



Press Release

January 25, 2019

Vostok New Ventures sells all its shares in Avito for a cash consideration of USD 540 million and plans to distribute approx. SEK 25 per SDR to its shareholders and redeem outstanding bonds

Background

Vostok New Ventures Ltd. ("Vostok New Ventures" or the "Company") today announced that the Company was about to sell its holding in Avito AB ("Avito") to NC Europe Holdings B.V. (Naspers Russia Classifieds) for a total consideration of USD 540 million (mln), equivalent of SEK 4,842 mln¹. The Company can now confirm that the transaction has been completed.

The transaction implies a total equity valuation of Avito of USD 4,000 mln. All minority shareholders of Avito are selling their shares in Avito as part of the transaction.

Avito is the leading online classifieds platform in Russia, and one of the largest classifieds operators in the world. Avito reported revenues of USD 286.5 mln and EBITDA of USD 127.6 mln for its last full fiscal year, April 2017 – March 2018. Avito was founded in 2007 by Filip Engelbert and Jonas Nordlander together with founding investors Vostok New Ventures and Kinnevik. Over the last 11 years, Vostok New Ventures has been an active investor supporting Avito and its founders on the journey of becoming the undisputed online classifieds leader in Russia.

Use of sales proceeds distribution to shareholders and redemption of bonds

With the increased liquidity, the Company intends to distribute approx. USD 236 mln or SEK 25 per SDR to its shareholders, by way of a mandatory redemption program subject to approval by the shareholders at a Special General Meeting which is intended to be held on or around February 14, 2019 (the "SGM"). In the mandatory redemption procedure, the intention is that an existing Vostok New Ventures depository receipt ("SDR") will be divided into two depository receipts. One of these depository receipts will be what is referred to as a redemption depository receipt ("Redemption SDR"). Each Redemption SDR will be automatically redeemed for a cash consideration of SEK 25.

The Company intends to announce a notice for the SGM and issue a press release in relation hereto on or about January 28, 2019. An information brochure about the mandatory redemption program and key dates will be published on Vostok New Ventures' webpage, www.vostoknewventures.com, on or about February 7, 2019.

The Company further intends to use part of the net proceeds from the sale of Avito to redeem its outstanding bonds with ISIN SE0010023390 and SE0011337294 in full, in accordance with the terms and conditions for the bonds. Information regarding the redemption of the bonds is expected to be announced through a press release and sent by mail to the bondholders on or about January 28, 2019. The remaining proceeds will be injected in the Company's ordinary business and will thus be used for future investments and portfolio management.

¹ Based on a USD/SEK exchange rate of 8.9686.



Financial effects for the Company

For Vostok New Ventures, the transaction will result in gross proceeds of USD 540 mln or approx. SEK 57.3 per SDR.

As per September 30, 2018, Avito represented approx. 61.1% of Vostok New Ventures' portfolio. The transaction will have a negative impact of approx. -3.9% on Vostok New Ventures Net Asset Value ("NAV") compared to the reported NAV as per September 30, 2018. The NAV per share following the transaction is expected to be approx. USD 10.4 per SDR or SEK 92.9 per SDR, of which SEK 61.6 per SDR or 66.3% will represent cash and cash equivalents.

A pro-forma NAV breakdown, before and after the intended redemption of bonds and intended cash distribution can be found below:*

Before	USD mln	per SDR, USD	per SDR, SEK	% of NAV
Total NAV	876.7	10.4	92.9	100%
Cash and Cash equivalents	580.8	6.9	61.6	66.3%
After	USD mln	per SDR, USD	per SDR, SEK	% of NAV
Total NAV	636.9	7.5	67.5	100%
Cash and Cash equivalents	247.0	2.9	26.2	39.1%

* Based on the Company's assessment and unaudited information as per January 25, 2019.

Company comment

Vostok New Ventures CEO, Per Brilioth, comments:

"Avito has been an amazing journey. On the whole of course a massive success producing an IRR of some 37% for Vostok New Ventures shareholders including dividends. 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.

To part ways with this company which has been the inspiration for what Vostok New Ventures does today is 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 2019. 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 the company this often is the mark of the transition of the company from a risky start-up 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%. Now that the founders have decided to fully exit their remaining shares it is time for us to move on as well.

The proceeds of this exit will be used to pay down the outstanding debt of Vostok New Ventures 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. I am very glad that the board plans to convene a SGM to vote on a distribution of some USD 236 mln or SEK 25 per share through a share redemption programme.



Finally, I am very enthusiastic of our current portfolio as well as deal flow. I for one will use the opportunity of liquidity to become a larger shareholder of Vostok, firmly believing that we will be able to reproduce the success of Avito in many future situations.”

The Chairman of the Board of Vostok New Ventures, Lars O Grönstedt, comments:

“The business idea of Vostok New Ventures is to invest in unlisted companies benefiting from network effects. To be successful with our business idea, we do not only, or even chiefly, invest our money. We invest time, experience, and skill in the management of our portfolio. Per Brilioth has lived close to Avito for a very long time. A remarkable part of the remarkable capital gains on this transaction is due to his work. On behalf of all shareholders, I wish to express our recognition of this fact, and our sincere gratitude to Per for his skill, tenacity and sense of business.”

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This information is information that Vostok New Ventures Ltd. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 18.30 CET on January 25, 2019.

Vostok New Ventures Ltd, formerly Vostok Nafta Investment Ltd, is an investment company with the business concept of using experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation. The company has a special focus on online marketplaces and businesses with strong network effects. The Swedish Depository Receipts (SDRs) of Vostok New Ventures are listed on Nasdaq Stockholm, Mid Cap segment, with the ticker VNV SDB. For more information on Vostok New Ventures, visit www.vostoknewventures.com.

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