



Vostok New Ventures Ltd.

Financial Report

For the Third Quarter and the First Nine Months 2018

- Net result for the period was USD 31.27 million (mln) (January 1, 2017–September 30, 2017: 16.43). Earnings per share were USD 0.37 (0.19).
- Net result for the quarter was USD 19.10 mln (7.79). Earnings per share for the quarter were USD 0.23 (0.09).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 912.20 mln on September 30, 2018 (December 31, 2017: 879.99), corresponding to USD 10.79 per share (December 31, 2017: 10.40). Given a SEK/USD exchange rate of 8.8573 the values were SEK 8,079.60 mln (December 31, 2017: 7,244.35) and SEK 95.57 (December 31, 2017: 85.65), respectively.
- The group’s net asset value per share in USD increased by 3.6% over the period January 1, 2018–September 30, 2018.
- During the quarter July 1, 2018–September 30, 2018, the group’s net asset value per share in USD increased by 2.2%.
- During the third quarter 2018, Vostok New Ventures invested USD 4 mln in Busfor, a bus ticketing platform covering Central and Eastern Europe (CEE) and Commonwealth of Independent States (CIS), USD 1 mln in OneTwoTrip in an internal financing round, and USD 2.1 mln in VOI Technology AB.
- After the end of the period, Vostok New Ventures invested USD 1 mln as a follow-on investment in Booksy. On November 13, 2018, Vostok New Ventures announced a material transaction in BlaBlaCar. BlaBlaCar has entered into an agreement with SNCF to acquire Ouibus, a market-leading french bus operator. BlaBlaCar also announced a EUR 101 mln funding round involving SNCF and existing BlaBlaCar investors. The transaction is expected to have a material impact and will result in a positive revaluation of Vostok New Ventures holding in BlaBlaCar by approximately 34.8% or EUR 35.6 mln compared to the BlaBlaCar valuation per September 30, 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

BlaBlaCar

We are very excited to see BlaBlaCar make an offer for Ouibus (see separate press release of November 13, 2018), market leading French bus operator, propelling the company into a new and very large market. BlaBlaCar has built a market for transport services with demand and supply made up of private players within the framework of car-pooling, whose liquidity really only matches the most liquid categories of online classified players. In our view, it is very natural for all other means of transportation supply to be attracted to such a market. Liquidity is very attractive for new supply, which in turn attracts more demand and off we go. The beauty of network effects.

Ouibus is a three years old company with a bus network of 300 large cities in France and Europe which has transported over 12 million passengers all in all. The acquisition of Ouibus will enable BlaBlaCar to widen its offer with buses and potentially together with its new shareholder SNCF also trains, increasing its ability to address different travel needs such as advance and last minute booking, price sensitivity and destination granularity.

BlaBlaCar also announced a new financing of EUR 101 mln at a valuation exceeding our 3Q18 mark by some 35%, totaling EUR 1.6 bln.

Avito

Avito continues to perform well. The operational KPIs released in this report show the revenue proxy growing by some 34% year-on-year, which is an acceleration from the previous quarter. Also, number of paying listers is showing a healthy trend of 21.4% growth year-on-year while ARPU (Average Revenue Per User) is up as much as 6% quarter-on-quarter.

On November 30, we will be able to share Avito financials of the past period as they are released as part of the Naspers biannual reporting.

I also encourage you to read our further in-depth analysis of Avito as a multi-vertical, where we in this report cover the often less well known area of services.

Busfor

We have invested USD 4 mln into Busfor in return for a 6% stake, and we also have the opportunity to invest another USD 4 mln in the coming months, which will get us a 10% stake in the company, ensuring us a board seat.

Busfor is an Eastern European bus ticketing platform covering CEE and CIS, with Poland, Ukraine and Russia currently being the largest markets. The model is a proper marketplace with a fragmented supply base serving a fragmented demand base.

The company was founded in 2012 and has grown to become the largest marketplace for bus tickets in CEE and CIS connecting very fragmented bus operators, bus stations and OTA aggregators to a very large demand base. There are more than 7,000 bus operators in the current markets of operation. We see a very large growth potential as market conditions are still what they were for hotels in a pre-Booking.com era. As opposed to the airline industry, there is no GDS (Global Distribution System) through which one can access a complete inventory. Busfor has a very good opportunity and is focused to become such a GDS for the bus industry in CEE, CIS and possibly beyond.

The company is already backed by well-known PE funds Baring Vostok and Elbrus Capital.

The long-term total addressable market (TAM) for Busfor is the bus market in the CEE and CIS estimated at some USD 10 bln. Russia and Ukraine are the largest pieces of the market. Overall, the TAM of Russia amounts to USD 2.0 bln all the way up to USD 3 bln if you include the market for smaller buses. In Ukraine, the company estimated the TAM to be USD 1 bln while a more conservative estimate is around USD 500 mln.

We are excited that the company is growing GMV at roughly 100% per year and are expecting GMV to surpass USD 500 mln on a 4-5-year horizon.

More advanced maturity will likely bring high take rates, providing the potential for a very large company long term. The barriers to entry that this kind of market offers should provide margins and multiples which could potentially enable Busfor to become a USD 1 bln company.

The founder and CEO Ilya Ekushevskiy has teamed up with strong individuals to form a team covering tech, operations, finance and marketing, all with extensive professional experience. The company currently employs 100 people. Ilya is the key visionary having been with company since the start. Before starting Busfor he was a partner at Taurus Trading Group, involved in NYSE and Nasdaq intraday trading.

VOI

We were part of forming VOI, the first European company for the sharing of e-scooters, inspired by the success of Bird in the US. The space has of course in nearly Uber style attracted a lot of attention, most of all from users who are very engaged and happy with the product but also from city councils who, on the whole, are positive to electrical means of transportation in cities but also unsure on how to approach and interact with the rapidly growing sharing economy.

The main attraction for this space is that the market is large. Last mile transportation is an increasingly sought-after product. 60% of all Uber rides are shorter than 3 miles. The current global market is in the order of USD 5 bln, but importantly this is likely going to take a large chunk out of the market of short distance taxi rides.

The team is young but we are very impressed. We got to know the founder at Avito in Moscow, where he proved up his capacity to get stuff done at lightning speed.

Network effects are present in this business model. The product becomes attractive when it is easy to locate scooters, either through the app or on the street but also that scooters are actually available when you need them. For scooters to be widely available they need to be widely used as users will park them on the street at the point of their destination. So, a network of a large supply of scooters facing a large number of users using the service frequently creates high barriers to entry. It is close to impossible to replicate the network of scooters created by the usage of a large population of riders. And users will use the service which has scooters where and when they need them, not necessarily the largest fleet. Clear network effects.

Unit economics are high with declining prices for scooters, high usage ensuring favorable income dynamics and a user base built through community.

The space is going to become competitive with the US companies Bird and Lime targeting global operations. However, VOI has started with great success in Stockholm during the summer and has during early autumn launched in Madrid and Zaragoza in Spain. The ambition is to become a pan-European player.

The valuation benchmarks of the US players are interesting to note with Bird rumored to be closing a funding round at an absolute valuation of USD 4 bln. VOI is smaller but growing quickly with very competitive KPIs. More funding will be needed but the capital market interest is already large and we expect exciting news on this front in the near term. We at Vostok are keen to continue supporting this company in potential future rounds. This company could reach Bird proportions!

OneTwoTrip

We took approximately our pro rata stake in a small funding round at OneTwoTrip. We remain very positive

to the company and are continuously impressed by the effectiveness of Misha Sokolov and team. As usual with privately held companies the availability of information is low but we note that operational KPI's of the company during Q3 2018 look very strong:

- 1.2 mln travel products sold which is up 47% versus 2017.
- 4 million cumulative mobile app installs reached
- First launch of mobile app white label solution for partners
- A ton of activates launched and added to the product portfolio.

Digital health

Our portfolio of investments into digital health has expanded during the past year with first babylon and later DOC+. The expanding portfolio with babylon at the forefront is increasingly becoming a source of inspiration and deal flow. I feel that digital health as an investment area is going to get an increasing amount of attention from global capital markets in the years to come. There is a strong trend where consumers are actively seeking a solution to whatever problem they have from a digital platform rather than getting in line at a doctor's office. As the millennials and their younger siblings evolve into consumers with more spending power, the most successful young companies within digital health today and the new brands associated with them will evolve to become very large established companies, much similar to the one of e.g. Amazon from the early 2000's to today. I'd argue that tomorrow's Jeff Bezos will likely emerge in the field of digital health.

However there remains a lack of visibility on exactly what business models will be the most successful and also if global businesses can be built when regulations differ so much from country to country. The strength of the founding entrepreneurs become even more important in such environments where change and the necessity to adapt is part of the woodwork. Strong entrepreneurs are also needed as the current incumbent systems have been around for a while, are most often state backed in one way or another and therefore not easy to disrupt.

All this fits our structure of permanent capital combined with a history of high risk appetite very well. Therefore, I feel that whilst our core focus on businesses with strong network effects have been applied to our existing investments in digital health, going forward we may feel emboldened to also get involved in situations where the potential of network effects is less evident but where the risk reward still stacks up in a quantity reminiscent of our investment history of these past 20 years.

babylon

babylon has signed a deal with Telus Health, a part of the Canadian telecommunications firm to deliver its

product to Telus' clients. The first babylon/Telus product will be available in English with French to follow during 2019. This is further proof of the leading position of babylon's product. Telus, like Tencent, Samsung, the Gates Foundation, not to mention Prudential and NHS, all have the ability to choose any global supplier of virtual medical services and have all chosen babylon.

I think the quote from Telus Health's vice president Juggy Sohota is telling:

"We went around the globe to look for the best partner for virtual care, and from both a values perspective as well as a technology perspective we have found the best partner in babylon."

Furthermore, babylon announced during the quarter that it is also joining forces with Bupa, the British insurer, whereby corporate Bupa customers will be able to access babylon's online GP consultations and its clinical triage service as part of their private health insurance.

Vezeeta

Also in our portfolio of investments within the digital health space, Vezeeta closed a USD 12 mln Series C funding round led by STV, a regional investment vehicle. We participated taking approximately our pro rata which amounts to 9% of the company fully diluted.

Liquidity

Post the small increase in debt funding at Vostok, Avito dividends and the already existing cash position we feel the company is well positioned in terms of liquidity. We are always on the lookout for opportunities to enjoy higher returns in the credit market, especially with issuers that are active in our space of network effects. The best examples of this were our credit positions in Delivery Hero and Kite Ventures, which both have been closed with double digit returns, which we are especially happy with given the limited amount of credit risk associated with these positions. On a similar track, we have closed a credit position in Marley Spoon which provided high returns for limited risk taking. Marley Spoon did IPO during the quarter and we retain a small equity position that we received as part of the credit compensation.

All in all, we see very good progress across pretty much the entire portfolio and are looking forward to the final quarter of 2018 as well as 2019.

November 2018,
Per Brilioth
Managing Director

Avito study: Services

Background

In this quarterly report, we will look closer at Avito's Services vertical where you can find pretty much any type of service you can think of: transport services, construction, beauty, tutors – the list goes on.

Services is a vertical that is very different from other verticals. Unlike other verticals, there is no way to examine what you buy before the purchase. Therefore, trust becomes a key component. Another difference is that from a seller's perspective, you very seldom "sell out" your inventory, but you are more or less always in the market to sell more. This has large implications on how service providers handle their advertising – more about this below.

The services vertical is also special in the way that it consists of subcategories that are so vastly different from one another. Construction services needs to be approached in a completely different way than beauty services, for example. Lastly, Avito Services is unique in that few other major classifieds players have made a large bet on the segment, and there is really no blueprint for success from other players similar to Avito. Still, Avito is making quite significant revenues in the vertical, and the growth prospects are exciting,

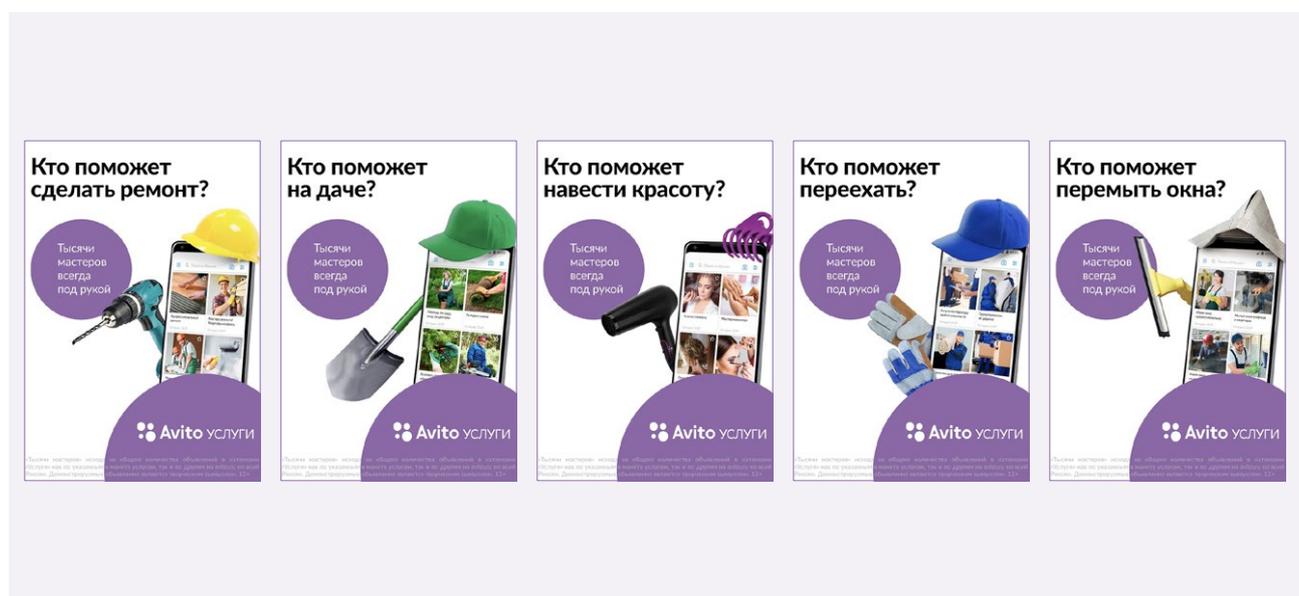
The Services market in Russia and addressable market

Number of service providers

The services sector in Russia is huge. Out of about 3 million active SMEs in Russia, more than 1/3 work in the Services sector. Most companies have only one person – the owner – working for it, and there are very few medium to large companies in the services sector.

On top of this comes a substantial informal sector with private individuals offering their services, and the addressable market here could be up to 2 million additional individuals according to our research. So in total, we believe that up to 3 million entities and individuals are addressable for Avito Services.

Today, there are 1.2 million listings in the services category on Avito. Most service providers have only one listing posted on the service, but some have more. We estimate that roughly 1 million service providers are active on Avito today, which means that the penetration of the addressable market is about 1/3. So there is still ample of growth potential, with potential to double the number of providers on Avito Services.



Usage of services and ways to find them

About 70% of the Russian population has ever ordered a paid service. A bit more than a third of the total population has found a service provider through the internet, or 50% of those who ever ordered a paid service. Moving services, reparation and renovations are the three most used categories from a demand perspective when looking at the market as a whole.

But the most used channel to find a service provider is actually not using an online resource, but to ask your friends and family for recommendations. This ties back to the point we made in the beginning of this report – it is hard for someone who orders a service to inspect the quality of it before it has been rendered. Online resources need to find a way to bridge the trust gap, e.g. by giving service providers the possibility to show their previous work, by providing ratings and reviews of service providers, etc.

The second largest competitor to Avito is to use a search engine. But since service providers are often micro-businesses and self-employed individuals they often lack their own website.

In addition to recommendations and search engines, there is still a relatively large share of service providers' marketing spend that is going to offline sources such as newspapers, flyers, direct mail, etc. However, these channels are rapidly losing their relevance for those who order services, and therefore we will see a continued migration from offline to online in terms of marketing spend, in our view.

Avito's offering

Avito's offering in the Services vertical is very simple, yet very effective. Service providers list their services as listings, and those who are looking for a service can contact the service providers through either chat or by phone.

It is free to list one listing in Services, but if you want to list more you would have to pay a listing fee for each additional listing. This is to a large extent a measure to prevent spam in the category, since being on the top of the listing waterfall is so important. In other categories, you might look for a very specific item (a car with a specific configuration and mileage, or real estate at a very specific location) but in Services the listings are more generic. If you look for a carpenter or a transport service, you might call 3–5 providers to benchmark prices, availability and references, and then you settle for one of them. You typically pick the first 3–5 relevant providers you find, and therefore being on top of the list becomes hugely important.

This is why Avito's value added services work so well in the Services category. When service providers want to get to the top of the list, what they need to do is to pay to "bump" their ads higher. Services has the highest conversion rate of any vertical when it comes to usage of value added services.

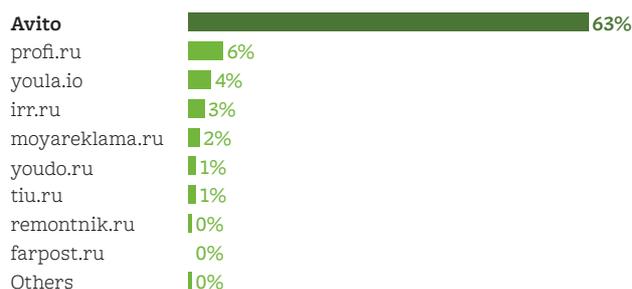
Recently Avito has rolled out a number of features that are foundational to increase the trust element on Avito. For example, all sellers now have a profile on Avito, where you can see their previous history - when they joined, what other listings they have posted and their full contact details. This is an excellent platform that in the future could be used for a service provider to showcase his or her previous work, so that consumers ordering services can become more confident about the quality of the services. Avito is also in the process of rolling out reviews, which with time partly could work as a substitute for asking a friend or family member for a recommendation.

Avito's competitive position on the market

Avito holds a very strong position among its direct competitors in Services. Of the consumers who have ordered a paid service online, over 60% did so through Avito according to our research. That is more than 10x the usage of the second most popular resource.

Avito is a leader in services with over 60% share

Consumers who ordered services



As we mentioned before – the strongest competition is not from other classifieds services, but from search engines and from asking people close to you for recommendations. But by being a simple service to use, Avito can cater to a much wider group of service providers than search engines can. And by implementing the new trust features, Avito can allow consumers to get both reach and trust at the same time.

Potential going forward

When looking at investment opportunities in the Services sector, we believe there are many exciting developments that can largely be grouped into two different buckets:

1. Trust mechanisms that can work as a substitute for asking a friend for a recommendation
2. Tools to make the transaction easier and more seamless for both service providers and consumers

We touched on the first point earlier in this report, and Avito is delivering on features to improve the trust element.

As for the second point – many players have historically made attempts to make the transaction more seamless in the services segment. Some players (such as Handy.com) went for hiring their own staff to have better control over the services rendered, with limited success. Others (such as Thumbtack) have tried to build software for broad groups of service providers. Both Avito and Yandex have tried this approach historically, but have failed because the software tools have been too generic and not suited anyone perfectly (again, there is a big difference between different types of services).

But now we see a new breed of “SaaS-enabled marketplaces” that are truly tailored to specific user groups, that open up new use cases and drastically improve user experience. Our portfolio company Booksy is one such example. They have built a set of tools – such as a booking system, scheduling and payments – for professionals in the beauty industry on the one side, and a marketplace for bookings for consumers on the other side. The integration of the two enables the schedule to always be up to date, and bookings are made seamlessly with minimal effort for both service providers and consumers. The marketplace also enables service providers to efficiently acquire new customers and consumers to find providers they wouldn’t otherwise have found. With this setup, the marketplace is much more deeply integrated in the transaction and is able to take a much larger take rate.

With its massive user base, Avito is in pole position to act on these opportunities in Russia, either stand alone or by partnering up with market leaders from other markets. There is great potential for vastly increasing the take rate and the average spend per month if they were to succeed with this type of approach.

Valuation

Given the uncertainties surrounding the market structure in Services, we have decided not to do a top down estimation of market size and revenues for this vertical. Instead, we have done our own survey of the base of service providers, and come up with qualified estimations on how much they spend per listing per month on Avito and what share of the total user base they constitute.

We then use the average spend per month and apply it to the existing user base of 1.2 million service providers to come up with an estimated revenue per month.

Number of active listings	1,200,000
Average spend per month and listing	RUB 140
Revenue per month	RUB 168 mln

RUB 170 mln in monthly revenues puts Avito Services on a yearly run rate of more than RUB 2.0 bln. With a 60% EBITDA margin, the vertical should deliver an EBITDA result of around RUB 1.2 bln. Given the current growth rate of Avito, the future growth prospects (both in raising take rate and penetration) and the very strong position in the vertical, we believe that a 25x EBITDA multiple is fully justified. That would translate to value of the vertical of RUB 30 bln, or roughly USD 460 mln at an exchange rate of 65 RUB/USD.

User group	Description	Share of total service provider base	Spend per month and listing
Individual entrepreneurs	“One man shows” with limited marketing skills. Do advertising occasionally when schedule is not full.	85%	RUB 50
Medium companies	More sophisticated users who do marketing more or less constantly, but have limited budgets.	14.5%	RUB 500
Large companies	Advanced users who always want to acquire additional customers and use significant budgets to do so.	0.5%	RUB 5,000
		<i>Weighted average</i>	<i>RUB 140</i>

Investment portfolio

Portfolio Structure – Net Asset Value

The investment portfolio stated at market value as at September 30, 2018, is shown below.

Company	Fair value, USD Sep 30, 2018	Percentage weight	Fair value, USD Dec 31, 2017	Fair value change per share, USD Year to date, 2018
Avito ²	617,387,333	61.1%	591,938,454	4% ¹
BlaBlaCar ²	118,694,906	11.7%	118,615,542	0% ¹
Gett ²	55,478,843	5.5%	59,198,650	-14% ¹
Propertyfinder ²	36,040,711	3.6%	28,704,345	26% ¹
babylon ²	22,607,530	2.2%	23,335,857	-3% ^{1,3}
OneTwoTrip ²	16,548,231	1.6%	20,810,533	-25% ¹
Hemnet (through YSaphis S.A. and Merro Partners S.A.) ²	14,596,394	1.4%	11,207,369	30% ¹
Wallapop ²	14,500,000	1.4%	13,533,279	7% ¹
Merro ²	8,181,580	0.8%	9,358,731	-13% ¹
Booksy ²	5,989,711	0.6%	–	– ¹
El Basharsoft (Wuzzuf and Forasna) ²	4,736,758	0.5%	2,347,911	-6% ¹
Naseeb Networks (Roze and Mihnati) ²	4,189,870	0.4%	4,203,772	0% ¹
DOC+ ²	4,000,000	0.4%	–	– ¹
Housing Anywhere ²	3,879,977	0.4%	–	– ¹
CarZar ²	3,521,186	0.3%	3,521,186	– ¹
Vezeeta (DrBridge) ²	3,155,946	0.3%	1,833,313	3% ¹
Agente Imóvel ²	2,999,443	0.3%	1,000,000	100% ¹
VOI Technology ²	2,750,000	0.3%	–	– ¹
KEH AB (YouScan) ²	1,884,599	0.2%	1,526,375	23% ¹
Marley Spoon ²	776,211	0.1%	–	– ¹
Shwe Property ²	500,000	0.0%	–	– ¹
JobNet ²	500,000	0.0%	–	– ¹
Busfor, convertible debt	4,044,630	0.4%	–	– ¹
Delivery Hero AG, equity	–	–	888,401	– ¹
Marley Spoon, debt	–	–	–	– ¹
babylon, convertible debt	9,347,033	0.9%	–	– ¹
Liquidity management	10,681,421	1.1%	8,023,392	– ¹
Cash	44,049,283	4.4%	51,078,919	–
Total investment portfolio	1,011,041,596	100.0%	951,126,029	
Borrowings	-94,997,027		-71,541,440	
Other net receivables/liabilities	-3,847,994		405,089	
Total NAV	912,196,575		879,989,679	

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 first nine 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 September 30, 2018, Vostok New Ventures values its stake in Avito at USD 617.4 mln (USD 4.7 bn for the entire company) on the basis of an EV/EBITDA peer multiples valuation model. The valuation model used as per September 30, 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 4% increase in valuation compared with Vostok's valuation as per year-end 2017. The main drivers of the revaluation during 3Q18 are the updated peer-related input data, Avito's continued growth and changes in USD/RUB, which has continued to be weak during the third quarter 2018.

As per September 30, 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 2018 YTD, Vostok New Ventures has received USD 17.7 mln in dividends from Avito.

Avito Quarterly Key Performance Indicators

	3Q 2018	3Q 2018 q-o-q change	3Q 2018 y-o-y change
Listers, mln	12.3	-0.5%	6.9%
Paying users	1,613,924	-0.1%	21.4%
Average revenue per paying user, RUB	2,849	5.9%	10.4%

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

Share of total portfolio:
61.1%



2007
Investment year

6,166,470
Vostok New Ventures' number of shares as at Sep 30, 2018

617.4
Total value (USD mln)

13.2%
Share of total shares outstanding

+4%
Value development Jan-Sep 2018 (in USD)



BlaBlaCar

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 65 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 Nappéz, 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 nine months 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. BlaBlaCar currently has 20 million travelers per quarter, and Russia is now the largest market in terms of members with 15 million members. BlaBlaCar is on path to profitability for the period January–September 2018 and expects that 50 million people will book a ride during the full year 2018 which represents 40% yoy growth. Other markets than France now represents 75% of the activity on the platform, most of which are not yet monetized at a normalized level.

Since 2015, Vostok New Ventures has invested a total of EUR 107 mln into BlaBlaCar.

As per September 30, 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.

On November 13, 2018, Vostok New Ventures announced a material transaction in BlaBlaCar. BlaBlaCar has entered into an agreement with SNCF to acquire Ouibus, a market-leading french bus operator. BlaBlaCar also announced a EUR 101 mln funding round involving SNCF and existing BlaBlaCar investors. The transaction, subject to closing, is expected to have a material impact on Vostok New Ventures NAV and will result in a positive revaluation of Vostok New Ventures holding in BlaBlaCar by approximately 34.8% or EUR 35.6 mln compared to Vostok New Ventures model based-valuation of its holding in BlaBlaCar as per September 30, 2018.



BlaBlaCar's founders (from left): Frédéric Mazzella (CEO), Francis Nappéz (CTO) and Nicolas Brusson (COO).

BlaBlaCar

blablacar.com

Share of total portfolio: **11.7%**



2015–17
Investment years

14,492,319
Vostok New Ventures' number of shares as at Sep 30, 2018

118.7
Total value (USD mln)

9.3%
Share of total shares outstanding

0%*
Value development Jan–Sep 2018 (in USD)

* Attributable to updated peer data and currency exchange differences.



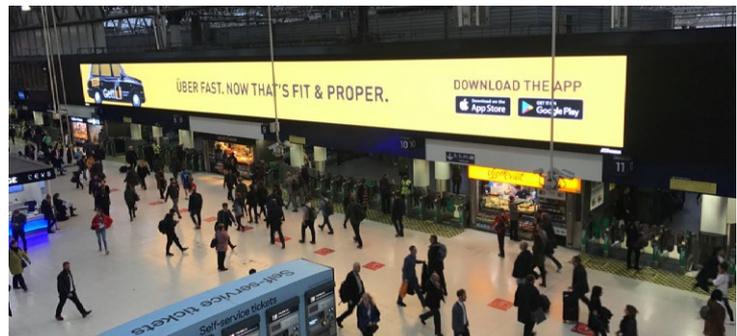
Gett is a global ride sharing app built on a simple idea – if you treat drivers better, they will treat riders better.

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 13,000 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 aims to become profitable by the first quarter of 2019.

As per September 30, 2018, the Gett investment is valued at USD 55.5 mln, based on the most recent transaction in the company that closed in 2Q18. Gett raised USD 80 mln from several existing investors in the company, including Vostok New Ventures. The transaction-based valuation as per September 30, 2018 is 14.0% lower than the model based valuation as per December 31, 2017.



Gett

 gett.com

Share of total portfolio:
5.5%



2014–18
Investment years

19,975,816
Vostok New Ventures’
number of shares as at
Sep 30, 2018

55.5
Total value
(USD mln)

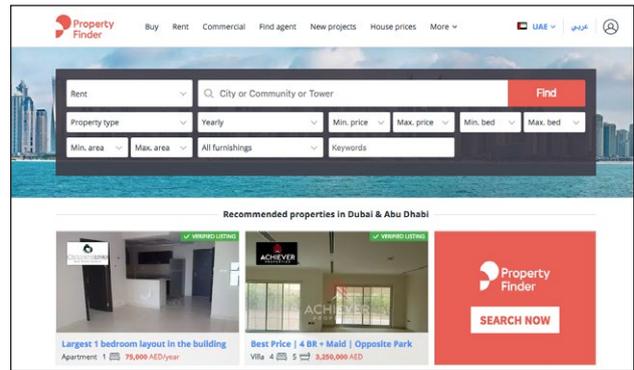
4.0%
Share of
total shares
outstanding

-14%
Value development
Jan–Sep 2018
(in USD)



Propertyfinder Group was founded more than 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 300 people and is profitable in its core markets. 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 September 30, 2018, Vostok New Ventures values its stake in Propertyfinder to USD 36.0 mln (USD 351 mln for the entire company) on the basis of an EV/Sales peer multiples valuation model. This valuation represents a 26% increase in valuation compared to Vostok's valuation as per December 31, 2017. The valuation increase is driven by a strong expected revenue growth for Propertyfinder during 2018 and 2019 and changes in EV/Sales multiples of the peer group (same companies as in earlier quarters).



Group KPI development 3Q18

- Total page views are up 56.9% year on year
- Total sessions are up 25.2% year on year
- Total leads generated are up 36.0% year on year
- Total unique users are up 58.4% year on year

Propertyfinder
propertyfinder.ae

Share of total portfolio: 3.6%	2015-18 Investment years	144,454 Vostok New Ventures' number of shares as at Sep 30, 2018	36.0 Total value (USD mln)	10.3% Share of total shares outstanding	+26% Value development Jan-Sep 2018 (in USD)
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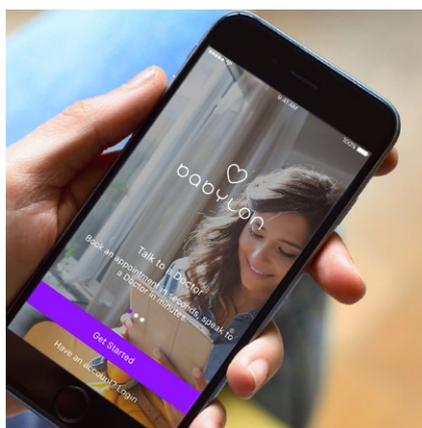
babylon launched in 2015 and is a pioneer in personal digital healthcare globally. babylon’s technology, available from any mobile phone or personal computer worldwide, aims to put an accessible and affordable health service into the hands of every person on Earth. babylon has brought together one of 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 26,000 registered members with “GP at Hand” in the UK, and also runs a program in Rwanda with over 2 million members. On November 6, 2017, babylon launched GP at Hand, its service for the National Health Service (NHS) funded healthcare, across most of London.

During the second quarter of 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. During 2Q18, VNV invested an additional GBP 7 mln in babylon through a convertible note which as per September 30, 2018 is valued at its nominal value.

During 2018, babylon has continued to grow its current markets UK and Rwanda as well as announced agreements to deploy its technology in a number of new markets: China (through a partnership with Tencent), Saudi Arabia (through a partnership with THIAQH), Canada (through a partnership with Telus Health), and BUPA in the UK.

On August 2, 2018, babylon and Prudential Corporation Asia announced an exclusive partnership agreement where babylon’s AI technology will be made available to Prudential’s customers across Asia. Prudential is a leading insurance provider in Asia with over 5 million health customers and premium income exceeding GBP 800 mln in 2017.

As per September 30, 2018, the babylon investment is valued at GBP 17.3 mln (USD 22.7 mln), on the basis of this latest transaction in the company.



babylon

babylonhealth.com

Share of total portfolio: **2.2%**



2017-18
Investment years

84,246

Vostok New Ventures' number of shares as at Sep 30, 2018

22.6

Total value (USD mln)

10%

Share of total shares outstanding

-3%*

Value development Jan-Sep 2018 (in USD)

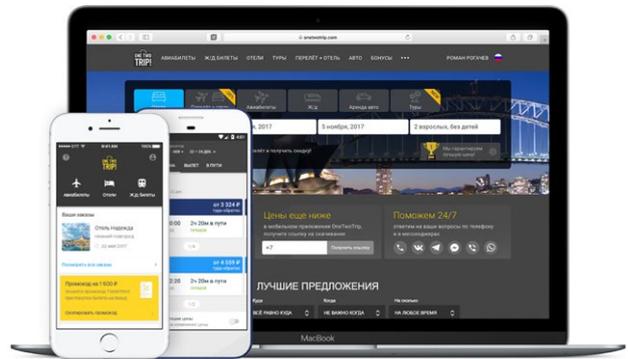
* Attributable to currency exchange differences.



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 13.2 mln in OTT and owns 16.9% of the company on a fully diluted basis. As per September 30, 2018, the company is valued based on a transaction that closed in July 2018 where VNV invested an additional USD 1 mln as part of a larger funding round. The valuation is 25% lower than the model-based valuation as per year-end 2017.



OneTwoTrip

onewotrip.com

Share of total portfolio:
1.6%



2015–18
Investment years

102,417
Vostok New Ventures' number of shares as of Sep 30, 2018

16.5
Total value (USD mln)

16.9%
Share of total shares outstanding

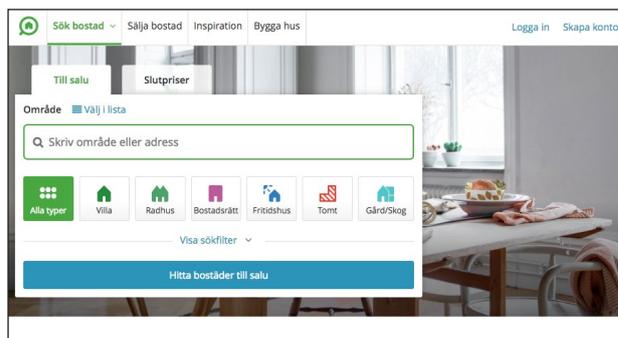
-25%
Value development Jan–Sep 2018 (in USD)



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.

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.

As per September 30, 2018, Vostok New Ventures values its investment in Hemnet on the basis of an EV/EBITDA valuation model as the last significant transaction now is more than 12 months old. The change in valuation is mainly driven by updated peer multiples.



Hemnet

 hemnet.se

Share of total portfolio: **1.4%**



2016
Investment year

81,024,902
Vostok New Ventures' number of shares as at Sep 30, 2018

14.6
Total value (USD mln)

5.9%
Share of total shares outstanding

+30%
Value development Jan-Sep 2018 (in USD)

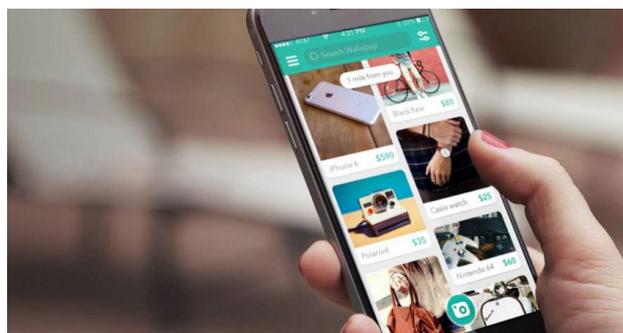
wallapop

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's main market is Spain where it is the leading general classifieds platform.

In 2018, Wallapop has continued with monetizing efforts in Spain letting users pay to highlight their listings. 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 and Madrid. Monetization efforts are still in an early stage but look promising.

Vostok New Ventures has in total invested approximately USD 9 mln in three separate transactions during 2015. As per September 30, 2018, Vostok New Ventures indirectly owns approximately 2.9% of the company and values its indirect stake in the company to USD 14.5 mln on the basis of the latest primary transaction in the company and cash balance.



Wallapop

wallapop.com

Share of total portfolio: **1.4%**



2015
Investment year

21,872*
Vostok New Ventures' number of shares as at Sep 30, 2018

14.5
Total value (USD mln)

2.9%
Share of total shares outstanding

+7%
Value development Jan-Sep 2018 (in USD)

* Shares held indirectly through a limited partnership.

✱ 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 May 2018 Opensooq generated approximately 1.4 bn page views. Opensooq has the potential to become 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 September 30, 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 13% lower than the valuation as per December 31, 2017, mainly driven by an updated valuation of Opensooq, Merro's largest holding.

Merro

 merro.co

Share of total portfolio: **0.8%**



2014/16

Investment years

11,106

Vostok New Ventures' number of shares as at Sep 30, 2018

8.2

Total value (USD mln)

22.6%

Share of total shares outstanding

-13%

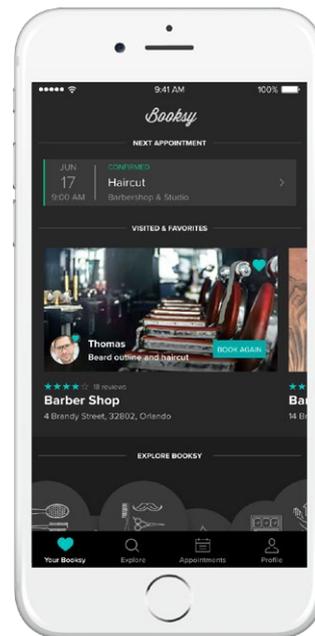
Value development Jan-Sep 2018 (in USD)

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 through Piton Capital during the first quarter 2018. As per September 30, 2018, the investment is valued on the basis of this recent transaction in the company.



Booksy

 booksy.com

Share of total portfolio: **0.6%**



2018

Investment year

1,593,168*

Vostok New Ventures' number of shares as at Sep 30, 2018

6.0

Total value (USD mln)

—

Share of total shares outstanding

—

Value development Jan-Sep 2018 (in USD)

* Indirect holding through Piton Capital.

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 September 30, 2018, Vostok New Ventures values its investment into el Basharsoft on the basis of the most recent transaction in the company which closed in the second quarter of 2018 in a funding round (where Vostok New Ventures participated) led by EBRD.



El Basharsoft staff, December 2016

El Basharsoft

(Wuzzuf and Forasna)

basharsoft.com

wuzzuf.net

forasna.com

Share of total portfolio:
0.5%



2015–18
Investment years

728,732
Vostok New Ventures' number of shares as at Sep 30, 2018

4.7
Total value (USD mln)

23.7%
Share of total shares outstanding

-6%
Value development Jan–Sep 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.

As per September 30, 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 4.2 mln for Vostok New Ventures' stake in the company. This is in line with Vostok New Ventures' valuation as per December 31, 2017.



Naseeb Networks (Rozee and Mihnati)

naseebnetworks.com

rozee.pk

mihnati.com

Share of total portfolio: **0.4%**



2015
Investment year

11,481,176
Vostok New Ventures' number of shares as at Sep 30, 2018

4.2
Total value (USD mln)

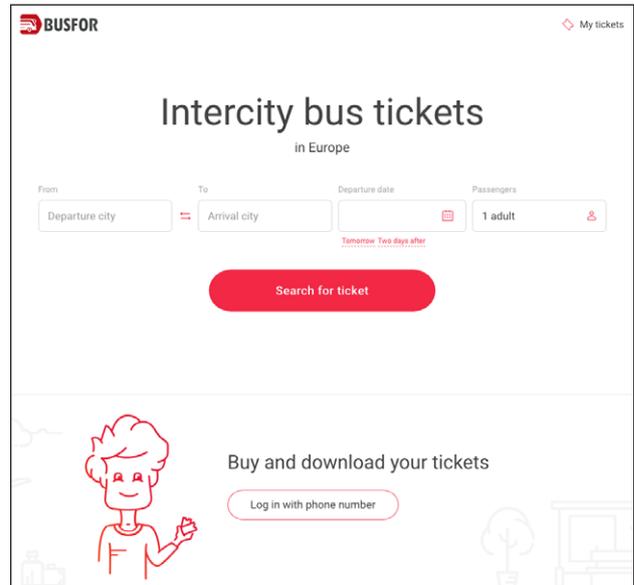
23.7%
Share of total shares outstanding

0%
Value development Jan-Sep 2018 (in USD)



Busfor is an Eastern European bus ticketing platform covering CEE and CIS, with Poland, Ukraine and Russia currently being the largest markets. Busfor provide carriers with a solution for inventory management and access to the Busfor distribution network. Busfor also aggregates carriers' inventory and provides a number of partners with software tools, bringing all market participants in one single ecosystem. Busfor also has a consumer-focused business where it sells bus tickets through web and its own Busfor app.

Vostok New Ventures invested USD 4 mln in Busfor during the third quarter 2018 through a convertible loan. The loan was converted to shares representing 6% of the company after the end of the reporting period.



Busfor

busfor.com

Share of total portfolio: **0.4%**



2018

Investment year

n/a

Vostok New Ventures' number of shares as at Sep 30, 2018

4.0

Total value (USD mln)

—

Share of total shares outstanding

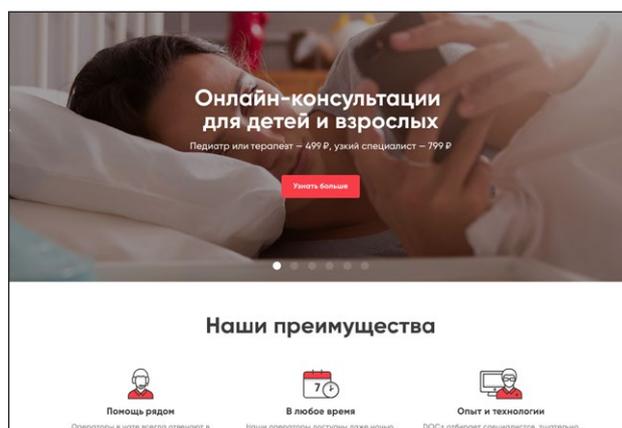
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Value development Jan-Sep 2018 (in USD)



DOC+ is a digital healthcare provider in Russia that provides telemedicine services, home visits, and helps patients manage their primary healthcare and store their medical data in the DOC+ app. The company was launched by Victor Belogub, Dmitry Khandogin and Ruslan Zaydullin in September 2015 and has been funded by Baring Vostok and Yandex since 2016.

Vostok New Ventures invested USD 4 mln in DOC+ during the second quarter of 2018, and as per September 30, 2018, the investment is valued on the basis of this transaction.



DOC+

 docplus.ru

Share of total portfolio:
0.4%



2018
Investment year

23,207
Vostok New Ventures' number of shares as at Sep 30, 2018

4.0
Total value (USD mln)

—
Share of total shares outstanding

—
Value development Jan-Sep 2018 (in USD)

Housing Anywhere is a housing platform that was founded by Niels van Deuren where people can rent out rooms to international students. The company is run by CEO Djordy Seelmann. 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 and 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.

Vostok New Ventures invested EUR 3.3 mln into Housing Anywhere during the first quarter 2018 in the context of a larger financing round. As per September 30, 2018, the company is valued on the basis of this transaction.

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

Share of total portfolio:
0.4%



2018
Investment year

958
Vostok New Ventures' number of shares as at Sep 30, 2018

3.9
Total value (USD mln)

21%
Share of total shares outstanding

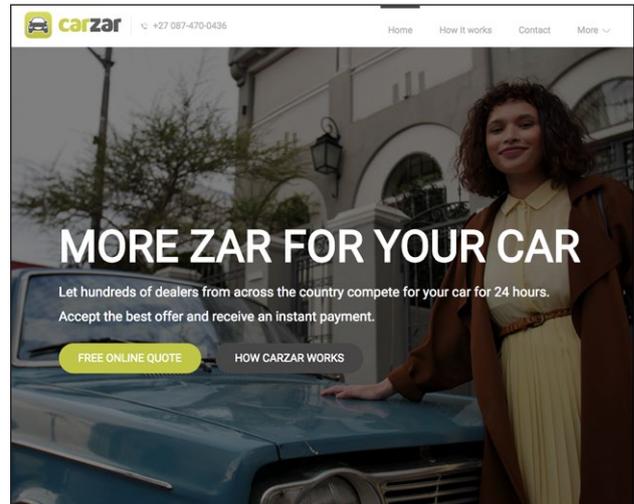
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Value development Jan-Sep 2018 (in USD)



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 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 September 30, 2018, Vostok New Ventures values its investment in CarZar on the basis of this latest transaction in the company.



CarZar

 carzar.co.za

Share of total portfolio: **0.3%**



2017

Investment year

831

Vostok New Ventures' number of shares as at Sep 30, 2018

3.5

Total value (USD mln)

16.4%

Share of total shares outstanding

—

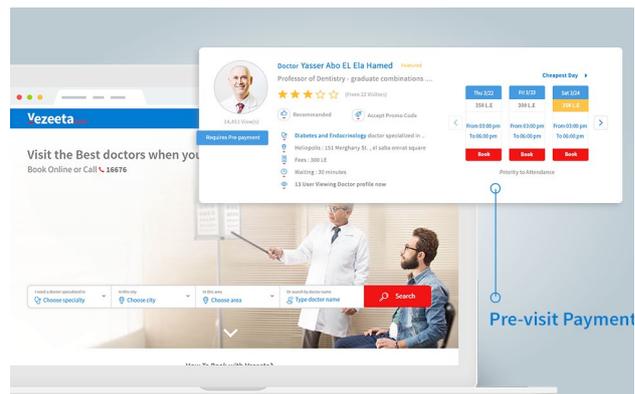
Value development Jan-Sep 2018 (in USD)

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 200,000 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 2018, Vezeeta closed a larger funding round of USD 12 mln led by new investor STV. VNV participated with USD 1.25 mln in the round, including the USD 500k convertible note that closed in June 2018.

As per September 30, 2018, the investment in Vezeeta is valued on the basis of the last transaction in the company which closed in 3Q18.



Vezeeta (DrBridge)

Share of total portfolio:
0.3%



2016-18
Investment years

597,717
Vostok New Ventures' number of shares as at Sep 30, 2018

3.2
Total value (USD mln)

9.0%
Share of total shares outstanding

+3%
Value development Jan-Sep 2018 (in USD)



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 an additional USD 1 mln in Agente Imóvel during the second quarter of 2018 and as per September 30, 2018, the investment is valued on the basis of this transaction.



Agente Imóvel

agenteimovel.com.br

Share of total portfolio: **0.3%**



2017/18
Investment years

5,387
Vostok New Ventures' number of shares as at Sep 30, 2018

3.0
Total value (USD mln)

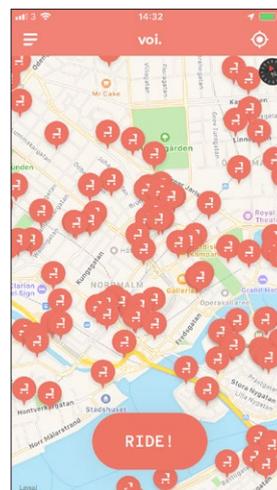
27.3%
Share of total shares outstanding

+100%
Value development Jan-Sep 2018 (in USD)



VOI Technology is a free-floating e-scooter sharing service for last mile transportation. VOI makes e-scooters available for everyone through their app and provides a green and efficient way to move around cities. The company launched in Stockholm and soon thereafter in Madrid. A larger European roll-out is under way. One month after launch, the company had 45,000 users that had ridden 85,000 km.

Vostok New Ventures values VOI Technology on the basis of the last transaction in the company during the third quarter of 2018, where VNV led the investment round with USD 2.75 mln. As per September 30, 2018, VNV values the company on the basis of this initial transaction.



VOI Technology

voiscooters.com

Share of total portfolio: **0.3%**



2018
Investment year

7,310,000
Vostok New Ventures' number of warrants as at Sep 30, 2018

2.8
Total value (USD mln)

39.5%
Share of total shares outstanding

—
Value development Jan-Sep 2018 (in USD)

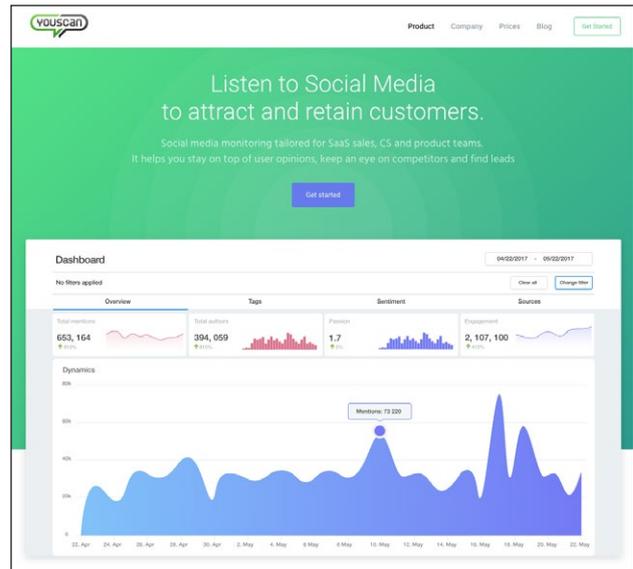


KEH AB is a holding company that owns a significant position in social media monitoring company YouScan.

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

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 2017 and 2018.

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. 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 September 30, 2018.



KEH AB (YouScan)

Share of total portfolio:
0.2%



2014
Investment year

8,808,426
Vostok New Ventures' number of shares as at Sep 30, 2018

1.9
Total value (USD mln)

33.9%
Share of total shares outstanding

+23%
Value development Jan-Sep 2018 (in USD)

youscan.io

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 carried cash interest as well as an equity kicker. In the beginning of July 2018 Marley Spoon IPOed in Australia, and in September 2018 Marley Spoon repaid the loan of EUR 4.0 mln and accrued interest.

As per September 30, 2018, the equity is valued to USD 0.8 mln on the basis of the closing price on September 28, 2018.



Marley Spoon

marleyspoon.com

Share of total portfolio: **0.1%**



2018
Investment year

996,000
Vostok New Ventures' number of warrants as at Sep 30, 2018

0.8
Total value (USD mln)

1.2%
Share of total shares outstanding

—
Value development Jan-Sep 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 September 30, 2018, the investment in Shwe Property is valued on the basis of this recent transaction.



Shwe Property

shweproperty.com

Share of total portfolio: **0.0%**



2018
Investment year

25,000
Vostok New Ventures' number of shares as at Sep 30, 2018

0.5
Total value (USD mln)

8.3%
Share of total shares outstanding

-
Value development Jan-Sep 2018 (in USD)

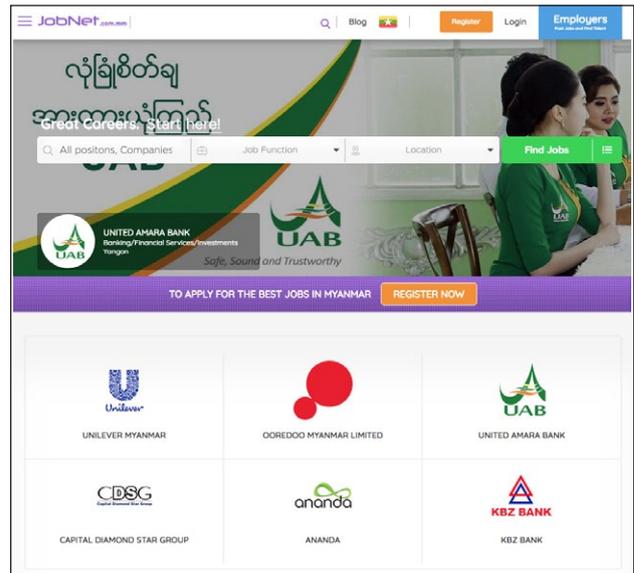
Since its inception in 2015, JobNet has grown rapidly to become the number one online Jobs and Recruitment portal in Myanmar, Asia's last frontier and fastest growing economy,

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 September 30, 2018, the investment in JobNet is valued on the basis of this recent transaction.



JobNet

jobnet.com.mm

Share of total portfolio: **0.0%**



2018
Investment year

10,417
Vostok New Ventures' number of shares as at Sep 30, 2018

0.5
Total value (USD mln)

3.8%
Share of total shares outstanding

—
Value development Jan-Sep 2018 (in USD)

Debt investments

Marley Spoon (debt)

The EUR 4.0 Marley Spoon loan including accrued interest was repaid during September 2018.

Liquidity management

The Company also has investments in money market funds, as part of its liquidity management operations. As per September 30, 2018, the liquidity management investments are valued at USD 10.68 mln (2017: 8.02), based on the latest NAV of each fund and bond's market value.

Investments

During the third quarter 2018, gross investments in financial assets were USD 9.82 mln (2017: 0.68) and proceeds from sales were USD 0 mln (2017: 0). Investments concern cash investment in Busfor, VOI Technology, Vezeeta and OneTwoTrip.

During the nine months period of 2018, gross investments in financial assets were USD 46.58 mln (2017: 36.79) and proceeds from sales were USD 1.09 mln (2017: 2.55). Investments concern cash investment in Booksy, Housing Anywhere, el Basharsoft, Marley Spoon, Vezeeta, JobNet, Shwe Property, Propertyfinder, Gett, Agente Imóvel, DOC+, Busfor, OneTwoTrip and VOI Technology.

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 21.43 mln (2017: 20.79), mainly coming from revaluations in the portfolio. Dividend and coupon income was USD 17.76 mln (2017: 1.36), which represents dividends from Avito.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -10.44 mln (2017: -4.53). The increase in net operating expenses is mainly related to the Group's VAT claim from the Swedish Tax Agency. (For more details see note 4).

Net financial items were USD 2.32 mln (2017: -1.19). The increase in net financial items are mainly due to foreign exchange gains, which are higher than the same period 2017.

Net result for the period was USD 31.26 mln (2017: 16.43).

Total shareholders' equity amounted to USD 912.20 mln on September 30, 2018 (December 31, 2017: 879.99).

Group – results for the quarter

During the third quarter, the result from financial assets at fair value through profit or loss amounted to USD 21.71 mln (2017: 16.31), mainly coming from revaluation of Avito.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -1.97 mln (2017: -1.25). The increase in net operating expenses is mainly related to the Group's VAT claim from the Swedish Tax Agency. (For more details see note 4).

Net financial items were USD -0.70 mln (2017: -7.27). The increase in net financial items are mainly due to foreign exchange gains, which are higher than the same period 2017.

Net result for the quarter was USD 19.10 mln (2017: 7.79).

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 44.1 mln on September 30, 2018 (December 31, 2017: 51.1).

Income statements – Group

(Expressed in USD thousands)	Note	Jan 1, 2018– Sep 30, 2018	Jan 1, 2017– Sep 30, 2017	Jul 1, 2018– Sep 30, 2018	Jul 1, 2017– Sep 30, 2017
Result from financial assets at fair value through profit or loss ¹		21,431	20,793	21,707	16,308
Result from loan receivables		–	–	-6	–
Dividend and coupon income		17,759	1,357	–	–
Other operating income		195	–	69	–
Operating expenses	4	-10,441	-4,530	-1,967	-1,246
Operating result		28,944	17,620	19,803	15,062
Financial income and expenses					
Interest income		3,425	4,132	1,501	29
Interest expense		-4,577	-5,943	-1,566	-4,591
Currency exchange gains/losses, net		3,479	618	-636	-2,710
Net financial items		2,327	-1,193	-701	-7,272
Result before tax		31,272	16,427	19,102	7,790
Taxation		–	–	–	–
Net result for the financial period		31,272	16,427	19,102	7,790
Earnings per share (in USD)		0.37	0.19	0.23	0.09
Diluted earnings per share (in USD)		0.37	0.19	0.23	0.09

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– Sep 30, 2018	Jan 1, 2017– Sep 30, 2017	Jul 1, 2018– Sep 30, 2018	Jul 1, 2017– Sep 30, 2017
Net result for the financial period	31,272	16,427	19,102	7,790
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-253	131	29	50
Total other comprehensive income for the period	-253	131	29	50
Total comprehensive income for the period	31,019	16,558	19,131	7,840

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)	Sep 30, 2018	Dec 31, 2017
NON-CURRENT ASSETS		
<i>Tangible non-current assets</i>		
Property, plant and equipment	148	53
Total tangible non-current assets	148	53
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	966,992	900,047
Total financial non-current assets	966,992	900,047
CURRENT ASSETS		
Cash and cash equivalents	44,049	51,079
Tax receivables	500	394
Other current receivables	147	2,206
Total current assets	44,696	53,678
TOTAL ASSETS	1,011,836	953,779
SHAREHOLDERS' EQUITY (including net result for the financial period)	912,197	879,990
NON-CURRENT LIABILITIES		
Long-term debts	94,997	71,541
Total non-current liabilities	94,997	71,541
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Tax payables	401	431
Other current liabilities	2,986	1,090
Accrued expenses	1,255	727
Total current liabilities	4,642	2,248
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,011,836	953,779

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, 2017	27,420	125,791	-168	572,473	725,516
Net result for the period January 1, 2017 to September 30, 2017	-	-	-	16,427	16,427
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	131	-	131
Total comprehensive income for the period January 1, 2017 to September 30, 2017	-	-	131	16,427	16,558
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	785	-	-	785
Buy-back of own shares	-306	-6,749	-	-	-7,055
Total transactions with owners	-306	-5,964	-	-	-6,270
Balance at September 30, 2017	27,114	119,827	-37	588,900	735,804
Balance at January 1, 2018	27,066	119,073	-8	733,858	879,990
Net result for the period January 1, 2018 to September 30, 2018	-	-	-	31,272	31,272
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-252	-	-252
Total comprehensive income for the period January 1, 2018 to September 30, 2018	-	-	-252	31,272	31,019
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	1,365	-	-	1,365
Buy-back of own shares (Note 7)	-6	-171	-	-	-178
Total transactions with owners	-6	1,194	-	-	1,188
Balance at September 30, 2018	27,060	120,267	-260	765,130	912,197

Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2018– Sep 30, 2018	Jan 1, 2017– Sep 30, 2017	Jul 1, 2018– Sep 30, 2018	Jul 1, 2017– Sep 30, 2017
OPERATING ACTIVITIES				
Result before tax	31,272	16,427	19,102	7,790
<i>Adjustment for:</i>				
Interest income	-3,425	-4,132	-1,501	-29
Interest expense	4,577	5,943	1,566	4,591
Currency exchange gains/-losses	-3,480	-618	636	2,710
Depreciation	-6	-	-6	-
Result from financial assets at fair value through profit or loss	-21,431	-20,793	-21,707	-16,307
Dividend and coupon income	-17,759	-1,357	-	-
Other non-cash adjustments	3,491	785	-1,620	351
Change in current receivables	1,799	-1,863	1,873	-1,887
Change in current liabilities	432	193	360	94
Net cash used in operating activities	-4,530	-5,415	-1,296	-2,688
Investments in financial assets	-46,582	-36,912	-9,815	-680
Sales of financial assets	1,088	2,546	-	-
Change in loan receivables	1,646	36,060	4,620	28,396
Dividend and coupon income	17,759	8,118	-	-
Interest received	1,568	1,773	689	314
Interest paid	-	-3,707	-	-3,707
Tax paid	-148	-288	-40	-144
Net cash flow used in/from operating activities	-29,199	2,174	-5,842	21,490
INVESTMENT ACTIVITIES				
Investments in office equipment	-107	-	-104	-
Net cash flow used in investment activities	-107	-	-104	-
FINANCING ACTIVITIES				
Change in interest-bearing loans	28,427	28,251	-673	-37,655
Interest paid for borrowing	-3,565	-	-806	-
Buy back of own shares	-178	-6,806	-	-5,420
Net cash flow from/used in financing activities	24,685	21,445	-1,479	-43,075
Change in cash and cash equivalents	-4,621	23,619	-7,425	-21,584
Cash and cash equivalents at beginning of the period	51,079	34,780	51,008	83,712
Exchange gains/losses on cash and cash equivalents	-2,408	8,153	465	4,426
Cash and cash equivalents at end of period	44,049	66,552	44,049	66,552

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.

	9m 2018	9m 2017
Return on capital employed, % ¹	2.73	1.34
Equity ratio, % ²	90.15	90.82
Shareholders' equity/share, USD ³	10.79	8.68
Earnings/share, USD ⁴	0.37	0.19
Diluted earnings/share, USD ⁵	0.37	0.19
Net asset value/share, USD ⁶	10.79	8.68
Weighted average number of shares for the financial period	84,566,058	85,136,039
Weighted average number of shares for the financial period (fully diluted)	84,778,789	85,149,254
Number of shares at balance sheet date ⁷	84,562,357	84,732,357

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 September 30, 2018, excludes 1,125,952 repurchased SDRs.

Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2018– Sep 30, 2018	Jan 1, 2017– Sep 30, 2017	Jul 1, 2018– Sep 30, 2018	Jul 1, 2017– Sep 30, 2017
Result from financial assets at fair value through profit or loss	-956	-350	33	-
Operating expenses	-5,731	-4,675	-1,537	-1,259
Operating result	-6,687	-5,025	-1,510	-1,259
Financial income and expenses				
Interest income	13,425	12,620	5,101	3,093
Interest expense	-4,554	-5,870	-1,543	-4,518
Currency exchange gains/losses, net	3,606	426	-584	-2,905
Net financial items	12,478	7,177	2,974	-4,330
Net result for the financial period	5,790	2,151	1,464	-5,589

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2018– Sep 30, 2018	Jan 1, 2017– Sep 30, 2017	Jul 1, 2018– Sep 30, 2018	Jul 1, 2017– Sep 30, 2017
Net result for the financial period	5,790	2,151	1,464	-5,589
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	5,790	2,151	1,464	-5,589

Balance sheet – Parent

(Expressed in USD thousands)	Sep 30, 2018	Dec 31, 2017
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	10,681	8,023
Receivables from Group companies	240,949	206,303
Total financial non-current assets	336,019	298,715
CURRENT ASSETS		
Cash and cash equivalents	41,129	47,829
Other current receivables	31	62
Total current assets	41,160	47,891
TOTAL ASSETS	377,179	346,605
SHAREHOLDERS' EQUITY (including net result for the financial period)	280,106	273,128
NON-CURRENT LIABILITIES		
Long-term debts	94,997	71,541
Total non-current liabilities	94,997	71,541
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	974	1,165
Other current liabilities	3	107
Accrued expenses	1,099	664
Total current liabilities	2,076	1,936
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	377,179	346,605

Statement of Changes in Equity

– Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
Balance at January 1, 2017	27,420	125,791	123,571	276,783
Net result for the period January 1, 2017 to September 30, 2017	–	–	2,151	2,151
<i>Other comprehensive income for the period</i>				
Currency translation differences	–	–	–	–
Total comprehensive income for the period January 1, 2017 to September 30, 2017	–	–	2,151	2,151
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	–	785	–	785
Buy-back of own shares	-306	-6,749	–	-7,055
Total transactions with owners	-306	-5,964	–	-6,270
Balance at September 30, 2017	27,114	119,827	125,723	272,664
Balance at January 1, 2018	27,066	119,073	126,988	273,128
Net result for the period January 1, 2018 to September 30, 2018	–	–	5,790	5,790
<i>Other comprehensive income for the period</i>				
Currency translation differences	–	–	–	–
Total comprehensive income for the period January 1, 2018 to September 30, 2018	–	–	5,790	5,790
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	–	1,365	–	1,365
Buy-back of own shares (Note 7)	-6	-171	–	-177
Total transactions with owners	-6	1,194	–	1,188
Balance at September 30, 2018	27,060	120,267	132,779	280,106

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/

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.

IFRS 16, *Leases*, is effective from January 1, 2019. The Company has analysed the new standard and the conclusion is that the Company's leasing commitments consist only of lease agreements for premises, therefore will the new standard not have a significant impact on the Company's financial reports.

Note 2

Related party transactions

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

	Operating expenses		Current liabilities	
	9m 2018	9m 2017	9m 2018	9m 2017
Key management and Board of Directors ¹	-4,180	-2,293	-171	-133

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

Management has purchased Vostok New Ventures Ltd senior secured bond 2018/2022 during 2Q 2018 for USD 0.22 mln (SEK 2 mln) and owns USD 0.22 mln (SEK 2 mln) per September 30, 2018.

The costs for the long-term incentive programs (LTIP 2016, LTIP 2017 and LTIP 2018) for the management amounted to USD 1.24 mln, excluding social taxes. See details of the LTIP 2016, LTIP 2017 and LTIP 2018 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 September 30, 2018.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	11,458	131,952	823,583	966,992
Total assets	11,458	131,952	823,583	966,992

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 from level 3	-78,889
Transfers to level 3	36,329
Change in fair value and other	29,439
Closing balance September 30, 2018	823,583

During 2018, three transfers from level 3 and 2 have been done. Gett, OneTwoTrip and El Basharsoft have been transferred from level 3 to level 2 following transactions. Hemnet and babylon have been transferred from level 2 to level 3. The investments in Gett, OneTwoTrip, Wallapop, Booksy, Housing Anywhere, El Basharsoft, DOC+, Shwe Property, JobNet, Vezeeta, CarZar, Agente Imóvel, VOI Technology and Busfor are classified as level 2 as the valuations are based on the price paid in each respective transaction. Avito, BlaBlaCar, Propertyfinder, babylon, Hemnet, Merro, Naseeb Networks and KEH AB are classified as level 3 investments, based on valuation models using EBITDA and revenue multiples of comparable listed peers. babylon is valued as a level 3 investment based on the latest transaction in the company which was completed in May 2017.

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 invest-

ment 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 September 30, 2018.

As per September 30, 2018, Vostok New Ventures values its stake in Avito to USD 617.4 mln (USD 4.7 bn for the entire company) on the basis of an EV/EBITDA peer multiples valuation model. The valuation model used as per September 30, 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 4% increase in valuation compared with Vostok's valuation as per year-end 2017. The main drivers of the revaluation during 3Q18 are the updated peer-related input data and fx movements.

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 18.3x and the median multiple is 17.8x, 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 September 30, 2018.

	Sensitivity EBITDA multiple				
	-15%	-10%	+10%	+15%	
Valuation of Vostok New Ventures' Avito investment, USD million	527	557	617	677	707
	Sensitivity EBITDA CAGR				
	24%	26%	28%	30%	32%
Valuation of Vostok New Ventures' Avito investment, USD million	586	603	617	638	655
	Sensitivity USD/RUB				
	+15%	+10%	65.54	-10%	-15%
Valuation of Vostok New Ventures' Avito investment, USD million	539	563	617	684	723

BlaBlaCar

As per September 30, 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 September 30, 2018. The company valuation as per September 30, 2018 is approximately the same valuation as per December 31, 2017. The model, first used in the third quarter 2017 reflects BlaBlaCar's continued GMV growth but less than originally expected net revenue development. As only a few markets monetize at a mature level, net revenue alone does not capture the fair value of BlaBlaCar. In this respect GMV is a good metric as it captures value also in large pre-monetization markets such as Russia. Currently, the vast majority of BlaBlaCar's net revenue is generated in France and a few other European markets and is denominated in EUR.

The model looks at both a forward GMV multiple and a forward net revenue multiple, to best reflect both 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 September 30, 2018, the company has over 65 mln members and 20 mln travelers per quarter.

	Sensitivity in model-based BlaBlaCar valuation as per Sep 30, 2018				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	106	110	119	127	132
	Sensitivity in model-based BlaBlaCar valuation as per Sep 30, 2018				
	-15%	-10%	France GMV	+10%	+15%
Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	114	116	119	123	124

Gett

As per September 30, 2018, the Gett investment is classified as a level 2 investment as it is valued on the basis of a transaction that closed in 2Q18 where Vostok New Ventures participated. The company valuation in the transaction is approx. 10% lower than the last model-based valuation of the company.

Propertyfinder

As per September 30, 2018, the Propertyfinder investment is classified as a level 3 investment as it is valued at USD 36.0 mln on the basis of EV/Sales-multiple valuation model. The median multiple of the peer group is 8.3x 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 26% higher than the valuation as per December 31, 2017. The revaluation is driven by Propertyfinder's strong net revenue growth and higher peer multiples.

	Sensitivity in model-based Propertyfinder valuation as per Sep 30, 2018				
	-20%	-10%	EV/Sales multiple	+10%	+20%
Valuation of Vostok New Ventures' Propertyfinder investment, USD million	29	32	36	40	43

babylon

As per September 30, 2018, the babylon investment is classified as a level 3 investment as it is valued on the basis of the latest transaction in the company which was completed in May 2017. 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 September 30, 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.

	Sensitivity in transaction-based babylon valuation as per Sep 30, 2018				
	-15%	-10%	babylon valuation	+10%	+15%
Valuation of Vostok New Ventures' babylon investment, USD million	19.2	20.3	22.6	24.9	26.0

OneTwoTrip

As per September 30, 2018, OneTwoTrip is classified as a level 2 investment as it is valued at USD 16.5 mln on the basis of a recent transaction in the company that closed in the third quarter 2018. Vostok New Ventures owns 16.7% of the company on a fully diluted basis as per September 30, 2018.

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

As per September 30, 2018, Hemnet is classified as a level 3 investment as it is valued to USD 14.6 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 September 30, 2018, the model is deemed the best fair value estimate of the company. The median multiple of the peer group is 20.8x 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 30% higher than the valuation as per December 31, 2017.

	Sensitivity in model-based Hemnet valuation as per Sep 30, 2018				
	-15%	-10%	EV/EBITDA multiple	+10%	+15%
Valuation of Vostok New Ventures' Hemnet investment, USD million	11.9	12.8	14.6	16.3	17.3

Wallapop

As per September 30, 2018, Wallapop is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company and cash. Vostok New Ventures' indirect stake in the company is valued at USD 14.5 mln. As per September 30, 2018, the latest transaction which closed in 2018 is 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.

Merro

As per September 30, 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 September 30, 2018 Vostok New Ventures stake in the company is valued to USD 8.2 mln which is 13% lower than the valuation as per December 31, 2017. 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 September 30, 2018, Opensooq accounts for 42.4% of the fair value estimate of Merro.

	Sensitivity in Sum of the parts-based Merro valuation as per Sep 30, 2018				
	-15%	-10%	Opensooq valuation	+10%	+15%
Valuation of Vostok New Ventures' Merro investment, USD million	7.0	7.4	8.2	9.0	9.4

Booksy

As per September 30, 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.

El Basharsoft

As per September 30, 2018, El Basharsoft (Wuzzuf and Forasna) is classified as a level 2 investment as it is valued on the basis of the last transaction in the company. Vostok New Ventures invested a total of USD 2.5 mln in the company in the 2018 transaction.

Naseeb Networks

As per September 30, 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 4.2 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 7.8x.

	Sensitivity in model-based Naseeb valuation as per Sep 30, 2018				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Naseeb investment, USD million	3.6	3.8	4.2	4.6	4.8

Busfor

As per September 30, 2018, Busfor is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. VNV invested through a convertible note which was converted in 4Q18. Vostok New Ventures invested a total of USD 4.0 mln in the company.

DOC+

As per September 30, 2018, DOC+ 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 2018. Vostok New Ventures invested a total of USD 4.0 mln in the company.

Housing Anywhere

As per September 30, 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 3.9 mln (EUR 3.3 mln) in the company.

CarZar

As per September 30, 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 Vostok New Ventures' total investment to USD 3.0 mln.

Vezeeta

As per September 30, 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 closed during the third quarter 2018. Vostok New Ventures participated with USD 1.25 in the financing round. As per September 30, 2018, Vostok New Ventures values its investment in Vezeeta to USD 3.2 based on this transaction.

Agente Imóvel

As per September 30, 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 2018. Vostok New Ventures has invested a total of USD 2.0 mln in the company, which as per September 30, 2018 is valued at USD 3.0 mln based on the 2Q18 transaction.

VOI Technology

As per September 30, 2018, VOI 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 and third quarter of 2018. Vostok New Ventures invested a total of USD 2.75 mln in the company.

KEH AB (YouScan and other assets)

Vostok New Ventures owns 33.9% of KEH AB fully diluted. As per September 30, 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 September 30, 2018.

	Sensitivity in model-based KEH AB valuation as per Sep 30, 2018				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' KEH AB investment, USD million	1.6	1.7	1.9	2.1	2.2

Marley Spoon (equity)

As per September 30, 2018, the equity in Marley Spoon is valued at USD 0.8 mln on the basis of the closing price on the last trading day of Marley Spoon in 3Q18. Marley Spoon equity is classified as a level 1 investment.

Shwe Property

As per September 30, 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.

JobNet

As per September 30, 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.

Liquidity management (Level 1)

As per September 30, 2018, Vostok New Ventures own USD 10.7 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 September 30, 2018, is the last published NAV as per end of September 2018.

Loan receivables

The Marley Spoon loan was fully repaid during the third quarter of 2018. As per September 30, 2018, the Company does not have any outstanding loan receivables.

Current liabilities

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

Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2018, USD	Investments/ (disposals), net, USD	FV change, USD	Closing balance Sep 30, 2018, USD	Percentage weight of total portfolio
Avito AB	591,938,454	-	25,448,879	617,387,333	61.1%
BlaBlaCar	118,615,542	-	79,364	118,694,906	11.7%
Gett	59,198,650	5,000,000	-8,719,807	55,478,843	5.5%
Propertyfinder	28,704,345	250,037	7,086,329	36,040,711	3.6%
babylon	23,335,857	-	-728,327	22,607,530	2.2%
OneTwoTrip	20,810,533	1,000,000	-5,262,302	16,548,231	1.6%
Hemnet (through YSaphis S.A. and Merro Partners S.A.)	11,207,369	-	3,389,025	14,596,394	1.4%
Wallapop	13,533,279	-	966,721	14,500,000	1.4%
Merro	9,358,731	-	-1,177,151	8,181,580	0.8%
Booksy	-	5,989,711	-	5,989,711	0.6%
El Basharsoft (Wuzzuf and Forasna)	2,347,911	2,495,753	-106,906	4,736,758	0.5%
Naseeb Networks (Roze and Mihnati)	4,203,772	-	-13,902	4,189,870	0.4%
DOC+	-	4,000,000	-	4,000,000	0.4%
Housing Anywhere	-	4,117,663	-237,686	3,879,977	0.4%
CarZar	3,521,186	-	-	3,521,186	0.3%
Vezeeta (DrBridge)	1,833,313	1,250,000	72,633	3,155,946	0.3%
Agente Imóvel	1,000,000	1,000,000	999,443	2,999,443	0.3%
VOI Technology	-	2,750,000	-	2,750,000	0.3%
KEH AB (YouScan and other assets)	1,526,375	-	358,224	1,884,599	0.2%
Marley Spoon	-	1,910,799	-1,134,588	776,211	0.1%
Shwe Property	-	500,000	-	500,000	0.0%
JobNet	-	500,000	-	500,000	0.0%
Busfor, convertible debt	-	3,992,995	51,635	4,044,630	0.4%
Delivery Hero AG	888,401	-1,088,093	199,692	-	0.0%
babylon, convertible debt	-	9,242,759	104,274	9,347,033	0.9%
Liquidity management	8,023,392	2,582,650	75,380	10,681,421	1.1%
Total	900,047,110	45,513,718	21,431,485	966,992,313	

Note 4 VAT claim

The Swedish Tax Agency (the "STA") has during 2015 audited Vostok New Ventures AB's VAT returns for the period January 2013–December 2014. According to the STA's decision from the audit, Vostok New Ventures AB is obliged to pay an additional amount of output VAT of SEK 38,309,135 together with tax penalties of SEK 2,753,579 on the services supplied to the Issuer. 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 favor of the STA's decision.

Vostok New Ventures AB has paid an additional VAT for 2013–2014 according to STA's claim and appealed the ruling to the Court of Appeal. The Court of Appeal issued a negative ruling on June 28, 2018 which the Company appealed to the Supreme Administrative Court during August, 2018. VAT for the period 2013 to the second quarter of 2018 have been taken into the accounts as operating expenses per September 30, 2018 in the Group's Income statement.

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 and on the Swedish Financial Supervisory Authority's website www.fi.se.

During June 2018, as part of the transaction issuing the Company's new Bonds 2018/2022, the largest holder of Existing Bonds 2017/2020 committed to roll over SEK 150 million of their holding into Bonds

2018/2022. As a consequence of the roll-over, SEK 150 million of Bonds 2017/2020 have been cancelled, reducing the outstanding amount under Bonds 2017/2022 to SEK 450 million.

As per September 30, 2018, the value of the bond debt was USD 50.33 million. The book values for long-term debts are deemed to correspond to the fair values.

Bonds 2018/2022

On June 7, 2018, the Company announced that it had successfully placed four-year senior secured bonds in the amount of SEK 400 million within a total frame of SEK 600 million. The bonds, maturing on June 7, 2022, bear a fixed coupon of 6.15% with quarterly interest payments.

The bonds are listed for trading on Nasdaq Stockholm. The first day of trading was July 11, 2018. 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 September 30, 2018, was USD 44.67 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 third 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 third quarter of 2018, the reported costs for the program amounted to USD 0.18 million.

LTIP 2018

At the 2018 annual general meeting held on May 16, 2018, 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, 2018 through March 31, 2021, and encompasses a maximum of 510,000 shares, corresponding to a dilution of 0.60% 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, 2018 through December 31, 2020. During the third quarter of 2018, the reported costs for the program amounted to USD 0.21 million.

Note 7 **Depository receipt buy-back**

During the third quarter 2018, no 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 invested USD 1 mln as a follow-on investment in Booksy. On November 13, 2018, Vostok New Ventures announced a material transaction in BlaBlaCar. BlaBlaCar has entered into an agreement with SNCF to acquire Ouibus, a market-leading french bus operator. BlaBlaCar also announced a EUR 101 mln funding round involving SNCF and existing BlaBlaCar investors.

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 September 30, 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 5.8 mln (2017: 2.15). 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' twelve months report for the period January 1, 2018–December 31, 2018 will be published on February 13, 2019.

November 14, 2018

Per Brilioth
Managing Director

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Report on Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Vostok New Ventures Ltd as of September 30, 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34.

Gothenburg, November 14, 2018
PricewaterhouseCoopers AB

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Authorized Public Accountant
Auditor in charge

Bo Hjalmarsson
Authorized Public Accountant

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