facilitating the matching between jobseekers and employment opportunities. Its complete range of end-to-end employment solutions are used by over 10,000 companies and 5 million job seekers, processing over 1.5 million job applications every month.

Back in 2013, Naseeb Networks completed its acquisition of Mihnati.com, Saudi Arabia's largest indigenous recruiting solutions provider. After its initial market dominance in Pakistan, Naseeb Networks has grown Mihnati's profitability and visits by leveraging its advanced cloud based recruitment product portfolio, back office operations and business expertise in employment marketplaces.

Vostok New Ventures invested USD 4.5 mln in Naseeb during 2015 in connection with a total funding round that amounted to USD 6.5 mln and included participation from Piton Capital. As per December 31, 2017, Vostok New Ventures values Naseeb on the basis of a peer multiples valuation model as the latest transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space, generates a valuation of USD 4.2 mln for Vostok New Ventures' stake in the company. This is 4% higher than Vostok New Ventures' valuation as per December 31, 2016. The revaluation is driven by a decreased revenue forecast and higher peer multiples.

CarZar

Vostok New Ventures' number of shares as at December 31, 2017	831
Total Value (USD)	3,521,186
Share of total portfolio	0.4%
Share of total shares outstanding	16.4%
Value development Jan 1–Dec 31, 2017 (in USD)	–

carzar.co.za

CarZar is a South African stats-based used cars marketplace servicing consumers looking to sell their cars and auto dealers looking for inventory. CarZar prices the vehicles using national data and their own proprietary algorithm, to offer consumers a convenient way to sell their vehicle.

CarZar is founded and run by Michael Muller and Fernando Azevedo Pinherio out of Capetown, South Africa.

Vostok New Ventures invested USD 1.5 mln into CarZar during the second quarter of 2017 in the context of a larger financing round. In November 2017, Vostok New Ventures invested an additional USD 1.5 mln into the company. As per December 31, 2017, Vostok New Ventures values its investment in CarZar on the basis of this latest transaction in the company.

El Basharsoft

(Wuzzuf and Forasna)

Vostok New Ventures' number of shares as at December 31, 2017	339
Total Value (USD)	2,347,911
Share of total portfolio	0.2%
Share of total shares outstanding	17.0%
Value development Jan 1–Dec 31, 2017 (in USD)	68%

basharsoft.com wuzzuf.net forasna.com

Wuzzuf is one of the leading jobs verticals in Egypt. Its main competitor is Bayt, a regional jobs vertical centered around UAE. Wuzzuf focuses on white collar workers with English CVs. In terms of monthly jobs postings within this area it leads versus Bayt and is quickly catching up also in terms of traffic. It has as much as 27% of the market for new graduates looking for jobs in its focus area.

Interestingly also it has a second brand, Forasna, which focuses on the enormous and virtually untapped blue collar market in Egypt. Although a younger venture compared to Wuzzuf, a successful product in this area is something that has a potential far beyond the borders of Egypt and with very little competition.

Wuzzuf was founded in 2009 by Ameer Sherif, an Egyptian national, who we believe is very driven. His ability to bootstrap the company, particularly through the political events of 2011, and turn it to profitability in 2014 is a testament to his dedication. The company is also backed by the company 500 Startups.

During the second quarter of of 2017, Vostok New Ventures invested an additional USD 0.2 mln in El Basharsoft in the form of secondary shares in the company.

As per December 31, 2017, Vostok New Ventures values its investment into el Basharsoft on the basis of a peer multiples valuation model as the latest primary transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space generates a valuation of USD 2.3 mln for Vostok New Ventures' stake in the company. This is 68% higher than Vostok New Ventures' valuation as per year-end 2016 driven by strong revenue growth, a positive outlook for 2018 and higher peer group multiples.

Vezeeta

(DrBridge)

Vostok New Ventures' number of shares as at December 31, 2017	358,069
Total Value (USD)	1,833,313
Share of total portfolio	0.2%
Share of total shares outstanding	7.9%
Value development Jan 1–Dec 31, 2017 (in USD)	49%

vezeeta.com

Vezeeta is the MENA leader in Healthcare IT platforms. The company is pioneering the shift to automate the booking world of doctors creating a healthcare ecosystem by connecting various healthcare providers using our other digital cloud based solutions.

Vezeeta is solving major problems faced by patients when trying to reach doctors. Vezeeta is offering a free user friendly online search engine and app where one can search for doctors by speciality, area, and fees. More than 20,000 patients' reviews and rating are available to help patients decide on the doctor with the best medical service and the least waiting time.

During the third quarter of 2016, Vostok New Ventures invested USD 1.5 mln into Vezeeta in the context of a larger funding round. In April 2017, Vostok New Ventures invested an additional USD 0.33 mln in Vezeeta in an extension of the 2016 financing round. The extended round finally closed in June 2017.

As per December 31, 2017, the investment in Vezeeta is valued on the basis of this funding round.

KEH AB

(YouScan)

Vostok New Ventures' number of shares as at December 31, 2017	8,808,426
Total Value (USD)	1,526,375
Share of total portfolio	0.2%
Share of total shares outstanding	33.9%
Value development Jan 1–Dec 31, 2017 (in USD)	-57%

youscan.io

KEH AB is a holding company that owns a significant position in social media monitoring company YouScan.

The company previously owned and operated Yell.ru and EatOut.ru.

Yell.ru is an online local search utility with user reviews about local companies and services in Russia. In December 2017, KEH entered into an agreement to sell all yell.ru related IP.

YouScan is a social media monitoring platform that helps brand owners to listen to consumer opinions posted online about their products and competitors, and manage their brands online. The company has seen strong growth during 2016 and 2017.

Vostok New Ventures values KEH AB on the basis of a valuation model for the holding in YouScan based on a revenue multiple plus the company cash balance and expected proceeds from the sale of Yell.ru. The majority of the fair value of KEH is attributable to the holding in YouScan. Vostok New Ventures owns 33.9% of KEH AB as per December 31, 2017.

Agente Imóvel

Vostok New Ventures' number of shares as at December 31, 2017	3,591
Total Value (USD)	1,000,000
Share of total portfolio	0.1%
Share of total shares outstanding	20%
Value development Jan 1–Dec 31, 2017 (in USD)	–

agenteimovel.com.br

Agente Imóvel is a Zillow-esque real estate classifieds company in Brazil, leveraging a proprietary, and for Brazil unique, database of real estate pricing. The company was founded in 2013 by three Swedes with a background in the Swedish IT sector. Agente Imovel is the homeowner's companion during the complete home owning life cycle: buying, living, selling, renting, financing and more. The platform connects buyers, sellers, and brokers and is designed to provide easy-to-use information and tools for more informed, and therefore better, real estate decisions, for the home owners as well as the market professional. Price discovery, price trends and price comparisons are key platform concepts.

Vostok New Ventures invested USD 1 mln in Agente Imóvel during the second quarter of 2017 and as per December 31, 2017, the investment is valued on the basis of this transaction.

Debt investments

Delivery Hero

In early July 2017 Delivery Hero (DH) repaid the EUR 25 mln loan following its listing on the Frankfurt stock exchange.

As per December 31, 2017, the remaing equity holding in Delivery Hero is valued at USD 0.89 mln as per the last closing price in December 2017.

Kite Ventures

Kite Ventures is a global venture investment company specializing in marketplace and transactional network investments. The firm seeks to invest in companies in Europe and New York. Kite Ventures was founded in 2009 and has invested over USD 250 mln across 20 portfolio companies.

As per December 31, 2017, Vostok New Ventures no longer has an outstanding loan to Kite following a final repayment during the first quarter of 2017. Vostok New Ventures owns an equity component linked to Kite Ventures' underlying portfolio, which as per December 31, 2017 is valued at zero.

Investments

During the fourth quarter 2017, gross investments in financial assets were USD 12.17 mln (2016: 10.12) and proceeds from sales were USD 0 mln (2016: 5.74). Investments concern additional cash investments in BlaBlaCar and CarZar, and liquidity placements of USD 8.0 mln.

During the twelve months period of 2017, gross investments in financial assets were USD 48.96 mln (2016: 31.66) and proceeds from sales were USD 2.55 mln (2016: 7.83). Investments concern cash investments in babylon, CarZar, Agente Imóvel and additional cash investments in BlaBlaCar, El Basharsoft, Vezeeta, Propertyfinder and CarZar. It also includes cash investment in OneTwoTrip committed in late 2016 and paid in early 2017. Proceeds from sale concern the Delivery Hero pre-IPO share sale.

Group – results for the period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 167.69 mln (2016: 133.84), mainly coming from the revaluation of Avito and Gett. Dividend and coupon income was USD 1.36 mln (2016: 6.76).

Net operating expenses amounted to USD -6.31 mln (2016: -6.67).

Net financial items were USD -1.29 mln (2016: 1.63).

Net result for the period was USD 161.39 mln (2016: 135.47).

Total shareholders' equity amounted to USD 879.99 mln on December 31, 2017 (December 31, 2016: 725.52).

Group – results for the quarter

During the quarter, the result from financial assets at fair value through profit or loss amounted to USD 146.90 mln (2016: 49.21), mainly driven by the revaluation of Avito and Propertyfinder. Dividend and coupon income was USD 0 mln (2016: 6.76).

Net operating expenses amounted to USD -1.77 mln (2016: -2.91).

Net financial items were USD -0.10 mln (2016: -1.44).

Net result for the quarter was USD 144.96 mln (2016: 51.54).

Liquid assets

The liquid assets of the group, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 51.1 mln on December 31, 2017 (December 31, 2016: 34.8).

Income statements – Group

(Expressed in USD thousands)	Jan 1, 2017– Dec 31, 2017	Jan 1, 2016– Dec 31, 2016	Oct 1, 2017– Dec 31, 2017	Oct 1, 2016– Dec 31, 2016
Result from financial assets at fair value through profit or loss[1]	167,691	133,840	146,898	49,213
Dividend and coupon income	1,357	6,760	–	6,761
Total operating income	**169,047**	**140,600**	**146,898**	**55,974**
Operating expenses	-6,305	-6,666	-1,774	-2,909
Operating result	**162,743**	**133,934**	**145,123**	**53,065**
Financial income and expenses				
Interest income	4,153	4,748	22	1,158
Interest expense	-7,090	-1,908	-1,147	-609
Currency exchange gains/losses, net	1,648	-1,210	1,030	-1,984
Net financial items	**-1,289**	**1,630**	**-96**	**-1,435**
Result before tax	**161,454**	**135,563**	**145,027**	**51,630**
Taxation	-68	-89	-68	-89
Net result for the financial period	**161,386**	**135,474**	**144,959**	**51,541**
Earnings per share (in USD)	1.94	1.77	1.71	0.63
Diluted earnings per share (in USD)	1.94	1.77	1.71	0.63

1. Financial assets at fair value through profit or loss (including listed bonds) are carried at fair value. 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 within 'Result from financial assets at fair value through profit or loss' in the period in which they arise.

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2017– Dec 31, 2017	Jan 1, 2016– Dec 31, 2016	Oct 1, 2017– Dec 31, 2017	Oct 1, 2016– Dec 31, 2016
Net result for the financial period	**161,386**	**135,474**	**144,959**	**51,541**
Other comprehensive income for the period				
Items that may be classified subsequently to profit or loss:				
Currency translation differences	160	-83	28	-53
Total other comprehensive income for the period	**160**	**-83**	**28**	**-53**
Total comprehensive income for the period	**161,546**	**135,391**	**144,988**	**51,488**

Total comprehensive income for the periods above is entirely attributable to the equity holders of the parent company.

Balance sheets – Group

(Expressed in USD thousands)	Dec 31, 2017	Dec 31, 2016
NON-CURRENT ASSETS		
Tangible non-current assets		
Property, plant and equipment	53	48
Total tangible non-current assets	**53**	**48**
Financial non-current assets		
Financial assets at fair value through profit or loss	900,047	691,582
Loan receivables	–	24,074
Total financial non-current assets	**900,047**	**715,656**
CURRENT ASSETS		
Cash and cash equivalents	51,079	34,780
Loan receivables	–	7,699
Tax receivables	394	317
Other current receivables	2,206	6,830
Total current assets	**53,678**	**49,626**
TOTAL ASSETS	**953,779**	**765,330**
SHAREHOLDERS' EQUITY (including net result for the financial period)	**879,990**	**725,516**
NON-CURRENT LIABILITIES		
Long-term debts	71,541	32,400
Total non-current liabilities	**71,541**	**32,400**
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Tax payables	431	412
Other current liabilities	1,090	6,732
Accrued expenses	727	270
Total current liabilities	**2,248**	**7,414**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**953,779**	**765,330**

Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2016	**23,520**	**42,996**	**-85**	**437,005**	**503,435**
Net result for the period January 1, 2016 to December 31, 2016	–	–	–	135,474	135,474
Other comprehensive income for the period					
Currency translation differences	–	–	-83	–	-83
Total comprehensive income for the period January 1, 2016 to December 31, 2016	–	–	-83	135,474	135,391
Transactions with owners:					
Proceeds from shares issued	3,917	82,714	–	–	86,631
Redemption program	–	–	–	-6	-6
Value of employee services					
- Employees share option scheme	–	130	–	–	130
- Share-based long-term incentive program	–	231	–	–	231
Buy back of own shares	-16	-280	–	–	-296
Total transactions with owners	3,900	82,795	–	-6	86,690
Balance at December 31, 2016	**27,420**	**125,791**	**-168**	**572,473**	**725,516**
Balance at January 1, 2017	**27,420**	**125,791**	**-168**	**572,473**	**725,516**
Net result for the period January 1, 2017 to December 31, 2017	–	–	–	161,386	161,386
Other comprehensive income for the period					
Currency translation differences	–	–	160	–	160
Total comprehensive income for the period January 1, 2017 to December 31, 2017	–	–	160	161,386	161,546
Transactions with owners:					
Value of employee services:					
- Share-based long-term incentive program	–	1,136	–	–	1,136
Buy-back of own shares (Note 7)	-354	-7,854	–	–	-8,208
Total transactions with owners	-354	-6,718	–	–	-7,072
Balance at December 31, 2017	**27,066**	**119,073**	**-8**	**733,858**	**879,990**

Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2017– Dec 31, 2017	Jan 1, 2016– Dec 31, 2016	Oct 1, 2017– Dec 31, 2017	Oct 1, 2016– Dec 31, 2016
OPERATING ACTIVITIES				
Result before tax	161,454	135,563	145,027	51,630
Adjustment for:				
Interest income	-4,153	-4,748	-21	-1,158
Interest expense	7,090	1,908	1,147	609
Currency exchange gains/-losses	-1,648	1,210	-1,030	1,984
Result from financial assets at fair value through profit or loss	-167,691	-133,840	-146,898	-49,213
Dividend and coupon income	-1,357	-6,760	–	-6,760
Other non-cash adjustments	1,254	231	469	289
Change in current receivables	-2,029	133	-166	127
Change in current liabilities	606	136	413	-85
Net cash used in operating activities	**-6,474**	**-6,166**	**-1,058**	**-2,577**
Investments in financial assets	-49,080	-31,661	-12,168	-10,118
Sales of financial assets	2,546	7,830	–	5,736
Increase of loan receivables	–	2,205	–	2,205
Repayment of loan receivables	36,060	–	–	2,205
Dividend and coupon income	8,118	–	–	–
Interest received	1,773	1,997	–	485
Interest paid	-3,707	–	–	–
Tax paid	-128	-131	160	-25
Net cash flow used in operating activities	**-10,892**	**-25,926**	**-13,066**	**-4,293**
INVESTMENT ACTIVITIES				
Investments in office equipment	–	-52	–	–
Net cash flow used in investment activities	**–**	**-52**	**–**	**–**
FINANCING ACTIVITIES				
Change in interest-bearing loans	27,267	13,833	-984	-530
Proceeds from options issued to employees	–	130	–	–
Redemption program transaction fees	–	-6	–	–
Share issue in-kind transaction costs	–	-512	–	-391
Proceeds from shares issued	–	7,566	–	7,566
Buy back of own shares	-8,208	-296	-1,402	–
Net cash flow from/used in financing activities	**19,059**	**20,715**	**-2,386**	**6,646**
Cash-flow for the period	**8,166**	**-5,263**	**-15,452**	**2,352**
Cash and cash equivalents at beginning of the period	**34,780**	**43,660**	**66,552**	**34,343**
Exchange gains/losses on cash and cash equivalents	8,133	-3,618	-20	-1,917
Cash and cash equivalents at end of period	**51,079**	**34,780**	**51,079**	**34,779**

Alternative Performance Measures – Group

As of July 3, 2016, new guidelines on APMs (Alternative Performance Measures) are issued by ESMA (the European Securities and Markets Authority). APMs are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS).

Vostok New Ventures regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide meaningful supplemental information to analysts, investors and other parties.

It is important to know that not all companies calculate alternative performance measures identically, therefore these measurements have limitations and should not be used as a substitute for measures of performance in accordance with IFRS.

Below you find our presentation of the APMs and how we calculate these measures.

	12m 2017	12m 2016
Return on capital employed, %[1]	18.06	21.18
Equity ratio, %[2]	92.26	94.80
Shareholders' equity/share, USD[3]	10.40	8.47
Earnings/share, USD[4]	1.94	1.77
Diluted earnings/share, USD[5]	1.94	1.77
Net asset value/share, USD[6]	10.40	8.47
Weighted average number of shares for the financial period	83,155,352	76,544,877
Weighted average number of shares for the financial period (fully diluted)	83,295,441	76,544,877
Number of shares at balance sheet date[7]	84,582,357	85,688,309

1. Return on capital employed is defined as the Group's result for the period plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average total assets less non-interest-bearing liabilities over the period). Return on capital employed is not annualised.
2. Equity ratio is defined as shareholders' equity in relation to total assets.
3. Shareholders' equity/share is defined as shareholders' equity divided by total number of shares.
4. Earnings/share is defined as result for the period divided by average weighted number of shares for the period.
5. Diluted earnings/share is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.
6. Net asset value/share is defined as shareholders' equity divided by total number of shares.
7. Number of shares at balance sheet date as per December 31, 2017, excludes 1,105,952 repurchased SDRs.

Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2017– Dec 31, 2017	Jan 1, 2016– Dec 31, 2016	Oct 1, 2017– Dec 31, 2017	Oct 1, 2016– Dec 31, 2016
Result from financial assets at fair value through profit or loss	-327	954	23	618
Operating expenses	-6,481	-6,854	-1,806	-2,938
Operating result	**-6,808**	**-5,900**	**-1,782**	**-2,320**
Financial income and expenses				
Interest income	15,740	10,627	3,120	3,166
Interest expense	-7,017	-1,908	-1,147	-609
Currency exchange gains/losses, net	1,502	-1,248	1,075	-2,056
Net financial items	**10,225**	**7,471**	**3,049**	**501**
Net result for the financial period	**3,417**	**1,571**	**1,266**	**-1,819**

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2017– Dec 31, 2017	Jan 1, 2016– Dec 31, 2016	Oct 1, 2017– Dec 31, 2017	Oct 1, 2016– Dec 31, 2016
Net result for the financial period	**3,417**	**1,571**	**1,266**	**-1,819**
Other comprehensive income for the period				
Items that may be classified subsequently to profit or loss:				
Currency translation differences	–	–	–	–
Total other comprehensive income for the period	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**3,417**	**1,571**	**1,266**	**-1,819**

Balance sheet – Parent

(Expressed in USD thousands)	Dec 31, 2017	Dec 31, 2016
NON-CURRENT ASSETS		
Financial non-current assets		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	8,023	1,147
Loan receivables	–	24,074
Receivables from Group companies	206,303	165,237
Total financial non-current assets	**298,715**	**274,847**
CURRENT ASSETS		
Cash and cash equivalents	47,829	27,639
Loan receivables	–	7,699
Other current receivables	62	45
Total current assets	**47,891**	**35,383**
TOTAL ASSETS	**346,605**	**310,230**
SHAREHOLDERS' EQUITY (including net result for the financial period)	**273,128**	**276,783**
NON-CURRENT LIABILITIES		
Long-term debts	71,541	32,400
Total non-current liabilities	**71,541**	**32,400**
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Liabilities to group companies	1,165	704
Other current liabilities	107	114
Accrued expenses	664	229
Total current liabilities	**1,936**	**1,047**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**346,605**	**310,230**

Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
Balance at January 1, 2016	**23,520**	**42,996**	**122,006**	**188,523**
Net result for the period January 1, 2016 to December 31, 2016	–	–	1,571	1,571
Other comprehensive income for the period				
Currency translation differences	–	–	–	–
Total comprehensive income for the period January 1, 2016 to December 31, 2016	–	–	**1,571**	**1,571**
Transactions with owners:				
Proceeds from shares issued	3,917	82,714	–	86,631
Redemption program	–	–	-6	-6
Value of employee services:				
- Employees share option scheme	–	130	–	130
- Share-based long-term incentive program	–	231	–	231
Buy back of own shares	-16	-280	–	-296
Total transactions with owners	3,900	82,795	-6	86,690
Balance at December 31, 2016	**27,420**	**125,791**	**123,571**	**276,783**
Balance at January 1, 2017	**27,420**	**125,791**	**123,571**	**276,783**
Net result for the period January 1, 2017 to December 31, 2017	–	–	3,417	3,417
Other comprehensive income for the period				
Currency translation differences	–	–	–	–
Total comprehensive income for the period January 1, 2017 to December 31, 2017	–	–	**3,417**	**3,417**
Transactions with owners:				
Value of employee services:				
- Share-based long-term incentive program	–	1,136	–	1,136
Buy-back of own shares (Note 7)	-354	-7,854	–	-8,208
Total transactions with owners	-354	-6,718	–	-7,072
Balance at December 31, 2017	**27,066**	**119,073**	**126,988**	**273,128**

Note 1 Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for the Company 2016. The Company's 2016 annual report is available at the Company's website: http://www.vostoknewventures.com/en/investor-relations/financial-reports/

IFRS 9, *Financial instruments*, is effective from January 1, 2018. The Company has analysed the replacement from IAS 39 to IFRS 9 and have concluded that there is no significant impact on the financial statements of the Company other than additional disclosure requirements.

IFRS 15, *Revenue from contracts with customers*, is effective from January 1, 2018. The Company has analysed the new standard and see no significant impact on the financial statements of the Company.

Note 2 Related party transactions

During the period Vostok New Ventures has recognized the following related party transactions:

USD thousand	Operating expenses		Current liabilities	
	12m 2017	12m 2016	12m 2017	12m 2016
Key management and Board of Directors[1]	-2,950	-3,084	–	–

1. *Compensation paid or payable includes salary and bonuses to the management and remuneration to the Board members.*

The Managing Director purchased Vostok New Ventures Ltd senior secured bond 2016/2019 during 2Q 2016 for USD 0.60 mln (SEK 5 mln) and he owned USD 0.60 mln (SEK 5 mln) per August 17, 2017, after which it was fully redeemed.

The costs for the long-term incentive programs (LTIP 2016 and LTIP 2017) for the management amounted to USD 1.07 mln, excluding social taxes. See details of the LTIP 2016 and LTIP 2017 in Note 6.

Note 3 Fair value estimation

The numbers below are based on the same accounting and valuation policies as used in the Company's most recent Annual Report. For more information regarding financial instruments in level 2 and 3 see note 3 in the Company's Annual Report 2016. The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets that are measured at fair value at December 31, 2017.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	8,912	54,431	836,704	900,047
Total assets	8,912	54,431	836,704	900,074

The following table presents the group's assets that are measured at fair value at December 31, 2016.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	–	233,592	457,990	691,582
Total assets	–	233,592	457,990	691,582

The following table presents the group's changes of financial assets in level 3.

	Level 3
Opening balance January 1, 2017	457,990
Transfers to level 3	206,747
Change in fair value and other	171,967
Closing balance December 31, 2017	836,704

During 2017, six transfers between level 2 and 3 have been done. BlaBlaCar, Gett, Propertyfinder, OneTwoTrip, Merro and Carable have been transferred from level 2 to level 3. The investments in babylon, Wallapop, Hemnet, Vezeeta, CarZar and Agente Imóvel are classified as level 2 as the valuations are based on the price paid in each respective transaction. Avito, BlaBlaCar, Propertyfinder, OneTwoTrip, Merro, Naseeb Networks, El Basharsoft and KEH AB are classified as level 3 investments, based on valuation models using EBITDA and revenue multiples of comparable listed peers.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Investments in assets that are not traded on any market will be held at fair value determined by recent transactions made at prevailing market conditions or different valuation models depending on the characteristics of the company as well as the nature and risks of the investment. These different techniques may include discounted cash flow valuation (DCF), exit-multiple valuation also referred to as Leveraged Buyout (LBO) valuation, asset-based valuation as well as forward-looking multiples valuation based on comparable traded companies. Usually, transaction-based valuations are kept unchanged for a period of 12 months unless there is cause for a significant change in valuation. After 12 months, the Group usually derives fair value for non-traded assets through any of the models described above.

The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment's fair value, the valuation is adjusted accordingly. No significant events in the portfolio companies, which have had an impact on the valuations, has occurred since the latest transactions except as described below. The transaction-based valuations are also frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models when warranted.

Vostok New Ventures follows a structured process in assessing the valuation of its unlisted investments. Vostok New Ventures evaluate company specific and external data relating to each specific investment on a monthly basis. The data is then assessed at monthly and quarterly valuation meetings by senior management. If internal or external factors are deemed to be significant further assessment is undertaken and the specific investment is revalued to the best fair value estimate. Revaluations are approved by the Board of Directors in connection with the Company's financial reports.

Avito

The Group's investment in Avito is valued as a level 3 investment as per December 31, 2017.

As per December 31, 2017, Vostok New Ventures has valued Avito on the basis of a refined EV/EBITDA multiples valuation model. The latest transaction in the company was announced on October 23, 2015. Naspers Ltd, one of Avito's shareholders, acquired secondary shares from other existing shareholders to increase its stake from 17.4% to 67.9% of the outstanding shares in Avito at an equity valuation of USD 2.7 bn, which included cash in the company of approximately USD 240 mln. The transaction closed in November 2015. Vostok New Ventures has deemed the latest transaction in the company not to be the best fair value estimate of Avito as per December 31, 2017. Avito has performed very well with revenue growth of approximately 31% y-o-y during 2017. Considering the time passed since the last transaction and the company's continued progress in mind, a future looking EV/EBITDA peer multiples model has been deemed to generate the best fair value estimate as per December 31, 2017. The model values Vostok's stake in Avito to USD 591.9 mln, or USD 4.5 bn for the 100% of the company. This is 32% higher compared with the model-based valuation as per December 31, 2016. Using exactly the same model as per year-end 2016, Avito would have been valued at USD 3.7 bn as per year-end 2017.

The peer group includes 16 listed online classifieds peers including REA Group, Rightmove, Autotrader, Scout24 and 58.com. The average multiple of the peer group is 16.9x and the median multiple is 15.6x, and the multiple applied on Avito has been adjusted to better reflect Avito's strong EBITDA growth compared to the listed peer group (see above).

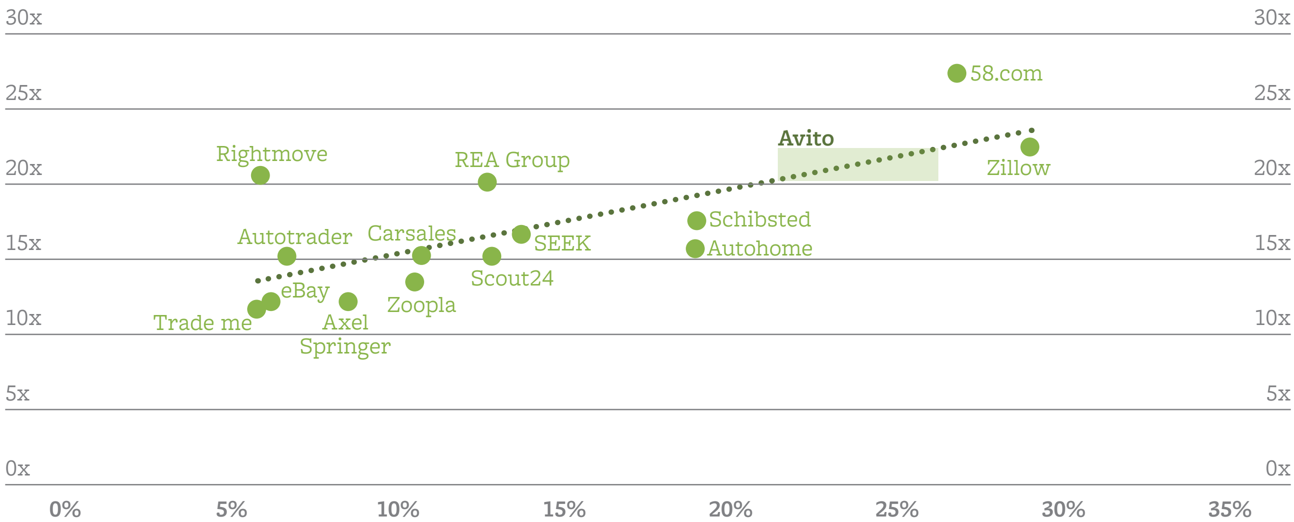
Below tables show the sensitivity in the model-generated valuation in relation to USD/RUB and the peer multiple used as per December 31, 2017.

	Sensitivity EBITDA multiple				
	−15%	−10%	21.0x	+10%	+15%
Valuation of Vostok New Ventures' Avito investment, USD million	506	535	592	649	678

	Sensitivity EBITDA CAGR				
	21%	22%	23%	24%	25%
Valuation of Vostok New Ventures' Avito investment, USD million	569	580	592	603	615

	Sensitivity USD/RUB				
	−20%	−10%	57.54	+10%	+20%
Valuation of Vostok New Ventures' Avito investment, USD million	517	540	592	656	693

EV/EBITDA 2018E vs. EBITDA CAGR 2018E–2020E



BlaBlaCar

As per December 31, 2017, the BlaBlaCar investment is classified as a level 3 investment valued on the basis of multiples of Gross Merchandise Value (GMV) and net revenue. Vostok New Ventures has invested a total of EUR 109.5 mln in BlaBlaCar and owns approximately 9.5% of BlaBlaCar on a fully diluted basis as per December 31, 2017. The company valuation as per December 2017, is 17% lower due to a change from a transaction based valuation based on the last transaction on market terms which closed in the fourth quarter 2016 to a model based valuation. During 2017 there have been a number of small secondary transactions in the company where VNV has acquired additional shares in the company. These transactions, which have been driven by the sellers needing liquidity, have not been done at fair value and are not used in the fair value estimation of the company as per December 31, 2017. The model, first used in the third quarter 2017 reflects BlaBlaCar's continued GMV growth but less than originally expected net revenue development. As only a few markets monetize at a mature level, net revenue alone does not capture the fair value of BlaBlaCar. In this respect GMV is a good metric as it captures value also in large pre-monetization markets such as Russia. Currently, the vast majority of BlaBlaCar's net revenue is generated in France and a few other European markets and is denominated in EUR. The model looks at both a forward GMV multiple and a forward net revenue multiple, to best reflect bot monetized and non-monetized markets.

BlaBlaCar's GMV is the value transacted by the platform, i.e. riders paying drivers their proportionate share for the cost of the trip. Net revenue is the percent BlaBlaCar takes in commission either directly through a fee at each ride or through a subscription-based model. BlaBlaCar monetize (takes a percent of the price of each ride) only in the most developed markets where France is the largest revenue contributor. In most market BlaBlaCar does not yet take any fee and their take rate in those markets is zero. As per year-end 2017, the company has over 60 mln members and 20 mln travelers per quarter.

	Sensitivity in model-based BlaBlaCar valuation as per December 31, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	100.8	106.7	118.6	130.5	136.4

	Sensitivity in model-based BlaBlaCar valuation as per December 31, 2017				
	-15%	-10%	France GMV	+10%	+15%
Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	113.3	115.0	118.6	122.1	123.9

Gett

As per December 31, 2017, the Gett investment is classified as a level 3 investment as it is valued on the basis of a valuation model based on discounted cash flows. The model is based on a five year forecast with the main assumptions of a 18.5% WACC and a 2.6% long-term growth rate. As per December 31, 2017, Vostok New Ventures' holding is valued at USD 59.2 mln. The company has continued to perform well in its four markets, although they are facing tough competition in the Russian market following the merger of Yandex.Taxi and Uber in that market. This has also been reflected in the model.

	Sensitivity of WACC in model-based Gett valuation as per December 31, 2017				
	16.5%	17.5%	18.5%	19.5%	20.5%
Valuation of Vostok New Ventures' Gett investment, USD million	71.4	64.9	59.2	54.2	49.9

Propertyfinder

As per December 31, 2017, the Propertyfinder investment is classified as a level 3 investment as it is valued at USD 28.7 mln on the basis of EV/Sales-multiple valuation model. The median multiple of the peer group is 7.7x and consists of a number of listed real estate verticals including, but not limited to, Scout24, Rightmove and REA Group. The model-based valuation is approximately 42% higher than the previous transaction-based valuation. The revaluation is driven by Propertyfinder's strong net revenue growth as well us moving the model to look further out in the future.

	Sensitivity in model-based Propertyfinder valuation as per December 31, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Propertyfinder investment, USD million	24.4	25.8	28.7	31.6	33.0

babylon

As per December 31, 2017, the babylon investment is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. In the second quarter of 2017, Vostok New Ventures invested USD 21.7 mln (GBP 17.3 mln) in the company in the context of a USD 60 mln financing round. As per December 31, 2017, the large financing round in 2Q17 is deemed the best fair value estimate of the company as the company is performing in line with plan and no significant internal or external factors have been deemed to warrant a revaluation of the company.

OneTwoTrip

As per December 31, 2017, OneTwoTrip is classified as a level 3 investment as it is valued at USD 20.8 mln on the basis of future EV/Net Sales-multiple valuation model, compared to a transaction-based valuation as per December 31, 2016. This is approximately 21% higher than the value per share as of December 31, 2016. The revaluation is mainly driven by OTT's revenue growth. The model-based valuation is deemed as the best fair value estimate of OneTwoTrip as per December 31, 2017. The median multiple of the peer group is 4.2x and consists of a number of listed online travel agencies (OTAs) including, but not limited to Ctrip, MakeMyTrip and Webjet. Vostok New Ventures owns 16.7% of the company on a fully diluted basis as per December 31, 2017, which is an increase from 14.6% as per year-end 2016, due to a non-exercised option held by another shareholder that lapsed during 2017.

	Sensitivity in model-based OneTwoTrip valuation as per December 31, 2017				
	-15%	-10%		+10%	+15%
Valuation of Vostok New Ventures' OneTwoTrip investment, USD million	17.7	18.7	20.8	22.9	23.9

Wallapop

As per December 31, 2017, Wallapop is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company and the latest transaction in the Wallapop-owned Letgo US, both of which were concluded during 2017. Vostok New Ventures did not participate in either transaction and its indirect stake in the company is valued at USD 13.5 mln. As per December 31, 2017, the two transactions in 3Q17 are deemed to generate the best fair value estimate for the company as the company is performing in line with plan and no significant internal or external factors have been deemed to warrant a revaluation of the company since the transactions.

Hemnet (through YSaphis S.A. and Merro Partners S.A.)

As per December 31, 2017, Hemnet is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in early January 2017. In December 2016, Vostok New Ventures invested a total of SEK 93.3 mln (USD 10.3 mln) in the company through the co-investment vehicle Merro Partners S.A. As per December 31, 2017, the transaction that closed in the beginning of 2017 is deemed the best fair value estimate of the company as the company is performing in line with plan and no significant internal or external factors have been deemed to warrant a revaluation of the company.

Merro

As per December 31, 2017, Merro is classified as a level 3 investment and is valued on the basis of a Sum of the Parts valuation model. As per December 31, 2017 Vostok New Ventures stake in the company is valued to USD 9.4 mln which is 24% lower than the last transaction in the company. The main driver of the revaluation is a revised valuation of Opensooq which is attributable to the majority of the fair value of Merro. As per December 31, 2017, Opensooq accounts for 61% of the fair value estimate of Merro.

	Sensitivity in Sum of the Parts-based Merro valuation as per December 31, 2017				
	-15%	-10%	Opensooq valuation	+10%	+15%
Valuation of Vostok New Ventures' Merro investment, USD million	8.5	8.8	9.4	9.9	10.2

Naseeb Networks

As per December 31, 2017, Naseeb Networks is classified as a level 3 investment as it is valued on the basis of a future looking EV/Sales peer multiples valuation model. The model values Vostok's stake in Naseeb Networks to USD 4.2 mln compared to USD 4.0 mln as per December 31, 2016.

The peer group includes four online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.3x and the median multiple is 6.8x.

	Sensitivity in model-based Naseeb valuation as per December 31, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Naseeb investment, USD million	3.6	3.8	4.2	4.6	4.8

CarZar

As per December 31, 2017, CarZar is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in November 2017. Vostok New Ventures invested an additional USD 1.5 mln in the company, which brings VNV's total investment to USD 3.0 mln.

El Basharsoft

As per December 31, 2017, el Basharsoft (Wuzzuf and Forasna) is classified as a level 3 investment as it is valued on the basis of a forward looking EV/Sales peer multiples valuation model. The model values Vostok New Ventures' stake in el Basharsoft to USD 2.3 mln compared to the latest transaction in the company which closed in the end of July 2015 with a valuation of USD 1 mln for Vostok New Ventures' stake. Vostok New Ventures owns 17.0% of el Basharsoft on a fully diluted basis as per December 31, 2017 following a smaller secondary transaction in the company in the second quarter of 2017.

The peer group includes four online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.3x and the median multiple is 6.8x.

	Sensitivity in model-based el Basharsoft valuation as per December 31, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' el Basharsoft investment, USD thousand	2.0	2.1	2.3	2.6	2.7

Vezeeta

As per December 31, 2017, Vezeeta (DrBridge) is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company which is an extension of the financing round of 2016 and closed in the second quarter of 2017. Vostok New Ventures invested an additional 0.33 mln in the company. As per December 31, 2017, Vostok New Ventures values its investment in Vezeeta to USD 1.8 mln.

KEH AB (YouScan and other assets)

Following the latest transaction in the company which closed in the first quarter of 2015, Vostok New Ventures owns 33.9% of KEH AB fully diluted. As per December 31, 2017, all value in KEH AB is derived from a sales-multiple based valuation of YouScan. This model-approach is deemed the best fair value estimate of KEH as per December 31, 2017. The model generates a valuation approximately 56% lower than the valuation used at year-end 2016.

	Sensitivity in model-based KEH AB valuation as per September 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' KEH AB investment, USD thousand	1,297	1,373	1,526	1,679	1,755

Agente Imóvel

As per December 31, 2017, Agente Imóvel is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2017. Vostok New Ventures invested a total of USD 1.0 mln in the company.

Carable (Garantibil AB)

In April 2017, Garantibil applied for corporate restructuring. The restructuring failed, and the company was placed in bankruptcy on August 1, 2017.

Delivery Hero (equity)

As per December 31, 2017, the equity holding in Delivery Hero is valued on the basis of the latest closing price of Delivery Hero in December 2017 following its IPO. The valuation amounts to USD 0.89 mln.

Liquidity management (Level 1)

As per December 31, 2017, Vostok New Ventures own USD 8.0 mln in money market funds as part of the Company's liquidity management operations. The funds are quoted on a daily basis and the fair value as per December 31, 2017, is the last published NAV as per year-end 2017.

Loan receivables

The fair value estimation of loan receivables relating to Delivery Hero and Kite Ventures (Kite was fully repaid in January 2017 and Delivery Hero in July 2017) is outlined in the table below.

Fair value estimation of loan receivables	Dec 31, 2017	Dec 31, 2016
Short-term	–	7,699
Long-term	–	24,074
Total loan receivables	–	31,773

As per December 31, 2017, the company does not have any outstanding loan receivables.

Current liabilities

The book value for interest-bearing loans, accounts payable and other financial liabilities are deemed to correspond to the fair values.

Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2017, USD	Investments/ (disposals), net, USD	FV change, USD	Closing balance Dec 31, 2017, USD	Percentage weight of total portfolio
Avito AB	449,281,016	203	142,657,235	591,938,454	62.2%
BlaBlaCar	107,738,524	8,423,250	2,453,768	118,615,542	12.5%
Gett	50,358,980	–	8,839,670	59,198,650	6.2%
Propertyfinder	19,999,199	500,073	8,205,073	28,704,345	3.0%
babylon	–	21,709,025	1,626,832	23,335,857	2.5%
OneTwoTrip	14,958,960	–	5,851,573	20,810,533	2.2%
Wallapop	11,520,768	–	2,012,511	13,533,279	1.4%
Hemnet (through YSaphis S.A. and Merro Partners S.A.)	10,252,714	–	954,655	11,207,369	1.2%
Merro	12,384,907	–	-3,026,176	9,358,731	1.0%
Naseeb Networks (Rozee and Mihnati)	4,034,693	–	169,079	4,203,772	0.4%
CarZar	–	3,000,000	521,186	3,521,186	0.4%
El Basharsoft (Wuzzuf and Forasna)	1,158,956	236,786	952,169	2,347,911	0.2%
Vezeeta (DrBridge)	894,724	333,334	605,255	1,833,313	0.2%
KEH AB (YouScan and other assets)	3,515,204	–	-1,988,829	1,526,375	0.2%
Agente Imóvel	–	1,000,000	–	1,000,000	0.1%
Carable (Garantibil AB)	2,198,526	–	-2,198,526	–	–
Delivery Hero AG, equity	2,137,575	-1,749,058	499,884	888,401	0.1%
Delivery Hero AG, equity component	1,147,070	-797,046	-350,024	–	–
Liquidity management	–	8,000,000	23,392	8,023,392	0.8%
Total	691,581,816	40,656,567	167,808,726	900,047,110	

Note 4 Contingent liabilities

The Swedish Tax Agency (STA) has audited Vostok New Ventures AB's VAT returns for the period January 2013–December 2014 during 2015. According to the STA's decision, Vostok New Ventures AB's is obliged to pay an additional amount of output VAT of SEK 13,767,907 together with tax penalties of SEK 2,753,579 (in total about USD 2 mln) on the services supplied to Vostok New Ventures Ltd. Vostok New Ventures AB has appealed the STA's decision to the administrative court. On June 1, 2017, the County Administrative Court in Stockholm issued its ruling in which they chose to agree with the Swedish Tax Agency. Vostok New Ventures AB has appealed the ruling to the Court of Appeal and currently sees no grounds for making provisions for potential additional taxes ensuing from this matter, which is also supported by our legal advisors. However, this is considered to be a contingent liability.

Note 5 Long-term debts

Bonds 2016/2019

On June 2, 2016, the Company announced that it had successfully placed three-year senior secured bonds in the amount of SEK 300 million. The bonds, maturing in June 2019, bore a fixed coupon of 6.50% with quarterly interest payments.

The bonds were listed for trading on Nasdaq Stockholm. The first day of trading was July 8, 2016. In view of the listing, the Company has prepared a prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available on the Company's website www.vostoknewventures.com and on the Swedish Financial Supervisory Authority's website www.fi.se.

On July 12, 2017, the Company announced that the board of directors had resolved to redeem the Company's entire SEK 300,000,000 bond 2016/2019 with ISIN SE0008406367. The bond was redeemed due to the early repayment by Delivery Hero AG of its loan of EUR 25 mln to the Company. The Bond was redeemed on August 17, 2017.

Bonds 2017/2020

On June 22, 2017, the Company announced that it had successfully placed three-year senior secured bonds in the amount of SEK 600 million within a total frame of SEK 800 million. The bonds, maturing on June 22, 2020, bear a fixed coupon of 5.50% with quarterly interest payments.

The bonds are listed for trading on Nasdaq Stockholm. The first day of trading was July 19, 2017. In view of the listing, the Company has prepared a prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available on the Company's website www.vostoknewventures.com and on the Swedish Financial Supervisory Authority's website www.fi.se.

The value of the bond debt as per December 31, 2017 was USD 71.54 million. The book values for long-term debts are deemed to correspond to the fair values.

Note 6 Long-term Incentive programs

LTIP 2016

At the 2016 annual general meeting held on May 17, 2016, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from January 1, 2016 through March 31, 2019, and encompasses a maximum of 430,000 shares, corresponding to a dilution of 0.59% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period August 31, 2016 through December 31, 2018. During the fourth quarter of 2017, the reported costs for the program amounted to USD 0.17 million.

LTIP 2017

At the 2017 annual general meeting held on May 16, 2017, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from January 1, 2017 through March 31, 2020, and encompasses a maximum of 450,000 shares, corresponding to a dilution of 0.53% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period May 16, 2017 through December 31, 2019. During the fourth quarter of 2017, the reported costs for the program amounted to USD 0.18 million.

Note 7 Depository receipt buy-back

During the quarter, 150,000 SDRs have been repurchased. The company currently holds 1,105,952 repurchased SDRs.

Note 8 Events after the reporting period

After the end of the period, Vostok New Ventures has invested EUR 4 mln in short-term debt to Marley Spoon, the leading grocery e-commerce company in Australia; USD 1 mln in el Basharsoft through a convertible note; USD 500k in Vezeeta through a convertible note, USD 1 mln in total in two ventures in Myanmar (USD 500k in the leading job vertical and USD 500k in the leading property vertical in the country) and USD 0.25 mln in Propertyfinder.

Also after the reporting period, in January 2018, Vostok New Ventures received USD 10.2 mln in dividends from Avito.

After the end of the period, on February 14, 2018, Vostok announced that the Company has received authorization from the Board, valid until December 31, 2018, to repurchase additional SDRs, subject to remaining in compliance with the terms and conditions of the Company's outstanding bond 2017/2020.

Background

Vostok New Ventures Ltd was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861. The Swedish Depository Receipts of Vostok New Ventures (SDB) are listed on Nasdaq Stockholm, Mid Cap segment, with the ticker VNV SDB.

As of December 31, 2017, the Vostok New Ventures Ltd Group consists of the Bermudian parent company Vostok New Ventures Ltd; one wholly-owned Cypriot subsidiary, Vostok New Ventures (Cyprus) Limited; one controlled Dutch cooperative, Vostok Co-Investment Coöperatief B.A.; and one wholly-owned Swedish subsidiary, Vostok New Ventures AB.

The financial year is January 1–December 31.

Parent company

The parent company finances the Cypriot subsidiary's operations on market terms. The net result for the year was USD 3.42 mln (2016: 1.57). Financial assets at fair value through profit or loss refers to liquidity management investments.

Financial and Operating risks

The Company's risks and risk management are described in detail in note 3 of the Company's Annual Report 2016.

Upcoming Reporting Dates

Vostok New Ventures' three months report for the period January 1, 2018–March 31, 2018 will be published on May 15, 2018.

Annual General Meeting and Annual Report 2017

The annual general meeting of Vostok New Ventures Ltd is planned to take place on Wednesday, May 16, 2018. The annual report will be available on the Company's website (www.vostoknewventures.com) from March 28, 2018.

February 14, 2018

Per Brilioth
Managing Director

For further information contact Per Brilioth or Björn von Sivers:
tel: +46 8 545 015 50.
www.vostoknewventures.com

This report has not been subject to review by the Company's auditors.

Registered office
Vostok New Ventures Ltd
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Vostok New Ventures AB
Hovslagargatan 5
SE-111 48 Stockholm
Sweden
Phone +46 8 545 015 50
Fax +46 8 545 015 54

www.vostoknewventures.com
info@vostoknewventures.com

Sandsnäs Communication, 2018