



*Vostok New Ventures Ltd.*

## Financial Report

For the First Quarter 2018

- Net result for the period was USD 26.24 million (mln) (January 1, 2017–March 31, 2017: 17.33). Earnings per share were USD 0.31 (0.20).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 906.35 mln on March 31, 2018 (December 31, 2017: 879.99), corresponding to USD 10.72 per share (December 31, 2017: 10.40). Given a SEK/USD exchange rate of 8.3596 the values were SEK 7,576.74 mln (December 31, 2017: 7,244.35) and SEK 89.87 (December 31, 2017: 85.65), respectively.
- During the quarter January 1, 2018–March 31, 2018, the group’s net asset value per share in USD increased by 3.1%, mainly driven by the revaluation of Avito and Propertyfinder.
- During the first quarter 2018, Vostok New Ventures made two new investments in student housing platform Housing Anywhere (EUR 3.3 mln) and appointment booking marketplace Booksy (USD 6 mln). Vostok New Ventures has also invested 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. As part of its liquidity management, Vostok New Ventures lent EUR 4 mln in short-term debt to Marley Spoon, a fast-growing grocery e-commerce company with leading market position in Australia.
- In January 2018, Vostok New Ventures received USD 10.2 mln in dividends from Avito.
- 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.
- During the reporting period, the Company repurchased 20,000 SDRs under the Board of Directors’ repurchase authorization of February 14, 2018.
- The number of outstanding shares (SDRs), excluding 1,125,952 repurchased SDRs, at the end of the period was 84,562,357.

# Management report

And we are off into 2018! When having a go at valuing companies, we typically look at the present year where current trading will give us good visibility into the full year picture. Maybe more often we take a view on how current growth is faring and how that looks a year out. Sometimes also how this extends into two years out. On top of this you try to have view of what the long-term picture looks like with a five-year+ view. The five-year view used to be that far distant horizon of 2020 and beyond. A long time away. But we are in 2018 now, and 2020 is that near term “two year out” year which we actually value companies with some certainty on now.

## Avito

In my view, Avito could in 2020 be generating revenues in the order of USD 500 mln and 60%+ EBITDA margins, just by continuing on its “Rightmove a la 2007” trajectory. This is going to be our “one year out” view when we stand there in the second half of 2019. And even at that point, Avito will likely continue to grow rapidly at a 20%+ growth rate, hence likely commanding similar multiples to now. Congratulations Naspers for doing a good deal back in 2015!

On Avito, the company is now actually perfectly positioned to monetize businesses *for real*. In Russia, industries such as cars and real estate are undergoing a major shift from faster growth and higher profits to a more mature stage. Businesses need to be smarter about their marketing budgets, sales process and operations – which can only be achieved together with online players. Meanwhile, entry barriers for competition in online is getting higher, which is proven by Youla case – one needs to have access to resources, media coverage and spend A LOT to become a player. Youla, *despite* massive spending and unique access to media, is still not a real player in *any* of the verticals. Youla only exists in several General categories that are not attractive revenue-wise.

In this report we continue with our verticalization of Avito by spending a little more time on the job space. Conservatively valuing this at USD 0.7 bln we have then across two verticals already covered 50% of our mark on a sum-of-the-parts approach. More to follow.

In this report we report the new set of data that Avito will report on a quarterly basis. The former set of financials will be released in Naspers’ public reports which are published on a bi-annual basis. These numbers still give

a certain insight into revenues as they show number of paying users (professional and consumer users blended together) and the average revenue per paying user (ARPPU). Multiplying ARPPU with paying users yields an impressive 32% growth year-on-year. Our view is that the data provided on aggregate number of users and total listers is not so relevant any more. They show a flat development which has been the situation for some time. The revenue growth at Avito from now on is more about getting the number of paying users and revenue per user up. What is hidden in these high level numbers is the growth of the new subscription product, a strategy previously successfully deployed by e.g. Rightmove and Autotrader.

We have completed three new deals during the course of 2018: Booksy (a mobile SaaS driven marketplace for beauty), Housing Anywhere (an Airbnb for long-term rentals) and two online classified verticals focusing on Myanmar, JobNet and Shwe Property.

## Booksy

We have invested USD 6 mln for a significant minority position in the company. This is a deal that we are doing with our partners at Piton Capital.

Booksy is a SaaS driven booking platform for the beauty industry. The company is based in Poland and has expanded into the US, the UK, Brazil and South Africa. The core product is software to enable merchants to transition their bookings from pen and paper to an online and real-time interface. Through offering the software to merchants, Booksy has been able to acquire consumers for free through these merchants and are now seeing early evidence of these consumers rebooking other merchants through the Booksy platform transitioning the business from pure SaaS to a SaaS driven marketplace. Booksy was founded by Stefan Batory, who had previously founded iTaxi, a Polish taxi-hailing app. Stefan is complemented by a team with an extensive range of experiences including relevant marketplace experience at FoodPanda and Groupon.

The space is enormous with a total addressable market of USD 150 bln (!!!) and very fragmented and very low on digital penetration. The company has clearly demonstrated that their product and model works. This is a potential USD 1 bln company not many years into the next decade.

## Housing Anywhere

We have invested EUR 3.3 mln in a primary issue but also bought some small secondary, for a significant minority stake of the company.

Housing Anywhere is a real estate vertical for rentals. Airbnb has really proved up that rentals is something that consumers are willing to transact online. Whereas Airbnb is focusing on short term rental, disrupting the hotel market, Housing Anywhere is looking at long term rentals. It has the large ambition to cover the rental market for the global space of young professionals but is only focusing on its starting point now which is international students. International student rentals is a USD 26 bln global market, whilst the EU/US student market is USD 144 bln and the global market a very large USD 500 bln.

The company was founded by Niels van Deuren and is run by Djordy Seeman, two young Dutch entrepreneurs.

It launches in university cities together with the local university (which subsequently becomes a paying partner in order to supply its international student base with housing options) and moves on to take a fee from the tenant and the landlord. GMV has shown very strong growth in the last 12 months. In contrast to many other rental players this company is a pure classifieds player meaning they just put the tenant and the land lord in touch, whereas others get into the agent role providing contract, cleaning, legal etc. We like models with very few touching points.

In that five-year view Housing Anywhere has a good potential to grow into a EUR 0.3–0.4 bln company. Early days but recent traction is very encouraging.

## Myanmar

### *JobNet and Shwe Property*

JobNet is the largest job vertical in Myanmar, into which we have invested USD 0.5 mln for a 3.8% stake translating to USD 13 mln post money valuation. Shwe Property, the leading real estate vertical, also got USD 0.5 mln from us giving us an 8.3% stake in the company, a USD 6 mln post money valuation.

Give this 5 years and there is a definitive potential for 10x+ value creation here.

Justin Sway, an Australian national of Burmese origin, is the founder of each. He has extensive background in the job space which means the job vertical is the more mature of the two verticals which is also reflected in the valuations. He founded, built and exited FastTrack, a recruitment software company based in Australia, for USD 17.5 mln. He has struck us as a very strong operator. Justin has invested USD 1 mln in the business which makes out the bulk of the money he has. He has at the cap table and board been joined by Jonah Levey who built Vietnamworks, the leading job vertical in Vietnam, which was sold to EN-Japan for USD 24 mln.

Myanmar, despite its less than stellar current image in western press, is a true Asian tiger with a real potential

to become the next success story a la Vietnam. It is the country which has digitalized through smartphones at the fastest rate ever, going from 2% to 90% internet penetration over the space of 2 years. Also its 50 mln population has seen the country's GDP expand at 8% per year over the last year. Asian tiger!

## Wuzzuf

You don't have favorites among your children. Full stop. But Wuzzuf is... if not a favorite then a very dear one. Ameer has built this company with serious headwinds like revolutions, lack of funding, 50% devaluations to name a few. We have been invested into Wuzzuf since 2015, growth has been delivered and we are very happy continuing to support the company in its current round that closed in April 2018 which also sees the EBRD (European Bank of Reconstruction and Development) join the shareholder ranks. Our stake is post this recent round 23.7% of the company and with a USD value of USD 4.7 mln giving the company a USD 20 mln market capitalization.

Wuzzuf has been and in many ways still is a very small part of our portfolio, especially when measured against the mammoth of Avito. However, if we allow ourselves that five year view (the luxury of having a capacity long term is beautiful, our best investments have been 10 year+ trades) I think Wuzzuf has the capacity to generate revenues of USD 20 mln + and with this commanding a valuation that will make our stake of 23.7% a material one in the portfolio. The beauty of high growth and compounding!

## babylon

We are also very excited about the progress around babylon. In April, the company signed a deal with Tencent to deploy its technology on the Wechat social messaging platform, allowing their 1 billion users to interact with it on their health issues.

Earlier in the year, babylon also signed a deal with the Saudi Government, offering its platform to the citizens of the Kingdom of Saudi Arabia. The agreement will mean that babylon will make its digital health AI functionality available within KSA, including the advanced symptom checker and other unique digital health tools. These will be integrated into the current Saudi healthcare system to provide cost-effective, accurate, on-demand health information and will help the population better to triage, monitor and manage their health.

The Saudi Government made clear that they had put in extensive resources in researching the most advanced AI health service and singled out babylon.

Tencent and the Saudi Government come on top of the NHS (the world's largest provider of primary care) and the Bill & Melinda Gates Foundation who are already partners to babylon Health. To us there is no better validation of babylon's product than the size and seriousness

of these counterparties, both because they all have a choice of all the products in the entire world and because the size and seriousness of them as institutions and their unwillingness to take any risk of partnering up with anyone but the very best.

It has been a busy quarter. We have also been active in managing our liquidity by investing into the debt of Marley Spoon, a German company in the food space founded and run by Delivery Hero alumni. The company is due to IPO in Australia raising money that will partly be used to pay down our debt. So, short term but providing us with a yield on our liquidity with a very favorable risk reward.

I would encourage you all to visit us or at least tune in to our capital markets day on June 19th. We will have a very experienced panel which will go through our portfolio, with perhaps a special focus this time on the up and coming stars of the portfolio. We will also have a section that will focus on digital health with Ali Parsa of Babylon and Amir Barsoum of Vezeeta.

Per Brilioth  
*Managing Director*

# Avito study: Jobs

*For the 1Q18 report, we dive deeper into the Jobs vertical.*

## Background

As stated in the last report, 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.

While we believe this holds true for the Jobs vertical as well, one could argue that the picture is slightly more complex in this vertical. This is because the channels to find jobs are more fragmented than in other verticals. When looking for a home or a used car, a classifieds property is the starting point for a large majority of people. But for finding a new job – or a new employee – there are many alternative ways: recommendation from friends or colleagues; using a headhunter (or being headhunted); finding candidates or openings through offline advertising; recruiting from an internal or external database of CVs; etc.

Globally, there are fewer success cases in the Jobs vertical compared to e.g. Auto or Real Estate, and our view is that the fragmentation of ways to find a job is the main reason. The pricing power decreases when there are viable alternatives to the online platforms.

That being said, a couple of players (Avito being one of them) has managed to build successful and highly profitable businesses in this vertical. SEEK of Australia (with a strong international footprint) is another notable example, with a USD 7 bn market cap.

## The Russian recruitment market and Avito's relevant addressable market

In simplified terms, the size of the recruitment market in any country is a product of 1) how many vacancies there are in a country each year and 2) how much money is being spent on average to fill each vacancy.

In this report, we will not do an attempt to calculate the *total* addressable recruitment market (including headhunting fees, etc.) since this would be too cumbersome and provide little additional value in assessing the opportunities ahead for Avito Jobs. Instead, we will

focus on the *relevant* addressable market. In addition to calculating the number of vacancies and the spend per vacancy, we will also try to estimate how large share of vacancies that closed through online sources and thereby “monetizable” by Avito. This gets us the size of the market as of today.

### *How many vacancies are there?*

The number of vacancies is a product of the size of the working population and the employee turnover – i.e. how many in the working population changes jobs each year. Russia is the 9th most populous country in the world with a population of roughly 147 million people (according to the Russian state statistics agency Rosstat). The working population is around 76 million people and is expected to be relatively stable or slightly declining in the coming years according to the same source. The turnover rate is between 25% and 30%, i.e. the average Russian employee changes workplace roughly every 3–4 years on average. This results in roughly 20 million job openings per year.

### *How large share of vacancies are relevant to Avito?*

Not all vacancies are closed through online sources but are instead filled through other channels. Those “other channels” could be offline recruiting using e.g. advertising in print, recommendations from friends, headhunting or multiple positions being filled through one advertised vacancy.

Headhunter – the largest stand alone jobs vertical in Russia – has published their prospectus for a potential listing. According to their data (provided by J'Son & Partners), only ¼ of unique job positions were advertised online last year. This share is expected to grow rapidly over the coming years – to ½ next year and close to ½ in five years. This is a shift that is part of the wide structural shift from offline to online – a trend we believe will only continue.

With roughly 20 million total job openings and about 28% being advertised through online channels, we get to close to 6 million vacancies being advertised online per 2018.

### *Job positions advertised online*

Metric	2014	2015	2016	2017E	2018E	2019E	2020E	2021E	2022E
% of unique job positions advertised online of total filled in job positions	15.6%	16.1%	19.5%	24.2%	28.0%	33.3%	37.1%	38.9%	41.4%

### The money spent online to fill each vacancy

High competition for talent have led to a great increase in the money spent online per advertised vacancy over the last years. This has been driven by structural factors of the Russian jobs market: low unemployment and low mobility of the work force, both resulting in that you have to fight harder to fill each vacancy.

Our estimate is that the average amount spent per vacancy advertised was RUB 1,500 in 2017. This is a high-level estimate based on the price lists of different job boards and the typical level of cross postings (posting the same ad on different job boards). We have also sanity checked the number through expert interviews.

### Resulting relevant addressable market

Putting our estimates together, we believe that the current size of the relevant addressable market is around RUB 9 bn yearly.

Size of labor force	75 mln
Turnover rate	25%
Number of job openings per year	20 mln
Share of job openings closed through online	30%
Number of vacancies relevant to online (approx.)	6 mln vacancies
Spend per vacancy advertised	RUB 1,500
<b>Resulting online recruitment spend</b>	<b>RUB 9 bn</b>

### Avito's position on the relevant market

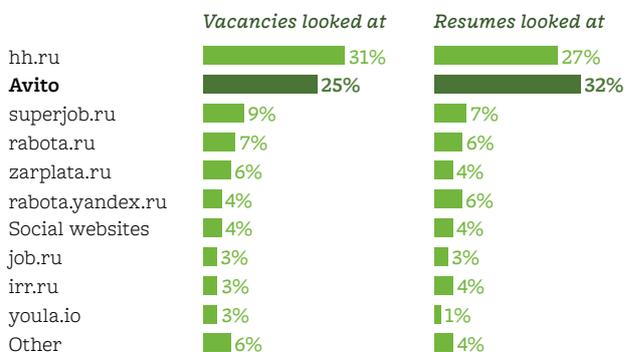
Avito holds a strong position on the recruitment market. It has a very strong position on the blue collar recruitment market. In white collar jobs, the position is not as strong, especially not in Moscow or St. Petersburg. But interestingly, since its launch in 2013 Avito Jobs has step by step moved up the ladder to more and more high-skilled jobs. If you are a Russian company operating in one of the regions, it is not uncommon to find your Head of Accounting on Avito. While having done an amazing job for a very long time, Headhunter is now being squeezed by Avito (growing from the blue collar segment and up) and professional networks (growing from the top percentages in Moscow and St. Petersburg and down).

To recruiters, Avito offers the possibility to publish job openings for a fee. Currently, 250,000+ such job openings are posted. The other option available to recruiters is to search in Avito's database of CVs posted by job seekers. A recruiter can see all details of the candidate in open view, but needs to pay a fee to get the contact details of the candidate.

A job seeker, in turn, can browse job openings posted by companies, contact employers via phone number directly from the mobile app and also attach his or her CV to the vacancies he/she thinks are relevant.

Through the development of these products and a deliberate sales, marketing and distribution strategy,

Avito has managed to capture about 25% of the online recruitment market according to our estimates. When asking active job seekers (active during the last 12 months) what resource they used primarily, 25% answered Avito. When posing the same question to employers who actively looked for candidates, Avito's share is 32%.



A market share of about 25% is also supported by other estimates, such as top of mind research where approximately one third of job seekers mention Avito as their first-hand destination when looking for a job.

This leads us to believe that Avito also captures about 25% of the addressable market.

### Valuation

Putting the above together, we land at current yearly revenues of about RUB 2.3 bn in the Jobs vertical for the last year, a number that should increase year by year driven by 1) the structural shift from offline to online, driving up both the share of vacancies published online and the spend per vacancy, and 2) Avito's market share increasing. In the current year, we expect the number to increase by at least 20% to about RUB 2.7 bn.

We believe that the Avito Jobs vertical should trade at similar multiples as other Avito verticals, given the future growth potential (see additional comments below). Applying a 60% profit margin and a 25x profit multiple, we land at a stand-alone value of about USD 700 mln (with a RUB/USD exchange rate of 60).

### A few words about the future

The job markets are undergoing a huge change. It has never been easier to take up part-time or freelance jobs, and the preference to do so keeps on increasing among millennials worldwide. This part of the work force is ready to accept limited-term positions and often combine two or more jobs (or "gigs") at the time. The border between jobs and services is getting more blurred. To attract job seekers, you will need to be able to offer all types of opportunities. Needless to say, being a category leader in both Jobs and Services, like Avito, is a great competitive advantage as this shift materializes. Services is a very exciting stand-alone vertical for Avito, and we will spend more time on the Services in a coming report.

# Investment portfolio

## Portfolio Structure – Net Asset Value

The investment portfolio stated at market value as at March 31, 2018, is shown below.

Company	Fair value, USD Mar 31, 2018	Percentage weight	Fair value, USD Dec 31, 2017	Fair value change per share, USD Year to date, 2018
Avito <sup>2</sup>	605,901,259	62.1%	591,938,454	2% <sup>1</sup>
BlaBlaCar <sup>2</sup>	119,396,350	12.2%	118,615,542	1% <sup>1,3</sup>
Gett <sup>2</sup>	56,012,010	5.7%	59,198,650	-5% <sup>1</sup>
Propertyfinder <sup>2</sup>	32,762,859	3.4%	28,704,345	13% <sup>1</sup>
babylon <sup>2</sup>	24,340,982	2.5%	23,335,857	4% <sup>1,3</sup>
OneTwoTrip <sup>2</sup>	20,992,407	2.2%	20,810,533	1% <sup>1</sup>
Wallapop <sup>2</sup>	13,533,279	1.4%	13,533,279	– <sup>1</sup>
Hemnet (through YSaphis S.A. and Merro Partners S.A.) <sup>2</sup>	11,603,919	1.2%	11,207,369	3% <sup>1</sup>
Merro <sup>2</sup>	9,358,731	1.0%	9,358,731	– <sup>1</sup>
Booksy <sup>2</sup>	5,989,711	0.6%	–	– <sup>1</sup>
Housing Anywhere <sup>2</sup>	4,110,313	0.4%	–	– <sup>1</sup>
Naseeb Networks (Rozee and Mihnati) <sup>2</sup>	4,074,808	0.4%	4,203,772	-3% <sup>1</sup>
El Basharsoft (Wuzzuf and Forasna) <sup>2</sup>	3,779,198	0.4%	2,347,911	12% <sup>1</sup>
CarZar <sup>2</sup>	3,521,186	0.4%	3,521,186	– <sup>1</sup>
Vezeeta (DrBridge) <sup>2</sup>	2,333,334	0.2%	1,833,313	– <sup>1</sup>
KEH AB (YouScan) <sup>2</sup>	1,526,375	0.2%	1,526,375	– <sup>1</sup>
Delivery Hero AG	1,088,777	0.1%	888,401	22% <sup>1</sup>
Agente Imóvel <sup>2</sup>	1,000,000	0.1%	1,000,000	– <sup>1</sup>
Shwe Property <sup>2</sup>	500,000	0.1%	–	– <sup>1</sup>
JobNet <sup>2</sup>	500,000	0.1%	–	– <sup>1</sup>
Marley Spoon <sup>2</sup>	1,926,603	0.2%	–	– <sup>1</sup>
Marley Spoon, debt	3,428,058	0.4%	–	– <sup>1</sup>
Liquidity management	8,675,314	0.9%	8,023,392	
Cash	40,001,022	4.1%	51,078,919	
<b>Total investment portfolio</b>	<b>976,356,495</b>	<b>100.0%</b>	<b>951,126,029</b>	
Borrowings	-70,559,290		-71,541,440	
Other net receivables/liabilities	554,183		405,089	
<b>Total NAV</b>	<b>906,351,388</b>		<b>879,989,679</b>	

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 is the largest and most liquid online classifieds platform in Russia, and the clear market leader in terms of visitors and ads. During the three first months of 2018, 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 March 31, 2018, Vostok New Ventures values its stake in Avito at USD 605.9 mln (USD 4.6 bn for the entire company) on the basis of an EV/EBITDA peer multiples valuation model. The valuation model used as per March 31, 2018, is the same as per year-end 2017, with updated input data and reflects Avito's strong EBITDA growth compared to the listed peer group. The valuation represents a 2% increase in valuation compared with Vostok's valuation as per year-end 2017. The main drivers of the revaluation during 1Q18 are the updated peer-related input data.

As per March 31, 2018, 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.

In January 2018, Vostok New Ventures received USD 10.2 mln in dividends from Avito.

#### Avito Quarterly Key Performance Indicators

	1Q 2018	1Q 2018	1Q 2018
		q-o-q change	y-o-y change
Listers, mln	11.6	-4.0%	4.6%
Paying users	1,459,120	9.5%	17.3%
Average revenue per paying user, RUB	2,491	-6.3%	12.9%

Listers are unique listers who have made at least one listing in a given quarter. Paying users are quarter average for users who have at least once applied paid services.

Source: Avito

## Avito

[avito.ru](http://avito.ru)

Share of total portfolio: **62.1%**



**2007**

Investment year

**6,166,470**

Vostok New Ventures' number of shares as at March 31, 2018

**605.9**

Total value (USD mln)

**13.2%**

Share of total shares outstanding

**+2%**

Value development January-March 2018 (in USD)



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 Napppez, 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 first quarter of 2018 continued to grow its 22 markets, with reaccelerated usage in France following long strikes in the public transport sector and continued strong growth in Russia and Brazil.

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 March 31, 2018, Vostok New Ventures owns approximately 9.3% 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.



## BlaBlaCar

[blablacar.com](http://blablacar.com)

Share of total portfolio: **12.2%**



**2015–17**  
Investment years

**14,492,319**  
Vostok New Ventures' number of shares as at March 31, 2018

**119.4**  
Total value (USD mln)

**9.3%**  
Share of total shares outstanding

**+1%\***  
Value development January–March 2018 (in USD)

\* Attributable to currency exchange differences.



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.

As per March 31, 2018, the Gett investment is valued at USD 56.0 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. The valuation as per March 31, 2018 is 5% lower than the valuation as per December 31, 2018, mainly driven by a revision of VNV’s estimates of the company’s long-term future cash flows.



## Gett

 [gett.com](http://gett.com)

Share of total portfolio:  
**5.7%**



**2014**  
Investment year

**18,171,609**  
Vostok New Ventures’ number of shares as at March 31, 2018

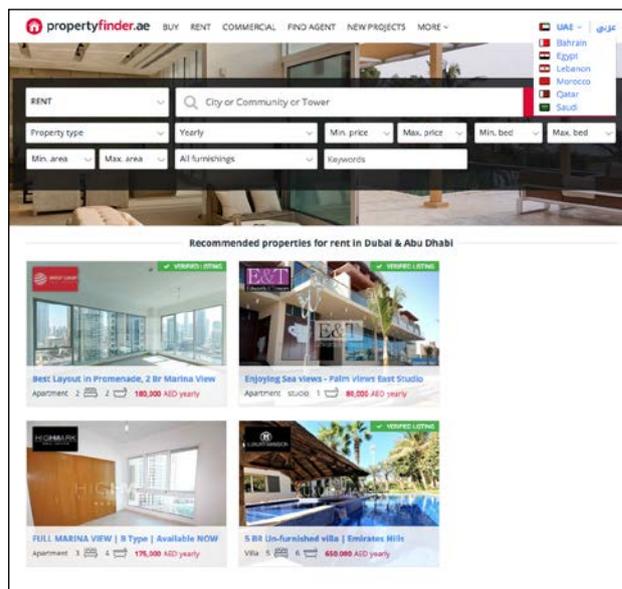
**56.0**  
Total value (USD mln)

**3.6%**  
Share of total shares outstanding

**-5%**  
Value development January–March 2018 (in USD)

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. 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 and the first quarter of 2018, Vostok New Ventures acquired a small number of secondary shares in the company for a total of USD 500k and USD 200k, respectively. 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 March 31, 2018, Vostok New Ventures values its stake in Propertyfinder to USD 32.8 mln (USD 318 mln for the entire company) on the basis of an EV/Sales peer multiples valuation model. This valuation represents a 13% increase in valuation compared to Vostok's valuation as per December 31, 2017. The valuation increase is driven by a strong expected revenue growth during 2018 and higher peer multiples.



#### Group KPI development 1Q18

- Total page views are up 58.8% year on year
- Total sessions are up 46.5% year on year
- Total leads generated are up 47.0% year on year
- Total unique users are up 60.5% year on year

## Propertyfinder

 [propertyfinder.ae](http://propertyfinder.ae)

Share of total portfolio:  
**3.4%**



**2015–18**  
Investment years

**144,454**  
Vostok New Ventures' number of shares as at March 31, 2018

**32.8**  
Total value (USD mln)

**10.3%**  
Share of total shares outstanding

**+13%**  
Value development January–March 2018 (in USD)

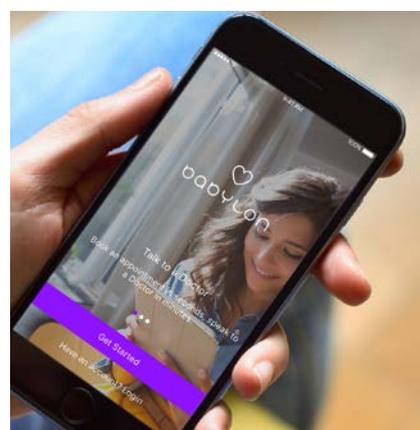


babylon launched in 2015 and is a pioneer in personal digital healthcare globally. babylon's technology, available from any mobile phone or personal computer worldwide, aims to put an accessible and affordable health service into the hands of every person on Earth. babylon has brought together one of 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.

In the first quarter 2018, babylon has continued to grow its current markets UK and Rwanda as well as announced agreements to deploy its technology in two new markets: China (through a partnership with Tencent) and Saudi Arabia (through a partnership with THIAQH).

As per March 31, 2018, the babylon investment is valued at GBP 17.3 mln (USD 24.3 mln), on the basis of this latest transaction in the company.



**babylon**

[babylonhealth.com](http://babylonhealth.com)

Share of total portfolio: **2.5%**



**2017**

Investment year

**84,246**

Vostok New Ventures' number of shares as at March 31, 2018

**24.3**

Total value (USD mln)

**10%**

Share of total shares outstanding

**+4%\***

Value development January-March 2018 (in USD)

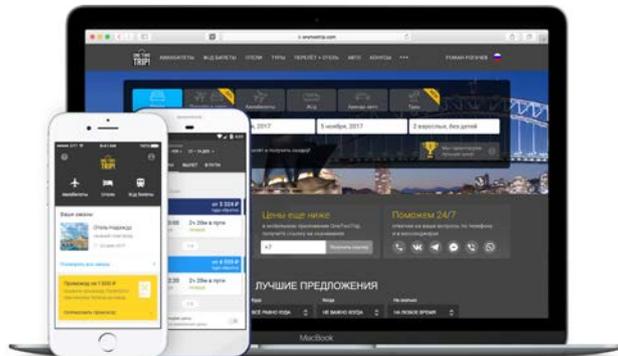
\* Attributable to currency exchange differences.



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.

Vostok New Ventures has invested a total of USD 12.2 mln in OTT during 2015 and 2016, and owns 16.7% of the company on a fully diluted basis. As per March 31, 2018, the company is valued based on an EV/Sales peer multiples model.



## OneTwoTrip

[onetwotrip.com](http://onetwotrip.com)

Share of total portfolio: **2.2%**



**2015/16**

Investment years

**96,228**

Vostok New Ventures' number of shares as at March 31, 2018

**21.0**

Total value (USD mln)

**16.7%**

Share of total shares outstanding

**+1%**

Value development January-March 2018 (in USD)

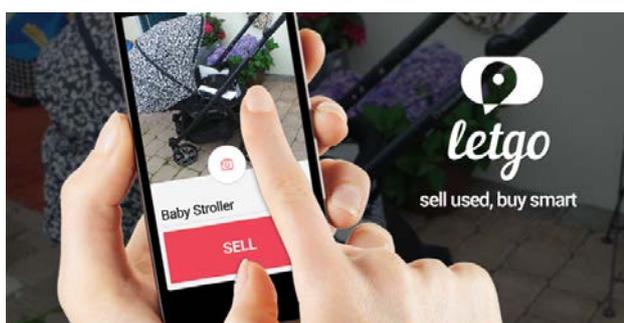
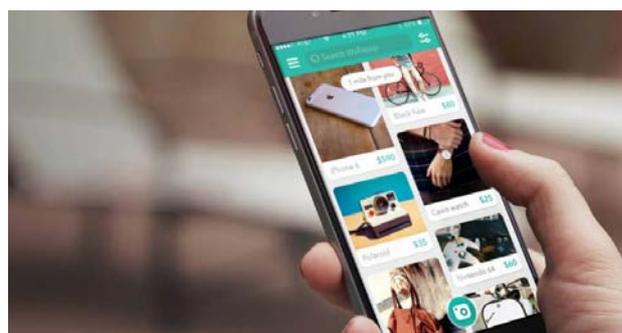
# wallapop

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 its US business with Naspers' owned Letgo. As part of this merger the new US company raised further funding from its existing shareholders.

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 March 31, 2018, 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.



## Wallapop

[wallapop.com](http://wallapop.com)

Share of total portfolio:  
**1.4%**



**2015**

Investment year

**21,872\***

Vostok New Ventures' number of shares as at March 31, 2018

**13.5**

Total value (USD mln)

**2.9%**

Share of total shares outstanding

**—**

Value development January–March 2018 (in USD)

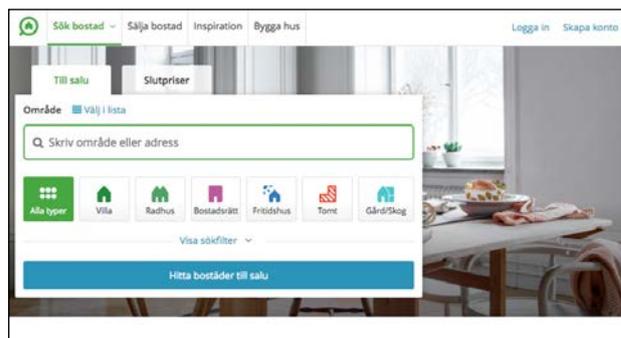
\* Shares held indirectly through a limited partnership.



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 2017, 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 2017, the company generated revenue of SEK 323 mln (2016: 249) and EBIT of SEK 108 mln (2016: 74.4). 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](http://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 as per March 31, 2018. The transaction was closed in early January 2017. As per March 31, 2018, Vostok New Ventures values its investment on the basis of an EV/EBITDA valuation model as the last significant transaction now is more than 12 months old.



## Hemnet

 [hemnet.se](http://hemnet.se)

Share of total portfolio:  
**1.2%**



**2016**  
Investment year

**81,024,902**  
Vostok New Ventures' number of shares as at March 31, 2018

**11.6**  
Total value (USD mln)

**5.9%**  
Share of total shares outstanding

**+3%**  
Value development January-March 2018 (in USD)

# ✳ Merro

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 March 2018 Opensooq generated approximately 1.3 bn page views. Opensooq is on a path to 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 March 31, 2018, 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.

## Merro

 [merro.co](http://merro.co)

Share of total portfolio: **1.0%**



**2014/16**

Investment years

**10,900**

Vostok New Ventures' number of shares as at March 31, 2018

**9.4**

Total value (USD mln)

**22.5%**

Share of total shares outstanding

**–**

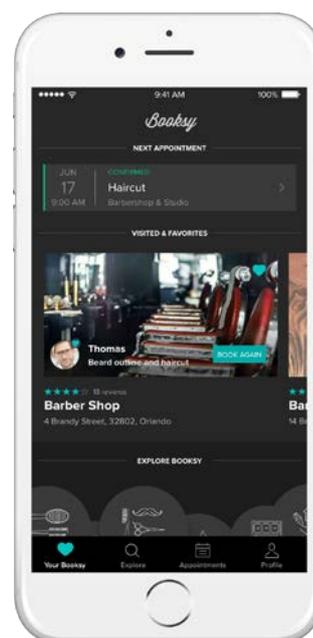
Value development January–March 2018 (in USD)

# Booksy

Booksy is a SaaS driven booking platform for the beauty industry. The company is based in Poland and has expanded into the US, the UK, Brazil and South Africa.

Booksy is a robust booking system for people looking to schedule appointments for health & beauty services consisting of two apps, Booksy Biz for businesses and Booksy for clients; designed to make scheduling appointments seamlessly. Booksy Biz allows the business owner to create a business profile and completely manage their calendar and appointment schedule. Booksy allows the client to view the business' profile, see their availability, and book an appointment right from the app. Both apps work together in real time, so the calendar is always up-to-date. As soon as a client books an appointment, the business receives a notification and the appointment is placed on their calendar.

Vostok New Ventures invested USD 6 mln in Booksy alongside Piton Capital during the first quarter 2018. As per March 31, 2018, the investment is valued on the basis of this recent transaction in the company.



## Booksy

 [booksy.com](https://booksy.com)

Share of total portfolio:  
**0.6%**



**2018**  
Investment year

**1,593,168\***  
Vostok New Ventures' number of shares as at March 31, 2018

**6.0**  
Total value (USD mln)

**—**  
Value development January-March 2018 (in USD)

\* Indirect holding through Piton Capital.



Housing Anywhere is a housing platform that was founded by Niels van Deuren where people can rent out rooms to international students. It originally started as a platform where outgoing exchange students can rent out their rooms when they go abroad. Incoming exchange students can rent these rooms. Today, it's a global platform where demand & supply of rooms for international students meet each other. The company has 127 partner universities in 22 countries.

It launches in university cities together with the local university (who subsequently becomes a paying partner in order to supply its international student base with housing options) and moves on to take a fee from the tenant and the landlord. GMV has shown very strong growth in the last 12 months. In contrast to many other rental players this company is a pure classified player meaning they just put the tenant and the land lord in touch, whereas others get into the agent role providing contract, cleaning, legal etc.

### HOW IT WORKS

Search for rooms in one of our 300 cities, get in touch with locals directly and book your place on our secure platform. All advertisers on Housing Anywhere are verified, which guarantees a safe booking.



## Housing Anywhere

[housinganywhere.com](https://housinganywhere.com)

Share of total portfolio: **0.4%**

**2018**  
Investment year

**958**  
Vostok New Ventures' number of shares as at March 31, 2018

**4.1**  
Total value (USD mln)

**—**  
Value development January–March 2018 (in USD)



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 March 31, 2018, 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 4.1 mln for Vostok New Ventures’ stake in the company. This is 3% lower than Vostok New Ventures’ valuation as per December 31, 2017. The revaluation is driven by a slightly decreased revenue forecast.



## Naseeb Networks (Rozee and Mihnati)

[naseebnetworks.com](http://naseebnetworks.com)

[rozee.pk](http://rozee.pk)

[mihnati.com](http://mihnati.com)

Share of total portfolio:  
**0.4%**



**2015**  
Investment year

**11,481,176**  
Vostok New Ventures' number of shares as at March 31, 2018

**4.1**  
Total value (USD mln)

**23.7%**  
Share of total shares outstanding

**-3%**  
Value development January-March 2018 (in USD)

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 is a testament to his dedication. The company is also backed by the company 500 Startups.

During the second quarter 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 March 31, 2018, 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 3.8 mln, including a USD 1 mln convertible loan to the company which was transferred into shares during the second quarter 2018. This represents a 12% higher valuation per share than Vostok New Ventures' valuation as per year-end 2017 driven by strong revenue growth, a positive outlook for 2018 and higher peer group multiples.



El Basharsoft staff, December 2016

## El Basharsoft

(Wuzzuf and Forasna)

[basharsoft.com](http://basharsoft.com)

[wuzzuf.net](http://wuzzuf.net)

[forasna.com](http://forasna.com)

Share of total portfolio:  
**0.4%**



**2015–18**

Investment years

**339**

Vostok New Ventures' number of shares as at March 31, 2018

**3.8\***

Total value (USD mln)

**17.0%**

Share of total shares outstanding

**+12%**

Value development January–March 2018 (in USD)

\* of which USD 1 mln is a convertible loan valued at its nominal value.



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 March 31, 2018, Vostok New Ventures values its investment in CarZar on the basis of this latest transaction in the company.



## CarZar

 [carzar.co.za](http://carzar.co.za)

Share of total portfolio:  
**0.4%**



**2017**

Investment years

**831**

Vostok New Ventures' number of shares as at March 31, 2018

**3.5**

Total value (USD mln)

**16.4%**

Share of total shares outstanding

**–**

Value development January–March 2018 (in USD)

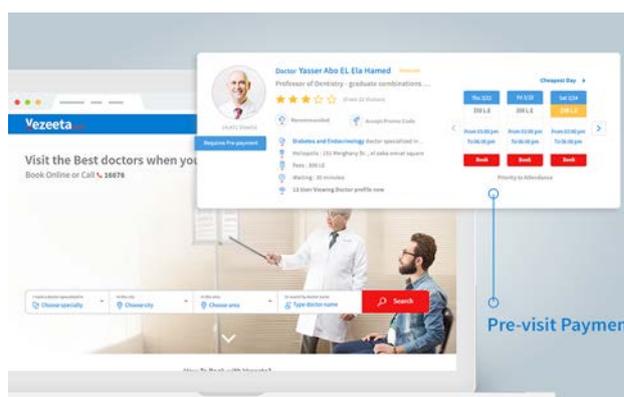
Vezeeta is the MENA leader in Healthcare IT platforms. The company is pioneering the shift to automate the booking world of doctors creating a healthcare ecosystem by connecting various healthcare providers using our other digital cloud based solutions.

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 specialty, 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.

During the first quarter 2018 Vostok New Ventures invested an additional USD 500k in the company through convertible loan.

As per March 31, 2018, the investment in Vezeeta is valued on the basis of this funding round.



## Vezeeta (DrBridge)

Share of total portfolio:  
**0.2%**



**2016-18**  
Investment years

**358,069**  
Vostok New Ventures' number of shares as at March 31, 2018

**2.3\***  
Total value (USD mln)

**7.9%**  
Share of total shares outstanding

**—**  
Value development January-March 2018 (in USD)

 [vezeeta.com](http://vezeeta.com)

\* of which USD 500,000 is a convertible loan valued at its nominal value.

# MARLEY SPOON

Marley Spoon is a cook-at-home meal kit delivery service. Marley Spoon is based in Berlin and has operations in Europe, the US and Australia. Marley Spoon was founded by ex-Delivery Hero chief executive Fabian Siegel in 2014. In the US, it has partnered with Martha Stewart.

Vostok New Ventures invested EUR 4.0 mln in Marley Spoon during the first quarter 2018 through a debt investment that carries cash interest as well as an equity kicker.

As per March 31, 2018, the loan is valued through an NPV model, and the equity portion is valued to USD 1.9 mln on the basis of the latest equity transaction in the company that closed in mid 2017.



## Marley Spoon

[marleyspoon.com](http://marleyspoon.com)

Share of total portfolio: **0.2%**



**2018**

Investment years

**996**

Vostok New Ventures' number of warrants as at March 31, 2018

**1.9\***

Total value (USD mln)

**1.2%**

Share of total shares outstanding

**—**

Value development January–March 2018 (in USD)

\* Real value of the equity component related to the loan.



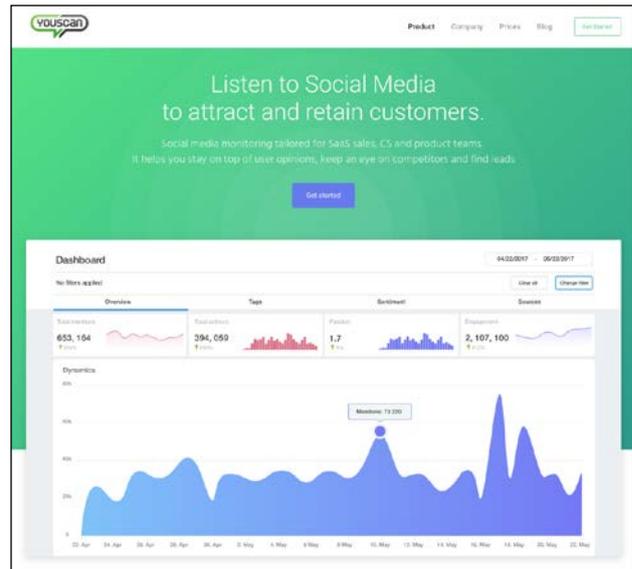
KEH AB is a holding company that owns a significant position in social media monitoring company YouScan.

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 March 31, 2018.



## KEH AB (YouScan)

Share of total portfolio: **0.2%**



**2014**  
Investment year

**8,808,426**  
Vostok New Ventures' number of shares as at March 31, 2018

**1.5**  
Total value (USD mln)

**33.9%**  
Share of total shares outstanding

**—**  
Value development January–March 2018 (in USD)

[youscan.io](https://youscan.io)

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 March 31, 2018, the investment is valued on the basis of this transaction.



## Agente Imóvel

[agenteimovel.com.br](http://agenteimovel.com.br)

Share of total portfolio:  
**0.1%**



**2017**  
Investment year

**3,591**  
Vostok New Ventures' number of shares as at March 31, 2018

**1.0**  
Total value (USD mln)

**20%**  
Share of total shares outstanding

**—**  
Value development January–March 2018 (in USD)



Shwe Property is the #1 Real Estate portal and most recognized Online Real Estate Group in Myanmar. Established in 2011, as the first property portal in the country, with the first real estate app ever developed in Myanmar. Today, Shwe Property leads the market with the highest brand penetration particularly amongst first-time home buyers and the country's emerging middle class.

With over 100,000+ property listings, and thousands of property inquiries every month, Shwe Property is the largest company in the real estate services sector in Myanmar. Through the company's mega property expos, combined with a significant team of experienced and qualified sales and marketing professionals, the company holds the largest inventory of active property listings in country.

Shwe Property follows a property portal 3.0 type business model that integrates a traditional property portal platform with a hybrid Real Estate sales and marketing organization that delivers large volumes of property transactions by targeting their intelligent database of real time property seekers.

During the first quarter of 2018, Vostok New Ventures invested USD 500,000 in the company, and as per March 31, 2018, the investment in Shwe Property is valued on the basis of this recent transaction.



## Shwe Property

[shweproperty.com](http://shweproperty.com)

Share of total portfolio: **0.1%**



**2018**

Investment years

**25,000**

Vostok New Ventures' number of shares as at March 31, 2018

**0.5**

Total value (USD mln)

**8.3%**

Share of total shares outstanding

**-**

Value development January-March 2018 (in USD)

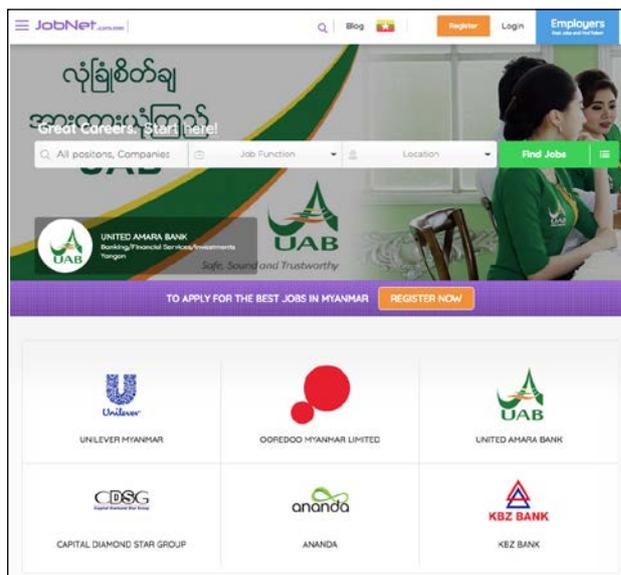
Since its inception in 2015, JobNet has grown rapidly to become the number one online Jobs and Recruitment portal in Myanmar, Asia's last frontier and fastest growing economy,

Amidst political reform, a stimulated economy, the arrival of international companies and the growth of local business, increased employment opportunities have driven a significant demand for employers to find the best talent available in the market.

Bringing over 20 years of experience in 15 countries, developing world class job boards and recruitment technologies, JobNet was launched in Myanmar to address the needs of thousands of corporations who wanted a more targeted, competitive, time efficient and cost-effective recruitment solution to win the war for talent.

Attracting hundreds of thousands of job seekers and delivering thousands of job applications every month, JobNet is the go-to marketplace that connects employers to the best talent in the nation, quickly and efficiently.

During the first quarter of 2018, Vostok New Ventures invested USD 500,000 in the company, and as per March 31, 2018, the investment in JobNet is valued on the basis of this recent transaction.



JobNet

[jobnet.com.mm](http://jobnet.com.mm)

Share of total portfolio: **0.1%**



**2018**  
Investment year

**10,417**  
Vostok New Ventures' number of shares as at March 31, 2018

**0.5**  
Total value (USD mln)

**3.8%**  
Share of total shares outstanding

**—**  
Value development January-March 2018 (in USD)

# Debt investments

## 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 March 31, 2018, 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 March 31, 2018 is valued at zero.

## Marley Spoon (debt)

The EUR 4.0 Marley Spoon loan is as per March 31, 2018 valued through a NPV model to USD 3.4 mln.

## Liquidity management

The Company also has investments in money market funds, as part of its liquidity management operations. As per March 31, 2018, the liquidity management investments are valued at USD 8.66 mln (2017: 8.0), based on the latest NAV of each fund and bond's market value.

As per March 31, 2018, the remaining equity holding in Delivery Hero is valued at USD 1.1 mln as per the last closing price in March 2018. Vostok New Ventures sold all remaining Delivery Hero shares after the balance sheet date in April 2018.

# Investments

During the first quarter 2018, gross investments in financial assets were USD 18.33 mln (2017: 5.76) and proceeds from sales were USD 0 mln (2017: 0). Investments concern cash investment in Booksy, Housing Anywhere, El Basharsoft, Marley Spoon, Vezeeta, JobNet, Shwe Property and Propertyfinder.

# 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 17.48 mln (2017: 17.46), mainly coming from the revaluation of Avito. Dividend and coupon income was USD 10.24 mln (2017: 0), of which USD 10.2 mln was dividends from Avito.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -2.47 mln (2017: -1.07).

Net financial items were USD 0.99 mln (2017: 0.94).

Net result for the period was USD 26.24 mln (2017: 17.33).

Total shareholders' equity amounted to USD 906.35 mln on March 31, 2018 (December 31, 2017: 879.99).

# 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 40.0 mln on March 31, 2018 (December 31, 2017: 51.1).

# Income statements – Group

(Expressed in USD thousands)	Jan 1, 2018– Mar 31, 2018	Jan 1, 2017– Mar 31, 2017
Result from financial assets at fair value through profit or loss <sup>1</sup>	17,483	17,457
Dividend and coupon income	10,236	–
Other operating income	35	–
Operating expenses	-2,507	-1,072
<b>Operating result</b>	<b>25,247</b>	<b>16,385</b>
<b>Financial income and expenses</b>		
Interest income	449	904
Interest expense	-1,107	-608
Currency exchange gains/losses, net	1,654	645
<b>Net financial items</b>	<b>996</b>	<b>941</b>
<b>Result before tax</b>	<b>26,243</b>	<b>17,325</b>
Taxation	–	–
<b>Net result for the financial period</b>	<b>26,243</b>	<b>17,325</b>
Earnings per share (in USD)	0.31	0.20
Diluted earnings per share (in USD)	0.31	0.20

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, 2018– Mar 31, 2018	Jan 1, 2017– Mar 31, 2017
<b>Net result for the financial period</b>	<b>26,243</b>	<b>17,325</b>
<b>Other comprehensive income for the period</b>		
<i>Items that may be classified subsequently to profit or loss:</i>		
Currency translation differences	-54	18
<b>Total other comprehensive income for the period</b>	<b>-54</b>	<b>18</b>
<b>Total comprehensive income for the period</b>	<b>26,189</b>	<b>17,343</b>

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)	Mar 31, 2018	Dec 31, 2017
<b>NON-CURRENT ASSETS</b>		
<i>Tangible non-current assets</i>		
Property, plant and equipment	56	53
<b>Total tangible non-current assets</b>	<b>56</b>	<b>53</b>
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	932,927	900,047
Loan receivables	3,428	–
<b>Total financial non-current assets</b>	<b>936,355</b>	<b>900,047</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	40,001	51,079
Tax receivables	407	394
Other current receivables	2,312	2,206
<b>Total current assets</b>	<b>42,720</b>	<b>53,678</b>
<b>TOTAL ASSETS</b>	<b>979,131</b>	<b>953,779</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	<b>906,351</b>	<b>879,990</b>
<b>NON-CURRENT LIABILITIES</b>		
<i>Interest bearing liabilities</i>		
Long-term debts	70,559	71,541
<b>Total non-current liabilities</b>	<b>70,559</b>	<b>71,541</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Tax payables	409	431
Other current liabilities	882	1,090
Accrued expenses	930	727
<b>Total current liabilities</b>	<b>2,221</b>	<b>2,248</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>979,131</b>	<b>953,779</b>

# Statement of Changes in Equity

## – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
<b>Balance at January 1, 2017</b>	<b>27,420</b>	<b>125,791</b>	<b>-168</b>	<b>572,473</b>	<b>725,516</b>
Net result for the period					
January 1, 2017 to March 31, 2017	-	-	-	17,325	17,325
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	18	-	18
<b>Total comprehensive income for the period</b>					
<b>January 1, 2017 to March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>17,325</b>	<b>17,344</b>
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	173	-	-	173
Buy-back of own shares	-56	-1,283	-	-	-1,339
<b>Total transactions with owners</b>	<b>-56</b>	<b>-1,110</b>	<b>-</b>	<b>-</b>	<b>-1,166</b>
<b>Balance at March 31, 2017</b>	<b>27,364</b>	<b>124,681</b>	<b>-150</b>	<b>589,798</b>	<b>741,694</b>
<b>Balance at January 1, 2018</b>	<b>27,066</b>	<b>119,073</b>	<b>-8</b>	<b>733,858</b>	<b>879,990</b>
Net result for the period					
January 1, 2018 to March 31, 2018	-	-	-	26,243	26,243
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-54	-	-54
<b>Total comprehensive income for the period</b>					
<b>January 1, 2018 to March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-54</b>	<b>26,243</b>	<b>26,188</b>
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	351	-	-	351
Buy-back of own shares (Note 7)	-6	-171	-	-	-178
<b>Total transactions with owners</b>	<b>-6</b>	<b>180</b>	<b>-</b>	<b>-</b>	<b>173</b>
<b>Balance at March 31, 2018</b>	<b>27,060</b>	<b>119,253</b>	<b>-62</b>	<b>760,101</b>	<b>906,351</b>

# Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2018– Mar 31, 2018	Jan 1, 2017– Mar 31, 2017
<b>OPERATING ACTIVITIES</b>		
Result before tax	26,243	17,325
<i>Adjustment for:</i>		
Interest income	-449	-904
Interest expense	1,107	608
Currency exchange gains/-losses	-1,653	-645
Result from financial assets at fair value through profit or loss	-17,483	-17,457
Dividend and coupon income	-10,236	-
Other non-cash items	351	173
Change in current receivables	-143	1
Change in current liabilities	100	-13
<b>Net cash used in operating activities</b>	<b>-2,163</b>	<b>-911</b>
Investments in financial assets	-15,378	-5,760
Increase in loan receivables	-2,974	-
Repayment loan	-	7,664
Dividend and coupon income	10,236	6,761
Interest received	-	518
Tax paid	-39	-106
<b>Net cash flow used in/from operating activities</b>	<b>-10,318</b>	<b>8,166</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in office equipment	-3	-
<b>Net cash flow used in investment activities</b>	<b>-3</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid for borrowings	-1,106	-547
Buy back of own shares	-178	-1,339
<b>Net cash flow used in financing activities</b>	<b>-1,284</b>	<b>-1,886</b>
<b>Change in cash and cash equivalents</b>	<b>-11,606</b>	<b>6,280</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>51,079</b>	<b>34,780</b>
Exchange gains/losses on cash and cash equivalents	528	925
<b>Cash and cash equivalents at end of period</b>	<b>40,001</b>	<b>41,985</b>

# 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.

	1Q 2018	1Q 2017
Return on capital employed, % <sup>1</sup>	2.61	2.18
Equity ratio, % <sup>2</sup>	92.57	95.53
Shareholders' equity/share, USD <sup>3</sup>	10.72	8.67
Earnings/share, USD <sup>4</sup>	0.31	0.20
Diluted earnings/share, USD <sup>5</sup>	0.31	0.20
Net asset value/share, USD <sup>6</sup>	10.72	8.67
Weighted average number of shares for the financial period	84,573,583	84,719,460
Weighted average number of shares for the financial period (fully diluted)	84,741,260	84,737,381
Number of shares at balance sheet date <sup>7</sup>	84,562,357	85,514,209

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 March 31, 2018, excludes 1,125,952 repurchased SDRs.

# Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2018– Mar 31, 2018	Jan 1, 2017– Mar 31, 2017
Result from financial assets at fair value through profit or loss	58	47
Operating expenses	-2,580	-1,102
<b>Operating result</b>	<b>-2,522</b>	<b>-1,055</b>
<b>Financial income and expenses</b>		
Interest income	3,561	3,409
Interest expense	-1,107	-608
Currency exchange gains/losses, net	1,650	817
<b>Net financial items</b>	<b>4,104</b>	<b>3,618</b>
<b>Net result for the financial period</b>	<b>1,581</b>	<b>2,563</b>

## Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2018– Mar 31, 2018	Jan 1, 2017– Mar 31, 2017
<b>Net result for the financial period</b>	<b>1,581</b>	<b>2,563</b>
<b>Other comprehensive income for the period</b>		
<i>Items that may be classified subsequently to profit or loss:</i>		
Currency translation differences	-	-
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,581</b>	<b>2,563</b>

# Balance sheet – Parent

(Expressed in USD thousands)	Mar 31, 2018	Dec 31, 2017
<b>NON-CURRENT ASSETS</b>		
<i>Financial non-current assets</i>		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	10,602	8,023
Loan receivables	3,428	–
Receivables from Group companies	213,552	206,303
<b>Total financial non-current assets</b>	<b>311,971</b>	<b>298,715</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	35,081	47,829
Other current receivables	28	62
<b>Total current assets</b>	<b>35,109</b>	<b>47,891</b>
<b>TOTAL ASSETS</b>	<b>347,080</b>	<b>346,605</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	<b>274,883</b>	<b>273,128</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts	70,559	71,541
<b>Total non-current liabilities</b>	<b>70,559</b>	<b>71,541</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	813	1,165
Other current liabilities	28	107
Accrued expenses	794	664
<b>Total current liabilities</b>	<b>1,638</b>	<b>1,936</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>347,080</b>	<b>346,605</b>

# Statement of Changes in Equity

## – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at January 1, 2017</b>	<b>27,420</b>	<b>125,791</b>	<b>123,571</b>	<b>276,783</b>
Net result for the period January 1, 2017 to March 31, 2017	–	–	2,563	2,563
<i>Other comprehensive income for the period</i>				
Currency translation differences	–	–	–	–
<b>Total comprehensive income for the period January 1, 2017 to March 31, 2017</b>	<b>–</b>	<b>–</b>	<b>2,563</b>	<b>2,563</b>
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	–	173	–	173
Buy-back of own shares	-56	-1,283	–	-1,339
<b>Total transactions with owners</b>	<b>-56</b>	<b>-1,110</b>	<b>–</b>	<b>-1,166</b>
<b>Balance at March 31, 2017</b>	<b>27,365</b>	<b>124,682</b>	<b>126,134</b>	<b>278,180</b>
<b>Balance at January 1, 2018</b>	<b>27,066</b>	<b>119,073</b>	<b>126,988</b>	<b>273,128</b>
Net result for the period January 1, 2018 to March 31, 2018	–	–	1,581	1,581
<i>Other comprehensive income for the period</i>				
Currency translation differences	–	–	–	–
<b>Total comprehensive income for the period January 1, 2018 to March 31, 2018</b>	<b>–</b>	<b>–</b>	<b>1,581</b>	<b>1,581</b>
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	–	351	–	351
Buy-back of own shares (Note 7)	-6	-171	–	-177
<b>Total transactions with owners</b>	<b>-6</b>	<b>180</b>	<b>–</b>	<b>174</b>
<b>Balance at March 31, 2018</b>	<b>27,060</b>	<b>119,253</b>	<b>128,570</b>	<b>274,883</b>

## 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 2017. The Company's 2017 annual report is available at the Company's website: [www.vostoknewventures.com/investor-relations/financial-reports/](http://www.vostoknewventures.com/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:

	Operating expenses		Current liabilities	
	1Q 2018	1Q 2017	1Q 2018	1Q 2017
Key management and Board of Directors <sup>1</sup>	-2,332	-437	-89	-85

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

The costs for the long-term incentive programs (LTIP 2016 and LTIP 2017) for the management amounted to USD 0.33 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 2017. 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 March 31, 2018.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	9,764	55,422	867,741	932,927
Total assets	9,764	55,422	867,741	932,927

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	900,047

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

	Level 3
Opening balance January 1, 2018	836,704
Transfers to level 3	11,207
Change in fair value and other	19,830
Closing balance March 31, 2018	867,741

During the first quarter 2018, one transfer between level 2 and 3 have been done. Hemnet has been transferred from level 2 to level 3. The investments in babylon, Wallapop, Booksy, Housing Anywhere, Shwe Property, JobNet, 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, Hemnet, 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 March 31, 2018.

As per March 31, 2018, Vostok New Ventures values its stake in Avito to USD 605.9 mln (USD 4.6 bn for the entire company) on the basis of an EV/EBITDA peer multiples valuation model. The valuation model used as per March 31, 2018, is the same as per year-end 2017, with updated input data and reflects Avito's strong EBITDA growth compared to the listed peer group. The valuation represents a 2% increase in valuation compared with Vostok's valuation as per year-end 2017. The main drivers of the revaluation during 1Q18 are the updated peer-related input data.

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 16.6x and the median multiple is 15.3x,

and the multiple applied on Avito has been adjusted to better reflect Avito's strong EBITDA growth compared to the listed peer group.

EV/EBITDA NTM vs. EBITDA CAGR 2018E-2020E



Below tables show the sensitivity in the model-generated valuation in relation to USD/RUB and the peer multiple used as per March 31, 2018.

Valuation of Vostok New Ventures' Avito investment, USD million	Sensitivity EBITDA multiple			
	-15%	-10%	+10%	+15%
	517	547	606	665

Valuation of Vostok New Ventures' Avito investment, USD million	Sensitivity EBITDA CAGR				
	26%	27%	28%	29%	30%
	584	595	606	616	627

Valuation of Vostok New Ventures' Avito investment, USD million	Sensitivity USD/RUB				
	+15%	+10%	57.78	-10%	-15%
	529	552	606	672	710

#### BlaBlaCar

As per March 31, 2018, 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 9.3% of BlaBlaCar on a fully diluted basis as per March 31, 2018. The company valuation as per March 31 2018, is 19.5% lower than the last transaction on market terms which closed in the fourth quarter 2016. 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 March 31, 2018, the company has over 60 mln members and 18 mln travelers per quarter.

Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	Sensitivity in model-based BlaBlaCar valuation as per March 31, 2018			
	-15%	-10%	+10%	+15%
	98.6	104.4	116.0	127.6

Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	Sensitivity in model-based BlaBlaCar valuation as per March 31, 2018				
	-15%	-10%	France GMV	+10%	+15%
	110.8	112.5	116.0	119.4	121.2

#### Gett

As per March 31, 2018, 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 March 31, 2018, Vostok New Ventures' holding is valued at USD 56.0 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. As per March 31, 2018, VNV has slightly revised its estimates for Gett's long-term cash flows, which is the main driver for the 5% lower valuation compared with December 31, 2017.

Valuation of Vostok New Ventures' Gett investment, USD million	Sensitivity of WACC in model-based Gett valuation as per March 31, 2018				
	16.5%	17.5%	18.5%	19.5%	20.5%
	67.5	61.4	56.0	51.3	47.2

#### Propertyfinder

As per March 31, 2018, the Propertyfinder investment is classified as a level 3 investment as it is valued at USD 32.8 mln on the basis of EV/Sales-multiple valuation model. The median multiple of the peer group is 8.8x 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 13% higher than the valuation as per December 31, 2017. The revaluation is driven by Propertyfinder's strong net revenue growth and higher peer multiples.

Valuation of Vostok New Ventures' Propertyfinder investment, USD million	Sensitivity in model-based Propertyfinder valuation as per March 31, 2018			
	-15%	-10%	EV/Sales multiple	+15%
	27.9	29.5	32.8	37.7

#### babylon

As per March 31, 2018, 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 March 31, 2018, 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 March 31, 2018, OneTwoTrip is classified as a level 3 investment as it is valued at USD 21.0 mln on the basis of future EV/Net Sales-multiple valuation model. This is approximately 1% higher than the value per share as of December 31, 2017. The model-based valuation is deemed as the best fair value estimate of OneTwoTrip as per March 31, 2018. The median multiple of the peer group is 4.4x 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 March 31, 2018.

Valuation of Vostok New Ventures' OneTwoTrip investment, USD million	Sensitivity in model-based OneTwoTrip valuation as per March 31, 2018			
	-15%	-10%	EV/Sales multiple	+15%
	17.9	18.9	21.0	24.2

### Wallapop

As per March 31, 2018, Wallapop is classified as a level 2 investment as it is valued to 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 March 31, 2018, 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 March 31, 2018, Hemnet is classified as a level 3 investment as it is valued to USD 11.6 mln on the basis of an EV/EBITDA valuation model as the latest significant transaction now is more than 12 months old. The company has been performing well since Vostok's investment in December 2016. As per March 31, 2018, the model is deemed the best fair value estimate of the company. The median multiple of the peer group is 16.6x 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 3% higher than the valuation as per December 31, 2017.

Valuation of Vostok New Ventures' Merro investment, USD million	Sensitivity in model-based Hemnet valuation as per March 31, 2018				
	EV/EBITDA multiple				
	-15%	-10%	+10%	+15%	
	9.9	10.4	11.6	12.8	13.3

### Merro

As per March 31, 2018, Merro is classified as a level 3 investment and is valued on the basis of a Sum of the Parts valuation model. As per March 31, 2018 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 March 31, 2017, Opensooq accounts for 61% of the fair value estimate of Merro.

Valuation of Vostok New Ventures' Merro investment, USD million	Sensitivity in Sum of the parts-based Merro valuation as per March 31, 2018				
	Opensooq valuation				
	-15%	-10%	+10%	+15%	
	8.5	8.8	9.4	9.9	10.2

### Booksy

As per March 31, 2018, Booksy 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 first quarter of 2018. Vostok New Ventures invested a total of USD 6.0 mln in the company.

### Housing Anywhere

As per March 31, 2018, Housing Anywhere 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 first quarter of 2018. Vostok New Ventures invested a total of USD 4.1 mln (EUR 3.3 mln) in the company.

### Naseeb Networks

As per March 31, 2018, 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 4.1 mln compared to USD 4.2 mln as per December 31, 2017.

The peer group includes four online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.6x and the median multiple is 7.6x.

Valuation of Vostok New Ventures' Naseeb investment, USD million	Sensitivity in model-based Naseeb valuation as per March 31, 2018				
	EV/Sales multiple				
	-15%	-10%	+10%	+15%	
	3.5	3.7	4.1	4.5	4.7

### CarZar

As per March 31, 2018, 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 March 31, 2018, 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 3.7 mln (including USD 1.0 mln of convertible debt which closed during the first quarter 2018) compared to USD 2.3 as at December 31, 2017. During the first quarter 2018, Vostok New Ventures owns 17.0% of El Basharsoft on a fully diluted basis as per March 31, 2018.

The peer group includes four online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.6x and the median multiple is 7.6x.

Valuation of Vostok New Ventures' El Basharsoft investment, USD million	Sensitivity in model-based El Basharsoft valuation as per March 31, 2018				
	EV/Sales multiple				
	-15%	-10%	+10%	+15%	
	3.3	3.4	3.7	4.0	4.1

### Vezeeta

As per March 31, 2018, 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. During the first quarter of 2018, Vostok New Ventures invested an additional USD 500k in Vezeeta through a convertible loan. As per March 31, 2018, Vostok New Ventures values its investment in Vezeeta to USD 2.3 mln including the convertible loan.

### Marley Spoon (equity)

As per March 31, 2018, the equity component part of the debt investment in Marley Spoon is valued at USD 1.9 mln on the basis of the latest equity transaction in the company in mid 2017.

### 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 March 31, 2018, all value in KEH AB is derived from a sales-multiple based valuation of YouScan and KEH AB's cash. This model-approach is deemed the best fair value estimate of KEH as per March 31, 2018.

Valuation of Vostok New Ventures' KEH AB investment, USD thousand	Sensitivity in model-based KEH AB valuation as per March 31, 2018				
	EV/Sales multiple				
	-15%	-10%	+10%	+15%	
	1,297	1,373	1,526	1,679	1,755

### Agente Imóvel

As per March 31, 2018, 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.

#### Delivery Hero (equity)

As per March 31, 2018, the equity holding in Delivery Hero is valued at USD 1.1 mln on the basis of the latest closing price of Delivery Hero in March 2018. In April 2018, after the balance sheet date, Vostok New Ventures sold all its remaining shares in Delivery Hero.

#### JobNet

As per March 31, 2018, JobNet 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 first quarter of 2018. Vostok New Ventures invested a total of USD 500k in the company.

#### Shwe Property

As per March 31, 2018, Shwe Property 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 first quarter of 2018. Vostok New Ventures invested a total of USD 500k in the company.

#### Liquidity management (Level 1)

As per March 31, 2018, Vostok New Ventures own USD 8.7 mln in money market funds and bonds as part of the Company's liquidity management operations. The funds and bonds are quoted on a daily basis and the fair value as per March 31, 2018, is the last published NAV as per end of March 2018.

#### Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2018, USD	Investments/ (disposals), net, USD	FV change, USD	Closing balance Mar 31, 2018, USD	Percentage weight of total portfolio
Avito AB	591,938,454	-	13,962,805	605,901,259	62.1%
BlaBlaCar	118,615,542	-	780,808	119,396,350	12.2%
Gett	59,198,650	-	-3,186,640	56,012,010	5.7%
Propertyfinder	28,704,345	250,037	3,808,477	32,762,859	3.4%
babylon	23,335,857	-	1,005,125	24,340,982	2.5%
OneTwoTrip	20,810,533	-	181,874	20,992,407	2.2%
Wallapop	13,533,279	-	-	13,533,279	1.4%
Hemnet (through YSaphis S.A. and Merro Partners S.A.)	11,207,369	-	396,550	11,603,919	1.2%
Merro	9,358,731	-	-	9,358,731	1.0%
Booksy	-	5,989,711	-	5,989,711	0.6%
Housing Anywhere	-	4,117,663	-7,350	4,110,313	0.4%
Naseeb Networks (Roze and Mihnati)	4,203,772	-	-128,964	4,074,808	0.4%
El Basharsoft (Wuzzuf and Forasna)	2,347,911	1,019,444	411,843	3,779,198	0.4%
CarZar	3,521,186	-	-	3,521,186	0.4%
Vezeeta (DrBridge)	1,833,313	500,000	21	2,333,334	0.2%
Marley Spoon	-	1,910,799 <sup>1</sup>	15,804	1,926,603	0.2%
KEH AB (YouScan and other assets)	1,526,375	-	-	1,526,375	0.2%
Delivery Hero AG, equity	888,401	-	200,376	1,088,777	0.1%
Agente Imóvel	1,000,000	-	-	1,000,000	0.1%
Shwe Property	-	500,000	-	500,000	0.1%
JobNet	-	500,000	-	500,000	0.1%
Liquidity management	8,023,392	610,150	41,772	8,675,314	0.9%
Total	900,047,110	15,397,804	17,482,501	932,927,415	95.9%

1. Value assigned to the warrants received as a part of the EUR 4 mln debt investment in Marley Spoon.

#### 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 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.

#### Loan receivables

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

Fair value estimation of loan receivables	Mar 31, 2018	Dec 31, 2017
Short-term	3,428	-
Long-term	-	24,840
Total loan receivables	3,428	24,840

As per March 31, 2018, the loan receivables are valued at amortized cost using an NPV-model. Carrying value corresponds to fair value of loans receivables. There is no formal credit rating for the borrowers of the loans but Vostok New Ventures considers it is probable that all amounts due will be collected.

#### Current liabilities

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

#### Note 5 Long-term debts

##### 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](http://www.vostoknewventures.com) and on the Swedish Financial Supervisory Authority's website [www.fi.se](http://www.fi.se).

The value of the bond debt as per March 31, 2018 was USD 70.56 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 first quarter of 2018, 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 first quarter of 2018, the reported costs for the program amounted to USD 0.18 million.

## **Note 7**

### **Depository receipt buy-back**

During the first quarter 2018, 20,000 SDRs have been repurchased. The company currently holds 1,125,952 repurchased SDRs.

## **Note 8**

### **Events after the reporting period**

After the end of the period, Vostok New Ventures has invested USD 1.5 mln in a new funding round including primary and secondary shares in El Basharsoft. The previously announced USD 1 mln convertible has been converted to equity in connection with this round.

In April 2018, Vostok New Ventures sold all the remaining Delivery Hero shares for a total consideration of USD 1.1 mln.

## **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 March 31, 2018, 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 period was USD 1.58 mln (2017: 2.56). 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 2017.

## **Upcoming Reporting Dates**

Vostok New Ventures' six months report for the period January 1, 2018–June 30, 2018 will be published on August 15, 2018.

May 15, 2018

Per Brilioth  
*Managing Director*

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[www.vostoknewventures.com](http://www.vostoknewventures.com)

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

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