



Vostok New Ventures Ltd.

Financial Report

For the Second Quarter and the First Six Months 2017

- Net result for the period was USD 8.64 million (mln) (January 1, 2016–June 30, 2016: 23.08). Earnings per share were USD 0.10 (0.31).
- Net result for the quarter was USD -8.69 mln (18.95). Earnings per share for the quarter were USD -0.10 (0.26).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 733.28 mln on June 30, 2017 (December 31, 2016: 725.52), corresponding to USD 8.56 per share (December 31, 2016: 8.47). Given a SEK/USD exchange rate of 8.469 the values were SEK 6,210.17 mln (December 31, 2016: 6,600.09) and SEK 72.49 (December 31, 2016: 77.02), respectively.
- The group’s net asset value per share in USD increased by 1.1% over the period January 1, 2017–June 30, 2017.
- During the quarter April 1, 2017–June 30, 2017, the group’s net asset value per share in USD decreased by 1.3%, mainly driven by a revaluation of Avito following a weaker RUB/USD in 2Q17.
- During the quarter, Vostok New Ventures announced a GBP 17.3 mln (USD 21.7 mln) investment in the digital healthcare service provider babylon.
- On June 22, 2017, the Company issued corporate bonds of SEK 600 million within a total frame of SEK 800 million. The bonds mature on June 22, 2020, and carry a fixed interest rate of 5.50 per cent per annum with quarterly interest payments. The Company announced on July 17, 2017, that it had prepared a prospectus and applied for listing of the 2017/2020 corporate bonds at Nasdaq Stockholm with the first day of trading on July 19, 2017.
- The number of outstanding shares (SDRs), including 180,100 repurchased SDRs, at the end of the period was 85,688,309.
- After the end of the period, the Company repurchased 48,419 SDRs under the Board of Directors’ repurchase authorization of May 16, 2016.
- In early July 2017, Delivery Hero AG repaid its loan of EUR 25 mln to the Company’s escrow account. On July 12, 2017, the Company announced that the board of directors had resolved to redeem the Company’s entire SEK 300 million bond 2016/2019 due to the early repayment by Delivery Hero AG of its loan of EUR 25 mln to the Company. On July 21, 2017, the Company announced that it had given notice of the early redemption pursuant to the terms and conditions of the bond 2016/2019.

Management report

Avito

Avito posted revenues of RUB 3 865 mln for the quarter ending June 30th, a 32% increase compared to the same quarter in 2016. During the quarter its EBITDA margin was 64% (60% during the second quarter 2016). The company posted revenues of RUB 7,155 mln for the first six months of 2017 which is 38% revenue growth compared to the same period in 2016. Its EBITDA margin was 62% during the first six months (54% during the same period in 2016). In our view this is very strong growth and high margins given the scale that Avito has now reached.

Avito is now in its tenth year of operation, and as the business matures and grows larger the growth trajectory will inevitably change. There are numerous examples in other countries where vertical market leaders have been able to sustain high revenue growth with exceptionally high margins over long periods of time (e.g Rightmove and Auto trader in the UK or REA Group in Australia). As the Russian advertising market continues to move online, as classifieds remain a very efficient advertising channel in Russia and as Avito continues to introduce new products from its position of strength, we believe that the company will be able to replicate this success across multiple verticals. Over time, this will enable Avito to reach a monetization levels of double digit USD revenue per internet user in line with international peers.

Although acquiring new users will remain a key growth driver, another source for growth is cross-usage of the Avito platform from existing users. Whilst in a more mature market like Sweden a user will be active across many categories, in Russia someone who uses Avito for for example pets is not as active in cars, services, real estate as in a more mature market. This provides a massive upside potential for Avito and can be done largely without massive marketing investments.

The company is now working on the above opportunities with full focus. As the founders said at our CMD in June (please see a playback of this at our website vostoknewventures.com), this growth comes from a company that continues to take great pride in that they work at turbo speed and with great execution. Avito is clearly also delivering on its ambition to be one of the most profitable players in the classified world.

Basically Avito today is Rightmove in 2008. Rightmove has since 2008 roughly tripled revenues with a steady state annual growth rate. That is definitely achievable for Avito as well.

Gett

Yandex/Uber merger

The taxi space in Russia consolidating with Yandex Taxi merging with Uber's Russia operations. Yandex will own 59.3% of the new company while Uber will own 36.6% with the employees holding 4.1%. Yandex is contributing

USD 100 mln while Uber is investing USD 225 mln into the new company. The new company has an agreed valuation of USD 3.73 bln after the transaction.

What does this mean for Gett?

The combined company of Yandex and Uber Russia will be a sizeable competitor, but this is no change from before as both Yandex and Uber were serious competitors, at least in certain geographical areas.

On a positive note, this should mean that the price war that Yandex and Uber have been waging against each other (with Gett on the sidelines) is over, setting the scene for higher margins across the industry as a whole. I also suspect that the GMV (Gross Merchandise Value) mentioned for the new combined entity must be flush with subsidies.

Finally, the taxi space is not a winner-takes-all market like online classifieds, with serious value also attributable to a number two. On these deal multiples, Gett Russia alone is worth some USD 700 mln. Our mark of the whole company, with meaningful positions in the UK, US (reinforced after its recent purchase of Juno) and Israel is at USD 1 bln, which hence seems quite low both on sum-of-the-parts and in an international perspective. The space is attracting serious funding with Grab in South East Asia the latest to raise with a massive USD 2.5 bln issue. The round will value Grab at a reported USD 6 bln, up from the some USD 3 bln valuation last year, in the same ballpark as Lyft's USD 7.5 bln mark earlier this year. Obviously, Uber at USD 68 bln and Didi at USD 60 bln is still in a league of its own.

Delivery Hero

Delivery Hero completed its IPO, raising EUR 1 bln. Part of the new issue was used to pay down the debt of the company, including the part held by us. Delivery Hero has been a very good investment for us providing a return from coupons and equity compensation of 22% in EUR per annum.

A consequence of this was that it made no sense for us to maintain our bond that was secured by the Delivery Hero debt holding. This was called (after the end of the second quarter), leaving our newly issued bond as our only outstanding debt. This bond was raised during the quarter, giving the company liquidity for further investments into the existing portfolio, new investments and buybacks.

BlaBlaCar

BlaBlaCar is continuing to build liquidity in its 22 countries. Some markets are growing faster than others (Brazil and Russia are looking particularly good), some are seeing price pressures from new entrants in the form of refurbished transportation methods (buses

in Germany, France) and some require slightly different tweaks in monetization methods. Most importantly though is that the path to dominance in liquidity, the absolutely most important driver for future monetization and margins, progresses. The company is also

expanding into new products around its existing liquidity (insurance, car financing) and very excitingly also testing the large addressable market of ride sharing in short distance commuting.

August 2017,
Per Brilioth

Portfolio structure – Net Asset Value

The investment portfolio stated at market value as at June 30, 2017, is shown below.

Company	Fair value, USD June 30, 2017	Percentage weight	Fair value, USD Dec 31, 2016	Valuation change per share, USD Year to date, 2017
Avito ²	430,303,547	51.4%	449,281,016	-4% ¹
BlaBlaCar ²	129,043,829	15.4%	107,738,524	9% ^{1,3}
Gett ²	50,358,980	6.0%	50,358,980	- ¹
babylon ²	22,499,566	2.7%	-	- ¹
Propertyfinder ²	22,201,056	2.7%	19,999,199	11% ¹
Wallapop ²	18,477,456	2.2%	11,520,768	60% ¹
OneTwoTrip ²	14,958,960	1.8%	14,958,960	- ¹
Merro ²	12,384,907	1.5%	12,384,907	- ¹
Hemnet (Merro Partners SA) ²	11,015,183	1.3%	10,252,714	7% ¹
Naseeb Networks (Rozee and Mihnati) ²	4,453,404	0.5%	4,034,693	10% ¹
Vezeeta (DrBridge) ²	1,833,313	0.2%	894,724	49% ¹
KEH AB (Yell.ru and EatOut.ru) ²	1,650,523	0.2%	3,515,204	-53% ¹
El Basharsoft (Wuzzuf and Forasna) ²	1,598,122	0.2%	1,158,956	14% ¹
CarZar	1,500,000	0.2%	-	- ¹
Agente Imóvel	1,000,000	0.1%	-	- ¹
Carable (Garantibil) ²	-	-	2,198,526	-100% ¹
Delivery Hero AG, equity component	714,446	0.1%	3,284,645	-59% ^{1,3}
Delivery Hero AG, debt	28,840,878	3.4%	24,074,461	
Cash	83,711,305	10.0%	34,780,024	
Total investment portfolio	836,545,475	100.0%	758,134,913	
Borrowings	-101,972,187		-32,399,831	
Other net liabilities	-1,290,715		-219,172	
Total NAV	733,282,573		725,515,910	

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

Vostok New Ventures' number of shares as at June 30, 2017	6,166,470
Total Value (USD)	430,303,547
Share of total portfolio	51.4%
Share of total shares outstanding	13.3%
Value development Jan 1–Jun 30, 2017 (in USD)	-4%

avito.ru



Avito is the largest and most liquid online classifieds platform in Russia, and the clear market leader in terms of visitors and ads. During January–June 2017, the company has continued to deliver strong growth and profitability. Avito's firm market-leading position has proven to be a key factor in terms of the potential to reach high profitability similar to that of peers in other countries. Avito is the leading brand and with strong brand awareness throughout Russia. Compared to western countries, Russia still lags behind in terms of low proportion of internet users in relation to the total population. According to International Communication 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. According to LiveInternet.ru, Avito had 65 mln unique visitors in July 2017 measured by unique cookies.

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 June 30, 2017, Vostok New Ventures values its stake in Avito to USD 430.3 mln (USD 3.2 bln for the entire company) on the basis of a EV/EBITDA peer multiples valuation model. This represents a 4.0% decrease in valuation compared with Vostok's valuation as per year end 2016. The main driver of the revaluation is a weak ruble during the second quarter of 2017.

As per June 30, 2017, Vostok New Ventures owns a 13.3% 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 2017, Vostok New Ventures received USD 6.8 mln in dividends from Avito. The dividend payment was resolved at an Avito SGM in December 2016, and thus accounted for on Vostok New Ventures' balance sheet as per December 31, 2016. Vostok New Ventures received an additional USD 1.4 mln in dividends from Avito during the second quarter of 2017.

Key performance indicators April–June 2017¹

- Revenues of RUB 3,865 mln (USD 65.4 mln²), up 32% compared with the second quarter 2016 (RUB 2,927 mln).
- Adjusted EBITDA margin of 64% or RUB 2,458 mln (USD 41.6 mln²), compared with the second quarter 2016 (Adjusted EBITDA margin of 60% or RUB 1,747 mln).
- Listers³ amounted to 12.0 mln and grew by 7% compared to 11.2 mln for the same period previous year.

Avito Quarterly Key Performance Indicators

	Apr–Jun 2017	Apr–Jun 2016	Apr–Jun q-o-q change, %
Revenue, RUB mln	3,865	2,927	32%
EBITDA, RUB mln	2,458	1,747	
EBITDA margin	64%	60%	
Listers, mln	12.0	11.2	7%

1. Source: unaudited figures from Avito.

2. Translated with FX rate of 59.0855 as of June 30, 2017.

3. Source: internal company information.

BlaBlaCar

Vostok New Ventures' number of shares as at June 30, 2017	13,553,868
Total Value (USD)	129,043,829
Share of total portfolio	15.4%
Share of total shares outstanding	8.9%
Value development Jan 1–Jun 30, 2017 (in USD)	9%*

* Attributable to currency exchange differences.

 blablacar.com



BlaBlaCar connects people looking to travel long distances with drivers already going the same way, so that both can save money by sharing the cost of their journey. This model has made BlaBlaCar a leader of the global sharing economy with over 40 million members in 22 countries, and is helping to make road travel more efficient and affordable.

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

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

Vostok New Ventures invested a total of EUR 102 mln into BlaBlaCar during 2015 and 2016 through three separate transactions, all at the same valuation of BlaBlaCar. During the second quarter of 2017, Vostok acquired additional secondary shares in BlaBlaCar for EUR 5 mln.

As per June 30, 2017, Vostok New Ventures owns approximately 8.9% of BlaBlaCar on a fully diluted basis and the investment is valued on the basis of the price paid per share in the last large transaction on market terms in the company during the fourth quarter of 2016.

Gett

Vostok New Ventures' number of shares as at June 30, 2017	18,171,609
Total Value (USD)	50,358,980
Share of total portfolio	6.0%
Share of total shares outstanding	3.6%
Value development Jan 1–Jun 30, 2017 (in USD)	–

 gett.com



Gett is an on-demand mobility company changing how people move around and get items delivered.

A leading provider in Europe, Gett is currently active in four countries and across 60+ 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 bln. 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 million in venture funding.

In contrast to Uber – its most well-known competitor, Gett is equally successful in both B2C and B2B markets, serving more than 5,000 corporations today, using its “Gett for Business” product. The corporate market offers higher profitability and also immense growth opportunities, as competition is lower. Also in contrast to Uber, Gett deals solely with licensed drivers, making it safe and valid option within European and NYC regulatory framework.

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

In April 2017, Gett announced it had acquired JUNO, a competitor in NYC, for a total of USD 200 mln.

Vostok New Ventures invested USD 25 mln in Gett in mid 2014 in the form of a convertible loan that was converted into equity in December 2014.

As per June 30, 2017, the Gett investment is valued at USD 50.4 mln, on the basis of the Volkswagen transaction, which was completed in mid 2016.

babylon

Vostok New Ventures' number of shares as at June 30, 2017	83,975
Total Value (USD)	22,499,566
Share of total portfolio	2.7%
Share of total shares outstanding	10%
Value development Jan 1–Jun 30, 2017 (in GBP)	–

▣ babylonhealth.com



babylon launched in 2015 and is a pioneer in personal digital healthcare globally. babylon's technology, available from any mobile phone or personal computer worldwide, aims to put an accessible and affordable health service into the hands of every person on Earth. babylon has brought together one of the largest teams of scientists, clinicians, mathematicians and engineers to focus on combining the ever-growing computing power of machines, with the best medical expertise of humans. babylon currently has over 800,000 registered patients in the UK, and also runs a pilot program in Rwanda.

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

As per June 30, 2017, the babylon investment is valued at GBP 17.3 mln (USD 22.5 mln), on the basis of this latest transaction in the company.

Propertyfinder

Vostok New Ventures' number of shares as at June 30, 2017	137,916
Total Value (USD)	22,201,056
Share of total portfolio	2.7%
Share of total shares outstanding	10.0%
Value development Jan 1–Jun 30, 2017 (in USD)	11%

▣ propertyfinder.ae



Propertyfinder Group was founded 10 years ago by Michael Lahyani and operates real estate classifieds platforms in seven countries across the MENA region (Middle East/North Africa). Propertyfinder is the clear market leader in UAE and Qatar and in at the top together with a few competitors in its other markets. Propertyfinder is headquartered in Dubai, employs more than 150 people and is profitable in its core markets as well as on group level in terms of EBITDA. During the second quarter of 2016, Propertyfinder announced that it had acquired a small competitor in Morocco. Vostok New Ventures invested USD 20 mln for 10% in primary equity of the company during the fourth quarter 2015.

As per June 30, 2017, Vostok New Ventures values its stake in Propertyfinder to USD 22.2 mln (USD 222 mln for the entire company) on the basis of an EV/Sales peer multiples valuation model. This valuation represents an 11% increase in valuation compared to what Vostok invested into the company.

Group KPI development 2Q17

- Total page views are up 49% year on year
- Total sessions are up 50% year on year
- Total leads generated are up 45% year on year
- Total unique users are up 48% year on year

Wallapop

Vostok New Ventures' number of shares as at June 30, 2017	21,872*
Total Value (USD)	18,477,456
Share of total portfolio	2.2%
Share of total shares outstanding	3.0%
Value development Jan 1–Jun 30, 2017 (in USD)	60%

* Shares held indirectly through a limited partnership.

onetwotrip.com



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

Wallapop has over a short space of time taken great strides in terms of market share in online classifieds in Spain and are 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. During fourth quarter of 2016 the US joint-venture raised further funding to continue to build on its efforts on the US market.

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

Vostok New Ventures has in total invested approximately USD 9 mln in three separate transactions during 2015. As per June 30, 2017, Vostok New Ventures indirectly owns approximately 3.0% of the company and values its indirect stake in the company to USD 18.5 mln on the basis of the latest primary transaction in the company, closed in mid 2016, adjusted for Wallapop's share in and revaluation of Letgo which completed a funding round on its own during fourth quarter of 2016.

OneTwoTrip

Vostok New Ventures' number of shares as at June 30, 2017	96,228
Total Value (USD)	14,958,960
Share of total portfolio	1.9%
Share of total shares outstanding	14.6%
Value development Jan 1–Jun 30, 2017 (in USD)	–

onetwotrip.com



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

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

In December 2016, Vostok New Ventures agreed to invest an additional USD 5.8 mln in OTT through a purchase of secondary shares from an existing investor in the company. The additional investment was disbursed in January 2017. Following the transaction, Vostok New Ventures owns 14.6% of the company on a fully diluted basis.

Vostok New Ventures has invested a total of USD 12.2 mln in OTT during 2015 and 2016. As per June 30, 2017, the company is valued based on price paid in the latest transaction in the company on fair market terms, which closed in August 2016.

Vostok New Ventures' number of shares as at June 30, 2017	10,900
Total Value (USD)	12,384,907
Share of total portfolio	1.5%
Share of total shares outstanding	21.6%
Value development Jan 1–Jun 30, 2017 (in USD)	–

 merro.co

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 January 2017 Opensooq generated approximately 1.4 bln page views. Opensooq is on a clear path in becoming the "Avito" of the MENA-region.
- Propertyfinder represents the second largest value in Merro's portfolio. Over the past ten years, Propertyfinder has quickly become the leading real estate classified website in the UAE, Qatar, Bahrain and Lebanon and is growing in popularity in the Kingdom of Saudi Arabia, Egypt and Morocco.
- Dubicars generates more than a million weekly page views and has more than 400 active car dealers from across the UAE.

- CloudSight (formerly Camfind) is a technology company that simplifies the creation of classifieds listings dramatically through its API (application programming interface).
- Yta.se (formerly Objektia), a company that simplifies the process of finding commercial real estate to lease or purchase. By relaying relevant information about the property and its surroundings in a classic marketplace setting, Yta.se aims to be the Trulia of the commercial real estate industry.
- TipTapp, a mobile marketplace in Sweden which operates "reverse classifieds" whereby consumers can post listings with products they will pay to get rid of, most often bulky trash that would otherwise have to be transported to a recycling center or similar.
- QuintoAndar is an end-to-end real estate rentals service in Brazil that connects landlords and tenants. There are significant pain points within rentals in the country due to bureaucratic legislation that effectively requires a co-signer to guarantee rent obligations. QuintoAndar removes this friction by baking in a free insurance product to the end users' contract as well as improving the general processes of searching for properties, arranging viewings and contracts signing.

As per June 30, 2017, Merro is valued on basis of the latest transaction in the company that was finalized in the second quarter of 2016. Vostok New Ventures invested an additional USD 1.3 mln in to the company alongside a number of other new investors. This transaction was made at a valuation approximately 48% higher than Vostok's initial investment into the company.

Hemnet

(Hemnet Sverige AB through Merro Partners SA)

Vostok New Ventures' number of shares as at June 30, 2017	80,413,628*
Total Value (USD)	11,015,183
Share of total portfolio	1.3%
Share of total shares outstanding	7.0%
Value development Jan 1–Jun 30, 2017 (in USD)	7%

* Indirect exposure to number of shares in Hemnet on a fully diluted basis immediately after closing.

hemnet.se



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

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

In December 2016, Vostok New Ventures invested SEK 93.3 mln (USD 10.3 mln) in Merro Partners SA, formerly YSaphis S.A., which translates into an equity exposure of approximately 7.0% in Hemnet on a fully diluted basis immediately after closing. The transaction was closed in early January 2017. As per June 30, 2017, Vostok New Ventures values its investment on the basis of this transaction.

Naseeb Networks

(Rozee and Mihnati)

Vostok New Ventures' number of shares as at June 30, 2017	11,481,176
Total Value (USD)	4,453,404
Share of total portfolio	0.5%
Share of total shares outstanding	23.7%
Value development Jan 1–Jun 30, 2017 (in USD)	10%

naseebnetworks.com



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

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

Vostok New Ventures invested USD 4.5 mln in Naseeb during 2015 in connection with a total funding round that amounted to USD 6.5 mln and included participation from Piton Capital. As per June 30, 2017, Vostok New Ventures values Naseeb on the basis of a peer multiples valuation model as the latest transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space, generates a valuation of USD 4.45 mln for Vostok New Ventures' stake in the company. This is 10% higher than Vostok New Ventures' valuation as per December 31, 2016, and mainly driven by higher peer multiples and a more positive company outlook.

Vezeeta (DrBridge)

Vostok New Ventures' number of shares as at June 30, 2017	358,069
Total Value (USD)	1,833,313
Share of total portfolio	0.2%
Share of total shares outstanding	8.8%
Value development Jan 1–Jun 30, 2017 (in USD)	49%

 vezeeta.com



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

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

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

As per June 30, 2017, the investment in Vezeeta is valued on the basis of this funding round.

KEH AB (Yell.ru and EatOut.ru)

Vostok New Ventures' number of shares as at June 30, 2017	8,808,426
Total Value (USD)	1,650,523
Share of total portfolio	0.2%
Share of total shares outstanding	33.9%
Value development Jan 1–Jun 30, 2017 (in USD)	-53%

 yell.ru  eatout.ru



KEH AB owns and operates EatOut.ru and Yell.ru. KEH AB also owns a significant minority position in YouScan.

EatOut.ru is a new table reservation app for restaurant goers, which shows good traction at an early stage, with over 1,000 restaurants now signed up. During the end of 2016 and beginning of 2017, EatOut.ru continues to grow in the numbers of connected restaurants and bookings.

Yell.ru is an online local search utility with user reviews about local companies and services in Russia. Reviews help consumers make better-informed decisions when purchasing services or goods.

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.

Vostok New Ventures values KEH AB on the basis of valuation models for each of the three assets based on revenue multiples of comparable listed peers. The main driver of the valuation decrease during 2017 has been the performance and outlook for the Yell asset. Vostok New Ventures owns 33.9% of KEH AB as per June 30, 2017.

Yell.ru and EatOut.ru is headed by Swedish internet entrepreneur Mathias Eklöf, who runs the company from Moscow.

El Basharsoft

(Wuzzuf and Forasna)

Vostok New Ventures' number of shares as at June 30, 2017	339
Total Value (USD)	1,598,122
Share of total portfolio	0.2%
Share of total shares outstanding	17.0%
Value development Jan 1–Jun 30, 2017 (in USD)	14%

• wuzzuf.net • forasna.com

WUZZUF

Egypt's #1 Online Recruitment Job Site

فرصنا

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

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

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

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

As per June 30, 2017, Vostok New Ventures values its investment into el Basharsoft on the basis of a peer multiples valuation model as the latest primary transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space generates a valuation of USD 1.6 mln for Vostok New Ventures' stake in the company. This is 14% higher than Vostok New Ventures' previous valuation as per year-end 2016.

CarZar

Vostok New Ventures' number of shares as at June 30, 2017	477
Total Value (USD)	1,500,000
Share of total portfolio	0.2%
Share of total shares outstanding	10.3%
Value development Jan 1–Jun 30, 2017 (in USD)	-

• carzar.co.za



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

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

Vostok New Ventures invested USD 1.5 mln into CarZar during the second quarter of 2017 in the context of a larger financing round. As per June 30, 2017, Vostok New Ventures values its investment in CarZar on the basis of this latest transaction in the company.

Agente Imóvel

Vostok New Ventures' number of shares as at June 30, 2017	3,591
Total Value (USD)	1,000,000
Share of total portfolio	0.1%
Share of total shares outstanding	20%
Value development Jan 1–Jun 30, 2017 (in USD)	-

agenteimovel.com.br



Agente Imóvel is a Zillow-esque real estate classifieds company in Brazil, leveraging a proprietary, and for Brazil unique, database of real estate pricing. The company was founded in 2013 by three Swedes with a background in the Swedish IT sector.

Vostok New Ventures has invested USD 1 mln in Agente Imóvel during the second quarter of 2017 and as per June 30, 2017, the investment is valued on the basis of this transaction.

Debt investments



Delivery Hero

Delivery Hero (DH) is a worldwide network of online food ordering sites with over 300,000 restaurants connected to its service. The company operates in 33 countries across five continents, including Germany, Sweden, UK, Korea, China and India. Delivery Hero's restaurant partners generate more than one billion USD in annual sales via online orders or mobile applications and deliver more than 14 million meals every month. Delivery Hero has more than 3,000 employees around the world.

Vostok New Ventures invested EUR 25 mln into senior secured debt of Delivery Hero in the summer of 2014. In August 2015, the loan was restructured which resulted in new terms including an additional equity component and an amended nominal interest rate.

On June 30, 2017, Delivery Hero IPOd on the Frankfurt stock exchange and shortly thereafter, Delivery Hero repaid the EUR 25 loan to the Company. Vostok New Ventures sold EUR 2.2 mln worth of DH shares ahead of the IPO during the second quarter of 2017.

As per June 30, 2017, the remaining equity component of the Delivery Hero investment is valued at USD 0.75 mln as per the last closing price in June 2017. The loan receivable is valued at USD 28.84 mln based on the nominal value of the loan.

Kite Ventures

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 June 30, 2017, Vostok New Ventures no longer has an outstanding loan to Kite following a final repayment during the first quarter of 2017. Vostok New Ventures owns an equity component linked to Kite Ventures' underlying portfolio, which as per June 30, 2017 is valued at zero.

Investments

During the second quarter 2017, gross investments in financial assets were USD 30.35 mln (2016: 2.51) and proceeds from sales were USD 2.55 mln (2016: 2.09). Investments concern cash investments in babylon, CarZar, Agente Imóvel and additional cash investments in BlaBlaCar, El Basharsoft and Vezeeta. Proceeds from sale concern the Delivery Hero equity component.

During the six months period of 2017, gross investments in financial assets were USD 36.11 mln (2016: 17.54) and proceeds from sales were USD 2.55 mln (2016: 2.09). Investments concern cash investments in babylon, CarZar, Agente Imóvel and additional cash investments in BlaBlaCar, El Basharsoft, Vezeeta and cash investment in OneTwoTrip committed in late 2016 and paid in early 2017. Proceeds from sale concern the Delivery Hero equity component.

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 4.49 mln (2016: 23.56), mainly driven by revaluations of Avito, BlaBlaCar and Wallapop. Dividend and coupon income was USD 1.36 mln (2016: 0.00).

Net operating expenses amounted to USD -3.28 mln (2016: -2.71).

Net financial items were USD 6.08 mln (2016: 2.23).

Net result for the period was USD 8.64 mln (2016: 23.08).

Total shareholders' equity amounted to USD 733.28 mln on June 30, 2017 (December 31, 2016: 725.52).

Group – results for the quarter

During the quarter, the result from financial assets at fair value through profit or loss amounted to USD -12.97 mln (2016: 20.77), mainly coming from the revaluation of Avito following a weaker RUB/USD in 2Q17. Dividend and coupon income was USD 1.36 mln (2016: 0.00).

Net operating expenses amounted to USD -2.21 mln (2016: -1.95).

Net financial items were USD 5.14 mln (2016: 0.12).

Net result for the quarter was USD -8.69 mln (2016: 18.95).

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 83.7 mln on June 30, 2017 (December 31, 2016: 34.8).

Income statements – Group

(Expressed in USD thousands)	Jan 1, 2017– June 30, 2017	Jan 1, 2016– June 30, 2016	Apr 1, 2017– June 30, 2017	Apr 1, 2016– June 30, 2016
Result from financial assets at fair value through profit or loss ¹	4,486	23,563	-12,971	20,775
Dividend and coupon income	1,357	–	1,357	–
Total operating income	5,842	23,563	-11,615	20,775
Operating expenses	-3,284	-2,712	-2,211	-1,950
Operating result	2,559	20,852	-13,826	18,824
Financial income and expenses				
Interest income	4,103	2,359	3,199	1,198
Interest expense	-1,352	-657	-744	-373
Currency exchange gains/losses, net	3,328	530	2,683	-704
Net financial items	6,079	2,232	5,138	121
Result before tax	8,637	23,084	-8,688	18,945
Taxation	–	–	–	–
Net result for the financial period	8,637	23,084	-8,688	18,945
Earnings per share (in USD)	0.10	0.31	-0.10	0.26
Diluted earnings per share (in USD)	0.10	0.31	-0.10	0.26

1. Financial assets at fair value through profit or loss (including listed bonds) are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the period in which they arise.

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2017– June 30, 2017	Jan 1, 2016– June 30, 2016	Apr 1, 2017– June 30, 2017	Apr 1, 2016– June 30, 2016
Net result for the financial period	8,637	23,084	-8,688	18,945
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	82	-15	63	-38
Total other comprehensive income for the period	82	-15	63	-38
Total comprehensive income for the period	8,719	23,068	-8,625	18,908

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)

June 30, 2017

Dec 31, 2016

NON-CURRENT ASSETS

Tangible non-current assets

Property, plant and equipment	52	48
Total tangible non-current assets	52	48

Financial non-current assets

Financial assets at fair value through profit or loss	723,993	691,582
Loan receivables	–	24,074
Total financial non-current assets	723,993	715,656

CURRENT ASSETS

Cash and cash equivalents	83,711	34,780
Loan receivables	28,841	7,699
Tax receivables	393	317
Other current receivables	40	6,830
Total current assets	112,985	49,626

TOTAL ASSETS	837,031	765,330
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SHAREHOLDERS' EQUITY (including net result for the financial period)	733,283	725,516
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NON-CURRENT LIABILITIES

Long-term debts	101,972	32,400
Total non-current liabilities	101,972	32,400

CURRENT LIABILITIES

Non-interest bearing current liabilities

Tax payables	423	412
Other current liabilities	955	6,732
Accrued expenses	397	270
Total current liabilities	1,776	7,414

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	837,031	765,330
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Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2016	23,520	42,996	-85	437,005	503,435
Net result for the period January 1, 2016 to June 30, 2016	-	-	-	23,084	23,084
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-15	-	-15
Total comprehensive income for the period January 1, 2016 to June 30, 2016	-	-	-15	23,084	23,068
<i>Transactions with owners:</i>					
Redemption program	-	-	-	-6	-6
Value of employee services:					
- Share-based long-term incentive program	-	130	-	-	130
Buy-back of own shares	-16	-280	-	-	-296
Total transactions with owners	-16	-150	-	-6	-172
Balance at June 30, 2016	23,504	42,846	-101	460,083	526,332
Balance at January 1, 2017	27,420	125,791	-168	572,473	725,516
Net result for the period January 1, 2017 to June 30, 2017	-	-	-	8,637	8,637
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	82	-	82
Total comprehensive income for the period January 1, 2017 to June 30, 2017	-	-	82	8,637	8,719
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	434	-	-	434
Buy-back of own shares (Note 7)	-58	-1,328	-	-	-1,386
Total transactions with owners	-58	-894	-	-	-952
Balance at June 30, 2017	27,363	124,897	-86	581,110	733,283

Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2017– June 30, 2017	Jan 1, 2016– June 30, 2016	Apr 1, 2017– June 30, 2017	Apr 1, 2016– June 30, 2016
OPERATING ACTIVITIES				
Result before tax	8,637	23,084	-8,688	18,946
<i>Adjustment for:</i>				
Interest income	-4,103	-2,359	-3,199	-1,198
Interest expense	1,352	657	744	373
Currency exchange gains/-losses	-3,328	-530	-2,683	704
Result from financial assets at fair value through profit or loss	-4,486	-23,563	12,972	-20,774
Dividend and coupon income	-1,357	-	-1,357	-
Other non-cash adjustments	434	-	261	-
Change in current receivables	24	14	23	-50
Change in current liabilities	99	155	112	150
Net cash used in operating activities	-2,727	-2,543	-1,815	-1,851
Investments in financial assets	-36,232	-17,543	-30,472	-2,510
Sales of financial assets	2,546	2,094	2,546	2,094
Repayment of loan receivables	7,664	-	-	-
Dividend and coupon income	8,118	-	1,357	-
Interest received	1,459	1,006	941	509
Tax paid	-144	-63	-38	-32
Net cash flow used in operating activities	-19,316	-17,049	-27,481	-1,790
INVESTMENT ACTIVITIES				
Investments in office equipment	-	-52	-	-52
Net cash flow used in investment activities	-	-52	-	-52
FINANCING ACTIVITIES				
Change in interest-bearing loans	65,906	14,971	66,453	15,252
Redemption program transaction fees	-	-6	-	-
Buy back of own shares	-1,386	-296	-47	-296
Net cash flow from financing activities	64,520	14,669	66,406	14,956
Change in cash and cash equivalents	45,205	-2,432	38,925	13,115
Cash and cash equivalents at beginning of the period	34,780	43,660	41,985	28,185
Exchange gains/losses on cash and cash equivalents	3,727	-1,158	2,802	-1,229
Cash and cash equivalents at end of period	83,711	40,070	83,711	40,070

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.

	6m 2017	6m 2016
Return on capital employed, % ¹	0.91	4.44
Equity ratio, % ²	87.61	93.56
Shareholders' equity/share, USD ³	8.58	7.17
Earnings/share, USD ⁴	0.10	0.31
Diluted earnings/share, USD ⁵	0.10	0.31
Net asset value/share, USD ⁶	8.58	7.17
Weighted average number of shares for the financial period	85,116,345	73,488,432
Weighted average number of shares for the financial period (fully diluted)	85,132,868	73,488,432
Number of shares at balance sheet date ⁷	85,508,209	73,449,048

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 June 30, 2017, excludes 180,100 repurchased SDRs.

Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2017– Mar 31, 2017	Jan 1, 2016– Mar 31, 2016	Jan 1, 2017– Mar 31, 2017	Jan 1, 2016– Mar 31, 2016
Result from financial assets at fair value through profit or loss	-350	64	-397	1
Operating expenses	-3,416	-2,869	-2,314	-2,080
Operating result	-3,766	-2,805	-2,711	-2,079
Financial income and expenses				
Interest income	9,528	4,721	6,118	2,371
Interest expense	-1,352	-657	-744	-373
Currency exchange gains/losses, net	3,332	555	2,515	-680
Net financial items	11,507	4,619	7,889	1,318
Net result for the financial period	7,741	1,814	5,178	-761

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2017– Mar 31, 2017	Jan 1, 2016– Mar 31, 2016	Jan 1, 2017– Mar 31, 2017	Jan 1, 2016– Mar 31, 2016
Net result for the financial period	7,741	1,814	5,178	-761
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	7,741	1,814	5,178	-761

Balance sheet – Parent

(Expressed in USD thousands)	June 30, 2017	Dec 31, 2016
NON-CURRENT ASSETS		
<i>Financial non-current assets</i>		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	–	1,147
Loan receivables	–	24,074
Receivables from Group companies	197,930	165,237
Total financial non-current assets	282,319	274,847
CURRENT ASSETS		
Cash and cash equivalents	75,912	27,639
Loan receivables	28,841	7,699
Other current receivables	12	45
Total current assets	104,765	35,383
TOTAL ASSETS	387,084	310,230
SHAREHOLDERS' EQUITY (including net result for the financial period)	283,571	276,783
NON-CURRENT LIABILITIES		
Long-term debts	101,972	32,400
Total non-current liabilities	101,972	32,400
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	1,113	704
Other current liabilities	67	114
Accrued expenses	361	229
Total current liabilities	1,541	1,047
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	387,084	310,230

Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
Balance at January 1, 2016	23,520	42,996	122,006	188,523
Net result for the period January 1, 2016 to June 30, 2016	-	-	1,815	1,815
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2016 to June 30, 2016	-	-	1,815	1,815
<i>Transactions with owners:</i>				
Redemption program	-	-	-6	-6
Value of employee services:				
- Share-based long-term incentive program	-	130	-	130
Buy back of own shares	-16	-280	-	-296
Total transactions with owners	-16	-150	-6	-172
Balance at June 30, 2016	23,504	42,846	123,815	190,165
Balance at January 1, 2017	27,420	125,791	123,571	276,783
Net result for the period January 1, 2017 to June 30, 2017	-	-	7,741	7,741
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2017 to June 30, 2017	-	-	7,741	7,741
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	-	434	-	434
Buy-back of own shares (Note 7)	-58	-1,328	-	-1,386
Total transactions with owners	-58	-894	-	-952
Balance at June 30, 2017	27,363	124,897	131,312	283,571

Note 1 Accounting principles

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

Note 2 Related party transactions

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

USD thousand	Operating expenses		Current liabilities	
	1H 2017	1H 2016	1H 2017	1H 2016
Key management and Board of Directors ¹	-1,622	-1,178	-44	-43

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

The Managing Director purchased Vostok New Ventures Ltd senior secured bond 2016/2019 during 2Q 2016 for USD 0.60 mln (SEK 5 mln) and he owns USD 0.60 mln (SEK 5 mln) per June 30, 2017.

The costs for the long-term incentive programs (LTIP 2016 and LTIP 2017) for the management amounted to USD 0.42 mln, excluding social taxes. See details of the LTIP 2016 and LTIP 2017 in Note 6.

Note 3 Fair value estimation

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

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

The following table presents the group's assets that are measured at fair value at June 30, 2017.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	714	263,072	460,207	723,993
Total assets	714	263,072	460,207	723,993

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

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

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

	Level 3
Opening balance January 1, 2017	457,990
Transfers to level 3	22,200
Change in fair value and other	-19,983
Closing balance June 30, 2017	460,207

During the first six months of 2017, two transfers between level 2 and 3 have been done. Propertyfinder and Carable were transferred from level 2 to level 3. The investments in BlaBlaCar, Gett, babylon, OneTwoTrip, Wallapop, Merro, Hemnet, Vezeeta, CarZar and Agente Imóvel are classified as level 2 as the valuations are based on the price paid in each respective transaction. Avito, Propertyfinder, 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.

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 is revalued to the best fair value estimate. Revaluations are approved by the Managing Director.

Avito

The Group's investment in Avito is valued as a level 3 investment as per June 30, 2017.

As per June 30, 2017, Vostok New Ventures has valued Avito on the basis of a EV/EBITDA multiples valuation model. The latest transaction in the company was announced on October 23, 2015. Naspers Ltd, one of Avito's shareholders, acquired secondary shares from other existing shareholders to increase its stake from 17.4% to 67.9% of the outstanding shares in Avito at an equity valuation of USD 2.7 bln, which included cash in the company of approximately USD 240 mln. The transaction closed in November 2015. Vostok New Ventures has deemed the latest transaction in the company not to be the best fair value estimate of Avito as per June 30, 2017. Avito has performed very well with revenue growth of approximately 75% y-o-y during 2016. Considering the time passed since the last transaction and the company's continued progress in mind, a future looking EV/EBITDA peer multiples model has been deemed to generate the best fair value estimate as per June 30, 2017. The model values Vostok's stake in Avito to USD 430.3 mln, or USD 3.24 bln for the 100% of the company. This is 4% lower compared with the model-based valuation as per December 31, 2016.

The peer group includes 10 listed online classifieds peers including REA Group, RightMove, Autotrader, Scout24 and 58.com. The average multiple of the peer group is 17.5x and the median multiple is 15.5x.

Below tables show the sensitivity in the model generated valuation in relation to USD/RUB and the peer multiple used as per June 30, 2017.

	Sensitivity EBITDA multiple				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Avito investment, USD million	344	387	430	473	516

	Sensitivity USD/RUB				
	-20%	-10%	59.09	+10%	+20%
Valuation of Vostok New Ventures' Avito investment, USD million	347	388	430	472	514

BlaBlaCar

As per June 30, 2017, the BlaBlaCar investment is classified as a level 2 investment as it is valued on the basis of the latest transaction at fair market terms in the company completed during the fourth quarter of 2016. Vostok New Ventures acquired an additional EUR 5 mln worth of shares in BlaBlaCar during the second quarter 2017 and owns approximately 8.9% of BlaBlaCar on a fully diluted basis following the transaction.

Gett

As per June 30, 2017, the Gett 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 2016, Volkswagen group invested USD 300 mln in Gett. As per June 30, 2017, Vostok New Ventures' holding is valued at USD 50.4 mln, up approx. 92% from Vostok New Ventures' entry level.

Propertyfinder

As per June 30, 2017, the Propertyfinder investment is classified as a level 3 investment as it is valued at USD 22 mln on the basis of EV/Sales-multiple valuation model. The model-based valuation is approximately 10% higher than the previous transaction-based valuation.

	Sensitivity in model-based Propertyfinder valuation as per June 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Propertyfinder investment, USD thousand	18,875	19,981	22,201	24,421	25,531

babylon

As per June 30, 2017, the babylon investment is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. In the second quarter of 2017, Vostok New Ventures invested USD 21.7 mln (GBP 17.3 mln) in the company in the context of a USD 60 mln financing round.

Wallapop

As per June 30, 2017, Wallapop 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 2016 and the latest transaction in the Wallapop-owned Letgo US which closed in the end of 2016. Vostok New Ventures did not participate in either transaction and its indirect stake in the company is valued at USD 18.5 mln.

OneTwoTrip

As per June 30, 2017, OneTwoTrip is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company priced at market terms which closed in August 2016. Vostok New Ventures invested an additional USD 5.8 mln into the Company in December 2016 and owns as per December 31, 2016 14.6% of the company on a fully diluted basis.

Merro

As per June 30, 2017, Merro 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 2016. Vostok New Ventures invested an additional USD 1.3 mln into the company and the stake is valued at USD 12.4 mln.

Hemnet (through Merro Partners SA)

As per June 30, 2017, Hemnet is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in early January 2017. In December 2016, Vostok New Ventures invested a total of SEK 93.3 mln (USD 10.3 mln) in the company through the co-investment vehicle Merro Partners S.A.

Naseeb Networks

As per June 30, 2017, Naseeb Networks is classified as a level 3 investment as it is valued on the basis of a future looking EV/revenue peer multiples valuation model. The model values Vostok's stake in Naseeb Networks to USD 4.5 mln compared to USD 4.0 mln as per December 31, 2016.

The peer group includes 5 online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 7.1x and the median multiple is 6.8x.

	Sensitivity in model-based Naseeb valuation as per June 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Naseeb investment, USD thousand	3,785	4,008	4,453	4,898	5,121

KEH AB (Yell.ru and EatOut.ru)

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 June 30, 2017, KEH AB is classified as a level 3 investment with Yell.ru, Eatout and YouScan valued on the basis of a revenue multiples model. This model-approach is deemed the best fair value estimate of Yell.ru as per June 30, 2017. The model generates a valuation approximately -53% lower than the valuation used at year-end 2016.

	Sensitivity in model-based KEH AB valuation as per June 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' KEH AB investment, USD thousand	1,403	1,485	1,650	1,815	1,898

El Basharsoft

As per June 30, 2017, el Basharsoft (Wuzzuf and Forasna) is classified as a level 3 investment as it is valued on the basis of a forward looking EV/revenue peer multiples valuation model. The model values Vostok New Ventures' stake in el Basharsoft to USD 1.3 mln compared to the latest transaction in the company which closed in the end of July 2015 with a valuation of USD 1 mln for Vostok New Ventures' stake. Vostok New Ventures owns 17.0% of el Basharsoft on a fully diluted basis as per June 30, 2017 following a smaller secondary transaction in the company in the second quarter of 2017.

The peer group includes 5 listed online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 7.1x and the median multiple is 6.8x.

	Sensitivity in model-based el Basharsoft valuation as per June 30, 2017				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' el Basharsoft investment, USD thousand	1,358	1,438	1,598	1,757	1,838

Vezeeta

As per June 30, 2017, Vezeeta (DrBridge) is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company which is an extension of the financing round of 2016 and closed in the second quarter of 2017. Vostok New Ventures invested an

additional 0.33 mln in the company. As per June 30, 2017 Vostok New Ventures values its investment in Vezeeta to USD 1.8 mln.

CarZar

As per June 30, 2017, CarZar is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2017. Vostok New Ventures invested a total of USD 1.5 mln in the context of a larger financing round.

Agente Imóvel

As per June 30, 2017, Agente Imóvel is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2017. Vostok New Ventures invested a total of USD 1.0 mln in the context of a larger financing round.

Carable (Garantibil AB)

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

Delivery Hero (equity component)

As per June 30, 2017, the equity component is valued at fair value through profit or loss on the basis of the latest closing price of Delivery Hero in June 2017 following its IPO. The valuation amounts to USD 0.71 mln.

Loan receivables

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

Fair value estimation of loan receivables	June 30, 2017	Dec 31, 2016
Short-term	28,841	7,699
Long-term	-	24,074
Total loan receivables	28,841	31,773

As per June 30, 2017, the loan receivables are valued at the nominal value of the loan receivables. In July 2017, Delivery Hero repaid the loan in full to the Company's escrow account.

The Kite loan was fully repaid in January 2017.

Current liabilities

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

Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2017, USD	Investments/ (disposals), net, USD	FV change, USD	Closing balance June 30, 2017, USD	Percentage weight of total portfolio
Avito AB	449,281,016	203	-18,977,672	430,303,547	51.4%
BlaBlaCar	107,738,524	5,574,737	15,730,568	129,043,829	15.4%
Gett	50,358,980	-	-	50,358,980	6.0%
babylon	-	21,709,025	790,541 ¹	22,499,566	2.7%
Propertyfinder	19,999,199	-	2,201,857	22,201,056	2.7%
Wallapop	11,520,768	-	6,956,688	18,477,456	2.2%
OneTwoTrip	14,958,960	-	-	14,958,960	1.8%
Merro	12,384,907	-	-	12,384,907	1.5%
Hemnet (Merro Partners SA)	10,252,714	-	762,469	11,015,183	1.3%
Naseeb Networks (Roze and Mihnati)	4,034,693	-	418,711	4,453,404	0.5%
Vezeeta (DrBridge)	894,724	333,334	605,255	1,833,313	0.2%
KEH AB (Yell.ru and EatOut.ru)	3,515,204	-	-1,864,681	1,650,523	0.2%
El Basharsoft (Wuzzuf and Forasna)	1,158,956	236,786	202,380	1,598,122	0.2%
CarZar	-	1,500,000	-	1,500,000	0.2%
Agente Imóvel	-	1,000,000	-	1,000,000	0.1%
Carable (Garantibil AB)	2,198,526	-	-2,198,526	-	-
Delivery Hero AG, equity component	3,284,645	-2,428,241	-141,958	714,446	0.1%
Total	691,581,816	27,925,845	4,485,630	723,993,292	

1. Attributable to currency exchange differences.

Note 4 Contingent liabilities

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

Note 5 Long-term debts

Bonds 2016/2019

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

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

The value of the bond debt as per June 30, 2017 was USD 34.9 million (December 31, 2016: 32.4). The book values for long-term debts are deemed to correspond to the fair values.

Bonds 2017/2020

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

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

The value of the bond debt as per June 30, 2017 was USD 67.0 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 second quarter of 2017, the reported costs for the program amounted to USD 0.17 million.

LTIP 2017

At the 2017 annual general meeting held on May 16, 2017, it was resolved to implement a share-based long-term incentive program for management and key personnel in the Vostok New Ventures group. The program runs from January 1, 2017 through March 31, 2020, and encompasses a maximum of 450,000 shares, corresponding to a dilution of 0.53% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period May 16, 2017 through December 31, 2019. During the second quarter of 2017, the reported costs for the program amounted to USD 0.09 million.

Note 7 Depository receipt buy-back

After the end of the period, 48,419 SDRs have been repurchased. The company currently holds 228,519 repurchased SDRs.

Note 8 Events after the reporting period

After the end of the period, 48,419 SDRs have been repurchased.

On July 12, 2017, the Company announced that the board of directors had resolved to redeem the Company's entire SEK 300,000,000 bond 2016/2019 with ISIN SE0008406367. The bond will be redeemed due to the early repayment by Delivery Hero AG of its loan of EUR 25 mln to the Company. On July 21, 2017, the Company announced that it had given notice of the early redemption pursuant to the terms and conditions of the 2016/2019 bonds.

The Company announced on July 17, 2017, that it had prepared a prospectus and applied for listing of the 2017/2020 corporate bonds at Nasdaq Stockholm with the first day of trading on July 19, 2017.

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 June 30, 2017, the Vostok New Ventures Ltd Group consists of the Bermudian parent company Vostok New Ventures Ltd; one wholly-owned Cypriot subsidiary, Vostok New Ventures (Cyprus) Limited; one controlled Dutch cooperative, Vostok Co-Investment Coöperatief B.A.; and one wholly-owned Swedish subsidiary, Vostok New Ventures AB.

The financial year is January 1–December 31.

Parent company

The parent company finances the Cypriot subsidiary's operations on market terms. The net result for the period was USD 7.74 mln (2016: 1.81).

Financial and Operating risks

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

Upcoming Reporting Dates

Vostok New Ventures' nine months report for the period January 1, 2017–September 30, 2017 will be published on November 15, 2017.

August 16, 2017

Per Brilioth
Managing Director

The Board of Directors and the CEO certify that the half-year financial report gives a fair view of the performance of the business, position and profit or loss of the Company and the Group and that it describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, August 16, 2017

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