



Vostok New Ventures Ltd.

Nine Months Report

Covering the Period January 1, 2016–September 30, 2016

- Net result for the period was USD 83.93 million (mln) (January 1, 2015–September 30, 2015: 150.46). Earnings per share were USD 1.12 (2.04).
- Net result for the quarter was USD 60.85 mln (97.67). Earnings per share for the quarter were USD 0.79 (1.33).
- The net asset value of the Company was USD 632.44 mln on September 30, 2016 (December 31, 2015: 503.44), corresponding to USD 7.87 per share (December 31, 2015: 6.85). Given a SEK/USD exchange rate of 8.6187 the values were SEK 5,450.77 mln (December 31, 2015: 4,204.90) and SEK 67.87 (December 31, 2015: 57.21), respectively.
- The group's net asset value per share in USD increased by 14.9% over the period January 1, 2016–September 30, 2016.
- During the quarter July 1, 2016–September 30, 2016 the group's net asset value per share in USD increased by 9.8%.
- The increase of the group's net asset value per share in USD is mainly driven from a revaluation of the investment in Avito.
- During the quarter, Vostok New Ventures (“Vostok” or “the Company”) completed a transaction where it acquired secondary shares in Paris-based ride-sharing service Comuto SA (“BlaBlaCar”) in the amount of EUR 40.11 mln (USD 45.48 mln), at the same valuation as Vostok's initial investment in BlaBlaCar in September 2015. The acquisition, which was paid for by newly issued Vostok shares, was approved by the special general meeting of shareholders in Vostok held on August 5, 2016. The new Swedish Depository Receipts (SDRs) for the issued shares were admitted for trading on Nasdaq Stockholm on August 11, 2016.
- In August, Vostok invested an additional USD 2.5 mln in OneTwoTrip.
- In September, Vostok invested USD 1.5 mln into DrBridge (Vezeeta), the leading doctors booking platform in Egypt.
- On October 28, the Company announced that it had entered into an agreement to acquire secondary shares in Comuto SA (“BlaBlaCar”) in the amount of approximately EUR 32 mln at the same valuation as Vostok's previous investment in BlaBlaCar in July 2016. The acquisition is conditioned on the approval by a special general meeting of shareholders in Vostok on November 18, 2016, and on an approval from the Swedish Financial Supervisory Authority of the prospectus in relation to the listing of the Swedish Depository Receipts (SDRs) for the new issued shares.
- The number of outstanding shares at the end of the period was 80,315,814.

Management report

Avito and Mobile 2.0 apps

In the online classified world, the talk of the town is the emergence of mobile only classifieds (sometimes called native apps or mobile 2.0 online classifieds). There are, amongst others, Wallapop (which we own a couple of percent of), LetGo of Naspers, OfferUp in the US, Schpock of Schibsted, and now also Youla of Russia.

The main characteristic of these are that they are

- Mobile only and app based
- It is easy to list and it is across all of them free to list
- Makes use of the geolocation of a smartphone, i.e. allows a user to search for items in his absolute proximity
- Is often close to social media, i.e. allows users to share with friends on Facebook, look on Facebook who is the seller etc.
- Offers the possibility to chat directly with the counterparty
- Uses the push function to remind user of stuff they have look at before etc.

This new group of players has raised the question if they will earnest be able to challenge the incumbents. They have pretty much all shown very impressive growth in terms of downloads and the initial activity on them is high.

The answer as always is that the potential threat that they pose to the incumbents differs a lot from market to market. The first one out was Wallapop which in Spain has become a massive success capturing some 30% or so of the general vertical. However, it is difficult to draw conclusions from Spain for other markets as there was no real strong incumbent that enjoyed the usual dominance. In pretty much all other markets the mobile 2.0 players have enjoyed success only in categories with low cost items with a heavy emphasis on baby/children stuff and women's clothing. The audience on them is often skewed to a young female audience. These categories are usually not large ones on the incumbent players, hence making the entrance of mobile 2.0 players more about expanding the market than taking market share.

The ensuing logical question is if they will be able to use this starting point to expand to other categories with higher value items and thus also actually take market share from the existing players. Are high barriers to entry actually at risk?

Again, it differs from market to market.

In the US, where the dominate incumbent is Craigslist with a seemingly very low ambition to expand their tech around the user experience in any way let alone in the fashion of the mobile 2.0 players, the risk of disruption must be described as high. Both LetGo (in

which we own a stake through our Wallapop holding) and OfferUp are investing into this opportunity of disruption.

In Russia where Avito is borderline paranoid about offering their users the best possible experience in every way (tech, liquidity, moderation) it is very difficult to see the risk of disruption as high. Avito already has a strong mobile offering with almost 60% of its page views coming from mobile devices during the third quarter of 2016. Avito's app consistently ranks among the 10 most popular apps (all categories) in Russia according to most estimates from the likes of App Annie and SensorTower. Youla's initial growth in apps and listings is the result of having the same owner as V Kontakte (the Facebook of Russia) with 80 mln users, a relationship that none of the other Mobile 2.0 players have. The VK connection will likely ensure that Youla stays around, but given an Avito very much on its toes it is unlikely to have traction outside of its existing low value categories.

Meanwhile Avito in the monetizing world continues to grow very well, displaying 83% growth in revenues during the third quarter 2016 compared to the same quarter the previous year. Margins were 59.7% at the EBITDA level during the third quarter compared to 58.5% last year.

OneTwoTrip

As you could read in our last financial report we also invested an additional USD 2.5 mln into OneTwoTrip during the third quarter. The new investment gets us to a 9.5% ownership stake and secures us a Board seat at the company. OneTwoTrip is continuing to perform well despite a challenging Russian travel-macro so far during 2016.

Vezeeta

We have made an investment into a new company during this past quarter. USD 1.5 mln gave us some 8% of Vezeeta, a marketplace for doctor bookings based in Egypt. Having proven up its product in Egypt by capturing 20% of the market for private clinics in Egypt (which by no means is a level of maturity), the company is ripe for expanding in the Middle East with a special focus on the Gulf. Egypt being the academic center of the Arab world has led to Egyptian doctors populating the clinics and hospitals of the region. This underscores the logic of the expansion of an Egyptian Healthcare marketplace platform across the region.

The regional spending on healthcare is material at some USD 200 bln+. Also like elsewhere in the emerging market world smartphone penetration is growing rapidly, giving fast internet access to large parts of the population for the first time. The combination of these two macro factors makes Vezeeta's space a very inter-

esting one in our view. Add to this a strong founder/management team that has already established itself in the Egyptian market and a very investable risk/reward opportunity emerges.

BlaBlaCar

After the end of the quarter we have signed a deal to purchase another EUR 32 mln in BlaBlaCar, raising our stake in the company to some 8%. Like earlier this year this acquisition is concluded by paying with newly issued Vostok shares priced at SEK 75. This means diluting our shareholders' exposure to Avito at a USD 3.2 bln valua-

tion, a painful exercise indeed but still one we think is worth doing because of the exceptional risk/reward characteristics of BlaBlaCar.

Again, the seller is the US-based VC Lead Edge which is selling to provide liquidity for its limited partners in a maturing fund. This time around we believe we have exhausted their supply of BlaBlaCar shares, whilst still leaving them a significant shareholder in the name.

The deal is still subject to the approval of our shareholders at an SGM to be held on November 18. Upon a successful outcome, the number of shares in Vostok will increase by 4.2 mln to 85 mln.

November 2016,
Per Brilioth

Portfolio structure – Net Asset Value

The investment portfolio stated at market value as at September 30, 2016 is shown below.

Company	Fair value, USD Sep 30, 2016	Percentage weight	Fair value, USD Dec 31, 2015	Valuation change per share, USD Year to date, 2016
Avito ²	396,363,117	59.4%	338,481,743	17% ¹
BlaBlaCar ²	78,737,156	11.8%	33,181,762	– ¹
Gett ²	50,358,980	7.5%	34,516,317	52% ¹
Propertyfinder ²	19,999,199	3.0%	19,999,199	– ¹
Wallapop ²	12,527,740	1.9%	10,302,197	22% ¹
Merro ²	12,384,907	1.9%	7,513,333	48% ¹
OneTwoTrip ²	7,848,060	1.2%	4,000,000	33% ¹
IZH Holding (Zameen and Bayut) ²	4,742,928	0.7%	2,000,000	137% ¹
Yell.ru ²	4,156,201	0.6%	5,662,418	-27% ¹
Naseeb Networks (Roze and Mihnati) ²	3,958,879	0.6%	4,500,000	-12% ¹
El Basharsoft (Wuzzuf and Forasna) ²	1,563,205	0.2%	968,000	61% ¹
Vezeeta (DrBridge) ²	1,500,000	0.2%	–	– ¹
Carable (Garantibil) ²	1,160,280	0.2%	–	– ¹
Delivery Hero Holding GmbH, equity component ²	2,792,511	0.4%	2,412,857	16% ^{3 1}
Delivery Hero Holding GmbH, debt	25,166,468	3.8%	23,449,753	
Kite Ventures, debt	10,141,352	1.5%	9,071,642	
Cash	34,343,122	5.1%	43,660,119	
Total investment portfolio	667,744,105	100.0%	539,719,340	
Borrowings	-34,121,432		-20,224,498	
Other net liabilities	-1,187,322		-16,059,377	
Total NAV	632,435,351		503,435,465	

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

2. Private equity investment.

3. Valuation change due to USD/EUR exchange rate movement.

Vostok New Ventures' number of shares as at September 30, 2016	6,166,470
Total Value (USD)	396,363,117
Share of total portfolio	59.4%
Share of total shares outstanding	13.3%
Value development Jan 1–Sep 30, 2016 (in USD)	17%

Website: avito.ru



Avito is the largest and most liquid online classifieds platform in Russia, and the clear market leader in terms of visitors and ads. During the first nine months of 2016, the company has continued to deliver strong growth. Avito's firm market-leading position, has shown to be a key factor in terms of high profitability potential 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. By the end of 2016 the number of internet users in Russia is expected to reach around 100 mln according to most forecasts. The market for internet-related services continues to grow in correlation with an increased internet penetration. The Russian e-commerce market is also expected to grow with the increasing internet penetration and consumers and businesses migrating online. According to LiveInternet.ru, Avito had 70 mln unique visitors during the last 31 days prior to this report measured by unique cookies. The majority of Avito's page views is coming from mobile device and that portion has been growing continuously for the last couple of years. As such, Avito puts a lot of effort on its mobile offering, constantly working on improving its mobile experience for users.

Avito also runs Domofond.ru. Domofond.ru is a designated property vertical, that services real estate agencies and developers in the growing Russian real estate market. Domofond aims to be the leading property vertical in Russia and will help Avito create a stronger brand and improve monetization in the real estate segment. Domofond is still in a development phase and does not generate any significant revenues. During 2015 and 2016, Avito has invested material amounts in Domofond for marketing purposes and the vertical has launched TV campaigns in Moscow, St. Petersburg and many of the most populated cities in Russia.

Since launch, Domofond has had strong, although from a low base, monthly growth in visitors. The Rus-

sian real estate market is underdeveloped and holds great promise for the future. Some of the most profitable and highest valued international classifieds sites are real estate portals, including the likes of Rightmove, Zillow, REA Group and SeLogger.

As per September 30, 2016, Vostok New Ventures has revalued its investment in Avito from the previous transaction-based valuation from October 2015, to a peer-multiples model generated valuation of USD 2.9 bln for the entire Company or USD 396 mln for VNV's stake in the company. This is a 17% increase from the last Avito valuation of USD 2.5 bln for the entire company.

As per September 30, 2016, Vostok New Ventures owns 13.3% stake in the company on a fully diluted basis.

Key performance indicators third quarter 2016¹

- Revenues of RUB 3,203 mln (USD 50.7 mln²), up 83% compared with the third quarter 2015 (RUB 1,750 mln).
- Adjusted EBITDA margin of 59.7% or RUB 1,911 mln (USD 30.3 mln²), compared with the third quarter 2015 (Adjusted EBITDA margin of 58.5% or RUB 1,024 mln).
- Page views amounted to 29 bln (mobile views: 57%) compared with 25 bln (mobile views: 47%) for the same period previous year.

Key performance indicators first nine months 2016¹

- Revenues of RUB 8,376 mln (USD 132.7 mln²), up 85% compared with the same period 2015 (RUB 4,529 mln).
- Adjusted EBITDA margin of 56.4% or RUB 4,725 mln (USD 74.8 mln²), compared with the same period 2015 (Adjusted EBITDA margin of 52.5% or RUB 2,378 mln).
- Page views amounted to 92 bln (mobile views: 55%) compared with 75 bln (mobile views: 42%) for the same period previous year.

1. Unaudited figures from Avito.

2. Translated with FX rate of 63.1581 as of September 30, 2016.

BlaBlaCar

Vostok New Ventures' number of shares as at September 30, 2016	8,238,079
Total Value (USD)	78,737,156
Share of total portfolio	11.8%
Share of total shares outstanding	5.4%
Value development Jan 1–Sep 30, 2016 (in USD)	–

Website: blablacar.com



BlaBlaCar connects people looking to travel long distances with drivers already going the same way, so 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 36 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 now 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.

During the first nine months of 2016, BlaBlaCar has increased its efforts in emerging markets including Russia and India and also launched the service in a number of South American markets including Brazil. Also in 2016, BlaBlaCar launched in two other new markets, Czech Republic and Slovakia.

Vostok New Ventures invested EUR 30 mln into BlaBlaCar in connection with a larger funding round of USD 200 mln, which was led by Insight Ventures and Lead Edge Capital in September 2015. The investment comprised of both primary and secondary shares. In July 2016, Vostok New Ventures announced that it has agreed to invest an additional EUR 40 mln in to BlaBlaCar by buying secondary shares from two other BlaBlaCar shareholders, Lead Edge Capital and Luxor Capital. The transaction was approved by a Special General Meeting of Vostok New Ventures shareholders on August 5, 2016 as the consideration for the BlaBlaCar shares was in the form of newly issued Vostok New Ventures shares. This transaction is done at the same valuation as in Vostok's first investment into the company.

As per September 30, 2016, Vostok New Ventures owns approximately 5.4% of BlaBlaCar on a fully diluted basis and the investment is valued on the basis of the price paid per share in this latest transaction in the company.

Gett

Vostok New Ventures' number of shares as at September 30, 2016	18,171,609
Total Value (USD)	50,358,980
Share of total portfolio	7.5%
Share of total shares outstanding	4.2%
Value development Jan 1–Sep 30, 2016 (in USD)	52%

Website: gett.com



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

A leading provider in Europe, Gett is currently active in four countries and across 60+ cities, including Moscow, London, and New York City. Gett's technology enables consumers to instantly book on-demand transportation, delivery and logistics. The addressable market for the company within its existing markets is worth some USD 30 bln. Of this Gett's revenues are typically some 15–30% depending on whether it is servicing a private or business client. In total, Gett has raised over \$520 million in venture funding.

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

In the first quarter 2016 Gett announced its acquisition of Radio Taxi in UK, focusing on large corporate market of London. This acquisition will bring the total of licensed black cabs to Gett's platform to 11,500, equivalent to half of all the licensed black cabs in London. Gett acquired Radio Taxi's parent company Mountview House Group which also operates One Transport, the global transport solutions platform which provides corporate clients with access to vehicles in almost every country around the world.

During the second quarter of 2016, Gett announced it had received further funding and entered into a strategic partnership with the Volkswagen Group. The transaction values Gett at over USD 1 bln.

During the third quarter, Gett and Volkswagen Group launched their first joint initiative by offering Gett drivers in Moscow preferential terms on Volkswagen and Škoda cars.

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

As per September 30, 2016, the Gett investment is valued at USD 50.4 mln, up 52% from Vostok New Ventures' valuation as per December 31 2015, on the basis of the recently completed Volkswagen transaction. As part of the Volkswagen transaction, Vostok New Ventures sold a minor part of its shareholding in Gett.

Propertyfinder

Vostok New Ventures' number of shares as at September 30, 2016	137,916
Total Value (USD)	19,999,199
Share of total portfolio	3.0%
Share of total shares outstanding	10.0%
Value development Jan 1–Sep 30, 2016 (in USD)	–

Website: propertyfinder.ae



Propertyfinder Group was founded 10 years ago by Michael Lahyani and operates real estate classifieds platforms in 7 countries across the MENA region (Middle East/North Africa). Propertyfinder is the clear market leader in UAE and Qatar and in at the top together with a few competitors in its other markets. Propertyfinder is headquartered in Dubai, employs more than 150 people and is EBITDA positive in its core markets as well as on a group level. During the second quarter of 2016, Propertyfinder announced it had acquired a smaller competitor in Morocco. Vostok New Ventures invested USD 20 mln for 10% in primary equity of the company during the fourth quarter 2015. In December 2015, the first USD 5 mln was disbursed to the company and the remaining USD 15 mln was disbursed during the first quarter 2016. As per September 30, 2016 Propertyfinder is valued on the basis of this transaction.

Group KPI development 1H16

- Total page views are up 67% year on year
- Total sessions are up 54% year on year
- Total leads generated are up 43% year on year
- Total unique listings are up 72% year on year

Wallapop

Vostok New Ventures' number of shares as at September 30, 2016	21,872 ¹
Total Value (USD)	12,527,740
Share of total portfolio	1.9%
Share of total shares outstanding	3.0%
Value development Jan 1–Sep 30, 2016 (in USD)	22%

1. Shares held indirectly through a limited partnership.

Website: wallapop.com



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

Wallapop has over a short space of time taken great strides in terms of market share in online classifieds in Spain and are also making good inroads to France. Wallapop is also active in the UK and the US. During the fall of 2015, Wallapop increased its marketing efforts in the US, taking on competitors such as Craigslist and Ebay and in the second quarter of 2016 Wallapop announced it would merge its US business with Naspers' owned Letgo. As part of this merger the new US company raised further funding from its shareholders. Following the merger with Letgo, the US operations has continued to grow in a fast pace and is now competing for the market leading position in mobile online classifieds against OfferUp.

During the third quarter, Wallapop started monetizing in Spain letting users pay to highlight their listings for 24 hours. The price of the highlight varies slightly by type of product and region, but is EUR 1.99 in Wallapop's main urban markets such as Barcelona, Madrid and London.

Vostok New Ventures has in total invested approximately USD 9 mln in three separate transactions during 2015. As per September 30, 2016, Vostok New Ventures indirectly owns approximately 3.0% of the company and values its indirect stake in company on the basis of the latest primary transaction in the company's shares.

Merro

Vostok New Ventures' number of shares as at September 30, 2016	10,900
Total Value (USD)	12,384,907
Share of total portfolio	1.9%
Share of total shares outstanding	21.6%
Value development Jan 1–Sep 30, 2016 (in USD)	48%



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 old trusted partner from many ventures, most notably Avito. Michael Lahyani is the founder and CEO of Propertyfinder, the largest real estate property portal in the MENA region. Pierre Siri has a long background within online classifieds, which includes the role as CEO and investor in Blocket.se, the Swedish online classifieds asset that is today owned by Schibsted and in many ways, the benchmark asset for online classifieds players globally.

Merro's portfolio includes a number of investments, most of which are online classifieds companies in the MENA region. These are Opensooq, the leading online classifieds operator in the MENA region, Propertyfinder, the leading property vertical in the MENA region, Dubicars, an early stage car classifieds site in the UAE and four other smaller investments.

- Opensooq represents the largest value in Merro's portfolio and in July, 2016 Opensooq generated more than 1.4 bln monthly page views. Opensooq is on a clear path in becoming the "Avito" of the MENA-region.
- Propertyfinder represents the second largest value in Merro's portfolio. Over the past ten years, Propertyfinder has quickly become the leading real estate classified website in the UAE, Qatar, Bahrain and Lebanon and is growing in popularity in KSA, Egypt and Morocco.
- Dubicars generates more than a million weekly page views and has more than 400 active car dealers from across the UAE
- Camfind is a technology company that simplifies the creation of classifieds listings dramatically through its API (application programming interface).
- Objektia, a company that simplifies the process of finding commercial real estate to lease or purchase.

OneTwoTrip

By relaying relevant information about the property and its surroundings in a classic marketplace setting, Objektia 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.

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

Vostok New Ventures’ number of shares as at September 30, 2016	50,485
Total Value (USD)	7,848,060
Share of total portfolio	1.2%
Share of total shares outstanding	9.5%
Value development Jan 1–Sep 30, 2016 (in USD)	33%

Website: onetwotrip.com



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

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

Despite a tough Russian travel-macro during the last 18 months, with a volatile ruble and other external factors negatively impacting popular Russian tourist destinations, OneTwoTrip has managed to continue to show good developments, and is very well positioned for when the macro improves.

Vostok New Ventures has invested USD 4.0 mln into OneTwoTrip during 2015 and an additional USD 2.5 mln in the third quarter of 2016. As per September 30, 2016 the company is valued based on price paid in the latest transaction in the company which closed in August 2016.

IZH Holding (Zameen and Bayut)

Vostok New Ventures' number of shares as at September 30, 2016	374,935
Total Value (USD)	4,742,928
Share of total portfolio	0.7%
Share of total shares outstanding	5.9%
Value development Jan 1–Sep 30, 2016 (in USD)	137%



IZH Holding owns and operates Pakistan's leading property portal Zameen and Bayut, one of the leading property portals in UAE.

Zameen.com is focused on the professional seller segment of real estate (agencies and developers) where it sells different packages of listing features and advertising to the Sellers. Currently, over 90% of listings on Zameen.com are from professional sellers. Zameen.com offers different types of premium listings, highlighted listings, Email advertising to specific member segments and banners. Zameen.com also hosts property expos and have a property magazine it distributes.

Bayut.com is also focused on the professional seller segment of real estate (agencies and developers) where it sells different packages of listing features and advertising to the Sellers. Bayut offers similar packages as Zameen.com in Pakistan but at a higher price point: premium listings, highlighted listings, Email advertising to specific member segments and banners. Bayut hosts property Expos several times a year.

Other investors in IZH Holding are among others, the founders, Gilles Blanchard with a background at Seloger in France and Simon Baker with a background at Australian REA Group.

Vostok New Ventures has invested a total of USD 2 mln in IZH Holding. As per September 30, 2016, Vostok New Ventures values its ownership in IZH Holding to USD 4.7 mln based on a transaction in IZH Holding, which closed in 1Q16. IZH announced the new round which amounted to USD 20 mln of new capital at the end of January, 2016. Vostok New Ventures did not participate in this transaction.

Yell.ru

Vostok New Ventures' number of shares as at September 30, 2016	8,808,426
Total Value (USD)	4,156,201
Share of total portfolio	0.6%
Share of total shares outstanding	33.9%
Value development Jan 1–Sep 30, 2016 (in USD)	-27%

Website: yell.ru



Yell.ru is an online local search utility with user reviews about local companies and services in Russia. Reviews help consumers make better-informed decisions when purchasing services or goods. Yell has several listed comparable peers in other markets, which focus on local search and reviews, most notably Yelp.com in the US.

Vostok New Ventures invested USD 8 mln in the context of a total raise of USD 11 mln in 2014 that included participation from Yell's current principal investor Investment AB Kinnevik. Vostok New Ventures values the company on the basis of a valuation model based on revenue multiples of comparable listed peers and owns 33.9% of Yell.ru as per September 30, 2016.

In September 2016, Yell.ru had 2.9 mln sessions and 9.3 million page views according to liveinternet.ru. So far, Yell has received more than 1.5 million user-generated reviews. Roughly 30% of Yell's traffic is currently coming from mobile channels.

During the second quarter of 2016, Yell launched a new product, its new table reservation app for restaurant goers, which shows promising traction at an early stage. During the third quarter, Yell's resto product was rebranded to EatOut.ru and continues to grow traction with strong growth in number of bookings handled on the platform each month.

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

As per September 30, 2016, Vostok New Ventures values Yell 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 local search/ internet advertising space generates a valuation of USD 4.2 mln for Vostok New Ventures' stake in the company.

Naseeb Networks

(Rozee and Mihnati)

Vostok New Ventures' number of shares as at September 30, 2016	11,481,176
Total Value (USD)	3,958,879
Share of total portfolio	0.6%
Share of total shares outstanding	23%
Value development Jan 1–Sep 30, 2016 (in USD)	-12%

Website: naseebnetworks.com

naseeb networks

rozee™

مهنتي
موقع التوظيف الأول في السعودية

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 over 500% by leveraging its advanced cloud based recruitment product portfolio, back office operations and business expertise in employment marketplaces.

Vostok New Ventures invested USD 4.5 mln in Naseeb during 2015 in connection with a total funding round that amounted to USD 6.5 mln and included participation from Piton Capital. As per September 30, 2016, 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 3.9 mln for Vostok New Ventures' stake in the company. This is 12% lower than VNV's previous valuation, and mainly driven by Naseeb revenue figures coming in slightly below plan.

El Basharsoft

(Wuzzuf and Forasna)

Vostok New Ventures' number of shares as at September 30, 2016	275
Total Value (USD)	1,563,205
Share of total portfolio	0.2%
Share of total shares outstanding	14.8%
Value development Jan 1–Sep 30, 2016 (in USD)	61%

WUZZUF

Egypt's #1 Online Recruitment Job Site

فرصنا

Wuzzuf is one of the leading jobs verticals in Egypt. Its main competitor is Bayt, a regional job 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.

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

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

As per September 30, 2016, Vostok New Ventures values its investment into el Basharsoft 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 1.6 mln for VNV's stake in the company. This is 61% higher than VNV's previous valuation, and mainly driven by strong performance of el Basharsoft despite a weak Egyptian pound.

Vezeeta (DrBridge)

Vostok New Ventures' number of shares as at September 30, 2016	292,965
Total Value (USD)	1,500,000
Share of total portfolio	0.2%
Share of total shares outstanding	7.8%
Value development Jan 1–Sep 30, 2016 (in USD)	–

Website: vezeeta.com



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

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

During the third quarter of 2016, Vostok New Ventures invested USD 1.5 mln into Vezeeta in the context of a larger funding round. As per September 30, 2016, the investment into Vezeeta is valued on the basis of this very recent transaction.

Carable (Garantibil)

Vostok New Ventures' number of shares as at September 30, 2016	18,332
Total Value (USD)	1,160,280
Share of total portfolio	0.2%
Share of total shares outstanding	8.0%
Value development Jan 1–Sep 30, 2016 (in USD)	–

Website: garantibil.se



Carable's mission is to create the first global fully automated peer-to-peer marketplace for used cars. It is democratizing the transaction of a used car by removing the conflict between the buyer and the seller through an auction process to price it, a streamlined process of physical inspection through partnerships, and post auction aid including warranty and insurance.

They are proving up the model in Sweden but the ambition is to go global.

During 2016, Carable has hired a number of new key employees, including Peter Alvarsson as CTO who previously was CTO of Swedish company Storytel and Maria Björkander as COO, previously at Schibsted Classified Media.

Vostok New Ventures invested SEK 10 mln into Garantibil during the second quarter of 2016 and as per September 30, 2016, Vostok New Ventures values its investment as per the price in this transaction.

Debt investments



Delivery Hero

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

Vostok New Ventures invested EUR 25 mln in senior secured debt of Delivery Hero in the summer of 2014. In August 2015, the loan was restructured which resulted in new terms including an additional equity component and amended nominal interest rate. The new nominal interest rate is 7.25–10.25% and the loan matures in August 2018.

As per September 30, 2016, the equity component of the Delivery Hero investment is valued at USD 2.8 mln on the basis of the most recent primary equity transaction in the company. The loan is valued at USD 25.2 mln based on amortized cost using an NPV-model.

Kite Ventures

Kite Ventures

Kite Ventures is a global venture investment company specializing in marketplace and transactional network investments. The firm seeks to invest in companies in Europe and New York. Kite Ventures was founded in 2009 and has invested over USD 250 mln across 20 portfolio companies.

Vostok New Ventures owns EUR 8 mln in senior secured debt of Kite Ventures. The debt carries 13% annual nominal interest. In September 2015, Kite paid its interest obligation of EUR 1 mln for the first year of the loan. The Kite investment also features a smaller equity component, which on September 30, 2016 carried no value. On September 18, 2016, Kite invoked its right under the loan agreement to a six-month grace period, whereby the term of the loan was extended by up to another six months, i.e., until March 17, 2017. A partial loan repayment in the amount of EUR 2 mln was received after the end of the reporting period in October 2016.

Investments

During the third quarter 2016, gross cash investments in financial assets were USD 4.00 mln (2015: 47.38) and proceeds from sales were USD 0 mln (2015: 36.20). Investments concern cash investments in OneTwoTrip and Vezeeta and in-kind acquisition of BlaBlaCar for USD 45.48 mln.

During the nine months period of 2016, gross cash investments in financial assets were USD 21.54 mln (2015: 69.89) and proceeds from sales were USD 2.09 mln (2015: 60.44). Investments concern investments in Propertyfinder, el Basharsoft, Garantibil, Merro BlaBlaCar, OneTwoTrip and Vezeeta. Proceeds from sale concern Gett.

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 84.62 mln (2015: 155.24), mainly coming from the revaluation of Avito, Gett, IZH Holding, Wallapop and Merro. Dividend and coupon income was USD 0.00 mln (2015: 0.94).

Net operating expenses amounted to USD -3.76 mln (2015: -4.10).

Net financial items were USD 3.06 mln (2015: -1.62).

Net result for the period was USD 83.93 mln (2015: 150.46).

Total shareholders' equity amounted to USD 632.44 mln on September 30, 2016 (December 31, 2015: 503.44).

Group – results for the quarter

During the quarter, the result from financial assets at fair value through profit or loss amounted to USD 61.06 mln (2015: 100.93), mainly coming from the revaluation of Avito. Dividend and coupon income was USD 0.00 mln (2015: 0.11).

Net operating expenses amounted to USD -1.05 mln (2015: -2.31).

Net financial items were USD 0.83 mln (2015: 1.05).

Net result for the quarter was USD 60.85 mln (2015: 97.67).

Liquid assets

The liquid assets of the group, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 34.3 mln on September 30, 2016 (December 31, 2015: 43.66).

Income statements – Group

(Expressed in USD thousands)	Jan 1, 2016– Sep 30, 2016	Jan 1, 2015– Sep 30, 2015	July 1, 2016– Sep 30, 2016	July 1, 2015– Sep 30, 2015
Result from financial assets at fair value through profit or loss ¹	84,626	155,242	61,063	100,925
Dividend and coupon income	–	935	–	111
Total operating income	84,626	156,177	61,063	101,036
Operating expenses	-3,757	-4,103	-1,046	-2,314
Operating result	80,869	152,074	60,017	98,722
Financial income and expenses				
Interest income	3,591	2,714	1,231	290
Interest expense	-1,299	-1,821	-642	-1,821
Currency exchange gains/losses, net	773	-2,511	243	483
Net financial items	3,064	-1,618	832	-1,048
Result before tax	83,933	150,456	60,849	97,674
Taxation	–	–	–	–
Net result for the financial period	83,933	150,456	60,849	97,674
Earnings per share (in USD)	1.12	2.04	0.79	1.33
Diluted earnings per share (in USD)	1.12	2.04	0.77	1.33

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, 2016– Sep 30, 2016	Jan 1, 2015– Sep 30, 2015	July 1, 2016– Sep 30, 2016	July 1, 2015– Sep 30, 2015
Net result for the financial period	83,933	150,456	60,849	97,674
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-31	-47	-15	-12
Total other comprehensive income for the period	-31	-47	-15	-12
Total comprehensive income for the period	83,902	150,410	60,834	97,662

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

Balance sheets – Group

(Expressed in USD thousands)	Sep 30, 2016	Dec 31, 2015
NON-CURRENT ASSETS		
<i>Tangible non-current assets</i>		
Property, plant and equipment	51	–
Total tangible non-current assets	51	–
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	598,093	463,538
Loan receivables	25,166	23,450
Total financial non-current assets	623,260	486,988
CURRENT ASSETS		
Cash and cash equivalents	34,343	43,660
Loan receivables	10,141	9,072
Tax receivables	407	309
Other current receivables	43	83
Total current assets	44,934	53,123
TOTAL ASSETS	668,245	540,111
SHAREHOLDERS' EQUITY (including net result for the financial period)	632,435	503,435
NON-CURRENT LIABILITIES		
Long-term debts	34,121	–
Total non-current liabilities	34,121	–
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Tax payables	390	393
Other current liabilities	1,068	15,922
Accrued expenses	230	135
<i>Interest bearing current liabilities</i>		
Borrowings	–	20,224
Total current liabilities	1,688	36,675
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	668,245	540,111

Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2015	25,934	45,553	-43	317,027	388,470
Net result for the period January 1, 2015 to September 30, 2015	-	-	-	150,456	150,456
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-47	-	-47
Total comprehensive income for the period January 1, 2015 to September 30, 2015	-	-	-47	150,456	150,409
<i>Transactions with owners:</i>					
Redemption program	-2,205	-	-	-25,204	-27,409
Buy back of own shares	-209	-2,556	-	-	-2,765
Total transactions with owners	-2,414	-2,556	-	-25,204	-30,174
Balance at September 30, 2015	23,520	42,996	-89	442,279	508,706
Balance at January 1, 2016	23,520	42,996	-85	437,005	503,435
Net result for the period January 1, 2016 to September 30, 2016	-	-	-	83,933	83,933
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-31	-	-31
Total comprehensive income for the period January 1, 2016 to September 30, 2016	-	-	-31	83,933	83,902
<i>Transactions with owners:</i>					
Proceeds from shares issued	2,197	43,014	-	-	45,212
Redemption program	-	-	-	-6	-6
Value of employee services					
- Employees share option scheme	-	130	-	-	130
- Share-based long-term incentive program	-	58	-	-	58
Buy back of own shares	-16	-280	-	-	-296
Total transactions with owners	2,181	42,922	-	-6	45,097
Balance at September 30, 2016	25,701	85,918	-116	520,932	632,435

Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2016– Sep 30, 2016	Jan 1, 2015– Sep 30, 2015	July 1, 2016– Sep 30, 2016	July 1, 2015– Sep 30, 2015
OPERATING ACTIVITIES				
Result before tax	83,933	150,456	60,849	97,674
<i>Adjustment for:</i>				
Interest income	-3,591	-2,714	-1,232	-290
Interest expense	1,299	1,821	642	1,821
Currency exchange gains/-losses	-773	2,511	-243	-483
Depreciations and write downs	-	4	-	-
Result from financial assets at fair value through profit or loss	-84,626	-155,242	-61,063	-100,925
Dividend and coupon income	-	-935	-	-111
Other non-cash adjustments	-58	-	-58	-
Change in current receivables	7	74	-6	10
Change in current liabilities	220	-12	65	1
Net cash used in operating activities	-3,589	-4,036	-1,047	-2,303
Investments in financial assets	-21,543	-69,887	-4,000	-47,384
Sales of financial assets	2,094	60,440	-	28,152
Dividend and coupon income	-	935	-	111
Interest received	1,512	3,110	506	1,786
Tax paid	-106	-106	-43	-54
Net cash flow used in/from operating activities	-21,633	-9,544	-4,584	-19,692
INVESTMENT ACTIVITIES				
Investments in office equipment	-52	-	-	-
Net cash flow used in investment activities	-52	-	-	-
FINANCING ACTIVITIES				
Change in interest-bearing loans	14,363	-	-608	-
Proceeds from options issued to employees	130	-	130	-
Redemption program transaction fees	-6	-351	-	-330
Share issue in-kind transaction costs	-121	-	-121	-
Buy back of own shares	-296	-2,765	-	-
Net cash flow from/used in financing activities	14,070	-3,117	-599	-330
Change in cash and cash equivalents	-7,615	-12,661	-5,183	-20,022
Cash and cash equivalents at beginning of the period	43,660	14,050	40,070	21,455
Exchange gains/losses on cash and cash equivalents	-1,702	395	-544	352
Cash and cash equivalents at end of period	34,343	1,785	34,343	1,785

Alternative Performance Measures – Group

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

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

meaningful supplemental information to analysts, investors and other parties.

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

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

	9m 2016	9m 2015
Return on capital employed, % ¹	14.13	33.54
Equity ratio, % ²	94.64	99.72
Shareholders' equity/share, USD ³	7.87	6.92
Earnings/share, USD ⁴	1.12	2.04
Diluted earnings/share, USD ⁵	1.12	2.04
Net asset value/share, USD ⁶	7.87	6.92
Weighted average number of shares for the financial period	74,803,451	73,598,264
Weighted average number of shares for the financial period (fully diluted)	74,803,451	73,598,264
Number of shares at balance sheet date	80,315,814	73,499,555

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.

Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2016– Sep 30, 2016	Jan 1, 2015– Sep 30, 2015	July 1, 2016– Sep 30, 2016	July 1, 2015– Sep 30, 2015
Result from financial assets at fair value through profit or loss	336	1,255	272	1,101
Operating expenses	-3,917	-4,290	-1,048	-2,444
Dividend and coupon income	-	935	-	111
Operating result	-3,581	-2,100	-776	-1,232
Financial income and expenses				
Interest income	7,462	4,632	2,740	2,818
Interest expense	-1,299	-1,821	-642	-1,821
Currency exchange gains/losses, net	808	-2,193	253	470
Net financial items	6,971	618	2,351	-527
Net result for the financial period	3,390	-1,482	1,575	-1,758

Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2016– Sep 30, 2016	Jan 1, 2015– Sep 30, 2015	July 1, 2016– Sep 30, 2016	July 1, 2015– Sep 30, 2015
Net result for the financial period	3,390	-1,482	1,575	-1,758
Other comprehensive income for the period				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	3,390	-1,482	1,575	-1,758

Balance sheet – Parent

(Expressed in USD thousands)	Sep 30, 2016	Dec 31, 2015
NON-CURRENT ASSETS		
<i>Financial non-current assets</i>		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	529	1,021
Loan receivables	25,166	23,450
Receivables from Group companies	118,318	78,695
Total financial non-current assets	228,402	187,555
CURRENT ASSETS		
Cash and cash equivalents	33,589	12,964
Loan receivables	10,141	9,072
Other current receivables	12	47
Total current assets	43,742	22,082
TOTAL ASSETS	272,144	209,637
SHAREHOLDERS' EQUITY (including net result for the financial period)	237,010	188,523
NON-CURRENT LIABILITIES		
Long-term debts	34,121	–
Total non-current liabilities	34,121	–
CURRENT LIABILITIES		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	594	727
Other current liabilities	232	85
Accrued expenses	187	78
<i>Interest bearing current liabilities</i>		
Borrowings	–	20,224
Total current liabilities	1,013	21,114
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	272,144	209,637

Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
Balance at January 1, 2015	25,934	45,553	149,243	220,729
Net result for the period January 1, 2015 to September 30, 2015	-	-	-1,482	-1,482
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2015 to September 30, 2015	-	-	-1,482	-1,482
<i>Transactions with owners:</i>				
Redemption program	-2,205	-	-25,204	-27,409
Buy back of own shares	-209	-2,556	-	-2,765
Total transactions with owners	-2,414	-2,556	-25,204	-30,174
Balance at September 30, 2015	23,520	42,996	122,557	189,073
Balance at January 1, 2016	23,520	42,996	122,006	188,523
Net result for the period January 1, 2016 to September 30, 2016	-	-	3,390	3,390
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2016 to September 30, 2016	-	-	3,390	3,390
<i>Transactions with owners:</i>				
Proceeds from shares issued	2,197	43,014	-	45,212
Redemption program	-	-	-6	-6
Value of employee services				
- Employees share option scheme	-	130	-	130
- Share-based long-term incentive program	-	58	-	58
Buy back of own shares	-16	-280	-	-296
Total transactions with owners	2,181	42,922	-6	45,097
Balance at September 30, 2016	25,701	85,918	125,390	237,010

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 2015. The Company's 2015 annual report is available at the Company's website: <http://www.vostoknewventures.com/en/investor-relations/financial-reports/>

Note 2 Related party transactions

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

USD thousand	Operating expenses		Current liabilities	
	9m 2016	9m 2015	9m 2016	9m 2015
Key management and Board of Directors ¹	-1,479	-2,089	-128	-89

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

Total variable compensation (excluding social taxes) paid to the management in 2016 amounted to USD 1.223 mln (including USD 0.47 mln paid to the Managing Director), and to the Board of Directors USD 0.20 mln.

The Managing Director purchased Vostok New Ventures Ltd senior secured bond 2016/2019 during 2Q 2016 for USD 0.60 mln (SEK 5 mln) and he owns USD 0.48 mln (SEK 5 mln) per September 30, 2016.

The costs for a new long term incentive program (LTIP 2016) for the management amounted to USD 0.06 mln, excluding social taxes. See details of the LTIP 2016 in Note 7.

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 2015. The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

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

The following table presents the group's assets that are measured at fair value at September 30, 2016.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	-	189,957	406,041	595,998
Total assets	-	189,957	406,041	595,998

The following table presents the group's assets that are measured at fair value at December 31, 2015.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	-	457,876	5,662	463,538
Total assets	-	457,876	5,662	463,538

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

	Level 3
Opening balance January 1, 2016	5,662
Transfers to level 3	342,597
Change in fair value and other	57,782
Closing balance September 30, 2016	406,041

During the third quarter of 2016 three transfers between level 2 and 3 have been done, Avito Naseeb and El Basharsoft. The investments in BlaBlaCar, Gett, Propertyfinder, OneTwoTrip, Wallapop, Merro, Zameen, Garantibil, Vezeeta and the remaining Delivery Hero equity are classified as level 2 as the valuations are based on the price paid in each respective transaction. Avito, Naseeb Networks, El Basharsoft and Yell are classified as a level 3 investment, based on valuation models using EBITDA and revenue multiples of comparable listed peers.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment's fair value, the valuation is adjusted accordingly. The transaction-based valuations are frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models. When the Company uses transaction-based valuations of unlisted holdings, no material event is deemed to have occurred at the specific portfolio company that would suggest that the transaction-based value is no longer valid.

Avito

The Group's investment in Avito is valued as a level 3 investment as per September 30, 2016.

As per September 30, 2016, Vostok New Ventures has valued Avito on the basis of a EV/EBITDA multiples valuation model. The latest transaction in the company was announced on October 23, 2015. Naspers Ltd, one of Avito's shareholders, acquired secondary shares from other existing shareholders to increase its stake from 17.4% to 67.9% of the outstanding shares in Avito at an equity valuation of USD 2.7 bln, which included cash in the company of approximately USD 240 mln. The transaction closed in November 2015. Vostok New Ventures has deemed the latest transaction in the company not to be the best fair value estimate of Avito as per September 30, 2016. Avito has performed very well with revenue growth of almost 90% y-o-y in the first 9 months of 2016. Considering the time passed since the last transaction and the company's continued progress in mind, a future looking EV/EBITDA peer multiples model has been deemed to generate the best fair value estimate as per September 30, 2016. The model values Vostok's stake in Avito to USD 396.4 mln, or 2.9 bln for the 100% of the company. This is 17% higher compared with the transaction-based enterprise valuation USD 338.5 mln as per June 30, 2016.

The peer group includes 10 listed online classifieds peers including REA Group, RightMove, Autotrader, Scout24 and 58.com. The average multiple of the peer group is 16.3x and the median multiple is 15.1x.

Below tables show the sensitivity in the model generated valuation in relation to USD/RUB and the peer multiple used as per September 30, 2016.

	Sensitivity EBITDA multiple				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Avito investment, USD million	317	357	396	436	476

	Sensitivity USD/RUB				
	-20%	-10%	63.44	+10%	+20%
Valuation of Vostok New Ventures' Avito investment, USD million	331	361	396	440	494

BlaBlaCar

As per September 30, 2016, the BlaBlaCar investment is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company completed during the third quarter of 2016. Vostok acquired an additional worth of EUR 40 mln shares in BlaBlaCar and Vostok New Ventures owns approximately 5.4% of BlaBlaCar on a fully diluted basis following the transaction.

Gett

As per September 30, 2016, the Gett investment is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. In the second quarter of 2016, a new investor, Volkswagen group, invested USD 300 mln in Gett. Following this transaction Vostok New Ventures has as per September 30, 2016 revalued its stake in the company on the basis of the price per share paid in the Volkswagen transaction. As per September 30, 2016 Vostok New Ventures' holding is valued at USD 50.4 mln, up approx. 92% from Vostok New Ventures' entry level.

Propertyfinder

As per September 30, 2016, the Propertyfinder investment is classified as a level 2 investment as it is valued at USD 20 mln on the basis of the latest transaction in the company. During 2015, Vostok New Ventures disbursed USD 5 mln out of the USD 20 mln investment in total. The remaining USD 15 mln tranche was disbursed during the first quarter of 2016.

Wallapop

As per September 30, 2016, Wallapop is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company which closed in the second quarter of 2016. Vostok New Ventures did not participate in this transaction and its indirect stake in the company is valued at USD 12.5 mln.

Merro

As per September 30, 2016, Merro is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in the second quarter of 2016. Vostok New Ventures invested an additional USD 1.3 mln into the company and the stake is valued at USD 12.4 mln.

OneTwoTrip

As per September 30, 2016, OneTwoTrip is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. Vostok New Ventures closed its USD 2.5 mln follow on investment into OneTwoTrip in September 2016. The Company invested into newly issued common shares. As per September 30, 2016 Vostok New Ventures owns 9.5% of the company on a fully diluted basis.

IZH holding (Zameen and Bayut)

As per September 30, 2016, IZH holding is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company which was finalized during the first quarter of 2016. Vostok New Ventures did not participate in this funding round. As per September 30, 2016 Vostok New Ventures' holding is valued at USD 4.7 mln on the basis of the price per share paid in this recent capital raising.

Yell.ru

Following the latest transaction in the company which closed in 1Q15, Vostok New Ventures owns 33.9% of Yell.ru fully diluted. As per September 30, 2016, Yell is classified as a level 3 investment as it is valued on the basis of a revenue multiples model and that model-generated value is deemed the best fair value estimate of Yell.ru as per September 30, 2016. The model generates a valuation approx. 27% lower than the transaction based valuation. In USD terms Yell.ru has been adversely affected by the ruble's depreciation since the initial investment but as the company keeps its cash in hard currency some of the negative pressure has been cushioned.

The peer group includes 6 listed peers including Yelp.com, TripAdvisor, Mail Ru Group and Yandex. The average multiple of the peer group is 3.3x and the median multiple is 3.8x.

	Sensitivity in model-based Yell valuation as per September 30, 2016				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Yell investment, USD thousand	3,325	3,740	4,156	4,572	4,987

Naseeb Networks

As per September 30, 2016, Naseeb Networks is classified as a level 3 investment as it is valued on the basis of a future looking EV/revenue peer multiples valuation model. The model values Vostok's stake in Naseeb Networks to USD 3.9 mln compared to USD 4.5 mln in the last transaction in the company which closed in the second quarter of 2015.

The peer group includes 5 listed online classifieds/ jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 7.6x and the median multiple is 5.9x.

	Sensitivity in model-based Naseeb valuation as per September 30, 2016				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Naseeb investment, USD thousand	3,167	3,563	3,959	4,355	4,751

The investment in Naseeb Networks, where the Company holds 23%, is accounted applying fair value. This treatment is permitted by IAS 28 'Investments in associates', which allows investments to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognized in the income statement in the period of change.

El Basharsoft

As per September 30, 2016, el Basharsoft (Wuzzuf and Forasna) is classified as a level 3 investment as it is valued on the basis of a future looking EV/revenue peer multiples valuation model. The model values Vostok's stake in el Basharsoft to USD 1.6 mln compared to the latest transaction in the company which closed in the end of July 2015 with a valuation of USD 1 mln for VNV's stake. Vostok New Ventures owns 14.8% of Wuzzuf on a fully diluted basis as per September 30, 2016.

The peer group includes 5 listed online classifieds/ jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 7.6x and the median multiple is 5.9x.

	Sensitivity in model-based el Basharsoft valuation as per September 30, 2016				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' el Basharsoft investment, USD thousand	1,250	1,407	1,563	1,719	1,876

Vezeeta

As per September 30, 2016, Vezeeta (DrBridge) is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. Vostok New Ventures closed its USD 1.5 mln investment into Vezeeta in September 2016.

Carable (Garantibil)

As per September 30, 2016, Carable (Garantibil) 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 second quarter of 2016. Vostok New Ventures participated in this transaction and invested SEK 10 mln into the Company.

Delivery Hero (equity component)

As per September 30, 2016, the equity component is valued at fair value through profit or loss on the basis of the latest material equity transaction in Delivery Hero in the third quarter of 2015. The valuation amounts to USD 2.8 mln.

Loan receivables

The fair value estimation of loan receivables relating to Delivery Hero and Kite Ventures is outlined in the table below.

Fair value estimation of loan receivables	Sep 30, 2016	Dec 31, 2015
Short-term	10,141	9,072
Long-term	25,166	23,450
Total loan receivables	35,307	32,522

Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2016	Investments/ (disposals), net, USD	FV change	Closing balance Sep 30, 2016	Percentage weight of total portfolio
Avito AB	338,481,743	-	57,881,373	396,363,117	59.4%
BlaBlaCar	33,181,762	45,479,601	75,793	78,737,156	11.8%
Gett	34,516,317	-1,378,570	17,221,233	50,358,980	7.5%
Propertyfinder	19,999,199	-	-	19,999,199	3.0%
Wallapop	10,302,197	-	2,225,543	12,527,740	1.9%
Merro	7,513,333	1,249,853	3,621,721	12,384,907	1.9%
OneTwoTrip	4,000,000	2,500,000	1,348,060	7,848,060	1.2%
IZH Holding (Zameen and Bayut)	2,000,000	-	2,742,928	4,742,928	0.7%
Yell.ru	5,662,418	-	-1,506,217	4,156,201	0.6%
Naseeb Networks (Rozee and Mihnati)	4,500,000	-	-541,121	3,958,879	0.6%
El Basharsoft (Wuzzuf and Forasna)	968,000	34,000	561,205	1,563,205	0.2%
Vezeeta (DrBridge)	-	1,500,000	-	1,500,000	0.2%
Carable (Garantibil AB)	-	1,242,693	-82,413	1,160,280	0.2%
Delivery Hero Holding GmbH, equity component	2,412,857	40	379,614	2,792,511	0.4%

Note 4 Events after the reporting period

On October 28, the Company announced that it had entered into an agreement to acquire secondary shares in Comuto SA ("BlaBlaCar") in the amount of approximately EUR 32 mln at the same valuation as Vostok's previous investment in BlaBlaCar in July 2016. The acquisition is conditioned on the approval by a special general meeting of shareholders in Vostok New Ventures on November 18, 2016, and on an approval from the Swedish Financial Supervisory Authority of the prospectus in relation to the listing of the Swedish Depository Receipts (SDRs) for the new issued shares.

Note 5 Contingent liabilities

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

As per September 30, 2016, the loan receivables are valued at amortized cost using an NPV-model. Carrying value corresponds to fair value of loans receivables. There is no formal credit rating for the borrowers of the loans but Vostok New Ventures considers it is probable that all amounts due will be collected. Delivery Hero raised approximately USD 400 million during 2015 and additional capital during 2016 to finance the further growth of the business. Delivery Hero pays cash interest payments on a monthly basis. Therefore, Vostok New Ventures does not see any grounds for impairment.

On September 18, 2016, Kite invoked its right under the loan agreement to a six-month grace period, whereby the term of the loan was extended by up to another six months, i.e., until March 17, 2017. A partial loan repayment in the amount of EUR 2 mln was received after the end of the reporting period in October 2016.

Current liabilities

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

Note 6 Long-term debts

On June 2, the Company announced that it had successfully placed three-year senior secured bonds in the amount of SEK 300 million. The bonds, maturing in June 2019, bear a fixed coupon of 6.50% with quarterly interest payments. The Company has been approved for listing of the bond loan on Nasdaq Stockholm.

The first day of trading was July 8, 2016. In view of the listing, the Company has prepared a prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available on the Company's website www.vostoknewventures.com and on the Swedish Financial Supervisory Authority's website www.fi.se. The value of the bonds debt as per September 30, 2016 was USD 34.1 million.

Note 7 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 413,000 shares, corresponding to a dilution of 0.59% of the total number of shares outstanding. Program participants purchase shares in the company, and for each purchased share is entitled to receive a number of additional shares, so-called performance shares, free of charge, subject to fulfillment of a performance condition set by the Board of Directors on the basis of the Company's NAV. Pursuant to IFRS 2, the costs for the program will be reported over the profit and loss statement during the vesting period August 31, 2016 through December 31, 2018. During the third quarter, the reported costs for the program amounted to USD 0.06 million.

Background

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

As of September 30, 2016 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 3.39 mln (2015: -1.48).

Financial and Operating risks

The Company's risks and risk management are described in detail in note 3 of the Company's Annual Report 2015.

Upcoming Reporting Dates

Vostok New Ventures' twelve months report for the period January 1, 2016–December 31, 2016 will be published on February 15, 2017.

November 16, 2016

Per Brilioth
Managing Director

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Report on Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Vostok New Ventures Ltd as of September 30, 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Gothenburg, November 16, 2016
PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorized Public Accountant

Bo Hjalmarsson
Authorized Public Accountant