

# Financial Report for the Second Quarter and the First Six Months 2019

## Net asset value (NAV) and financial results for the six month period

- Vostok New Ventures' net asset value was USD 697.74 million (mln) on June 30, 2019 (December 31, 2018: 876.71), corresponding to USD 8.94 per share (December 31, 2018: 10.37). Given a SEK/USD exchange rate of 9.2713 the NAV was SEK 6,468.90 mln (December 31, 2018: 7,864.96) and SEK 82.85 per share (December 31, 2018: 93.01), respectively.
- The group's NAV per share in USD, adjusted for the SEK 25 distribution concluded on March 14, 2019, increased by 17.9%, mainly driven by the revaluation of Babylon (USD 102.8 mln), VOI (USD 5.8 mln), Hemnet (USD 4.1 mln) and Booksy (USD 3.4 mln).
- Net result for the period was USD 85.90 mln (January 1, 2018–June 30, 2018: 12.17). Earnings per share were USD 1.08 (0.14).

## Financial results for the second quarter

- Net result for the quarter was USD 112.48 mln (-14.07). Earnings per share were USD 1.44 (-0.17).

## Key events during the quarter April 1, 2019–June 30, 2019

- In April 2019, Vostok New Ventures invested an additional USD 16.3 mln in Gett as part of an extension of the previous round, and invested an additional USD 7.7 mln (GBP 6.0 mln) in Babylon through a convertible note.
- On April 10, 2019, Vostok New Ventures announced that the Company's Board of Directors had resolved to award Per Brilioth, Managing Director of Vostok New Ventures, an extraordinary bonus in the gross amount of USD 15 mln following the successful exit of Avito during January 2019.
- In May 2019, Vostok New Ventures invested an additional USD 1.8 mln in DOC+ and USD 1.0 mln (SEK 10.0 mln) in Grace Health, an OB Gyn healthcare service for women in emerging markets.
- In June 2019, Vostok New Ventures invested USD 16 mln in SWVL, a Cairo-based, emerging markets focused intra-city bus operator; advanced an amount of USD 11.7 mln out of a total commitment of USD 17.5 mln in VOI through a convertible note in anticipation of final allocation; invested USD 2.5 mln in Booksy, a booking platform for beauty salons; and USD 11.6 mln in Dostavista, a Moscow-based last mile logistics company operating in Russia and several other markets. In June 2019, Vostok New Ventures invested USD 3.3 mln (EUR 3.0 mln) in JamesEdition, a classifieds platform focused on luxury categories including high-end cars and real estate.
- Vostok New Ventures revalues its holding in Babylon based on the funding round, concluded on August 2, 2019.

## Share (SDR) info

- On January 29, 2019, Vostok New Ventures announced that the Company's Board of Directors had resolved on a renewed mandate to repurchase SDRs. During the quarter no SDRs were repurchased.
- At the end of the period, the number of outstanding shares (SDRs), excluding 7,608,103 repurchased SDRs, was 78,080,206.

## Key events after the end of the period

- After the end of the period, Vostok New Ventures invested an additional USD 7.5 mln (GBP 6.0 mln) in Babylon through a convertible note.
- After the end of the period, following final allocation, Vostok New Ventures invested the remaining USD 5.8 mln of its commitment in VOI through a convertible note for a total investment of USD 17.5 mln.
- During July 2019, Vostok New Ventures issued 147,000 new shares and corresponding SDRs in connection with the option program issued 2016 under its 2010 incentive program. Following the option exercise of 100,000 options, the number of outstanding shares (SDRs), excluding 7,608,103 repurchased SDRs, was 78,227,206.
- On August 2, 2019, Vostok New Ventures participated in the closing of a funding raise in Babylon with a total of USD 71 mln, including previously extended convertible loans. The USD 500 mln round, with an option to raise a further USD 50 mln, values the company at USD 2 billion (bln) post money.

The Company will hold a telephone conference with an interactive presentation at 15:00 CEST (09:00 a.m. EDT) Wednesday, August 14. For call-in details, see separate press release issued Thursday, August 8, at [www.vostoknewventures.com](http://www.vostoknewventures.com).

# Management report

## Current portfolio

### Babylon

As it has been separately disclosed a couple of weeks ago, Babylon has announced a large round of a total of USD 500 mln, with an option to raise a further USD 50 mln, at a post money valuation of USD 2 bln. We have participated to maintain our 10% holding on a fully diluted basis, investing a further USD 71 mln.

The company has over the past two years continuously developed a unique, end-to-end platform, which has the capability to provide AI-driven health services and virtual medical consultations, complemented by traditional face to face consultations, and has been able to demonstrate its commercial viability with global counterparties including Prudential, Samsung, Telus, Bupa and NHS.

This funding round, led by the sovereign wealth fund PIF and including Kinnevik, MunichRe amongst others, allows it to accelerate the development of product and to expand to new markets notably the US.

I believe it cements Babylon's position as the world leader in digital healthcare. Despite a significant revaluation from our initial investment I can see Babylon in a five or so year time frame reaching a USD 20 bln plus price tag, either as a private or public company.

### Other

Outside of Babylon we have been active during the past quarter investing into a series of new opportunities with in our view excellent risk reward characteristics. A short description on each follows below.

We are also very engaged in the funding rounds of VOI, providing it with bridge funding during the past quarter. We hope to be able to share final deal terms if not before then at least in our next quarterly report.

In terms of updates on both VOI and Babylon, but importantly also BlaBlaCar and Gett, I would encourage you to watch each of the founders of these companies present their companies in a recording from our Capital Markets Day in London in mid-June. You will find it on [www.vostoknewventures.com](http://www.vostoknewventures.com).

## New deals

### SWVL

We have invested USD 16 mln in return for a 10% stake in SWVL.

SWVL is a premium alternative to city transportation that connects commuters to a bus line through an app. The company started in Cairo and has grown massively in this very difficult city, whilst also expanding to Alexandria and now also Nairobi, with Lahore and Karachi in Pakistan next on the roadmap. The public transportation system in each of these cities lacks efficiency, security and reliability and the taxi alternatives are too expensive for the middle class. The supply of buses is very poor, leading to very overcrowded buses as the only source of intra-city transportation for the middle class. SWVL offers a premium on demand bus service with third party supply. The algorithm plans the most efficient routes and the most efficient bus stops for peak hours, and more flexibility is possible during off peak hours. Network effects arise through the snowball of the more users that are attracted to the service, the more bus owners will want to offer their supply, the more bus supply the more routes etc., the more customers etc., etc. The technological heart is through the user experience (UX) in the app, the routing of buses in real time and perhaps most importantly the aggregation of data to plan future bus lines more efficiently. The overall technological complexity is higher than in ride hailing where a car is 'simply' dispatched to a certain place.

We have studied this opportunity for a few years but only invested now as SWVL has proven that there is real demand and that the economics work. The overall total addressable market in emerging markets is estimated at some USD 150 bln.

Looking at SWVL's cohorts and bus lines in Cairo where bus utilization is 60%+ you see a clear path to gross margins close to 30% over time, higher than taxi hailing at roughly 20%, likely warranting also higher multiples for this type of business.

The entrepreneur here is of very high quality. Previously at Rocket and Careem, Mostafa Kandil has built a team that executes well and at high speed. In fact, I believe that Mostafa may be the first Arab tech entrepreneur that builds

a global product. All the other successes coming out of the Arab world have been either built by foreigners and/or have been solely focused on the local region. SWVL's ambitions are first pan-African but also to quickly take the product to South East Asia. Its latest international city, Nairobi, has grown to the same size that Cairo achieved after 10 months in merely six weeks.

SWVL has been funded by, among others, our friends at Beco Capital whom we know from both Property Finder and Vezeeta. Beco recently made a massive exit in the sale of Careem to Uber for USD 3 bln.

We believe the overall target of USD 1 bln in GMV by 2023 is achievable and that Egypt alone could become worth at least USD 500 mln and, if successful in Lahore, Karachi, Nairobi, Lagos and Johannesburg, this upside obviously multiplies.

#### Dostavista

We have invested USD 12 mln in return for a significant minority stake in Dostavista.

Dostavista targets the first and last mile delivery market. The solution of the delivery infrastructure of shopping on the internet is deliveries within the hour. Long distance delivery works well but first mile (out of the merchants' inventory) and last mile (into the hands of the receiver) is inefficient, fragmented, inconvenient and expensive. The product that Dostavista sells is essentially on demand logistics for SMEs where there is a delivery within 90 minutes or exactly on time. No more going to the local tobacco store after work to pick up what you ordered on the net or staying home the whole day to wait for a delivery.

Dostavista handles quality control through a system of scoring and rating. Clients rate couriers in a similar way to taxi services. The company also runs a system which scores couriers using many parameters, in a way similar to banks scoring of their customers. There are also customer service centers in every country that handle whatever problems or queries may arise.

There are clear network effects. The more couriers you attract, the more senders you attract, the more senders the more couriers and you're off. The focus is B2B between a sender (typically a small to medium sized ecommerce

business) and a courier. The presence of businesses on both sides of this market reduces the risk of hugely capital intensive game of subsidies of the ride hailing industry, so if you already own a market barriers to entry will likely be high.

They started in Russia in 2012, made this market profitable and has invested profits to become the market leader also in India and Turkey and have launched in 13 markets so far including Mexico, Indonesia and South Korea. One million couriers are registered on Dostavista globally. Unit economics are good, cohorts are good, diverse clients base, courier acquisition is virtually organic. Also, the market is huge! USD 400 bln globally and USD 30 bln in the markets where Dostavista is currently active.

Importantly, at the heart of this business model is a very sophisticated algorithm which can plan the route of a courier in real time so as to maximize the number of deliveries per hour. This tech is more complicated than the routing systems for ride hailing. Longer term deliveries will arguably become a commodity and it is the player with the largest networks and the most sophisticated tech product who will win. Dostavista has developed and improved their algorithm over the past 6 years. Their tech and knowledge are arguably their top competitive advantage.

The founder, Mike Alexandrovskiy is a serial entrepreneur whose previous activity (pre 2012) was focused on building one of Russia's top five largest ad agencies. He was joined in 2014 by Dimitry Zubkov who has 17 years of experience from IT-consulting and ecommerce. Their Head of Growth is Aleks Shamis with whom we have interacted before when he was fund raising for his previous venture Printio.ru (on demand print business).

#### JamesEdition

We have invested EUR 3 mln in return for a 28% stake in JamesEdition.

JamesEdition is an online classifieds platform for high ticket luxury goods, predominately real estate and cars. The logic on the high end real estate vertical is especially clear given that both buyers and sellers for real estate in e.g. Southern France, Spain, Miami etc. are not exclusive for the population in those countries but are to be found at

a truly international level. The space is highly fragmented today and lacking a solution that can aggregate listings, reach buyers and bring trust to transactions on a truly global scale.

JamesEdition is all trusted partners as well. It is owned by Piton and Marco and run by Eric Finnås whom we know well from when he ran the general segment at Avito.

### Grace Health

We have invested USD 1 mln in return for 14.3%.

Grace Health is pioneering the health sector by building the first ever digital women's health clinic designed for the next billion users. The ambition is to become a Maven Clinic but specially designed for emerging markets, allowing women all over the world to get access to care, services and products within women's health in a scalable way. The market is of course enormous and my sense is that the timing is right. The spread of cheap smartphones and cheap data packages in emerging markets has been very strong during the past years, providing large populations sets with internet access for the first time. Companies like South Africa-based JUMO, part of Vostok Emerging Finance's portfolio, have also proven that it is possible to run businesses with a high volume of small transactions.

Grace Health's initial offering is focused on sexual and reproductive health and is initially released in Ghana. Grace Health builds on Natural Language Processing and Machine Learning making the service widely scalable. The two founding entrepreneurs are strong with relevant backgrounds. Estelle Westling is a proven business builder in emerging markets, having founded and managed tonaton.com, Saltside Technologies (Kinnevik's online classifieds platform) in Ghana. Therese Mannheimer has over 10 years of experience within product and service design from positions such as a Head of RD at Lifesum (market leading health app in Europe) and partner and strategist at the global design firm Doberman.



Per Brilioth  
*Managing Director*

# Investment portfolio

## Portfolio Structure – Net Asset Value

The investment portfolio stated at market value as at June 30, 2019, is shown below.

Category	Company	Fair value, USD thousand, Jun 30, 2019	Percentage weight	Share of total shares outstanding	Fair value, USD thousand, Dec 31, 2018	Valuation change per share (USD), 2019	Valuation method
Mobility	BlaBlaCar	156,787	22.4%	9.3%	157,695	-1%	Latest transaction <sup>1,2</sup>
Dgtl Health	Babylon	124,639	17.8%	9.6%	21,884	+470%	Latest transaction <sup>1,2</sup>
Mobility	Gett	74,061	10.6%	5.0%	55,359	-	Latest transaction <sup>1</sup>
Classifieds	Property Finder	39,985	5.7%	10.1%	39,985	-	Latest transaction <sup>1</sup>
Mobility	VOI	26,677	3.8%	23.9%	10,832	+53%	Latest transaction <sup>1,2</sup>
Classifieds	Hemnet <sup>3</sup>	18,286	2.6%	5.9%	14,178	+29%	EBITDA multiple <sup>1</sup>
Mobility	OneTwoTrip	16,548	2.4%	16.3%	16,548	-	Latest transaction <sup>1</sup>
Mobility	SWVL	16,002	2.3%	10.2%	-	-	Latest transaction <sup>1</sup>
Classifieds	Booksy	12,931	1.8%	10.5%	5,990	+50%	Latest transaction <sup>1,2</sup>
Mobility	Dostavista	11,561	1.7%	>10%	-	-	Latest transaction <sup>1</sup>
Classifieds	Wallapop	9,950	1.4%	2.9%	9,950	-	Latest transaction <sup>1</sup>
Mobility	Busfor	8,604	1.2%	12.3%	8,604	-	Latest transaction <sup>1</sup>
Classifieds	Merro	7,074	1.0%	22.6%	7,761	-9%	Mixed <sup>1</sup>
Mobility	Shohoz	7,004	1.0%	15.6%	-	-	Latest transaction <sup>1</sup>
Classifieds	El Basharsoft (Wuzzuf and Forasna)	6,409	0.9%	23.7%	4,737	+35%	Revenue multiple <sup>1</sup>
Classifieds	Housing Anywhere	6,191	0.9%	25.0%	6,227	-1%	Latest transaction <sup>1,2</sup>
Dgtl Health	DOC+	5,750	0.8%	10.3%	4,000	-	Latest transaction <sup>1</sup>
Classifieds	JamesEdition	3,416	0.5%	28.0%	-	+2%	Latest transaction <sup>1,2</sup>
Dgtl Health	Vezeeta	3,156	0.5%	9.0%	3,156	-	Latest transaction <sup>1</sup>
Classifieds	Agente Imóvel	2,999	0.4%	27.3%	2,999	-	Latest transaction <sup>1</sup>
Other	YouScan <sup>4</sup>	2,911	0.4%	20.9%	2,347	+24%	Revenue multiple <sup>1</sup>
Classifieds	Naseeb Networks (Rozee and Mihnati)	2,809	0.4%	24.3%	3,808	-26%	Revenue multiple <sup>1</sup>
Dgtl Health	Grace Health	1,079	0.2%	14.3%	-	+4%	Latest transaction <sup>1,2</sup>
Dgtl Health	Numan	1,030	0.1%	10.0%	-	-2%	Latest transaction <sup>1,2</sup>
Classifieds	Shwe Property	705	0.1%	8.3%	500	+1%	Latest transaction <sup>1,2</sup>
Classifieds	JobNet	645	0.1%	3.8%	500	+29%	Revenue multiple <sup>1</sup>
Other	Marley Spoon	531	0.1%	1.2%	316	+68%	Listed company <sup>1</sup>
Classifieds	CarZar	440	0.1%	16.4%	3,000	-85%	Model <sup>1</sup>
Classifieds	Dubicars	348	0.0%	6.4%	348	-	Latest transaction <sup>1</sup>
Classifieds	Avito	-	-	-	539,874	-	Latest transaction <sup>1</sup>
Dgtl Health	Babylon, convertible debt	17,377	2.5%	-	9,227	+2%	Convertible <sup>1</sup>
Mobility	VOI, convertible debt	11,732	1.7%	-	-	-	Convertible <sup>1</sup>
Classifieds	Naseeb Networks, convertible debt	202	0.0%	-	-	+1%	Convertible <sup>1</sup>
Dgtl Health	Numan, convertible debt	-	-	-	1,012	-	Convertible <sup>1</sup>
Classifieds	Booksy, convertible debt	-	-	-	1,000	-	Convertible <sup>1</sup>
Other	Liquidity management	48,548	6.9%	-	644	-	
Other	Cash and cash equivalents	53,535	7.6%	-	40,303	-	
<b>Total investment portfolio</b>		<b>699,921</b>	<b>100.0%</b>		<b>972,785</b>		
Borrowings		-			-93,944		
Other net receivables/liabilities		-2,186			-2,132		
<b>Total NAV</b>		<b>697,735</b>			<b>876,709</b>		

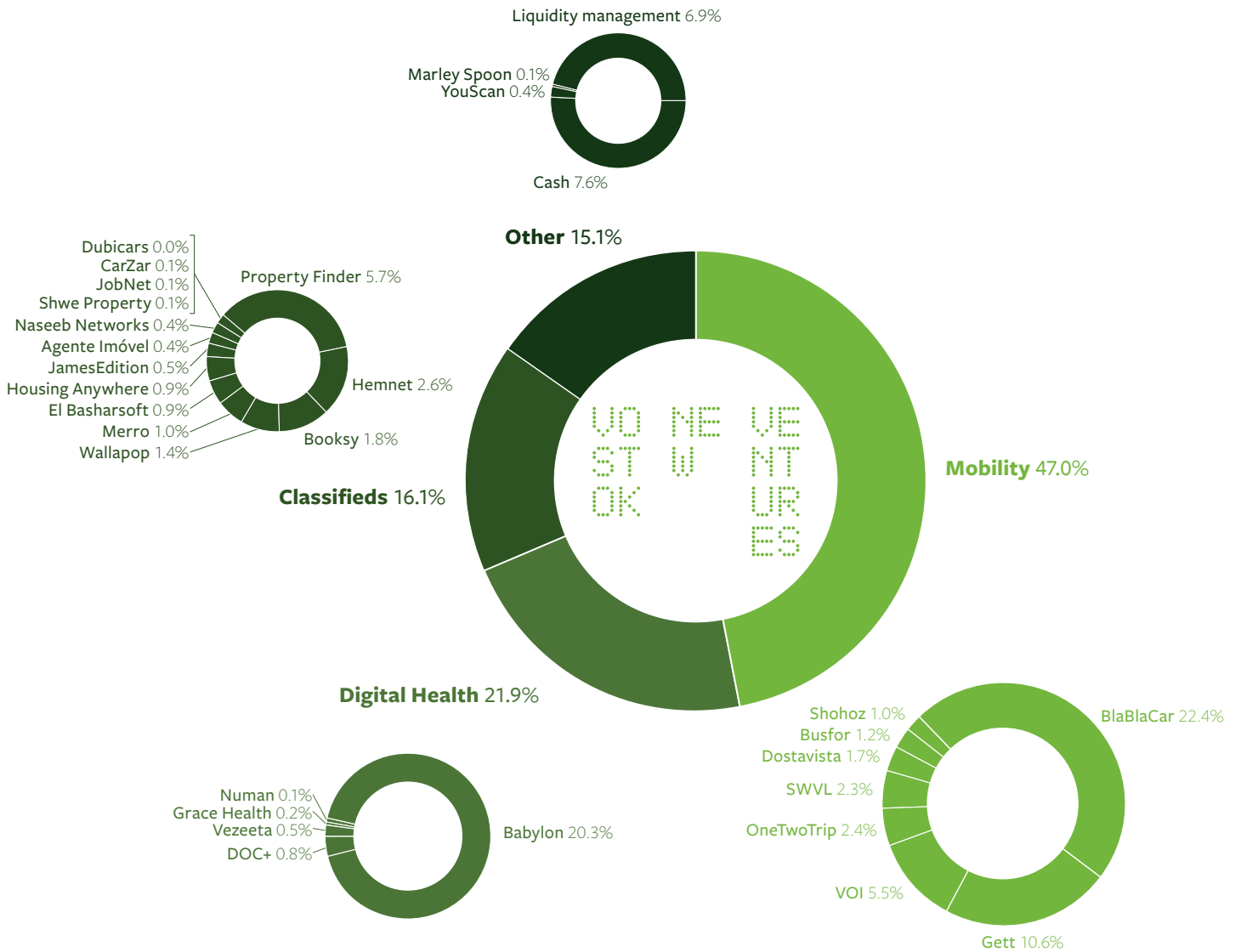
1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.

2. Fair value change per share since initial investment date.

3. Indirect holding through YSaphis S.A. and Sprints Capital Rob R Partners S.A.

4. Reflects Vostok New Ventures' 20.9% indirect shareholding in YouScan which is held through a 33.2% holding in Kontakt East Holding AB, which owns 63% of YouScan.

# The Vostok New Ventures investment portfolio (June 30, 2019)



# Financial information

## Group – results for the six month period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 114.65 mln (2018: -0.28), mainly coming from revaluations of Babylon, VOI, Hemnet and Booksy. Dividend and coupon income was USD 2.22 mln related to Merro dividends (2018: 17.77 sourced by Avito dividends).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -22.78 mln (2018: -8.35). The increase in net operating expenses is mainly related to bonus to CEO and other employees.

Net financial items were USD -8.19 mln (2018: 3.03), mainly related to SEK/USD depreciation and early redemption of all outstanding bonds of series 2017/2020 and series 2018/2022.

Net result for the period was USD 85.90 mln (2018: 12.17).

Total shareholders' equity amounted to USD 697.74 mln on June 30, 2019 (December 31, 2018: 876.71).

## Liquid assets

The liquid assets of the group amounted to USD 53.54 mln (December 31, 2018: 40.30).

## Group – results for the second quarter

During the second quarter, the result from financial assets at fair value through profit or loss amounted to USD 114.44 mln (2018: -17.76), mainly coming from revaluations of Babylon, Hemnet and Booksy. Dividend and coupon income was USD 0.00 mln (2018: 7.53 sourced by Avito dividends).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -1.95 mln (2018: -5.88). Higher level of net operating expenses 2018 compared to 2019 is mainly related to the Group's VAT claim from the Swedish Tax Agency expensed during 2018 (For more details see note 4).

Net financial items were USD -0.15 mln (2018: 2.03).

Net result for the period was USD 112.48 mln (2018: -14.07).

## Other events

Vostok New Ventures hosted a Capital Market Day (CMD) in London, June 13, 2019. The event was live streamed and is available at [www.vostoknewventures.com](http://www.vostoknewventures.com). During the CMD 2019, Gett, BlaBlaCar, Babylon and VOI presented.

# Portfolio events

## Investment activities during the six month period

During the six month period 2019, gross investments in financial assets were USD 91.83 mln (2018: 39.76) and proceeds from sales were USD 539.87 mln (2018: 1.09). Investments concern cash investment mainly in Babylon, Gett, VOI, SWVL, Booksy, Dostavista, Shohoz, DOC+, JamesEdition, Naseeb Networks, Grace Health and Shwe Property, and proceeds concern exit of Avito.

## Investment activities during the second quarter

During the second quarter 2019, gross investments in financial assets were USD 72.18 mln (2018: 21.43) and proceeds from sales were USD 0.00 mln (2018: 1.09). Investments concern cash investment mainly in Babylon, Gett, VOI, SWVL, Booksy, Dostavista, DOC+, JamesEdition, Naseeb Networks and Grace Health.

## New investments

### SWVL

During the second quarter 2019, Vostok New Ventures invested USD 16.0 mln in SWVL, a premium alternative to city transportation that connects commuters to a bus line through an app in populous cities in a number of emerging markets. SWVL offers a premium on demand bus service with third party supply and started in Cairo, Egypt. The company is run by the founder Mostafa Kandil who previously has worked at Rocket Internet and later Careem.

### Dostavista

During the second quarter 2019, Vostok New Ventures invested USD 11.6 mln in Dostavista, a Moscow-based last mile logistics operator for e-commerce. The company is present in 11 countries and has over 1 million registered couriers and offers delivery services within 90 minutes or precisely on time. Dostavista was founded by Mike Alexandrovskiy in 2012.

### JamesEdition

During the second quarter 2019, Vostok New Ventures invested USD 3.3 mln (EUR 3.0 mln) in JamesEdition. The company was founded in 2008 and features the largest collection of luxury goods worldwide. The platform has over 100,000 exquisite items ranging from rare supercars to celebrity-owned luxury real estate. An affluent audience of 25,000 per day is browsing for cars, real estate, watches, helicopters and jets for sale.

With more than 10 million monthly page views from around the world, JamesEdition.com is the unique marketplace for High and Super-High Net-Worth Individuals (HNWI's and SHNI's). With products as well as users evenly spread throughout the Americas, EMEA and Asia, JamesEdition.com is the leading global site to market luxury.

### Grace Health

During the second quarter 2019, Vostok New Ventures invested USD 1.0 mln (SEK 10.0 mln) in Grace Health. Grace Health is a Stockholm-based femtech company focusing on developing scalable and user-friendly health services to women in emerging markets.

Combining business potential with smart products and services the company aims to give millions of women the feeling of being what they are, normal. The company's first product, Grace Health Period Tracker is a medical device that meets the high standards set by the Swedish Medical Products Agency.

**For further information about the portfolio companies please see**

📄 [Vostok New Ventures' Annual Report 2018](#)

🌐 [Vostok New Ventures' website](#)



## **Current portfolio**

In April 2019, Vostok New Ventures invested an additional USD 16.3 mln in Gett as part of an extension of the previous round.

In April 2019, Vostok New Ventures invested an additional USD 7.7 mln (GBP 6.0 mln) in Babylon through a convertible note.

In May 2019, Booksy closed a new funding round, at a higher valuation. Vostok New Ventures participated with a total of USD 3.5 mln in the round.

In May 2019, Vostok New Ventures invested an additional USD 1.8 mln in DOC+.

In June 2019, Vostok New Ventures invested USD 11.7 mln in VOI through a convertible note.

In June 2019, BlaBlaCar formally finalized the acquisition of Ouibus (announced in October 2018) and launched a number of bus routes in France and other European markets.

## **Liquidity management**

The Company also has investments in money market funds, as part of its liquidity management operations. As per June 30, 2019, the liquidity management investments are valued at USD 48.5 mln (2018: 8.68), based on the latest NAV of each fund and bond's market value.

# Income statements – Group

(Expressed in USD thousands)	Jan 1, 2019– Jun 30, 2019	Jan 1, 2018– Jun 30, 2018	Apr 1, 2019– Jun 30, 2019	Apr 1, 2018– Jun 30, 2018
Result from financial assets at fair value through profit or loss <sup>1</sup>	114,647	-275	114,443	-17,758
Dividend and coupon income	2,221	17,765	–	7,529
Other operating income	150	126	73	91
Operating expenses	-22,926	-8,475	-2,024	-5,968
<b>Operating result</b>	<b>94,092</b>	<b>9,141</b>	<b>112,492</b>	<b>-16,106</b>
<b>Financial income and expenses</b>				
Interest income	74	1,924	52	1,475
Interest expense	-4,021	-3,011	-35	-1,904
Currency exchange gains/losses, net	-4,244	4,116	-32	2,462
<b>Net financial items</b>	<b>-8,191</b>	<b>3,029</b>	<b>-15</b>	<b>2,033</b>
<b>Result before tax</b>	<b>85,901</b>	<b>12,170</b>	<b>112,477</b>	<b>-14,072</b>
Taxation	–	–	–	–
<b>Net result for the financial period</b>	<b>85,901</b>	<b>12,170</b>	<b>112,477</b>	<b>-14,072</b>
Earnings per share (in USD)	1.08	0.14	1.44	-0.17
Diluted earnings per share (in USD)	1.08	0.14	1.44	-0.17

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, 2019– Jun 30, 2019	Jan 1, 2018– Jun 30, 2018	Apr 1, 2019– Jun 30, 2019	Apr 1, 2018– Jun 30, 2018
<b>Net result for the financial period</b>	<b>85,901</b>	<b>12,170</b>	<b>112,477</b>	<b>-14,072</b>
<b>Other comprehensive income for the period</b>				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-37	-282	4	-228
<b>Total other comprehensive income for the period</b>	<b>-37</b>	<b>-282</b>	<b>4</b>	<b>-228</b>
<b>Total comprehensive income for the period</b>	<b>85,864</b>	<b>11,888</b>	<b>112,481</b>	<b>-14,300</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)	Jun 30, 2019	Dec 31, 2018
<b>NON-CURRENT ASSETS</b>		
<i>Tangible non-current assets</i>		
Property, plant and equipment	1,257	203
<b>Total tangible non-current assets</b>	<b>1,257</b>	<b>203</b>
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	646,386	932,482
<b>Total financial non-current assets</b>	<b>646,386</b>	<b>932,482</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	53,535	40,303
Tax receivables	567	556
Other current receivables	234	399
<b>Total current assets</b>	<b>54,336</b>	<b>41,259</b>
<b>TOTAL ASSETS</b>	<b>701,979</b>	<b>973,943</b>
<b>SHAREHOLDERS' EQUITY</b> (including net result for the financial period)	<b>697,735</b>	<b>876,709</b>
<b>NON-CURRENT LIABILITIES</b>		
<i>Interest bearing liabilities</i>		
Long-term debts and financial leases	805	93,944
<b>Total non-current liabilities</b>	<b>805</b>	<b>93,944</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Tax payables	397	402
Other current liabilities	1,777	1,161
Accrued expenses	1,265	1,727
<b>Total current liabilities</b>	<b>3,439</b>	<b>3,290</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>701,979</b>	<b>973,943</b>

# Statement of Changes in Equity

## – Group

(Expressed in USD thousands)	Note	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
<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 June 30, 2018		-	-	-	12,170	12,170
<i>Other comprehensive income for the period</i>						
Currency translation differences		-	-	-282	-	-282
<b>Total comprehensive income for the period</b>						
<b>January 1, 2018 to June 30, 2018</b>		<b>-</b>	<b>-</b>	<b>-282</b>	<b>12,170</b>	<b>11,888</b>
<i>Transactions with owners:</i>						
Value of employee services:						
- Share-based long-term incentive program		-	805	-	-	805
Buy-back of own shares		-6	-171	-	-	-178
<b>Total transactions with owners</b>		<b>-6</b>	<b>634</b>	<b>-</b>	<b>-</b>	<b>628</b>
<b>Balance at June 30, 2018</b>		<b>27,060</b>	<b>119,707</b>	<b>-290</b>	<b>746,028</b>	<b>892,505</b>
<b>Balance at January 1, 2019</b>		<b>27,060</b>	<b>120,829</b>	<b>-173</b>	<b>728,994</b>	<b>876,709</b>
Net result for the period						
January 1, 2019 to June 30, 2019		-	-	-	85,901	85,901
<i>Other comprehensive income for the period</i>						
Currency translation differences		-	-	-37	-	-37
<b>Total comprehensive income for the period</b>						
<b>January 1, 2019 to June 30, 2019</b>		<b>-</b>	<b>-</b>	<b>-37</b>	<b>85,901</b>	<b>85,864</b>
<i>Transactions with owners:</i>						
Redemption program		-6,479	-	-	-208,831	-215,310
Value of employee services:						
- Share-based remuneration		124	3,076	-	-	3,200
- Share-based long-term incentive program		76	688	-	-	764
Buy-back of own shares	7	-2,042	-51,450	-	-	-53,491
<b>Total transactions with owners</b>		<b>-8,321</b>	<b>-47,686</b>	<b>-</b>	<b>-208,831</b>	<b>-264,838</b>
<b>Balance at June 30, 2019</b>		<b>18,739</b>	<b>73,143</b>	<b>-210</b>	<b>606,064</b>	<b>697,735</b>

# Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2019– Jun 30, 2019	Jan 1, 2018– Jun 30, 2018	Apr 1, 2019– Jun 30, 2019	Apr 1, 2018– Jun 30, 2018
<b>OPERATING ACTIVITIES</b>				
Result before tax	85,901	12,170	112,477	-14,072
<i>Adjustment for:</i>				
Interest income	-74	-1,924	-52	-1,475
Interest expense	4,021	3,011	35	1,904
Currency exchange gains/-losses	4,244	-4,116	32	-2,462
Depreciation	170	-	93	-
Result from financial assets at fair value through profit or loss	-114,647	275	-114,443	17,758
Dividend and coupon income	-2,221	-17,759	-	-7,523
Other non-cash adjustments	3,941	5,111	-15,317	4,760
Change in current receivables	131	-105	-5	38
Change in current liabilities	-471	68	-926	-31
<b>Net cash used in operating activities</b>	<b>-19,005</b>	<b>-3,264</b>	<b>-18,106</b>	<b>-1,100</b>
Investments in financial assets	-139,095	-36,767	-79,039	-21,389
Sales of financial assets	539,874	1,088	-	1,088
Increase in loan receivables	-	-2,974	-	-
Dividend and coupon income	2,221	17,759	-	7,523
Interest received	-	878	-	878
Tax paid	-26	-77	-59	-39
<b>Net cash flow from/used in operating activities</b>	<b>383,969</b>	<b>-23,357</b>	<b>-97,204</b>	<b>-13,038</b>
<b>INVESTMENT ACTIVITIES</b>				
Investments in office equipment	-	-3	-	-
<b>Net cash flow used in investment activities</b>	<b>-</b>	<b>-3</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowing	-91,205	-	-	-
Proceeds from borrowings	-	29,100	-	29,100
Interest paid for borrowings	-3,113	-	-	-1,653
Redemption program including transaction fees	-215,310	-	-2	-
Buy back of own shares	-53,491	-178	-	-
<b>Net cash flow used in financing activities</b>	<b>-363,119</b>	<b>26,163</b>	<b>-2</b>	<b>27,447</b>
<b>Change in cash and cash equivalents</b>	<b>20,850</b>	<b>2,803</b>	<b>-97,206</b>	<b>14,409</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>40,303</b>	<b>51,079</b>	<b>150,377</b>	<b>40,001</b>
Exchange gains/losses on cash and cash equivalents	-7,618	-2,874	364	-3,402
<b>Cash and cash equivalents at end of period</b>	<b>53,535</b>	<b>51,008</b>	<b>53,535</b>	<b>51,008</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.

	6m 2019	6m 2018
Return on capital employed, % <sup>1</sup>	9.81	0.95
Equity ratio, % <sup>2</sup>	99.40	90.06
Shareholders' equity/share, USD <sup>3</sup>	8.94	10.55
Earnings/share, USD <sup>4</sup>	1.08	0.14
Diluted earnings/share, USD <sup>5</sup>	1.08	0.14
Net asset value/share, USD <sup>6</sup>	8.94	10.55
Net asset value/share adjusted for redemption program, USD <sup>7</sup>	12.23	10.55
Weighted average number of shares for the financial period <sup>8</sup>	79,434,729	84,567,939
Weighted average number of shares for the financial period (fully diluted) <sup>8</sup>	79,682,609	84,760,498
Number of shares at balance sheet date <sup>8,9</sup>	78,080,206	84,562,357

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. *Net asset value/share adjusted for redemption program* is defined as equity increased by an amount corresponding to the redemption amount increased by the development in equity since the redemption date, divided by total number of shares.

8. Refers only to ordinary shares and excludes redemption shares.

9. Number of shares at balance sheet date as per June 30, 2019, excludes 7,608,103 repurchased SDRs.

# Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2019– Jun 30, 2019	Jan 1, 2018– Jun 30, 2018	Apr 1, 2019– Jun 30, 2019	Apr 1, 2018– Jun 30, 2018
Result from financial assets at fair value through profit or loss	599	-989	525	-1,047
Dividend income	100,000	6	–	6
Operating expenses	-22,701	-4,195	-2,038	-1,615
<b>Operating result</b>	<b>77,898</b>	<b>-5,178</b>	<b>-1,513</b>	<b>-2,655</b>
<b>Financial income and expenses</b>				
Interest income	1,396	8,324	1,390	4,763
Interest expense	-3,985	-3,010	-18	-1,904
Currency exchange gains/losses, net	-4,074	4,190	159	2,541
<b>Net financial items</b>	<b>-6,663</b>	<b>9,504</b>	<b>1,531</b>	<b>5,400</b>
<b>Net result for the financial period</b>	<b>71,235</b>	<b>4,326</b>	<b>18</b>	<b>2,745</b>

## Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2019– Jun 30, 2019	Jan 1, 2018– Jun 30, 2018	Apr 1, 2019– Jun 30, 2019	Apr 1, 2018– Jun 30, 2018
<b>Net result for the financial period</b>	<b>71,235</b>	<b>4,326</b>	<b>18</b>	<b>2,745</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>71,235</b>	<b>4,326</b>	<b>18</b>	<b>2,745</b>

# Balance sheet – Parent

(Expressed in USD thousands)	Jun 30, 2019	Dec 31, 2018
<b>NON-CURRENT ASSETS</b>		
<i>Financial non-current assets</i>		
Shares in subsidiaries	185	84,389
Financial assets at fair value through profit or loss	48,548	644
Receivables from Group companies	3,006	256,965
<b>Total financial non-current assets</b>	<b>51,739</b>	<b>341,998</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	38,424	35,505
Other current receivables	60	138
<b>Total current assets</b>	<b>38,484</b>	<b>35,644</b>
<b>TOTAL ASSETS</b>	<b>90,223</b>	<b>377,642</b>
<b>SHAREHOLDERS' EQUITY</b> (including net result for the financial period)	<b>87,804</b>	<b>281,406</b>
<b>NON-CURRENT LIABILITIES</b>		
<i>Interest bearing liabilities</i>		
Long-term debts	–	93,944
<b>Total non-current liabilities</b>	<b>–</b>	<b>93,944</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Liabilities to Group companies	1,407	719
Other current liabilities	53	81
Accrued expenses	959	1,490
<b>Total current liabilities</b>	<b>2,419</b>	<b>2,292</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>90,223</b>	<b>377,642</b>



# Statement of Changes in Equity

## – Parent

(Expressed in USD thousands)	Note	Share capital	Additional paid in capital	Retained earnings	Total
<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 June 30, 2018		–	–	4,326	4,326
<i>Other comprehensive income for the period</i>					
Currency translation differences		–	–	–	–
<b>Total comprehensive income for the period January 1, 2018 to June 30, 2018</b>		<b>–</b>	<b>–</b>	<b>4,326</b>	<b>4,326</b>
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program		–	805	–	805
Buy-back of own shares		-6	-171	–	-178
<b>Total transactions with owners</b>		<b>-6</b>	<b>634</b>	<b>–</b>	<b>628</b>
<b>Balance at June 30, 2018</b>		<b>27,060</b>	<b>119,707</b>	<b>131,315</b>	<b>278,082</b>
<b>Balance at January 1, 2019</b>		<b>27,060</b>	<b>120,829</b>	<b>133,518</b>	<b>281,406</b>
Net result for the period January 1, 2019 to June 30, 2019		–	–	71,235	71,235
<i>Other comprehensive income for the period</i>					
Currency translation differences		–	–	–	–
<b>Total comprehensive income for the period January 1, 2019 to June 30, 2019</b>		<b>–</b>	<b>–</b>	<b>71,235</b>	<b>71,235</b>
<i>Transactions with owners:</i>					
Redemption program		-6,479	–	-208,831	-215,310
Value of employee services:					
- Share-based remuneration		124	3,076	–	3,200
- Share-based long-term incentive program		76	688	–	764
Buy-back of own shares	7	-2,042	-51,450	–	-53,491
<b>Total transactions with owners</b>		<b>-8,321</b>	<b>-47,686</b>	<b>-208,831</b>	<b>-264,838</b>
<b>Balance at June 30, 2019</b>		<b>18,739</b>	<b>73,143</b>	<b>-4,078</b>	<b>87,804</b>

# Notes to the financial statements

(Expressed in USD thousand unless indicated otherwise)

## Note 1 Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. Except where stated below, the accounting policies that have been applied for the Group and Parent Company, are in agreement with the accounting policies used in preparation of the Company's 2018 annual report. The Company's 2018 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 16, Leases, is effective from January 1, 2019. IFRS 16 affects primarily the accounting by leases and the recognition of almost all leases on balance sheet. Vostok New Ventures applies the simplified transition approach. Comparative information are therefore not restated. The Company's leasing commitments consist only of lease agreements for premises, therefore the new standard has not a significant impact on the Company's financial reports. The effect on tangible assets is USD 1.1 mln, long-term debts USD 0.8 mln and current liabilities USD 0.3 mln.

## Note 2 Related-party transactions

During the period, the Group has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	6m 2019	6m 2018	6m 2019	6m 2018
Key management and Board of Directors <sup>1</sup>	-16,915	-3,206	-88	-64

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

The Company has entered into a consultancy agreement with Keith Richman, Director of Vostok New Ventures, for consultancy services above and beyond his duties as Director in the Company in relation to current or prospective investments. The gross annual cost of this contract is USD 0.1 mln.

The Board of Directors of Vostok New Ventures Ltd has resolved to award Per Brilioth, Managing Director of Vostok New Ventures, an extraordinary bonus in the gross amount of USD 15 mln following the successful exit of Avito during January 2019.

The costs for the long-term incentive programs (LTIP 2016, LTIP 2017 and LTIP 2018) for the management amounted to USD 0.76 mln, excluding social taxes during the six-month period 2019. 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 2018. The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

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

The following table presents the group's assets that are measured at fair value at June 30, 2019.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	49,079	421,145	176,162	646,386
Total assets	49,079	421,145	176,162	646,386

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 changes of financial assets in level 3.

	Level 3
Opening balance January 1, 2019	223,623
Transfers from level 3	-157,695
Transfers to level 3	5,254
Change in fair value and other	104,980
Closing balance June 30, 2019	176,162

During the second quarter 2019, BlaBlaCar has been transferred from level 3 to level 2 and El Basharsoft and JobNet have been transferred from level 2 to level 3. The investments in BlaBlaCar, Gett, Property Finder, VOI, OneTwoTrip, SWVL, Booksy, Dostavista, Busfor, Shohoz, Housing Anywhere, DOC+, JamesEdition, Vezeeta, Grace Health, Numan, Shwe Property and Dubicars are classified as level 2 as the valuations are based on the price paid in each respective transaction.

Babylon, Hemnet, Wallapop, Merro, El Basharsoft, Agente Imóvel, YouScan, Naseeb Networks, JobNet and CarZar are classified as level 3 investments. The level 3 investments are either based on valuation models, usually using EBITDA and revenue multiples of comparable listed peers or transactions that include more uncertainty given the time elapsed since it closed or 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.

### BlaBlaCar

As per June 30, 2019, the BlaBlaCar investment is classified as a level 2 investment, valued on a transaction in BlaBlaCar where SNCF and other existing BlaBlaCar investors participated. Vostok New Ventures has invested EUR 110 mln in the company. The transaction was announced in October 2018 and formally closed in June 2019. The transaction values Vostok's 9.3% ownership to USD 156.8 mln as per June 30, 2019.

### Babylon

As per June 30, 2019, Babylon is classified as a level 3 investment as it is valued to USD 124.6 mln based on the funding round, concluded on August 2, 2019. The valuation is approximately 470% higher than the valuation as per December 31, 2018.

	Sensitivity in Babylon valuation as per June 30, 2019				
	-15%	-10%	Babylon valuation	+10%	+15%
Valuation of Vostok New Ventures' Babylon investment, USD mln	105.9	112.2	124.6	137.1	143.3

### Gett

As per June 30, 2019, the Gett investment is classified as a level 2 investment as it is valued on the basis of a transaction that closed in 1Q 2019 where Vostok New Ventures participated. The company valuation in the transaction is in line with the last model-based valuation of the company as per December 31, 2018.

### Property Finder

As per June 30, 2019, the Property Finder investment is classified as a level 2 investment as it is valued at USD 40.0 mln on the basis of the latest transaction in the company that closed in December 2018. Vostok invested USD 3.9 mln in that round which was led by General Atlantic.

### VOI

As per June 30, 2019, 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 first quarter of 2019. Vostok New Ventures has invested a total of USD 12.8 mln in the company as per June 2019, which is valued at USD 26.7 mln as per June 30, 2019.

### Hemnet (through YSaphis S.A. and Sprints Capital Rob R Partners S.A.)

As per June 30, 2019, Hemnet is classified as a level 3 investment as it is valued to USD 18.3 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 June 30, 2019, the model is deemed the best fair value estimate of the company. The median multiple of the peer group is 21.4x 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 29% higher than the valuation as per December 31, 2018, primarily driven by higher peer multiples.

	Sensitivity in model-based Hemnet valuation as per June 30, 2019				
	-15%	-10%	EV/EBITDA multiple	+10%	+15%
Valuation of Vostok New Ventures' Hemnet investment, USD mln	15.5	16.5	18.3	20.1	21.0

### OneTwoTrip

As per June 30, 2019, OneTwoTrip is classified as a level 2 investment as it is valued at USD 16.5 mln on the basis of the latest 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 June 30, 2019.

### SWVL

As per June 30, 2019, SWVL is classified as a level 2 investment as it is valued at USD 16.0 mln on the basis of a recent transaction in the company that closed in the second quarter 2019. Vostok New Ventures owns 10.2% of the company on a fully diluted basis as per June 30, 2019.

## Booksy

As per June 30, 2019, 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 second quarter of 2019. Vostok New Ventures invested a total of USD 9.5 mln in the company. Vostok New Ventures owns 10.5% of the company on a fully diluted basis as per June 30, 2019.

## Dostavista

As per June 30, 2019, Dostavista 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 2019. Vostok New Ventures invested a total of USD 11.6 mln in the company.

## Wallapop

As per June 30, 2019, Wallapop is classified as a level 3 investment. Vostok New Ventures' indirect stake in the company is valued at USD 10.0 mln. As per June 30, 2019, the latest transaction – which was 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 June 30, 2018				
	-15%	-10%	Wallapop valuation	+10%	+15%
Valuation of Vostok New Ventures' Wallapop investment, USD mln	8.5	9.0	10.0	11.0	11.5

## Busfor

Vostok New Ventures invested a total of USD 8.5 mln in Busfor during 2018. As per June 30, 2019, Busfor is classified as a level 2 investment based on latest transaction in December 2018, valued at USD 8.6 mln as per June 30, 2019.

## Merro

As per June 30, 2019, Merro is classified as a level 3 investment and is valued on the basis of a Sum of the Parts valuation model. As per June 30, 2019, Vostok New Ventures stake in the company is valued to USD 7.1 mln, which is 9% lower than the valuation as per December 31, 2018. The main drivers of the revaluation are a USD 2.2 mln dividend distribution following Merro's sale of Property Finder and a revised valuation of Opensooq, which is attributable to the majority of the fair value of Merro. As per June 30, 2019, Opensooq accounts for 71.7% of the fair value estimate of Merro.

	Sensitivity in Sum of the parts-based Merro valuation as per June 30, 2019				
	-15%	-10%	Merro valuation	+10%	+15%
Valuation of Vostok New Ventures' Merro investment, USD mln	6.0	6.4	7.1	7.8	8.1

	Sensitivity in Sum of the parts-based Merro valuation as per June 30, 2019				
	-15%	-10%	Opensooq valuation	+10%	+15%
Valuation of Vostok New Ventures' Merro investment, USD mln	6.3	6.5	7.1	7.6	7.9

## Shohoz

During the first quarter 2019, Vostok New Ventures invested USD 7 mln in Shohoz. As per June 30, 2019, Shohoz is classified as a level 2 investment based on latest transaction, valued at USD 7.0 mln as per June 30, 2019.

## El Basharsoft

As per June 30, 2019, El Basharsoft is classified as a level 3 investment as it is valued to USD 6.4 mln on the basis of an EV/Sales valuation model as the latest significant transaction now is more than 12 months old. The company has been performing well. As per June 30, 2019, the model is deemed the best fair value estimate of the company. The model-based valuation is approximately 35% higher than the valuation as per December 31, 2018.

	Sensitivity in El Basharsoft valuation as per June 30, 2019				
	-15%	-10%	EV/Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' El Basharsoft investment, USD mln	5.4	5.8	6.4	7.0	7.4

## Housing Anywhere

As per June 30, 2019, 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 4.1 mln (EUR 3.3 mln) in the company in the first quarter 2018 and an additional EUR 1.6 mln in December 2018.

## DOC+

As per June 30, 2019, 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 2019. Vostok New Ventures invested a total of USD 5.7 mln in the company.

## JamesEdition

As per June 30, 2019, JamesEdition 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 2019. Vostok New Ventures invested a total of USD 3.3 mln (EUR 3.0 mln) in the company.

## Vezeeta

As per June 30, 2019, Vezeeta 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 0.8 mln in the financing round. As per June 30, 2019, Vostok New Ventures values its investment in Vezeeta to USD 3.2 mln.

## Agente Imóvel

As per June 30, 2019, 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 June 30, 2019 is valued at USD 3.0 mln based on the 2Q18 transaction.

	Sensitivity in Agente Imóvel valuation as per June 30, 2019				
	-15%	-10%	Agente Imóvel valuation	+10%	+15%
Valuation of Vostok New Ventures' Agente Imóvel investment, USD mln	2.5	2.7	3.0	3.3	3.4

### YouScan

Vostok New Ventures owns 20.9% of YouScan fully diluted (YouScan is held through a 33.2% holding in Kontakt East Holding AB, which owns 63% of YouScan). As per June 30, 2019, YouScan is valued based on a sales-multiple based valuation. This model-approach is deemed the best fair value estimate of YouScan as per June 30, 2019.

	Sensitivity in model-based YouScan-valuation as per June 30, 2019				
	-15%	-10%	EV-Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' YouScan investment, USD million	2.5	2.6	2.9	3.2	3.3

### Naseeb Networks

As per June 30, 2019, 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 2.8 mln compared to USD 3.8 mln as per December 31, 2018.

The peer group includes four online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.8x and the median multiple is 6.3x.

	Sensitivity in model-based Naseeb valuation as per June 30, 2019				
	-15%	-10%	EV-Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Naseeb investment, USD mln	2.4	2.5	2.8	3.1	3.2

### Grace Health

During the second quarter 2019, Vostok New Ventures invested USD 1.0 mln (SEK 10.0 mln) in Grace Health. As per June 30, 2019, Grace Health is classified as a level 2 investment based on latest transaction, valued at USD 1.1 mln as per June 30, 2019.

### Numan

As per June 30, 2019, Numan is classified as a level 2 investment based on a convertible investment in the company which closed in December 2018 and converted into equity during the first quarter 2019.

### Shwe Property

As per June 30, 2019, 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 2019. Vostok New Ventures initially invested a total of USD 0.5 mln in the company and another USD 0.2 mln in the first quarter of 2019.

### JobNet

As per June 30, 2019, JobNet 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 JobNet to USD 0.6 mln compared to USD 0.5 mln as per December 31, 2018.

The peer group includes four online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 8.8x and the median multiple is 6.3x.

	Sensitivity in model-based JobNet valuation as per June 30, 2019				
	-15%	-10%	EV-Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' JobNet investment, USD mln	0.5	0.6	0.6	0.7	0.7

### Marley Spoon (equity, Level 1)

As per June 30, 2019, the equity in Marley Spoon is valued at USD 0.5 mln on the basis of the closing price on the last trading day of Marley Spoon in 2Q19. Marley Spoon equity is classified as a level 1 investment.

### CarZar

As per June 30, 2019, CarZar is classified as a level 3 investment as it is valued on the basis of Vostok New Ventures' assessment of the intrinsic fair value of the company. Vostok New Ventures' valuation as per June 30, 2019, is significantly lower compared with the valuation as per December 31, 2018, following continued unfavorable performance and overall market dynamics.

	Sensitivity in CarZar valuation as per June 30, 2019				
	-15%	-10%	CarZar valuation	+10%	+15%
Valuation of Vostok New Ventures' CarZar investment, USD mln	0.4	0.4	0.4	0.5	0.5

### Dubicars

As per June 30, 2019, Dubicars is classified as a level 2 investment based on a transaction in the company which closed in the fourth quarter 2018.

### Liquidity management (Level 1)

As per June 30, 2019, Vostok New Ventures owns USD 48.5 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 June 30, 2019, is the last published NAV as per end of June 2019.

### 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

(Expressed in USD) Company	Opening balance Jan 1, 2019	Investments/ (disposals), net	FV change	Closing balance Jun 30, 2019	Percentage weight
BlaBlaCar	157,695,271	-	-908,669	156,786,602	24.3%
Babylon	21,884,394	-	102,754,938	124,639,332	19.3%
Gett	55,358,979	18,620,324	81,425	74,060,728	11.5%
Property Finder	39,985,331	-	-	39,985,331	6.2%
VOI	10,831,921	10,076,628	5,768,701	26,677,250	4.1%
Hemnet <sup>1</sup>	14,178,027	-	4,107,558	18,285,585	2.8%
OneTwoTrip	16,548,231	-	-	16,548,231	2.6%
SWVL	-	16,001,533	-	16,001,533	2.5%
Booksy	5,989,711	3,499,650	3,441,767	12,931,128	2.0%
Dostavista	-	11,561,199	-	11,561,199	1.8%
Wallapop	9,950,485	-	-	9,950,485	1.5%
Busfor	8,604,151	-	-	8,604,151	1.3%
Merro	7,761,119	-	-686,728	7,074,391	1.1%
Shohoz	-	7,003,759	-	7,003,759	1.1%
El Basharsoft (Wuzzuf and Forasna)	4,736,758	17,067	1,654,686	6,408,511	1.0%
Housing Anywhere	6,226,535	-	-35,879	6,190,656	1.0%
DOC+	4,000,000	1,750,000	-11	5,749,989	0.9%
JamesEdition	-	3,341,400	75,067	3,416,467	0.5%
Vezeeta	3,155,946	-	-	3,155,946	0.5%
Agente Imóvel	2,999,443	-	-	2,999,443	0.5%
YouScan <sup>2</sup>	2,346,512	-	564,151	2,910,663	0.5%
Naseeb Networks (Rozee and Mihnti)	3,807,560	-	-998,840	2,808,720	0.4%
Grace Health	-	1,041,951	36,595	1,078,546	0.2%
Numan <sup>3</sup>	1,012,000	36,208	-18,473	1,029,735	0.2%
Shwe Property	500,000	200,000	5,151	705,151	0.1%
JobNet	500,000	-	145,106	645,106	0.1%
Marley Spoon	315,981	-	214,951	530,932	0.1%
CarZar	3,000,000	-	-2,560,317	439,683	0.1%
Dubicars	348,325	-	-	348,325	0.1%
Avito	539,874,449	-539,874,449	-	-	-
Babylon, convertible debt	9,226,610	7,745,400	404,592	17,376,602	2.7%
VOI, convertible debt	-	11,731,665	-	11,731,665	1.8%
Naseeb Networks, convertible debt	-	200,000	1,611	201,611	0.0%
Booksy, convertible debt	999,900	-999,900	-	-	-
Liquidity management	644,274	47,304,624	599,370	48,548,268	7.5%
<b>Total</b>	<b>932,481,913</b>	<b>-400,742,941</b>	<b>114,646,752</b>	<b>646,385,724</b>	<b>100.0%</b>

1. Indirect holding through YSaphis S.A. and Sprints Capital Rob R Partners S.A.

2. Reflects Vostok New Ventures' 20.9% indirect shareholding in YouScan which is held through a 33.2% holding in Kontakt East Holding AB, which owns 63% of YouScan.

3. Convertible note conversions into shares generates capitalized interest and currency effects which are excluded in investments of financial assets in the cash flow statement.

### Note 4 VAT claim

Vostok New Ventures AB has during 2019 paid an additional VAT for 2013–2018 of USD 4.6 mln, converted to SEK 40.3 mln, together with tax penalties of USD 0.3 mln, converted to SEK 2.6 mln, according to The Swedish Tax Agency'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. The Supreme Administrative Court did not give leave to appeal on the matter (ruling came 2019). VAT expenses are provided in full in the Group's financial statements, ie. from period 2013 to second quarter 2019.

### Note 5 Long-term debts

As per June 30, 2019, financial leases are recognized with a provision of future long-term lease payments amounting to USD 0.8 mln.

## Note 6

### Long-term Incentive programs (LTIP)

The long-term share-based incentive programs for management and key personnel in the Vostok New Ventures Group are programs in which the participants purchase shares in the company and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfillment of a performance condition set by the Board of Directors on the basis of the Company's Net Asset Value. In accordance with IFRS 2, the costs for the program, including social fees, will be reported over the income statement during the program's vesting period.

The rights to receive shares automatically convert into ordinary shares (Swedish Depository Receipts) at the end of the program at an exercise price of nil. The participants do not receive any dividends and are not entitled to vote in relation to the rights to receive shares during the vesting period. If a participant ceases to be employed by the Group within this period, the rights will be forfeited, except in limited circumstances that are approved by the board on a case-by-case basis.

The fair value of the depository receipts on the grant date was calculated on the basis of the market price of the company's depository receipts on the grant date per depository receipt without adjustment for any dividends during the vesting period.

	LTIP 2016 <sup>1</sup>	LTIP 2017	LTIP 2018
Program measurement period	Jan 2016– Dec 2018	Jan 2017– Dec 2019	Jan 2018– Dec 2020
Vesting period	Aug 2016– May 2019	May 2017– May 2020	May 2018– May 2021
Maximum number of depository receipts not adjusted for split and redemption program Mar 2019	430,000	450,000	510,000
Maximum number of depository receipts adjusted for split and redemption program Mar 2019	632,100	661,500	742,350
Maximum dilution, adjusted for redemption program	Exercised (0.41%)	0.85%	0.95%
Share price per grant day in SEK	64.25	72.50	74.70
Share price per grant day in USD	7.52	8.25	8.59
Total expenses, excluding social fees in USD mln	LTIP 2016	LTIP 2017	LTIP 2018
June 2019	–	0.36	0.40
2018	0.69	0.70	0.52
2017	0.68	0.45	–
2016	0.23	–	–
<b>Total</b>	<b>1.60</b>	<b>1.51</b>	<b>0.92</b>

1. The Board of Directors determined on March 27, 2019 that the development of the Company's Net Asset Value over the performance measurement period of LTIP 2016 (January 1, 2016 through December 31, 2018), met the so-called target level, whereby each savings share held by program participants throughout the vesting period resulted in an allocation of five performance shares free of charge.

No allocation has been made under LTIP 2019, as adopted by the 2019 Annual General Meeting on May 15, 2019. The Board of Directors has proposed to cancel that program and replace it with an updated LTIP 2019, subject to approval at a Special General Meeting to be held on August 22, 2019.

## Note 7

### Depository receipt buy-back

During the second quarter 2019, no SDRs were repurchased. At the end of the period, the number of outstanding shares (SDRs), excluding 7,608,103 repurchased SDRs, was 78,080,206.

## Note 8

### Events after the reporting period

After the end of the period, Vostok New Ventures invested an additional USD 7.5 mln (GBP 6.0 mln) in Babylon through a convertible note.

After the end of the period, following final allocation, Vostok New Ventures invested the remaining USD 5.8 mln of its commitment in VOI through a convertible note for a total investment of USD 17.5 mln.

During July 2019, Vostok New Ventures issued 147,000 new shares and corresponding SDRs in connection with the option program issued 2016 under its 2010 incentive program. Following the option exercise of 100,000 options, the number of outstanding shares (SDRs), excluding 7,608,103 repurchased SDRs, was 78,227,206.

On August 2, 2019, Vostok New Ventures participated in the closing of a funding raise in Babylon with a total of USD 71 mln, including previously extended convertible loans. The USD 500 mln round, with an option to raise a further USD 50 mln, values the company at USD 2 bln post money.



# Information

## Background

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

As of June 30, 2019, 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 71.24 mln (2018: 4.33). 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 2018.

## Upcoming Reporting Dates

Vostok New Ventures' nine months report for the period January 1, 2019–September 30, 2019 will be published on November 13, 2019.

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

Bermuda, August 14, 2019

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