



*Vostok New Ventures Ltd.*

# Financial Report

For the Fourth Quarter and Twelve Months Period 2018

- Net result for the period was USD -4.86 million (mln) (January 1, 2017–December 31, 2017: 161.39). Earnings per share were USD -0.06 (1.94).
- Net result for the quarter was USD -36.14 mln (144.96). Earnings per share for the quarter were USD -0.43 (1.71).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 876.71 mln on December 31, 2018 (December 31, 2017: 879.99), corresponding to USD 10.37 per share (December 31, 2017: 10.40). Given a SEK/USD exchange rate of 8.971 the values were SEK 7,864.96 mln (December 31, 2017: 7,244.35) and SEK 93.01 (December 31, 2017: 85.65), respectively.
- The group’s net asset value per share in USD decreased by 0.4% over the period January 1, 2018–December 31, 2018.
- During the quarter October 1, 2018–December 31, 2018, the group’s net asset value per share in USD decreased by 3.9%.
- 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 resulted 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.
- After the end of the period, on January 25, 2019, Vostok New Ventures announced it had sold all its shares in Avito for a total consideration of USD 540 mln, which is the same valuation as per December 31, 2018.
- On January 28, 2019, Vostok gave notice of a Special General Meeting to be held on February 14, 2019, to resolve the Board of Directors’ proposal to transfer approximately USD 236 mln (SEK 25 per share) to its shareholders through a share split and mandatory redemption program.
- On January 28, 2019, the Company announced an early redemption of all outstanding bonds of series 2017/2020 and series 2018/2022.
- The number of outstanding shares (SDRs), excluding 1,125,952 repurchased SDRs, at the end of the period was 84,562,357.
- On January 29, 2019, Vostok New Ventures announced that the Company’s Board of Directors had resolved on a renewed mandate to repurchase SDRs. After the end of the period Vostok New Ventures repurchased an additional 3,280,118 SDRs under the new mandate. As per February 12, 2019, the number of outstanding shares (SDRs), excluding 4,406,070 repurchased SDRs, was 81,282,239.

# Management report

We sold Avito just after the year-end. Avito has been a long, long, but also amazing journey. On the whole of course a massive success producing a 34x on invested capital, which equates to an IRR of some 37% for Vostok shareholders. A large love bombing SPASIBO goes out to Filip, Jonas and the full Avito team that we have interacted with over the past 11 years. However, this is not goodbye. Avito has over the years blessed us with a great and global network of very talented people that I sense we will continue to work with as entrepreneurs, colleagues, partners for many, many years to come.

To part ways with Avito, which has been the inspiration for what Vostok does today, was not an easy decision. We think there is upside from this price and wish Naspers all the best for the future as the sole shareholder of this very fine asset. In fact, Avito had an all-time high in revenues this last quarter of 2018.

However, an integral part of our investment work is the backing of entrepreneurial founders and our exit rule of thumb is that we sell when the founders sell. When founders part ways with their company, this often is the mark of the transition of the company from a risky startup phase to a large corporate requiring a different set of leadership both at the company and often also in the shareholder ranks. Avito has been a large company for some time now and the founders did partly exit some three years ago. We opted to stay with our full shareholding which gave us another 61% return. Now that the founders have decided to fully exit their remaining shares it is time for us to move on as well.

The fundamental analysis of a bid at USD 4 bln is that it represents a multiple of roughly 20x, which in turn means an expected earnings growth rate of some 18–20% if you look at regression of multiples vs. earnings of the peer group. I believe this is within a very reasonable range for Avito, especially in the light of that the competition, especially within the car space, is intense.

Due to the difference of the selling price and our mark at third quarter of 2018, our accounts will reflect a revaluation of some USD -77 mln (USD 617 mln minus USD 540 mln). Our previous mark at 3Q18 is a result of a valuation model. A model is a model, even though we put in a lot of effort into it, subjectivity is present and therefore seldom do we achieve exact parity between the models and the real prices upon which transactions happen. Sometimes deal values come in a little lower

than the model (like this time with Avito), sometimes they come in a little higher (like in the recent BlaBlaCar transaction) and sometimes they come in pretty much bang in line as when General Atlantic recently invested into Property Finder. In this case, we are a little more than 12% lower than the mark, BlaBlaCar was some 36% higher.

The proceeds of this exit will be used to pay down the outstanding debt of Vostok and to continue our investment work which we will forever benchmark against our track record of Avito. However, this also leaves room for a large distribution, much along the lines of the history of Vostok. An SGM is due on February 14 to vote on a distribution of some USD 236 mln, or SEK 25 per SDR, through a share redemption program.

Due to some shareholder rotation post our announcement of the sale of Avito, our share price discount to NAV has increased, and the SDR is currently trading at some 18% of NAV. In our portfolio, I believe there is a very high upside at acceptable risks and feel that to be able to invest into this portfolio at a discount offers maybe the best opportunity out there. We have during 2019 bought back some USD 26.9 mln of our own stock (worth roughly some USD 34.0 mln of which, post the SEK 25 per share distribution, 40% is cash) and will continue to evaluate this alongside any other investment opportunity. Buying back our own stock at a high discount to NAV also offers an excellent mechanism for distributing further cash in the absence of other deals with superior risk reward characteristics.

I so look forward to 2019 and beyond. As per above I believe our portfolio offers characteristics that are quite unique. We will continue to build on the track record of past investments and exits, always with an eye on the opportunity of our own stock. Like for many years now our focus is on companies with the potential for strong network effects (the product of the company should become better with more users). Beneath this we are building sub-portfolios and expertise within online classifieds e.g. Property Finder and Hemnet, Digital Health e.g. Babylon, Vezeeta, DOC+ and Numan, and of course transportation with BlaBlaCar, Gett and VOI.

We are very conscious that our current portfolio consists of companies that are less mature than Avito and therefore come with a lower capacity for the kind of public transparency that our shareholders and

investors need to build a detailed view of future prospects. However, we have a long experience of helping both our portfolio companies and investor community to bridge this gap and endeavor to continue working on this topic. One tool is to offer the investor community an opportunity to interact with representatives of our

portfolio companies at an annual Capital Markets Day. We are planning the next one in London on June 13, 2019, with a special focus on Babylon and Digital Health. I welcome you to join us then, in person or through the web. Until then, thanks for your commitment and support. Onwards and upwards!

February 2019,  
Per Brilioth  
*Managing Director*

# Avito General

After having gone through four of Avito’s verticals in previous reports – Real Estate, Auto, Jobs and Services – we now conclude the run through by taking a closer look at the General categories. Because of the recent transaction, we have chosen not to invest time and effort into assigning a value to this part of the business as we have done with other verticals, but we still wanted to give our view on what we consider to be the very core of any horizontal classifieds property.

To call it the “General vertical” is actually a bit misleading, since General encompasses a wide range of very different categories. It consists of Personal belongings, Children’s goods, Construction and renovation, For home and dacha, Electronics, Hobby and leisure, Pets, For business and Spare parts. In some respects, it is more a way to collect what is left into one bucket than a logical vertical of its own.

Even if those categories are all very different, they do share some common features that sets them apart from the other verticals:

- Goods are traded (unlike in Jobs and Services)
- They can be shipped and moved (unlike in Real estate)
- The value of the items is relatively low (unlike e.g. Auto)
- Private users make up the bulk of advertisers (unlike Real estate, Services or Jobs), but professional power users (often selling new goods) make up for a disproportionate share of items
- The categories have a relatively high competition from e-commerce (unlike all other categories)

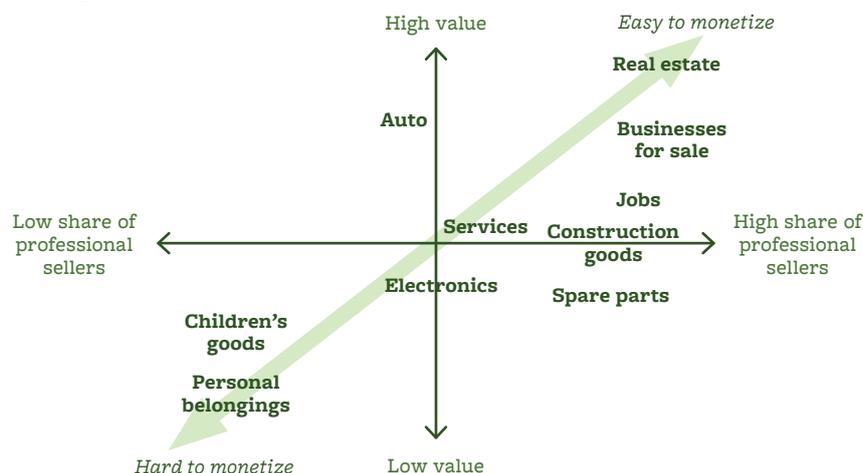
So in this respect, there is some logic in grouping them together. That is what Avito has done from an organizational view and it is also how we look at the business.

If you look at the number of items, the General categories are vastly outnumbering the rest. 85% of Avito’s total active items live in the General categories, and Personal belongings and Children’s goods alone make up 40%. Advertisers who publish ads in the General categories also represent a large share of total advertisers on the platform, especially among privates. It is therefore extremely important to have a strong position in these categories in order to keep being relevant and top of mind for a large share of the population.

<b>Total ads</b>	<b>48,618,910</b>
Personal belongings	19,584,067
Auto/Transport	10,409,343
- of which spare parts	9,436,594
For house and dacha	4,537,194
Electronics	3,813,051
Hobby and leisure	3,531,327
Real estate	2,410,437
Jobs	2,095,877
Services	1,336,225
Pets	482,581
For business	418,495

*Snapshot over the number of active items on Avito as per February 1, 2018.*

*Examples of categories and the possibilities to monetize*



But from a revenue perspective, the most item-heavy categories such as Personal Belongings and Children's goods are less important. As in the other major verticals, the bulk of revenues come from professional users (we estimate that up to 75% of revenue in General comes from professionals). The lower the share of professional sellers and the lower the value of an average item, the harder it is to monetize a category through the standard classifieds monetization tools (i.e. visibility features and listing fees). Few privates are simply ready to pay to get rid of stuff they don't need anymore, especially if the value is low. But with a high share of professional sellers who have an inventory to sell, you can make a lot of revenues even if the average value of an item is moderate (as in e.g. Spare Parts or Construction and renovation).

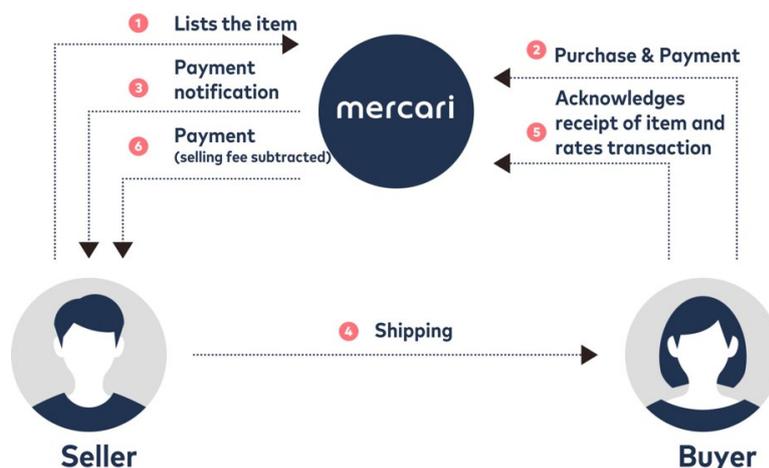
Approximately  $\frac{3}{4}$  of Avito General's revenues come from four subcategories according to our estimates, and they can be grouped into two subsets:

- *Spare parts, Construction and renovation and For business* – these categories are characterized by a) a large share of professional sellers, b) low standardization of items -> many ads, c) moderate to high prices
- *Electronics* – a large majority of the revenues in electronics comes from phones, where the supply is standardized and competition is high which drives a lot of demand for value added services (much like the Services vertical)

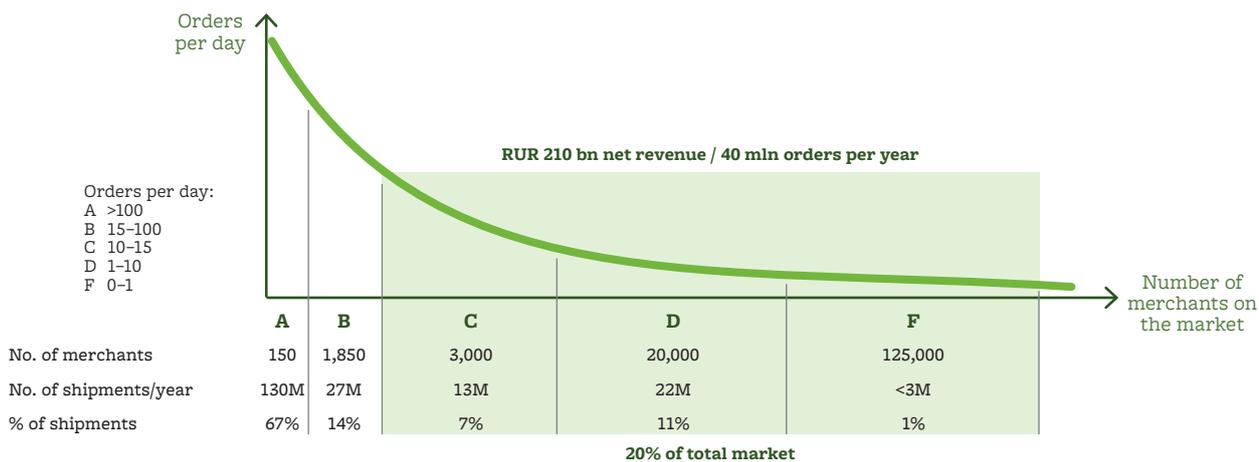
In the last five years or so, many classifieds platforms that have traditionally been strong in the General categories have been under heavy attack by mobile first challengers. In some countries – like Spain – the challengers have been very successful and been able to replace the incumbent. Avito has also been under attack by Youla, which has managed to reach impressive traction. The focus on a location based user experience paired with the possibilities of targeted marketing of private users through social media has allowed this type of platforms to gain liquidity in micro-segments quickly, such as mothers in Moscow. This is a playbook that is very different from the more traditional classifieds approach of broad scale TV advertising and a sales force to go after professional sellers. The emergence of these players has had quite limited impact on the incumbent's revenues, though. Despite the huge share of items, we estimate that Personal belongings, Children's goods, etc. only make up a couple of percent of the largest horizontal classifieds platforms' revenue.

This is why the best-in-class C2C trading platforms focusing on low value categories have found other ways to monetize. Mercari of Japan is one good example, where the platform acts as an intermediary to handle payments and deliveries, and then take a cut on each transaction. In order to prevent leakage (buyers and sellers circumventing the platform to avoid paying the fee) consumers aren't allowed to communicate directly, but do so through the platform.

Example of Mercari's flow of listing, payment and shipping



Distribution of number of Russian e-commerce merchants by size (measured as number of shipments)



Avito has implemented both payments and deliveries on the platform, allowing users to buy and sell goods all over the country. Although this e-commerce type of experience is exciting and shows promising signs for many classifieds players, it still doesn't generate substantial net revenues for any of the major platforms we know of. In Russia, there is also the added complexity of a logistics infrastructure that is of very low quality (the World Bank ranks Russia's infrastructure 75th in the world, after Paraguay but just before Benin).

A poor logistics infrastructure is not only bad news for Avito General, though. It has resulted in a quite fragmented landscape in the General categories, with a large number of merchants in the long tail who serve local regions since it is hard to send good over long distances. The fragmentation is illustrated in the graph above, which is based on data from the Association of Internet Trade Companies. Small merchants with 15 or fewer e-commerce orders per day represent a large majority of total users, and 20% of total shipments. In addition, they sell many items without shipping (e.g. pick-up in store), which is not captured in this data. For them, Avito is an excellent marketplace for advertising and Avito has a sales organization and a product offering that suits this type of clients very well.

Avito also has a very strong position among consumers in most General categories, and according to our data more people have used Avito to purchase electronics than the largest electronics e-commerce player. The same is true for a large number of other categories as well, such as Personal belongings, For hobby and leisure and For home and dacha – also in these categories Avito is more widely used than the market leading e-com player.

# Investment portfolio

## Portfolio Structure – Net Asset Value

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

Company	Fair value, USD Dec 31, 2018	Percentage weight	Fair value, USD Dec 31, 2017	Fair value change per share, USD 2018
Avito	539,874,449	55.5%	591,938,454	-9% <sup>1</sup>
BlaBlaCar	157,695,271	16.2%	118,615,542	33% <sup>1</sup>
Gett	55,358,979	5.7%	59,198,650	-15% <sup>1</sup>
Property Finder	39,985,331	4.1%	28,704,345	24% <sup>1</sup>
Babylon	21,884,394	2.2%	23,335,857	-6% <sup>1,3</sup>
OneTwoTrip	16,548,231	1.7%	20,810,533	-25% <sup>1</sup>
Hemnet (through YSaphis S.A. and Merro Partners S.A.)	14,178,027	1.5%	11,207,369	27% <sup>1</sup>
VOI Technology	10,831,921	1.1%	–	294% <sup>1,2</sup>
Wallapop	9,950,485	1.0%	13,533,279	-26% <sup>1</sup>
Busfor	8,604,151	0.9%	–	1% <sup>1,2</sup>
Merro	7,761,119	0.8%	9,358,731	-17% <sup>1</sup>
Housing Anywhere	6,226,535	0.6%	–	5% <sup>1,2</sup>
Booksy	5,989,711	0.6%	–	– <sup>1</sup>
El Basharsoft (Wuzzuf and Forasna)	4,736,758	0.5%	2,347,911	-2% <sup>1</sup>
DOC+	4,000,000	0.4%	–	– <sup>1</sup>
Naseeb Networks (Rozee and Mihnati)	3,807,560	0.4%	4,203,772	-9% <sup>1</sup>
Vezeeta (DrBridge)	3,155,946	0.3%	1,833,313	3% <sup>1</sup>
CarZar	3,000,000	0.3%	3,521,186	-15% <sup>1</sup>
Agente Imóvel	2,999,443	0.3%	1,000,000	100% <sup>1</sup>
KEH AB (YouScan)	2,346,512	0.2%	1,526,375	54% <sup>1</sup>
Shwe Property	500,000	0.1%	–	– <sup>1</sup>
JobNet	500,000	0.1%	–	– <sup>1</sup>
Dubicars	348,325	0.0%	–	– <sup>1</sup>
Marley Spoon	315,981	0.0%	–	-83% <sup>1</sup>
Delivery Hero AG, equity	–	–	888,401	– <sup>1</sup>
Babylon, convertible debt	9,226,610	1.0%	–	– <sup>1</sup>
Numan, convertible debt	1,012,000	0.1%	–	– <sup>1</sup>
Booksy, convertible debt	999,900	0.1%	–	– <sup>1</sup>
Liquidity management	644,274	0.1%	8,023,392	<sup>1</sup>
Cash	40,303,166	4.1%	51,078,919	
<b>Total investment portfolio</b>	<b>972,785,078</b>	<b>100.0%</b>	<b>951,126,029</b>	
Borrowings	-93,944,249		-71,541,440	
Other net receivables/liabilities	-2,131,873		405,089	
<b>Total NAV</b>	<b>876,708,956</b>		<b>879,989,679</b>	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.
2. Fair value change per share since initial investment date.
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 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 December 31, 2018, Vostok New Ventures owned a 13.2% stake in the company on a fully diluted basis and values its stake in Avito at USD 540 mln (USD 4.0 bn for the entire company) on the basis of the transaction that closed on January 25, 2019, where Vostok sold all its shares in the company.

<b>Avito</b>		 <a href="http://avito.ru">avito.ru</a>				
Share of total portfolio: <b>55.5%</b>		<b>2007</b> Investment year	<b>6,166,470</b> Vostok New Ventures' number of shares as at Dec 31, 2018	<b>539.9</b> Total value (USD mln)	<b>13.2%</b> Share of total shares outstanding	<b>-9%</b> Value development 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 Nappez, CTO, and Nicolas Brusson, COO and has raised more than USD 300 mln in funding to date. Currently, BlaBlaCar operates in Benelux, Croatia, France, Germany, Hungary, India, Italy, Mexico, Poland, Portugal, Romania, Russia, Serbia, Spain, Turkey, Ukraine and the United Kingdom.

BlaBlaCar has during 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 more than 15 million members. BlaBlaCar estimates that 50 million people booked 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 December 31, 2018, Vostok New Ventures owns approximately 9.3% of BlaBlaCar on a fully diluted basis and the investment is valued on the basis of a material transaction in the company that was announced on November 13, 2018. 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 had material impact on Vostok New Ventures' Net Asset Value and resulted 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

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

Share of total portfolio:  
**16.2%**



**2015–17**

Investment years

**14,492,319**

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

**157.7**

Total value (USD mln)

**9.3%**

Share of total shares outstanding

**+33%**

Value development 2018 (in USD)



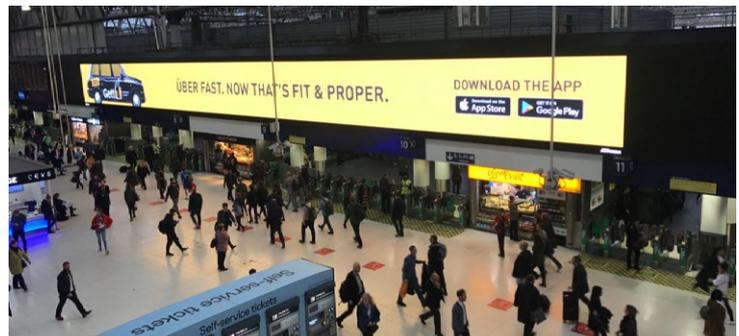
Gett is a global ride sharing app built on a simple idea – if you treat drivers better, they will treat riders better.

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 December 31, 2018, the Gett investment is valued at USD 55.4 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 December 31, 2018 is 15.0% lower than the model based valuation as per December 31, 2017.



## Gett

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

Share of total portfolio:  
**5.7%**



**2014–18**  
Investment years

**19,975,816**  
Vostok New Ventures’  
number of shares as at  
Dec 31 2018

**55.4**  
Total value  
(USD mln)

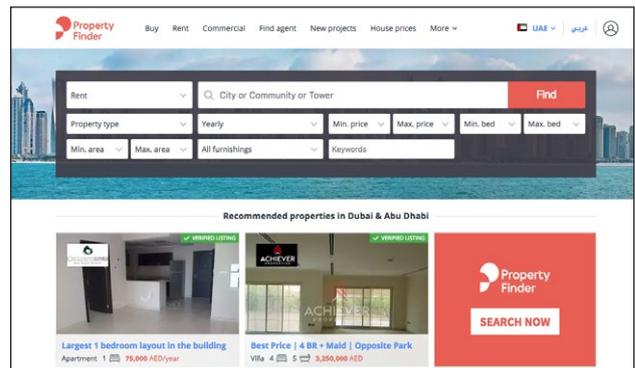
**4.0%**  
Share of  
total shares  
outstanding

**-15%**  
Value development  
2018 (in USD)



Property Finder 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). Property Finder is the clear market leader in UAE and Qatar and in at the top together with a few competitors in its other markets. Property Finder 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. In November 2018, General Atlantic led a new funding round at the company where Vostok participated with USD 3.9 mln.

As per December 31, 2018, Vostok New Ventures values its stake in Property Finder to USD 40.0 mln (USD 380 mln for the entire company) on the basis of a transaction in the company that closed in 4Q18. This valuation represents a 24% 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 Property Finder during 2018 and 2019 and changes in EV/Sales multiples of the peer group (same companies as in earlier quarters).



### Group KPI development 4Q18

- Total page views are up 8% year on year
- Total sessions are up 43% year on year
- Total leads generated are up 11% year on year
- Total unique users are up 42% year on year

## Property Finder

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

<p>Share of total portfolio:</p> <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 5px;">4.1%</div> </div>	<p><b>2015–18</b></p> <p>Investment years</p>	<p><b>160,145</b></p> <p>Vostok New Ventures' number of shares as at Dec 31, 2018</p>	<p><b>40.0</b></p> <p>Total value (USD mln)</p>	<p><b>10.1%</b></p> <p>Share of total shares outstanding</p>	<p><b>+24%</b></p> <p>Value development 2018 (in USD)</p>
--	---	---	---	--	---



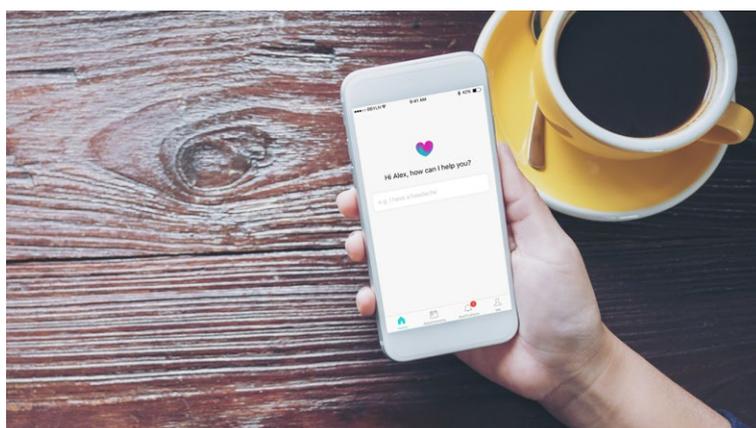
Babylon launched in 2015 and is a pioneer in personal digital healthcare globally. Babylon’s technology, available from any mobile phone or personal computer worldwide, aims to put an accessible and affordable health service into the hands of every person on Earth. Babylon has brought together one of 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. On November 6, 2017, Babylon launched GP at Hand, its service for the National Health Service (NHS) funded healthcare, across most of London. 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.

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, Vostok New Ventures invested an additional GBP 7 mln in Babylon through a convertible note which as per December 31, 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 December 31, 2018, the Babylon investment is valued at GBP 17.3 mln (USD 21.9 mln), on the basis of the latest transaction in the company.



## Babylon

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

Share of total portfolio: **2.2%**



**2017–18**

Investment years

**84,246**

Vostok New Ventures’ number of shares as at Dec 31, 2018

**21.9**

Total value (USD mln)

**10.1%**

Share of total shares outstanding

**-6%\***

Value development 2018 (in USD)

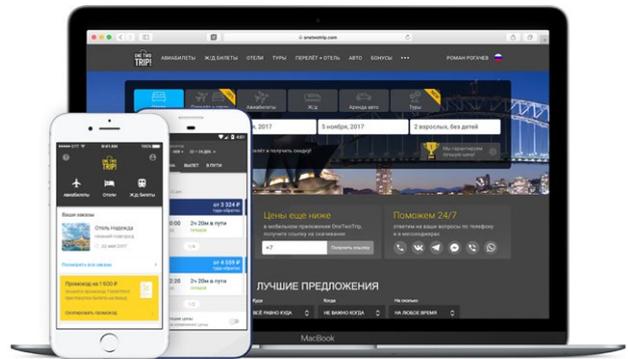
\* Attributable to currency exchange differences.



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 16.3% of the company on a fully diluted basis. As per December 31, 2018, the company is valued based on a transaction that closed in July 2018 where Vostok 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](http://onewotrip.com)

Share of total portfolio:  
**1.7%**



**2015–18**  
Investment years

**102,417**  
Vostok New Ventures' number of shares as at Dec 31, 2018

**16.5**  
Total value (USD mln)

**16.3%**  
Share of total shares outstanding

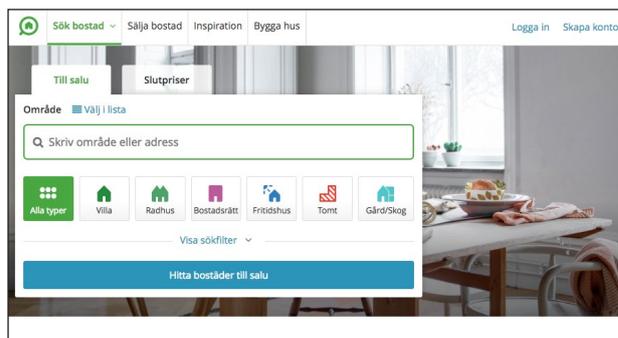
**-25%**  
Value development 2018 (in USD)



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 2018, 199,149 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: 254) and EBIT of SEK 108 mln (2016: 67). Hemnet has a strong position in the Swedish market with substantial network effects through its relationships with real estate brokers and home sellers alike and is in an excellent position to continue to grow its business. For more information, please visit [www.hemnet.se](http://www.hemnet.se).

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

As per December 31, 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 and updated EBITDA forecast.



## Hemnet

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

Share of total portfolio: **1.5%**



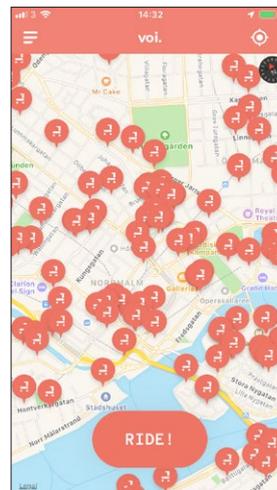
**2016**  
Investment year

**81,106,057**  
Vostok New Ventures' number of shares as at Dec 31, 2018

**14.2**  
Total value (USD mln)

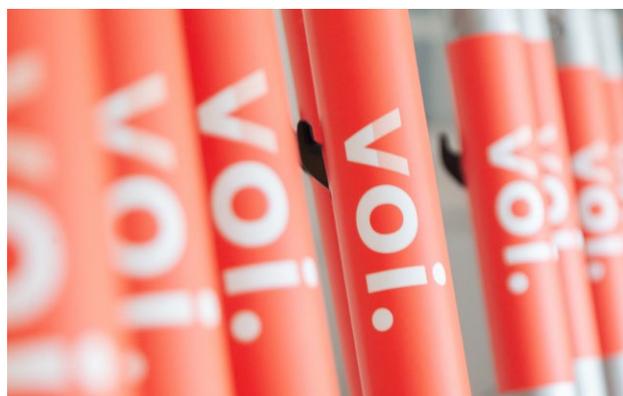
**5.9%**  
Share of total shares outstanding

**+27%**  
Value development 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 in August 2018 and during the fall also launched in Spain, Portugal, France and Denmark. 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 led the company's first funding rounds and has invested a total of USD 2.8 mln.

Vostok New Ventures values VOI Technology on the basis of the last transaction in the company which closed in November 2018, where the company raised new capital led by Balderton Capital. As per December 31, 2018, Vostok New Ventures values the company on the basis of this transaction.



## VOI Technology

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

Share of total portfolio:  
**1.1%**



**2018**  
Investment year

**7,310,000**  
Vostok New Ventures' number of warrants as at Dec 31, 2018

**10.8**  
Total value (USD mln)

**23.0%**  
Share of total shares outstanding

**+294%\***  
Value development 2018 (in USD)

\* If not held on January 1, the date of the initial investment.

# wallapop

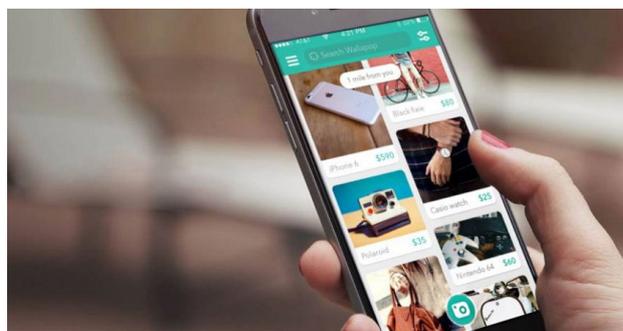
Wallapop is an online marketplace that enables users to buy and sell goods in categories such as fashion, decoration, motorcycles, electronics, and more. The company was founded by Agustin Gomez, Gerard Olivé and Miguel Vicente in January 2013.

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.

In December 2018, Vostok received a USD 4.1 mln distribution from its holding in Wallapop Capital Partners LP, which is the holding vehicle for the shares held in Wallapop.

Vostok New Ventures has in total invested approximately USD 9 mln during 2015. As per December 31, 2018, Vostok New Ventures indirectly owns approximately 2.9% of the company and values its indirect stake in the company to USD 10.0 mln on the basis of the latest transaction from 2018 in the company.



## Wallapop

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

Share of total portfolio: **1.0%**



**2015**  
Investment year

**21,871\***  
Vostok New Ventures' number of shares as at Dec 31, 2018

**10.0**  
Total value (USD mln)

**2.9%**  
Share of total shares outstanding

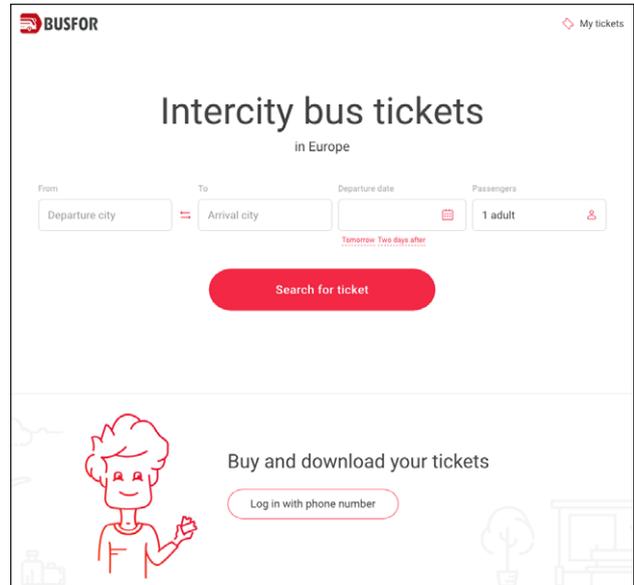
**-26%**  
Value development 2018 (in USD)

\* Shares held indirectly through a limited partnership.



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 and an additional USD 4.5 mln in equity in the company in the fourth quarter 2018. The convertible loan was converted to shares during the fourth quarter of 2018 and Vostok owns 12.3% of the company as per December 31, 2018.



## Busfor

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

Share of total portfolio: **0.9%**



**2018**

Investment year

**515**

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

**8.6**

Total value (USD mln)

**12.3%**

Share of total shares outstanding

**+1%\***

Value development 2018 (in USD)

\* If not held on January 1, the date of the initial investment.

# ✱ 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 Property Finder, 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, Property Finder (sold after the period), 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.
- Property Finder represented the second largest value in Merro's portfolio as per 4Q18. Over the past ten years, Property Finder 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. After the end of the period, in January 2019, Merro sold its shares in Property Finder and distributed proceeds to its shareholders. Vostok New Ventures received USD 2.2 mln in dividends from Merro.

- Dubicars generates more than a million weekly page views and has more than 400 active car dealers from across the UAE. In December 2018, Property Finder, which was the majority shareholder in Dubicars, distributed its holding of Dubicars shares to its shareholders, including Merro and Vostok New Ventures.
- CloudSight (formerly Camfind) is a technology company that simplifies the creation of classifieds listings dramatically through its API (application programming interface).
- Yta.se (formerly Objektia), a company that simplifies the process of finding commercial real estate to lease or purchase. By relaying relevant information about the property and its surroundings in a classic marketplace setting, Yta.se aims to be the Trulia of the commercial real estate industry.
- TipTapp, a mobile marketplace in Sweden which operates "reverse classifieds" whereby consumers can post listings with products they will pay to get rid of, most often bulky trash that would otherwise have to be transported to a recycling center or similar.
- QuintoAndar is an end-to-end real estate rentals service in Brazil that connects landlords and tenants. There are significant pain points within rentals in the country due to bureaucratic legislation that effectively requires a co-signer to guarantee rent obligations. QuintoAndar removes this friction by baking in a free insurance product to the end users' contract as well as improving the general processes of searching for properties, arranging viewings and contracts signing.

As per December 31, 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 17% lower than the valuation as per December 31, 2017, mainly driven by an updated valuation of Opensooq and Property Finder, Merro's largest and second largest holding.

## Merro

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

Share of total portfolio: **0.8%**



**2014/16**

Investment years

**11,106**

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

**7.8**

Total value (USD mln)

**22.6%**

Share of total shares outstanding

**-17%**

Value development 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.

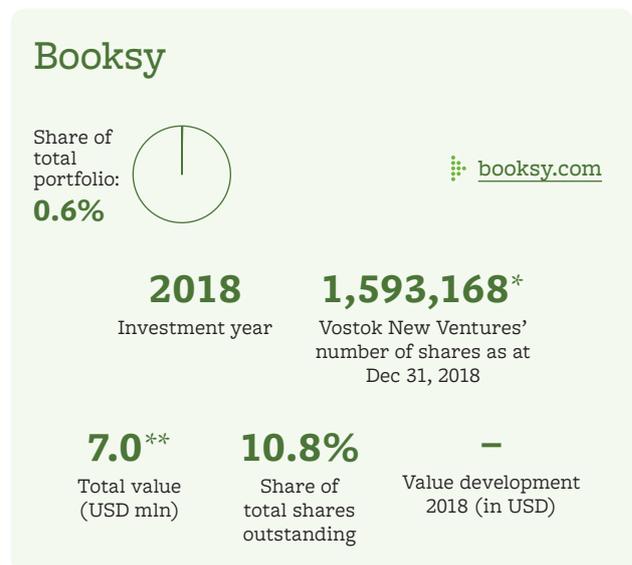
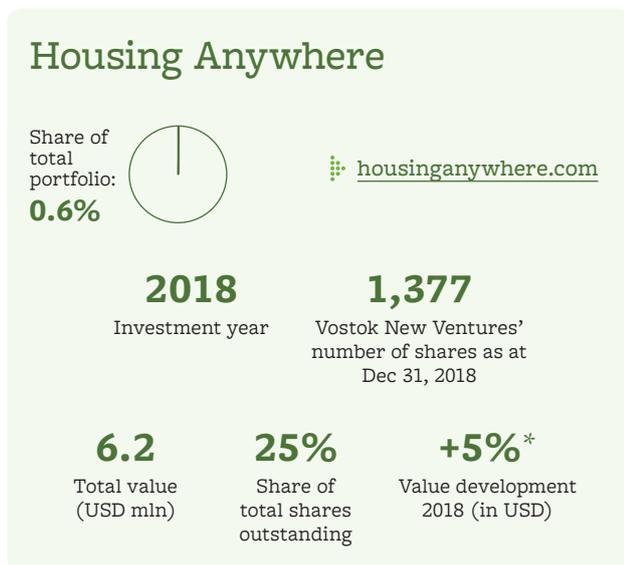
It launches in university cities together with the local university (who subsequently becomes a paying partner in order to supply its international student base with housing options) and moves on to take a fee from the tenant and the landlord. GMV has shown very strong growth in the last 12 months. In 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. Vostok New Ventures invested an additional EUR 1.6 mln in November 2018. As per December 31, 2018, the company is valued on the basis of this latest transaction in the company.

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. In 4Q18, Vostok participated in a follow-on round in Booksy with USD 1 mln. As per December 31, 2018, the investment is valued on the basis of the transaction which closed in 1Q18.



\* If not held on January 1, the date of the initial investment.

\* Indirect holding through Piton Capital.

\*\* Including convertible debt

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

As per December 31, 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.

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

### El Basharsoft (Wuzzuf and Forasna)

Share of total portfolio:  
**0.5%**



[basharsoft.com](http://basharsoft.com)  
[wuzzuf.net](http://wuzzuf.net)  
[forasna.com](http://forasna.com)

**2015-18**

Investment years

**728,732**

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

**4.7**

Total value (USD mln)

**23.7%**

Share of total shares outstanding

**-2%**

Value development 2018 (in USD)

### DOC+

Share of total portfolio:  
**0.4%**



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

**2018**

Investment year

**23,207**

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

**4.0**

Total value (USD mln)

**10.3%**

Share of total shares outstanding

**-**

Value development 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 December 31, 2018, Vostok New Ventures values Naseeb on the basis of a peer multiples valuation model as the latest transaction is more than 12 months old. The model, based on EV/Sales multiples of listed international peers in the recruitment and online classifieds space, generates a valuation of USD 3.8 mln for Vostok New Ventures' stake in the company. This is 9% lower than Vostok New Ventures' valuation as per December 31, 2017.

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. Vostok New Ventures participated with USD 1.25 mln in the round, including the USD 500k convertible note that closed in June 2018.

As per December 31, 2018, the investment in Vezeeta is valued on the basis of the last transaction in the company which closed in the third quarter of 2018.

### Naseeb Networks

(Rozee and Mihnati)

Share of total portfolio: **0.4%**



- [naseebnetworks.com](http://naseebnetworks.com)
- [rozee.pk](http://rozee.pk)
- [mihnati.com](http://mihnati.com)

**2015**

Investment year

**11,481,176**

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

**3.8**

Total value (USD mln)

**24.3%**

Share of total shares outstanding

**-9%**

Value development 2018 (in USD)

### Vezeeta

(DrBridge)

Share of total portfolio: **0.3%**



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

**2016-18**

Investment years

**597,717**

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

**3.2**

Total value (USD mln)

**9.0%**

Share of total shares outstanding

**+2%**

Value development 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 December 31, 2018, Vostok New Ventures values its investment in CarZar on the basis of its total investment amount of USD 3.0 mln, which is 14% lower than the last transaction-based valuation, due to an increased competitive situation in South Africa.

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

## CarZar

Share of total portfolio:  
**0.3%**



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

**2017**

Investment year

**831**

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

**3.0**

Total value (USD mln)

**16.4%**

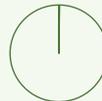
Share of total shares outstanding

**-14%**

Value development 2018 (in USD)

## Agente Imóvel

Share of total portfolio:  
**0.3%**



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

**2017/18**

Investment years

**5,387**

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

**3.0**

Total value (USD mln)

**27.3%**

Share of total shares outstanding

**+100%**

Value development 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.

In 4Q18, KEH AB acquired additional shares in YouScan and now owns 63% of the company.

Vostok New Ventures values KEH AB on the basis of a valuation model for the holding in YouScan based on a revenue multiple. The fair value of KEH AB is attributable to the holding in YouScan. Vostok New Ventures owns 33.2% of KEH AB as per December 31, 2018.

In the fourth quarter 2018, Vostok New Ventures invested USD 1 mln in a newly started European digital health company focused on male health.

The company launched the Numan brand in the first quarter of 2019.

**KEH AB**  
(YouScan)

Share of total portfolio:  [youscan.io](https://youscan.io)  
**0.2%**

**2014** Investment year      **8,808,426** Vostok New Ventures' number of shares as at Dec 31, 2018

**2.3** Total value (USD mln)      **33.2%** Share of total shares outstanding      **+54%** Value development 2018 (in USD)

**Numan**

Share of total portfolio:  [numan.com](https://numan.com)  
**0.1%**

**2018** Investment year      **N/A** Vostok New Ventures' number of shares as at Dec 31, 2018

**1.0** Total value (USD mln)      **-** Share of total shares outstanding      **-** Value development 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 December 31, 2018, the investment in Shwe Property is valued on the basis of this recent transaction.

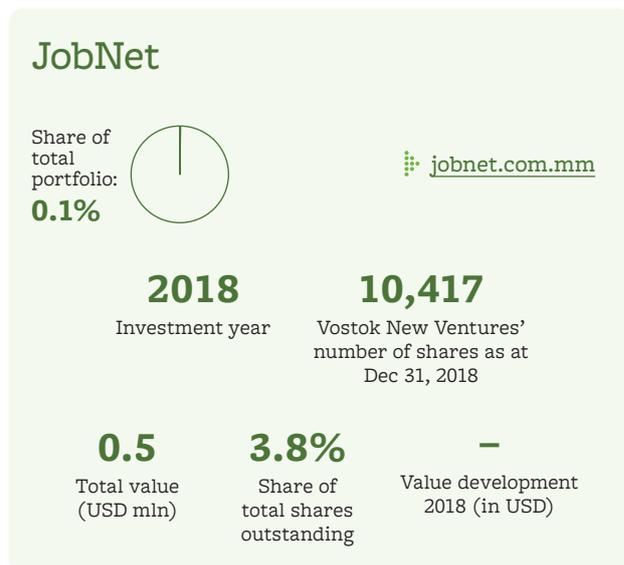
Since its inception in 2015, JobNet has grown rapidly to become the number one online Jobs and Recruitment portal in Myanmar, Asia's last frontier and fastest growing economy,

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 December 31, 2018, the investment in JobNet is valued on the basis of this recent transaction.





# MARLEY SPOON

Dubicars is an auto vertical based in the United Arab Emirates, where car dealers can post their inventory and consumers can find new and used cars. The company was majority owned by Property Finder until December 2018, when Property Finder distributed the shares in Dubicars to its shareholder as in-kind dividend.

Dubicars is valued on the basis of the last primary equity raise at the company which closed in the fourth quarter of 2018.

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 December 31, 2018, the equity is valued to USD 0.3 mln on the basis of the closing price as per December 31, 2018.

## Dubicars

Share of total portfolio:  
**0.0%**



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

**2018**

Investment year

**1,456**

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

**0.3**

Total value (USD mln)

**6.4%**

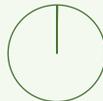
Share of total shares outstanding

**–**

Value development 2018 (in USD)

## Marley Spoon

Share of total portfolio:  
**0.0%**



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

**2018**

Investment year

**996,000**

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

**0.3**

Total value (USD mln)

**1.2%**

Share of total shares outstanding

**-84%\***

Value development 2018 (in USD)

\* If not held on January 1, the date of the initial investment.

# 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 December 31, 2018, the liquidity management investments are valued at USD 0.65 mln (2017: 8.02), based on the latest NAV of each fund and bond's market value.

# Investments

During the fourth quarter 2018, gross investments in financial assets were USD 12.33 mln (2017: 12.17) and proceeds from sales were USD 0 mln (2017: 0). Investments concern cash investment in Property Finder, Busfor, Booksy, Numan and non-cash investments in Dubicars.

During the twelve months period of 2018, gross investments in financial assets were USD 56.33 mln (2017: 48.96) 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, Property Finder, Gett, Agente Imóvel, DOC+, Busfor, OneTwoTrip, VOI Technology, Numan and non-cash investments in Dubicars.

## 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 -15.65 mln (2017: 167.69), mainly coming from revaluation of Avito (-52 mln) and BlaBlaCar (+39 mln). Dividend and coupon income was USD 22.18 mln (2017: 1.36), which represents dividends from Avito and Wallapop and in-kind dividends from Property Finder.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -12.77 mln (2017: -6.31). The increase in net operating expenses is mainly related to the VAT claim from the Swedish Tax Agency. (For more details see note 4).

Net financial items were USD 1.50 mln (2017: -1.29).

Net result for the period was USD -4.86 mln (2017: 161.39).

Total shareholders' equity amounted to USD 876.71 mln on December 31, 2018 (December 31, 2017: 879.99).

## Group – results for the quarter

During the fourth quarter, the result from financial assets at fair value through profit or loss amounted to USD -37.08 mln (2017: 146.90), mainly coming from revaluation of Avito (-77 mln) and BlaBlaCar (+39 mln).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -2.52 mln (2017: -1.77). The increase in net operating expenses is mainly related to the VAT claim from the Swedish Tax Agency. (For more details see note 4).

Net financial items were USD -0.83 mln (2017: -0.10).

Net result for the quarter was USD -36.14 mln (2017: 144.96).

## Liquid assets

The liquid assets of the group, defined as cash and bank deposits, amounted to USD 40.3 mln on December 31, 2018 (December 31, 2017: 51.1).

# Income statements – Group

(Expressed in USD thousands)	Note	Jan 1, 2018– Dec 31, 2018	Jan 1, 2017– Dec 31, 2017	Oct 1, 2018– Dec 31, 2018	Oct 1, 2017– Dec 31, 2017
Result from financial assets at fair value through profit or loss <sup>1</sup>	3	-15,652	167,691	-37,083	146,898
Dividend and coupon income		22,182	1,357	4,423	–
Other operating income		486	–	291	–
Operating expenses	4	-13,253	-6,305	-2,814	-1,774
<b>Operating result</b>		<b>-6,238</b>	<b>162,743</b>	<b>-35,183</b>	<b>145,123</b>
<b>Financial income and expenses</b>					
Interest income		3,489	4,153	63	22
Interest expense		-6,112	-7,090	-1,535	-1,147
Currency exchange gains/losses, net		4,119	1,648	639	1,030
<b>Net financial items</b>		<b>1,496</b>	<b>-1,289</b>	<b>-832</b>	<b>-96</b>
<b>Result before tax</b>		<b>-4,743</b>	<b>161,454</b>	<b>-36,015</b>	<b>145,027</b>
Taxation		-122	-68	-122	-68
<b>Net result for the financial period</b>		<b>-4,864</b>	<b>161,386</b>	<b>-36,137</b>	<b>144,959</b>
Earnings per share (in USD)		-0.06	1.94	-0.43	1.71
Diluted earnings per share (in USD)		-0.06	1.94	-0.43	1.71

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– Dec 31, 2018	Jan 1, 2017– Dec 31, 2017	Oct 1, 2018– Dec 31, 2018	Oct 1, 2017– Dec 31, 2017
<b>Net result for the financial period</b>	<b>-4,864</b>	<b>161,386</b>	<b>-36,137</b>	<b>144,959</b>
<b>Other comprehensive income for the period</b>				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-165	160	88	28
<b>Total other comprehensive income for the period</b>	<b>-165</b>	<b>160</b>	<b>88</b>	<b>28</b>
<b>Total comprehensive income for the period</b>	<b>-5,030</b>	<b>161,546</b>	<b>-36,049</b>	<b>144,988</b>

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

# Balance sheet – Group

(Expressed in USD thousands)	Dec 31, 2018	Dec 31, 2017
<b>NON-CURRENT ASSETS</b>		
<i>Tangible non-current assets</i>		
Property, plant and equipment	203	53
<b>Total tangible non-current assets</b>	<b>203</b>	<b>53</b>
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	932,482	900,047
<b>Total financial non-current assets</b>	<b>932,482</b>	<b>900,047</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	40,303	51,079
Tax receivables	556	394
Other current receivables	400	2,206
<b>Total current assets</b>	<b>41,259</b>	<b>53,678</b>
<b>TOTAL ASSETS</b>	<b>973,943</b>	<b>953,779</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	<b>876,709</b>	<b>879,990</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts	93,944	71,541
<b>Total non-current liabilities</b>	<b>93,944</b>	<b>71,541</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Tax payables	402	431
Other current liabilities	1,161	1,090
Accrued expenses	1,727	727
<b>Total current liabilities</b>	<b>3,290</b>	<b>2,248</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>973,943</b>	<b>953,779</b>

# Statement of Changes in Equity

## – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
<b>Balance at January 1, 2017</b>	<b>27,420</b>	<b>125,791</b>	<b>-168</b>	<b>572,473</b>	<b>725,516</b>
Net result for the period January 1, 2017 to December 31, 2017	-	-	-	161,386	161,386
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	160	-	160
<b>Total comprehensive income for the period January 1, 2017 to December 31, 2017</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>161,386</b>	<b>161,546</b>
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	1,136	-	-	1,136
Buy-back of own shares	-354	-7,854	-	-	-8,208
<b>Total transactions with owners</b>	<b>-354</b>	<b>-6,718</b>	<b>-</b>	<b>-</b>	<b>-7,072</b>
<b>Balance at December 31, 2017</b>	<b>27,066</b>	<b>119,073</b>	<b>-8</b>	<b>733,858</b>	<b>879,990</b>
<b>Balance at January 1, 2018</b>	<b>27,066</b>	<b>119,073</b>	<b>-8</b>	<b>733,858</b>	<b>879,990</b>
Net result for the period January 1, 2018 to December 31, 2018	-	-	-	-4,864	-4,864
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-165	-	-165
<b>Total comprehensive income for the period January 1, 2018 to December 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-165</b>	<b>-4,864</b>	<b>-5,030</b>
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program	-	1,927	-	-	1,927
Buy-back of own shares (Note 7)	-6	-171	-	-	-178
<b>Total transactions with owners</b>	<b>-6</b>	<b>1,755</b>	<b>-</b>	<b>-</b>	<b>1,749</b>
<b>Balance at December 31, 2018</b>	<b>27,060</b>	<b>120,829</b>	<b>-173</b>	<b>728,994</b>	<b>876,709</b>

# Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2018– Dec 31, 2018	Jan 1, 2017– Dec 31, 2017	Oct 1, 2018– Dec 31, 2018	Oct 1, 2017– Dec 31, 2017
<b>OPERATING ACTIVITIES</b>				
Result before tax	-4,743	161,454	-36,015	145,027
<i>Adjustment for:</i>				
Interest income	-3,489	-4,153	-63	-21
Interest expense	6,112	7,090	1,535	1,147
Currency exchange gains/-losses	-4,119	-1,648	-639	-1,030
Depreciation	24	-	29	-
Result from financial assets at fair value through profit or loss	15,652	-167,691	37,083	-146,898
Dividend and coupon income	-22,182	-1,357	-4,423	-
Other non-cash adjustments	1,578	1,254	-1,913	469
Change in current receivables	1,636	-2,029	-163	-166
Change in current liabilities	1,160	606	728	413
<b>Net cash used in operating activities</b>	<b>-8,370</b>	<b>-6,474</b>	<b>-3,840</b>	<b>-1,058</b>
Investments in financial assets	-48,938	-49,080	-2,356	-12,168
Sales of financial assets	1,088	2,546	-	-
Repayment of loan receivables	1,646	36,060	-	-
Dividend and coupon income	22,182	8,118	4,423	-
Interest received	1,568	1,773	-	-
Interest paid	-	-3,707	-	-
Tax paid	-207	-128	-59	160
<b>Net cash flow used in/from operating activities</b>	<b>-31,031</b>	<b>-10,892</b>	<b>-1,833</b>	<b>-13,066</b>
<b>INVESTMENT ACTIVITIES</b>				
Investments in office equipment	-135	-	-28	-
<b>Net cash flow used in investment activities</b>	<b>-135</b>	<b>-</b>	<b>-28</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Change in interest-bearing loans	28,427	27,267	-	-984
Interest paid for borrowing	-4,929	-	-1,364	-
Buy back of own shares	-178	-8,208	-	-1,402
<b>Net cash flow from/used in financing activities</b>	<b>23,321</b>	<b>19,059</b>	<b>-1,364</b>	<b>-2,386</b>
<b>Change in cash and cash equivalents</b>	<b>-7,845</b>	<b>8,166</b>	<b>-3,224</b>	<b>-15,452</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>51,079</b>	<b>34,780</b>	<b>44,049</b>	<b>66,552</b>
Exchange gains/losses on cash and cash equivalents	-2,930	8,133	-522	-20
<b>Cash and cash equivalents at end of period</b>	<b>40,303</b>	<b>51,079</b>	<b>40,303</b>	<b>51,079</b>

# Alternative Performance Measures – Group

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

Vostok New Ventures regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide

meaningful supplemental information to analysts, investors and other parties.

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

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

	12m 2018	12m 2017
Return on capital employed, % <sup>1</sup>	-1.14	18.06
Equity ratio, % <sup>2</sup>	90.02	92.26
Shareholders' equity/share, USD <sup>3</sup>	10.37	10.40
Earnings/share, USD <sup>4</sup>	-0.06	1.94
Diluted earnings/share, USD <sup>5</sup>	-0.06	1.94
Net asset value/share, USD <sup>6</sup>	10.37	10.40
Weighted average number of shares for the financial period	84,565,125	83,155,352
Weighted average number of shares for the financial period (fully diluted)	84,796,544	83,295,441
Number of shares at balance sheet date <sup>7</sup>	84,562,357	84,582,357

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

# Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2018– Dec 31, 2018	Jan 1, 2017– Dec 31, 2017	Oct 1, 2018– Dec 31, 2018	Oct 1, 2017– Dec 31, 2017
Result from financial assets at fair value through profit or loss	-909	-327	47	23
Operating expenses	-8,049	-6,481	-2,318	-1,806
<b>Operating result</b>	<b>-8,959</b>	<b>-6,808</b>	<b>-2,271</b>	<b>-1,782</b>
<b>Financial income and expenses</b>				
Interest income	17,265	15,740	3,839	3,120
Interest expense	-6,055	-7,017	-1,502	-1,147
Currency exchange gains/losses, net	4,278	1,502	672	1,075
<b>Net financial items</b>	<b>15,487</b>	<b>10,225</b>	<b>3,010</b>	<b>3,049</b>
<b>Net result for the financial period</b>	<b>6,529</b>	<b>3,417</b>	<b>738</b>	<b>1,266</b>

## Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2018– Dec 31, 2018	Jan 1, 2017– Dec 31, 2017	Oct 1, 2018– Dec 31, 2018	Oct 1, 2017– Dec 31, 2017
<b>Net result for the financial period</b>	<b>6,529</b>	<b>3,417</b>	<b>738</b>	<b>1,266</b>
<b>Other comprehensive income for the period</b>				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-	-	-	-
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>6,529</b>	<b>3,417</b>	<b>738</b>	<b>1,266</b>

# Balance sheet – Parent

(Expressed in USD thousands)	Dec 31, 2018	Dec 31, 2017
<b>NON-CURRENT ASSETS</b>		
<i>Financial non-current assets</i>		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	644	8,023
Receivables from Group companies	256,965	206,303
<b>Total financial non-current assets</b>	<b>341,998</b>	<b>298,715</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	35,505	47,829
Other current receivables	138	62
<b>Total current assets</b>	<b>35,644</b>	<b>47,891</b>
<b>TOTAL ASSETS</b>	<b>377,642</b>	<b>346,605</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	<b>281,406</b>	<b>273,128</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts	93,944	71,541
<b>Total non-current liabilities</b>	<b>93,944</b>	<b>71,541</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	719	1,165
Other current liabilities	83	107
Accrued expenses	1,490	664
<b>Total current liabilities</b>	<b>2,292</b>	<b>1,936</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>377,642</b>	<b>346,605</b>

# Statement of Changes in Equity

## – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at January 1, 2017</b>	<b>27,420</b>	<b>125,791</b>	<b>123,571</b>	<b>276,783</b>
Net result for the period January 1, 2017 to December 31, 2017	–	–	3,417	3,417
<i>Other comprehensive income for the period</i>				
Currency translation differences	–	–	–	–
<b>Total comprehensive income for the period January 1, 2017 to December 31, 2017</b>	<b>–</b>	<b>–</b>	<b>3,417</b>	<b>3,417</b>
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	–	1,136	–	1,136
Buy-back of own shares	-354	-7,854	–	-8,208
<b>Total transactions with owners</b>	<b>-354</b>	<b>-6,718</b>	<b>–</b>	<b>-7,072</b>
<b>Balance at December 31, 2017</b>	<b>27,066</b>	<b>119,073</b>	<b>126,988</b>	<b>273,128</b>
<b>Balance at January 1, 2018</b>	<b>27,066</b>	<b>119,073</b>	<b>126,988</b>	<b>273,128</b>
Net result for the period January 1, 2018 to December 31, 2018	–	–	6,529	6,529
<i>Other comprehensive income for the period</i>				
Currency translation differences	–	–	–	–
<b>Total comprehensive income for the period January 1, 2018 to December 31, 2018</b>	<b>–</b>	<b>–</b>	<b>6,529</b>	<b>6,529</b>
<i>Transactions with owners:</i>				
Value of employee services:				
- Share-based long-term incentive program	–	1,927	–	1,927
Buy-back of own shares (Note 7)	-6	-171	–	-178
<b>Total transactions with owners</b>	<b>-6</b>	<b>1,755</b>	<b>–</b>	<b>1,749</b>
<b>Balance at December 31, 2018</b>	<b>27,060</b>	<b>120,829</b>	<b>133,518</b>	<b>281,406</b>

## Note 1

### Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for the Company 2017. The Company's 2017 annual report is available at the Company's website: [www.vostoknewventures.com/investor-relations/financial-reports/](http://www.vostoknewventures.com/investor-relations/financial-reports/)

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

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

IFRS 16, *Leases*, will be applied from January 1, 2019. IFRS 16 affects primarily the accounting by leases and will result in the recognition of almost all leases on balance sheet. Vostok New Ventures will apply the simplified transition approach. Comparative information will therefore not be restated. 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. The effect on tangible assets is expected to be around USD 1.3 mln and on interest-bearing liabilities, USD 1.3 mln.

## Note 2

### Related party transactions

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

	Operating expenses		Current liabilities	
	12m 2018	12m 2017	12m 2018	12m 2017
Key management and Board of Directors <sup>1</sup>	-5,290	-2,950	-	-

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 December 31, 2018.

The costs for the long-term incentive programs (LTIP 2016, LTIP 2017 and LTIP 2018) for the management amounted to USD 1.74 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 December 31, 2018.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	960	707,899	223,623	932,482
Total assets	960	707,899	223,623	932,482

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	-732,317
Transfers to level 3	57,708
Change in fair value and other	61,533
Closing balance December 31, 2018	223,628

During 2018, five transfers from level 3 to level 2 have been done. Avito, Gett, Property Finder, OneTwoTrip and El Basharsoft have been transferred from level 3 to level 2 following transactions. Hemnet, Babylon, Agente Imóvel, CarZar and Wallapop have been transferred from level 2 to level 3. The investments in Gett, Property Finder, OneTwoTrip, Booksy, Housing Anywhere, El Basharsoft, DOC+, Shwe Property, JobNet, Vezeta, VOI Technology, Busfor and Dubicars are classified as level 2 as the valuations are based on the price paid in each respective transaction. The value of Avito was confirmed by the transaction that closed on January 25, 2019, where Vostok New Ventures sold all its shares in the company to Naspers. BlaBlaCar, Babylon, Hemnet, Merro, Wallapop, Naseeb Networks, CarZar and KEH AB are classified as level 3 investments. The level 3 investments are either based on valuation models using EBITDA and revenue multiples of comparable listed peers or transactions that are been to include more uncertainty given the time lapsed and structure of the transactions.

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

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

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

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

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

#### Avito

The Group's investment in Avito is valued as a level 2 investment as per December 31, 2018.

The value of Vostok New Ventures' stake in Avito as per December 31, 2018, of USD 539.9 mln (USD 4.0 bn for the entire company) was confirmed by the transaction that closed on January 25, 2019, where Vostok New Ventures sold all its shares in the company to Naspers.

#### BlaBlaCar

As per December 31, 2018, the BlaBlaCar investment is classified as a level 3 investment, valued on a transaction in BlaBlaCar where SNCF and other existing BlaBlaCar investors invest EUR 101 mln in the company. The transaction values Vostok's 9.3% ownership to USD 157.7 mln as per December 31, 2018. Given that the transaction has not formally closed (expected 1H19), the investment in BlaBlaCar is valued as level 3 investment to provide more transparency regarding uncertainty in valuation.

	Sensitivity in transaction-based BlaBlaCar valuation as per Dec 31, 2018				
	-15%	-10%	BlaBlaCar valuation	+10%	+15%
Valuation of Vostok New Ventures' BlaBlaCar investment, USD million	134.0	141.9	157.7	173.5	181.4

#### Gett

As per December 31, 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 approximately 10% lower than the last model-based valuation of the company as per December 31, 2018.

#### Property Finder

As per December 31, 2018, the Property Finder investment is classified as a level 2 investment as it is valued at USD 40.0 mln on the basis of a new transaction in the company in the company that closed in December 2018. Vostok invested USD 3.9 mln in the new large round which was led by General Atlantic.

#### Babylon

As per December 31, 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 December 31, 2018, the large financing round in 2Q17 is deemed the best fair value estimate of the company as the company is performing in line with plan and no significant internal or external factors have been deemed to warrant a revaluation of the company.

	Sensitivity in transaction-based Babylon valuation as per Dec 31, 2018				
	-15%	-10%	Babylon valuation	+10%	+15%
Valuation of Vostok New Ventures' Babylon investment, USD million	18.6	19.7	21.9	24.1	25.2

#### OneTwoTrip

As per December 31, 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 16.3% of the company on a fully diluted basis as per December 31, 2018.

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

As per December 31, 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 December 31, 2018, the model is deemed the best fair value estimate of the company. The median multiple of the peer group is 17.4x 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 26.6% higher than the valuation as per December 31, 2017.

	Sensitivity in model-based Hemnet valuation as per Dec 31, 2018				
	-15%	-10%	EV/EBITDA multiple	+10%	+15%
Valuation of Vostok New Ventures' Hemnet investment, USD million	12.1	12.8	14.2	15.6	16.3

#### VOI Technology

As per December 31, 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 fourth quarter of 2018. Vostok New Ventures invested a total of USD 2.75 mln in the company in 2018, which is valued at USD 10.8 mln as per December 31, 2018.

#### Wallapop

As per December 31, 2018, Wallapop is classified as a level 3 investment. Vostok New Ventures' indirect stake in the company is valued at USD 10.0 mln following a cash distribution of USD 4.1 mln in 4Q18. As per December 31, 2018, the latest transaction – which was initiated in August 2017 and concluded in August 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.

	Sensitivity in Wallapop valuation as per Dec 31, 2018				
	-15%	-10%	Wallapop valuation	+10%	+15%
Valuation of Vostok New Ventures' Wallapop investment, USD million	8.5	9.0	10.0	11.0	11.5

### Busfor

As per December 31, 2018, Busfor is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company as per December 31, 2018. Vostok invested a total of USD 8.5 mln in Busfor during 2018, of which USD 4.5 in December 2018.

### Merro

As per December 31, 2018, Merro is classified as a level 3 investment and is valued on the basis of a Sum of the Parts valuation model. As per December 31, 2018, Vostok New Ventures stake in the company is valued to USD 7.8 mln, which is 17.1% lower than the valuation as per December 31, 2017. The main driver of the revaluation is a revised valuation of Opensooq and Property Finder, which is attributable to the majority of the fair value of Merro. As per December 31, 2018, Opensooq accounts for 48.2% of the fair value estimate of Merro.

	Sensitivity in Sum of the Parts-based Merro valuation as per Dec 31, 2018				
	-15%	-10%	Merro valuation	+10%	+15%
Valuation of Vostok New Ventures' Merro investment, USD million	6.6	7.0	7.8	8.6	9.0

	Sensitivity in Sum of the Parts-based Merro valuation as per Dec 31, 2018				
	-15%	-10%	Opensooq valuation	+10%	+15%
Valuation of Vostok New Ventures' Merro investment, USD million	7.2	7.4	7.8	8.1	8.3

### Housing Anywhere

As per December 31, 2018, Housing Anywhere is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the fourth quarter of 2018. Vostok New Ventures invested a total of USD 3.9 mln (EUR 3.3 mln) in the company in the first quarter 2018 and an additional EUR 1.6 mln in December 2018.

### Booksy

As per December 31, 2018, Booksy is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the first quarter of 2018. Vostok New Ventures invested a total of USD 6.0 mln in the company in the first quarter 2018 and an additional USD 1 mln in the fourth quarter 2018.

### El Basharsoft

As per December 31, 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.

### DOC+

As per December 31, 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.

### Naseeb Networks

As per December 31, 2018, Naseeb Networks is classified as a level 3 investment as it is valued on the basis of a future looking EV/Sales peer multiples valuation model. The model values Vostok's stake in Naseeb Networks to USD 4.2 mln compared to USD 3.8 mln as per December 31, 2017.

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

	Sensitivity in model-based Naseeb valuation as per Dec 31, 2018				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Naseeb investment, USD million	3.2	3.4	3.8	4.2	4.4

### Vezeeta

As per December 31, 2018, Vezeeta (DrBridge) is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company which closed during the third quarter 2018. Vostok New Ventures participated with USD 1.25 in the financing round. As per December 31, 2018, Vostok New Ventures values its investment in Vezeeta to USD 3.2 based on this transaction.

### CarZar

As per December 31, 2018, CarZar is classified as a level 3 investment as it is valued on the basis of Vostok New Ventures' total investment amount in the company, Vostok New Ventures has invested a total of USD 3.0 mln in the company, which is also considered to be the best fair value estimate for Vostok's shares as per December 31, 2018.

	Sensitivity in CarZar valuation as per Dec 31, 2018				
	-15%	-10%	CarZar valuation	+10%	+15%
Valuation of Vostok New Ventures' CarZar investment, USD million	2.6	2.7	3.0	3.3	3.5

### Agente Imóvel

As per December 31, 2018, Agente Imóvel is classified as a level 3 investment and 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 December 31, 2018 is valued at USD 3.0 mln based on the 2Q18 transaction.

	Sensitivity in Agente Imóvel valuation as per Dec 31, 2018				
	-15%	-10%	Agente Imóvel valuation	+10%	+15%
Valuation of Vostok New Ventures' Agente Imóvel investment, USD million	2.6	2.7	3.0	3.3	3.5

### KEH AB (YouScan)

Vostok New Ventures owns 33.2% of KEH AB fully diluted. As per December 31, 2018, all value in KEH AB is derived from a sales-multiple based valuation of YouScan. This model-approach is deemed the best fair value estimate of KEH AB as per December 31, 2018.

	Sensitivity in model-based KEH AB valuation as per Dec 31, 2018				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' KEH AB investment, USD million	1.9	2.1	2.3	2.5	2.7

### Numan

As per December 31, 2018, Numan is classified as a level 2 investment based on a transaction in the company which closed in December 2018.

### Shwe Property

As per December 31, 2018, Shwe Property is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the first quarter of 2018. Vostok New Ventures invested a total of USD 500k in the company.

### JobNet

As per December 31, 2018, JobNet is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the first quarter of 2018. Vostok New Ventures invested a total of USD 500k in the company.

### Dubicars

As per December 31, 2018, Dubicars is classified as a level 2 investment based on a transaction in the company which closed in the fourth quarter 2018.

#### Marley Spoon (equity)

As per December 31, 2018, the equity in Marley Spoon is valued at USD 0.3 mln on the basis of the closing price on the last trading day of Marley Spoon in 4Q18. Marley Spoon equity is classified as a level 1 investment.

#### Liquidity management (Level 1)

As per December 31, 2018, Vostok New Ventures own USD 0.6 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 December 31, 2018, is the last published NAV as per end of December 2018.

#### Loan receivables

The Marley Spoon loan was fully repaid during the third quarter of 2018. As per December 31, 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 Dec 31, 2018, USD	Percentage weight of total portfolio
Avito	591,938,454	-	-52,064,005	539,874,449	55.5%
BlaBlaCar	118,615,542	-	39,079,729	157,695,271	16.2%
Gett	59,198,650	5,000,000	-8,839,671	55,358,979	5.7%
Property Finder	28,704,345	4,155,313	7,125,673	39,985,331	4.1%
Babylon	23,335,857	-	-1,451,463	21,884,394	2.2%
OneTwoTrip	20,810,533	1,000,000	-5,262,302	16,548,231	1.7%
Hemnet (through YSaphis S.A. and Merro Partners S.A.)	11,207,369	-	2,970,658	14,178,027	1.5%
VOI Technology	-	2,750,000	8,081,921	10,831,921	1.1%
Wallapop	13,533,279	-	-3,582,794	9,950,485	1.0%
Busfor	-	8,511,428	92,724	8,604,151	0.9%
Merro	9,358,731	-	-1,597,612	7,761,119	0.8%
Housing Anywhere	-	6,000,888	225,646	6,226,535	0.6%
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%
DOC+	-	4,000,000	-	4,000,000	0.4%
Naseeb Networks (Rozeec and Mihnati)	4,203,772	-	-396,212	3,807,560	0.4%
Vezeeta (DrBridge)	1,833,313	1,250,000	72,633	3,155,946	0.3%
CarZar	3,521,186	-	-521,186	3,000,000	0.3%
Agente Imóvel	1,000,000	1,000,000	999,443	2,999,443	0.3%
KEH AB (YouScan)	1,526,375	-	820,137	2,346,512	0.2%
Numan	-	1,020,960	-8,960	1,012,000	0.1%
Shwe Property	-	500,000	-	500,000	0.1%
JobNet	-	500,000	-	500,000	0.1%
Dubicars	-	348,325	-	348,325	0.0%
Marley Spoon	-	1,910,799	-1,594,818	315,981	0.0%
Delivery Hero AG	888,401	-1,088,093	199,692	-	-
Babylon, convertible debt	-	9,242,759	-16,149	9,226,610	0.9%
Booksy, convertible debt	-	999,900	-	999,900	0.1%
Liquidity management	8,023,392	-7,389,850	10,733	644,274	0.1%
Total	900,047,110	48,197,893	-15,763,091	932,481,912	

#### 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 40.3 mln together with tax penalties of SEK 2.6 mln 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 2013–2018 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 2018 have been taken into the accounts as operating expenses per December 31, 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](http://www.vostoknewventures.com) and on the Swedish Financial Supervisory Authority's website [www.fi.se](http://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 December 31, 2018, the value of the bond debt was USD 49.78 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](http://www.vostoknewventures.com) and on the Swedish Financial Supervisory Authority's website [www.fi.se](http://www.fi.se).

The value of the bond debt as per December 31, 2018, was USD 44.16 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 are invited to purchase an individually specified number of shares in the Company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period August 31, 2016 through December 31, 2018. During the fourth quarter of 2018, the reported costs for the program amounted to USD 0.17 million and USD 0.69 million for the full year of 2018. The Board of Directors intends to disclose the outcome of the performance based conditions in the annual report for the financial year 2018.

#### *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 are invited to purchase an individually specified number of shares in the Company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfilment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period May 16, 2017 through December 31, 2019. During the fourth quarter of 2018, the reported costs for the program amounted to USD 0.18 million and USD 0.70 million for the full year of 2018.

#### *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 are invited to purchase an individually specified number of 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 fourth quarter of 2018, the reported costs for the program amounted to USD 0.21 million and USD 0.52 million for the full year of 2018.

### **Note 7 Depository receipt buy-back**

During the fourth quarter 2018, no SDRs have been repurchased. The company held 1,125,952 repurchased SDRs as per December 31, 2018.

### **Note 8 Events after the reporting period**

On January 25, 2019, Vostok New Ventures announced it had sold all its shares in Avito for a total consideration of USD 540 mln.

On January 28, 2019, Vostok gave notice of a Special General Meeting to be held on February 14, 2019, to resolve the Board of Directors' proposal to transfer USD 236 mln (SEK 25 per SDR) to its shareholders through a mandatory redemption program.

On January 28, 2019, the Company announced an early redemption of all outstanding bonds of series 2017/2020 and series 2018/2022.

On January 29, 2019, Vostok New Ventures announced that the Company's Board of Directors had resolved on a renewed mandate to repurchase SDRs. After the end of the period Vostok New Ventures repurchased an additional 3,280,118 SDRs. As per February 12, 2019, the number of outstanding shares (SDRs), excluding 4,406,070 repurchased SDRs, was 81,282,239.

## Background

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

As of December 31, 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 6.53 mln (2017: 3.42). 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' three months report for the period January 1, 2019–March 31, 2019 will be published on May 15, 2019.

## Annual General Meeting and Annual Report 2018

The annual general meeting of Vostok New Ventures Ltd is planned to take place on Wednesday, May 15, 2019. The annual report will be available on the Company's website ([www.vostoknewventures.com](http://www.vostoknewventures.com)) from March 27, 2019.

February 13, 2019

Per Brilioth  
*Managing Director*

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

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

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

VO  
ST  
OK

NE  
W

VE  
NT  
UR  
ES

**Registered office**

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

Vostok New Ventures AB  
Mäster Samuelsgatan 1, 1st floor  
SE-111 44 Stockholm  
Sweden  
Phone +46 8 545 015 50  
Fax +46 8 545 015 54

[www.vostoknewventures.com](http://www.vostoknewventures.com)  
[info@vostoknewventures.com](mailto:info@vostoknewventures.com)