

# Financial Report

## for the Third Quarter and the First Nine Months 2019

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

- Vostok New Ventures' net asset value was USD 689.24 million (mln) on September 30, 2019 (December 31, 2018: 876.71), corresponding to USD 8.82 per share (December 31, 2018: 10.37). Given a SEK/USD exchange rate of 9.804 the NAV was SEK 6,757.30 mln (December 31, 2018: 7,864.96) and SEK 86.47 per share (December 31, 2018: 93.01), respectively.
- The group's NAV per share in USD increased by 16.4%, adjusted for the SEK 25 distribution concluded on March 14, 2019. The portfolio value change is mainly driven by the revaluation of Babylon (USD 105.9 mln).
- Net result for the period was USD 76.47 mln (January 1, 2018–September 30, 2018: 31.27). Earnings per share were USD 0.97 (0.37).

### Financial results for the third quarter

- Net result for the quarter was USD -9.44 mln (19.10). Earnings per share were USD -0.12 (0.23).

### Key events during the quarter July 1, 2019–September 30, 2019

- In July 2019, 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.
- On August 2, 2019, Vostok New Ventures participated in the closing of a funding raise in Babylon with a total of USD 72.3 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.
- On September 25, 2019, the Company announced the bond issue closed successfully, the transaction closed the day after it was launched. The Bonds, in an initial amount of SEK 550 mln (USD 55.8 mln) within a frame of SEK 800 mln run, with a tenor of three years and will carry a fixed coupon of 5.75% p.a. with interest paid quarterly. The bond was issued on October 4, 2019.
- On September 25, 2019, one of the Company's principal holdings, BlaBlaCar, announced it is acquiring Busfor, one of Vostok New Ventures' other portfolio holdings. The transaction is subject to customary regulatory conditions and is expected to close in Q4 2019.

### Share (SDR) info

- In July 2019, the Company issued 147,000 new shares and corresponding SDRs in connection with the option program issued 2016 under its 2010 incentive program.
- On August 22, 2019, a Special General Meeting in the Company resolved in accordance with the Board's proposal to adopt a new share-based long-term incentive program for a number of key employees within the Vostok New Ventures Group. The Company issued a total of 2,100,000 reclassifiable, subordinated common shares of par value of USD 0.24 each to the participants in the Company's 2019 long-term incentive program (LTIP 2019).
- At the end of the period, the number of outstanding common shares (SDRs), excluding 7,685,303 repurchased SDRs, was 78,150,006. Including subordinated common shares, 2,100,000 issued, the total number of outstanding shares amounts to 80,250,006.

### Key events after the end of the period

- After the end of the period, in November 2019, Vostok New Ventures invested a further USD 30 mln into VOI Technology as part of a larger funding round.

The Company will hold a telephone conference with an interactive presentation at 17:00 CET (11:00 a.m. ET) Wednesday, November 13. For call-in details, see separate press release issued Monday, November 11, at [www.vostoknewventures.com](http://www.vostoknewventures.com).

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# Management report

## Bond issue

As you know we have been very active during 2019, adding several new names to the portfolio (Dostavista, SWVL, JamesEdition to name a few), as well as financing existing holdings, most notably Babylon and VOI.

We have raised our liquidity by issuing a bond of SEK 550 mln (USD 55.8 mln) that closed after the end of September. In addition to this we have also acquired a credit facility of another USD 10 mln. The financial strategy of Vostok New Ventures is to finance our investments with equity, not debt. The exceptions to this are when portfolio companies grow to a maturity where they can throw off excess cash in the form of e.g. dividends (like Avito during recent years), or when we see that parts of the portfolio are in a natural exit phase next few years.

## VOI

VOI has completed a financing of a total of USD 85 mln. We have participated with USD 47.5 mln (including our convert of USD 17.5 mln) which increases our percentage ownership of the company to over 30%.

On a more general note on the opportunity at large I think the biggest revelation is just how big the opportunity around mobility truly can be, given the sectoral changes we are seeing in Europe. There is no doubt that shared electric vehicles are becoming part of the fabric of the cities, and that in a short period of time companies will offer multi-modal solutions and cities will award licenses to operators, limiting competition. There is a massive opportunity here, and being part of the ecosystem will reap huge rewards.

## Some specific highlights on VOI:

- Profitable after overhead and depreciation in several markets.
- Reached more than 14 mln rides since start now.
- Got 9 licenses in cities, latest one being in Marseille in France. No other competitor has gotten more than two here in Europe.
- New model scooters showing long (18 month+) lifetimes. This should only improve over time.
- Becoming more integral piece of transportation fabric in key markets.
- Value of platform emerging earlier than expected (inbounds from mapping companies, real estate developers, etc.).
- If regulation actually occurs in these markets, there is potential for further defensibility.



All in all we are very enthusiastic on the opportunity at VOI. We think the company on a stand-alone basis should be able to generate some USD 500 mln in revenues a couple of years out. We also believe there will be a consolidation among the European players, where VOI as the largest player will be the natural consolidator.

November 13, 2019

Per Brilioth  
Managing Director

# Investment portfolio

## Portfolio Structure – Net Asset Value

The investment portfolio stated at fair market value by size as at September 30, 2019, is shown below.

Category	Company	Fair value, USD thousand, Sep 30, 2019	Percentage weight	Share of total shares outstanding	Fair value, USD thousand, Dec 31, 2018	Valuation change per share (USD), 2019	Valuation method
Dgtl Health	Babylon	200,000	28.9%	10.0%	21,884	+557%	Latest transaction <sup>1</sup>
Mobility	BlaBlaCar	150,646	21.8%	8.6%	157,695	-4%	Latest transaction <sup>1</sup>
Mobility	Gett	74,061	10.7%	5.0%	55,359	+2%	Latest transaction <sup>1</sup>
Classifieds	Property Finder	39,985	5.8%	9.8%	39,985	-	Latest transaction <sup>1</sup>
Mobility	VOI	26,677	3.9%	23.9%	10,832	+53%	Latest transaction <sup>1</sup>
Classifieds	Hemnet <sup>3</sup>	17,665	2.6%	5.9%	14,178	+29%	EBITDA multiple <sup>1</sup>
Mobility	OneTwoTrip	17,620	2.5%	16.3%	16,548	+6%	Revenue multiple <sup>1</sup>
Mobility	SWVL	16,002	2.3%	10.1%	-	-	Latest transaction <sup>1,2</sup>
Classifieds	Booksy	12,931	1.9%	10.5%	5,990	+50%	Latest transaction <sup>1</sup>
Mobility	Dostavista	11,561	1.7%	>10%	-	-	Latest transaction <sup>1,2</sup>
Mobility	Busfor	10,866	1.6%	12.3%	8,604	+26%	Latest transaction <sup>1</sup>
Classifieds	Wallapop	9,940	1.4%	2.9%	9,950	-	Revenue multiple <sup>1</sup>
Classifieds	Merro	7,818	1.1%	22.6%	7,761	+1%	Mixed <sup>1</sup>
Mobility	Shohoz	7,004	1.0%	15.5%	-	-	Latest transaction <sup>1,2</sup>
Classifieds	El Basharsoft (Wuzzuf and Forasna)	6,229	0.9%	23.7%	4,737	+32%	Revenue multiple <sup>1</sup>
Classifieds	Housing Anywhere	5,948	0.9%	25.0%	6,227	-4%	Latest transaction <sup>1</sup>
Classifieds	JamesEdition	3,283	0.5%	27.6%	-	-2%	Latest transaction <sup>1,2</sup>
Classifieds	Naseeb Networks (Rozee and Mihnati)	3,159	0.5%	24.3%	3,808	-17%	Revenue multiple <sup>1</sup>
Dgtl Health	Vezeeta	3,156	0.5%	9.0%	3,156	-	Latest transaction <sup>1</sup>
Other	YouScan <sup>4</sup>	2,992	0.4%	20.9%	2,347	+28%	Revenue multiple <sup>1</sup>
Classifieds	Agente Imóvel	2,479	0.4%	27.3%	2,999	-17%	Revenue multiple <sup>1</sup>
Dgtl Health	DOC+	1,845	0.3%	14.1%	4,000	-68%	Revenue multiple <sup>1</sup>
Dgtl Health	Yoppie	1,481	0.2%	43.6%	-	-	Latest transaction <sup>1,2</sup>
Classifieds	Shwe Property	1,435	0.2%	11.7%	500	+48%	Latest transaction <sup>1</sup>
Dgtl Health	Grace Health	1,020	0.1%	14.3%	-	-2%	Latest transaction <sup>1,2</sup>
Dgtl Health	Numan	1,000	0.1%	10.0%	-	-5%	Latest transaction <sup>1,2</sup>
Classifieds	JobNet	625	0.1%	3.8%	500	+25%	Revenue multiple <sup>1</sup>
Classifieds	Dubicars	508	0.1%	6.2%	348	-	Latest transaction <sup>1</sup>
Classifieds	CarZar	451	0.1%	16.4%	3,000	-85%	Model valuation <sup>1</sup>
Other	Marley Spoon	310	0.0%	0.5%	316	-2%	Listed company <sup>1</sup>
Classifieds	Avito	-	-	-	539,874	-	Latest transaction <sup>1</sup>
Mobility	VOI, convertible debt	17,815	2.6%	-	-	+2%	Convertible <sup>1,2</sup>
Dgtl Health	Numan, convertible debt	1,235	0.2%	-	1,012	+2%	Convertible <sup>1</sup>
Classifieds	Naseeb Networks, convertible debt	207	0.0%	-	-	+3%	Convertible <sup>1,2</sup>
Dgtl Health	Babylon, convertible debt	-	-	-	9,227	-	Convertible <sup>1</sup>
Classifieds	Booksy, convertible debt	-	-	-	1,000	-	Convertible <sup>1</sup>
Other	Liquidity management	22,993	3.3%	-	644	-	<sup>1</sup>
<b>Investment portfolio</b>		<b>680,949</b>	<b>98.5%</b>		<b>932,482</b>		
Other	Cash and cash equivalents	10,590	1.5%		40,303		
<b>Total investment portfolio</b>		<b>691,539</b>	<b>100.0%</b>		<b>972,785</b>		
Borrowings		-			-93,944		
Other net receivables/liabilities		-2,294			-2,132		
<b>Total NAV</b>		<b>689,245</b>			<b>876,709</b>		

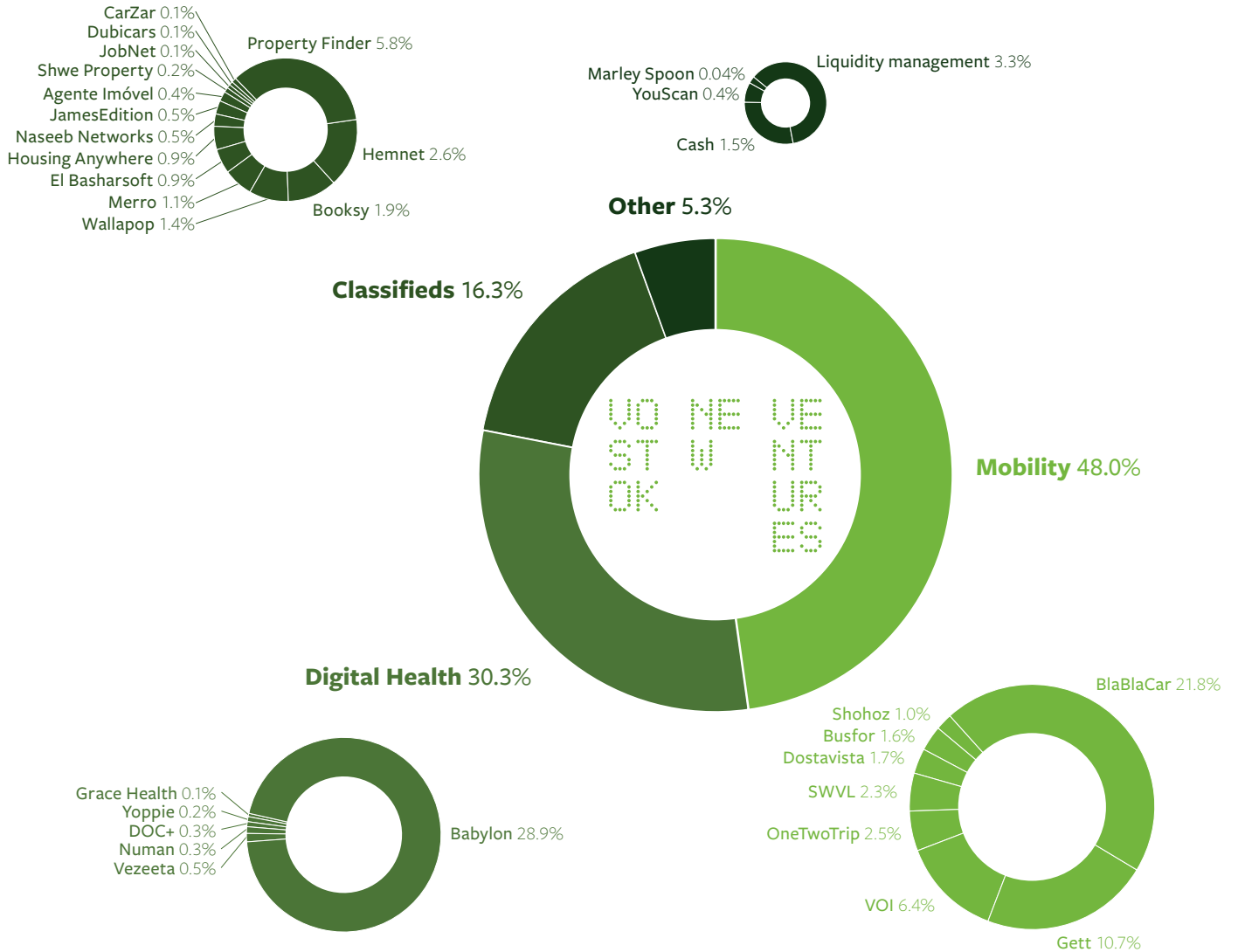
1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.

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 (September 30, 2019)



# Financial information

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

During the period, the result from financial assets at fair value through profit or loss amounted to USD 110.39 mln (2018: 21.43), mainly coming from revaluations of Babylon, BlaBlaCar and VOI. Dividend and coupon income was USD 3.07 mln related to Merro dividends (2018: 17.76 sourced by Avito dividends).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -28.75 mln (2018: -10.25). The increase in net operating expenses is mainly related to bonus to CEO and other employees and subsidy to participants of the incentive program, LTIP 2019.

Net financial items were USD -8.24 mln (2018: 2.33), 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 76.47 mln (2018: 31.27).

Total shareholders' equity amounted to USD 689.24 mln on September 30, 2019 (December 31, 2018: 876.71).

At the beginning of the year repurchased SDRs amounted to 1,125,952 SDRs. During the nine-months period Vostok New Ventures repurchased 6,559,351 SDRs net. At the end of the period repurchased SDRs amounted to 7,685,303 SDRs.

## Liquid assets

The liquid assets of the group amounted to USD 10.6 mln (December 31, 2018: 40.30). The liquid asset investments are in money market funds, as part of its liquidity management operations.

## Group – results for the third quarter

During the third quarter, the result from financial assets at fair value through profit or loss amounted to USD -4.25 mln (2018: 21.71), mainly coming from revaluations of Babylon, BlaBlaCar and DOC+. Dividend and coupon income was USD 0.84 mln related to Merro dividends (2018: 0.00).

Net operating expenses (defined as operating expenses less other operating income) amounted to USD -5.98 mln (2018: -1.90). Higher level of net operating expenses 2019 compared to 2018 is mainly related to the Company's subsidy to participants of the incentive program, LTIP 2019.

Net financial items were USD -0.05 mln (2018: -0.70).

Net result for the quarter was USD -9.43 mln (2018: 19.10).

# Portfolio events

## Investment activities during the nine month period

During the nine month period 2019, gross investments in financial assets, excluding liquidity management investments, were USD 156.1 mln (2018: 46.58) and proceeds from sales, excluding liquidity management investments, were USD 539.87 mln (2018: 1.09). Investments concern cash investment mainly in Babylon, Gett, VOI, SWVL, Booksy, Dostavista, Shohoz and JamesEdition and proceeds concern exit of Avito.

## Investment activities during the third quarter

During the third quarter 2019, gross investments in financial assets, excluding liquidity management investments, were USD 64.27 mln (2018: 9.82) and proceeds from sales, excluding liquidity management investments, were USD – mln (2018: –). Investments concern mainly Babylon and VOI.

## New investments during the third quarter

### Yoppie

During the third quarter 2019, Vostok New Ventures invested in UK-based Yoppie, a women's health community and e-commerce platform for women's health products. Vostok New Ventures invested USD 1.5 mln (GBP 1.2 mln) in the company.

## Current portfolio

### Babylon

During the third quarter 2019, Vostok New Ventures invested an additional USD 7.5 mln (GBP 6.0 mln) in Babylon through a convertible note. In the third quarter Vostok New Ventures also participated in the closing round of a funding raise in Babylon with a total investment of USD 72.3 mln, including previously extended convertible notes. The USD 500 mln round, with an option to raise a further USD 50 mln, values Babylon at USD 2 bln post money.

### Shwe Property

During the third quarter 2019, Vostok New Ventures invested USD 0.4 mln in Shwe Property. As per September 30, 2019, Vostok New Ventures values its stake in Shwe Property to USD 1.4 mln on the basis of the third quarter 2019 transaction.

### Dubicars

During the third quarter 2019, the company raised a smaller funding round where Vostok New Ventures took its pro-rata. As per September 30, 2019, Vostok New Ventures values its shares in Dubicars on basis of the July 2019 capital raise by the company.

### VOI

During the third quarter 2019, Vostok New Ventures invested the remaining USD 5.8 mln of its commitment in VOI through convertible debt for a total investment of USD 17.5 mln. The outstanding convertible note is valued at nominal value including accrued interest.

### Numan

During the third quarter 2019, Vostok New Ventures invested an additional USD 1.2 mln (GBP 1.0 mln) in Numan through a convertible note. As per September 30, 2019, the equity is valued at the conversion value of the original convertible note. The outstanding convertible note is valued at nominal value including accrued interest.

## Liquidity management

The Company also has investments in money market funds, as part of its liquidity management operations. As per September 30, 2019, the liquidity management investments are valued at USD 22.99 mln (2018: 10.68), based on the latest NAV of each fund and bond's market value.

For further information about the portfolio companies please see

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

🌐 [Vostok New Ventures' website](#)

# Income statements – Group

(Expressed in USD thousands)	Jan 1, 2019– Sep 30, 2019	Jan 1, 2018– Sep 30, 2018	Jul 1, 2019– Sep 30, 2019	Jul 1, 2018– Sep 30, 2018
Result from financial assets at fair value through profit or loss <sup>1</sup>	110,393	21,431	-4,254	21,707
Result from loan receivables	–	–	–	-6
Dividend and coupon income	3,065	17,759	844	–
Other operating income	224	195	74	69
Operating expenses	-28,975	-10,441	-6,049	-1,967
<b>Operating result</b>	<b>84,707</b>	<b>28,944</b>	<b>-9,385</b>	<b>19,803</b>
<b>Financial income and expenses</b>				
Interest income	477	3,425	403	1,501
Interest expense	-4,022	-4,577	-1	-1,566
Currency exchange gains/losses, net	-4,696	3,479	-452	-636
<b>Net financial items</b>	<b>-8,241</b>	<b>2,327</b>	<b>-50</b>	<b>-701</b>
<b>Result before tax</b>	<b>76,466</b>	<b>31,272</b>	<b>-9,435</b>	<b>19,102</b>
Taxation	–	–	–	–
<b>Net result for the financial period</b>	<b>76,466</b>	<b>31,272</b>	<b>-9,435</b>	<b>19,102</b>
Earnings per share (in USD)	0.97	0.37	-0.12	0.23
Diluted earnings per share (in USD)	0.97	0.37	-0.12	0.23

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– Sep 30, 2019	Jan 1, 2018– Sep 30, 2018	Jul 1, 2019– Sep 30, 2019	Jul 1, 2018– Sep 30, 2018
<b>Net result for the financial period</b>	<b>76,466</b>	<b>31,272</b>	<b>-9,435</b>	<b>19,102</b>
<b>Other comprehensive income for the period</b>				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-119	-253	-82	29
<b>Total other comprehensive income for the period</b>	<b>-119</b>	<b>-253</b>	<b>-82</b>	<b>29</b>
<b>Total comprehensive income for the period</b>	<b>76,347</b>	<b>31,019</b>	<b>-9,517</b>	<b>19,131</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)	Sep 30, 2019	Dec 31, 2018
<b>NON-CURRENT ASSETS</b>		
<i>Tangible non-current assets</i>		
Property, plant and equipment	1,108	203
<b>Total tangible non-current assets</b>	<b>1,108</b>	<b>203</b>
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	680,949	932,482
<b>Total financial non-current assets</b>	<b>680,949</b>	<b>932,482</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	10,590	40,303
Tax receivables	663	556
Other current receivables	478	399
<b>Total current assets</b>	<b>11,731</b>	<b>41,259</b>
<b>TOTAL ASSETS</b>	<b>693,788</b>	<b>973,943</b>
<b>SHAREHOLDERS' EQUITY</b> (including net result for the financial period)	<b>689,245</b>	<b>876,709</b>
<b>NON-CURRENT LIABILITIES</b>		
<i>Interest bearing liabilities</i>		
Long-term debts and financial leases	690	93,944
<b>Total non-current liabilities</b>	<b>690</b>	<b>93,944</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Tax payables	394	402
Other current liabilities	1,892	1,161
Accrued expenses	1,567	1,727
<b>Total current liabilities</b>	<b>3,853</b>	<b>3,290</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>693,788</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 September 30, 2018		-	-	-	31,272	31,272
<i>Other comprehensive income for the period</i>						
Currency translation differences		-	-	-252	-	-252
<b>Total comprehensive income for the period</b>						
<b>January 1, 2018 to September 30, 2018</b>		<b>-</b>	<b>-</b>	<b>-252</b>	<b>31,272</b>	<b>31,019</b>
<i>Transactions with owners:</i>						
Value of employee services:						
- Share-based long-term incentive program		-	1,365	-	-	1,365
Buy-back of own shares		-6	-171	-	-	-178
<b>Total transactions with owners</b>		<b>-6</b>	<b>1,194</b>	<b>-</b>	<b>-</b>	<b>1,188</b>
<b>Balance at September 30, 2018</b>		<b>27,060</b>	<b>120,267</b>	<b>-260</b>	<b>765,130</b>	<b>912,197</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 September 30, 2019		-	-	-	76,466	76,466
<i>Other comprehensive income for the period</i>						
Currency translation differences		-	-	-119	-	-119
<b>Total comprehensive income for the period</b>						
<b>January 1, 2019 to September 30, 2019</b>		<b>-</b>	<b>-</b>	<b>-119</b>	<b>76,466</b>	<b>76,347</b>
<i>Transactions with owners:</i>						
Redemption program		-6,479	-	-	-208,831	-215,310
Value of employee services:						
- Share-based remuneration	2	124	3,076	-	-	3,200
- Share-based long-term incentive program	5	615	1,670	-	-	2,285
Buy-back of own shares	6	-2,060	-51,926	-	-	-53,986
<b>Total transactions with owners</b>		<b>-7,800</b>	<b>-47,181</b>	<b>-</b>	<b>-208,831</b>	<b>-263,812</b>
<b>Balance at September 30, 2019</b>		<b>19,260</b>	<b>73,648</b>	<b>-292</b>	<b>596,629</b>	<b>689,245</b>

# Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2019– Sep 30, 2019	Jan 1, 2018– Sep 30, 2018	Jul 1, 2019– Sep 30, 2019	Jul 1, 2018– Sep 30, 2018
<b>OPERATING ACTIVITIES</b>				
Result before tax	76,466	31,272	-9,435	19,102
<i>Adjustment for:</i>				
Interest income	-477	-3,425	-403	-1,501
Interest expense	4,022	4,577	1	1,566
Currency exchange gains/-losses	4,696	-3,480	452	636
Depreciation	253	-6	83	-6
Result from financial assets at fair value through profit or loss	-110,393	-21,431	4,254	-21,707
Dividend and coupon income	-3,065	-17,759	-844	-
Other non-cash adjustments	4,550	3,491	609	-1,620
Change in current receivables	129	1,799	-2	1,873
Change in current liabilities	92	432	563	360
<b>Net cash used in operating activities</b>	<b>-23,727</b>	<b>-4,530</b>	<b>-4,722</b>	<b>-1,296</b>
Investments in financial assets	-203,362	-46,582	-64,267	-9,815
Sales of financial assets	565,325	1,088	25,451	-
Increase in loan receivables	-	1,646	-	4,620
Dividend and coupon income	3,065	17,759	844	-
Interest received	-	1,568	-	689
Tax paid	-112	-148	-86	-40
<b>Net cash flow from/used in operating activities</b>	<b>341,189</b>	<b>-29,199</b>	<b>-42,780</b>	<b>-5,842</b>
<b>INVESTMENT ACTIVITIES</b>				
Investments in office equipment	-	-107	-	-104
<b>Net cash flow used in investment activities</b>	<b>-</b>	<b>-107</b>	<b>-</b>	<b>-104</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	-91,205	-	-	-
Proceeds from borrowings	-	28,427	-	-673
Interest paid for borrowings	-3,113	-3,565	-	-806
Repayment of lease liabilities	-259	-	-259	-
Redemption program including transaction fees	-215,310	-	-	-
Proceeds from LTIP and options issued to employees	1,118	-	1,118	-
Buy back of own shares	-53,986	-178	-495	-
<b>Net cash flow used in/from financing activities</b>	<b>-362,755</b>	<b>24,685</b>	<b>364</b>	<b>-1,479</b>
<b>Change in cash and cash equivalents</b>	<b>-21,566</b>	<b>-4,621</b>	<b>-42,416</b>	<b>-7,425</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>40,303</b>	<b>51,079</b>	<b>53,535</b>	<b>51,008</b>
Exchange gains/losses on cash and cash equivalents	-8,147	-2,408	-529	465
<b>Cash and cash equivalents at end of period</b>	<b>10,590</b>	<b>44,049</b>	<b>10,590</b>	<b>44,049</b>

# Alternative Performance Measures – Group

Alternative Performance Measures (APM) apply the European Securities and Markets Authority (ESMA) guidelines.

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.

Definitions of all APMs used are found below.

	9m 2019	9m 2018
Return on capital employed, % <sup>1</sup>	8.73	2.73
Equity ratio, % <sup>2</sup>	99.35	90.15
Shareholders' equity/share, USD <sup>3</sup>	8.82	10.79
Net asset value/share, USD <sup>4</sup>	8.82	10.79
Net asset value/share adjusted for redemption program, USD <sup>5</sup>	12.07	–
Weighted average number of shares for the financial period <sup>6</sup>	79,002,775	84,566,058
Weighted average number of shares for the financial period (fully diluted) <sup>7</sup>	79,119,676	84,778,789
Number of shares at balance sheet date <sup>6,7</sup>	78,150,006	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 outstanding common shares, ie. plan shares is excluded.

4. *Net asset value/share* is defined as shareholders' equity divided by total number of common shares.

5. *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 outstanding common shares.

6. Refers only to ordinary common shares and excludes redemption shares.

7. Number of common shares at balance sheet date as per September 30, 2019, excludes 7,685,303 repurchased SDRs.

# Income statement – Parent

(Expressed in USD thousands)	Jan 1, 2019– Sep 30, 2019	Jan 1, 2018– Sep 30, 2018	Jul 1, 2019– Sep 30, 2019	Jul 1, 2018– Sep 30, 2018
Result from financial assets at fair value through profit or loss	495	-956	-104	33
Dividend income	100,000	–	–	–
Operating expenses	-28,622	-5,731	-5,921	-1,537
<b>Operating result</b>	<b>71,873</b>	<b>-6,687</b>	<b>-6,025</b>	<b>-1,510</b>
<b>Financial income and expenses</b>				
Interest income	2,356	13,425	960	5,101
Interest expense	-3,988	-4,554	-3	-1,543
Currency exchange gains/losses, net	-4,435	3,606	-361	-584
<b>Net financial items</b>	<b>-6,067</b>	<b>12,478</b>	<b>596</b>	<b>2,974</b>
<b>Net result for the financial period</b>	<b>65,806</b>	<b>5,790</b>	<b>-5,429</b>	<b>1,464</b>

## Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2019– Sep 30, 2019	Jan 1, 2018– Sep 30, 2018	Jul 1, 2019– Sep 30, 2019	Jul 1, 2018– Sep 30, 2018
<b>Net result for the financial period</b>	<b>65,806</b>	<b>5,790</b>	<b>-5,429</b>	<b>1,464</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>65,806</b>	<b>5,790</b>	<b>-5,429</b>	<b>1,464</b>

# Balance sheet – Parent

(Expressed in USD thousands)	Sep 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	22,993	644
Receivables from Group companies	53,478	256,965
<b>Total financial non-current assets</b>	<b>76,656</b>	<b>341,998</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	8,761	35,505
Other current receivables	325	138
<b>Total current assets</b>	<b>9,086</b>	<b>35,644</b>
<b>TOTAL ASSETS</b>	<b>85,742</b>	<b>377,642</b>
<b>SHAREHOLDERS' EQUITY</b> (including net result for the financial period)	<b>83,400</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	909	719
Other current liabilities	133	81
Accrued expenses	1,300	1,490
<b>Total current liabilities</b>	<b>2,342</b>	<b>2,292</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>85,742</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 September 30, 2018		-	-	5,790	5,790
<i>Other comprehensive income for the period</i>					
Currency translation differences		-	-	-	-
<b>Total comprehensive income for the period</b>					
<b>January 1, 2018 to September 30, 2018</b>		<b>-</b>	<b>-</b>	<b>5,790</b>	<b>5,790</b>
<i>Transactions with owners:</i>					
Value of employee services:					
- Share-based long-term incentive program		-	1,365	-	1,365
Buy-back of own shares		-6	-171	-	-178
<b>Total transactions with owners</b>		<b>-6</b>	<b>1,194</b>	<b>-</b>	<b>1,188</b>
<b>Balance at September 30, 2018</b>		<b>27,060</b>	<b>120,267</b>	<b>132,779</b>	<b>280,106</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 September 30, 2019		-	-	65,806	65,806
<i>Other comprehensive income for the period</i>					
Currency translation differences		-	-	-	-
<b>Total comprehensive income for the period</b>					
<b>January 1, 2019 to September 30, 2019</b>		<b>-</b>	<b>-</b>	<b>65,806</b>	<b>65,806</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	5	615	1,670	-	2,285
Buy-back of own shares	6	-2,060	-51,926	-	-53,986
<b>Total transactions with owners</b>		<b>-7,800</b>	<b>-47,181</b>	<b>-208,831</b>	<b>-263,812</b>
<b>Balance at September 30, 2019</b>		<b>19,260</b>	<b>73,648</b>	<b>-9,508</b>	<b>83,400</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 0.9 mln, long-term debts USD 0.7 mln and current liabilities USD 0.3 mln.

When calculating *earnings per share*, the average number of shares is based on average outstanding common shares, so called Swedish Depository Receipts (SDRs). Plan shares, issued to incentive share program participants, are not treated as outstanding common shares and by that not included in the weighted calculation. The issue of plan shares is recognized as an increase in shareholders' equity, although.

When calculating *diluted earnings per share*, the average number of common shares (SDRs) is adjusted to consider the effects of dilutive potential common shares, originating during the reported periods from share incentive programs that have been offered to employees. Dilutions from share incentive programs affect the number of shares and only occur when the strike price is less than the share price.

## Note 2

### Related-party transactions

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

	Operating expenses		Current liabilities	
	9m 2019	9m 2018	9m 2019	9m 2018
Key management and Board of Directors <sup>1</sup>	-19,295	-4,180	-180	-171

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 and Victoria Grace, both Directors of Vostok New Ventures, for consultancy services above and beyond their duties as Directors in the Company in relation to current or prospective investments. The gross annual cost of these contracts is USD 0.1 mln, respectively.

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 15.2 mln, where bonus was payable in equal parts in kind by way of shares and in cash after tax, following the successful exit of Avito during January 2019.

The Special General Meeting, held on August 22, 2019, resolved to adopt a five-year performance-based incentive program for key

employees. The Company subsidized the incentive program participants for the subscription price. The subsidy to management amounted to USD 1.9 mln.

The Company also compensated for the tax impact arising from the fact that subscription price was below fair market value. The maximum estimated cost of this subsidy to management, social fee excluded, amounted to USD 0.7 mln and will be expensed over five year.

The costs for the long-term incentive programs (LTIP 2017, LTIP 2018 and LTIP 2019) for the management amounted to USD 1.0 mln, excluding social taxes during the nine-month period 2019. See details of the LTIP 2017, LTIP 2018 and LTIP 2019 in Note 5.

## 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 September 30, 2019.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	23,303	586,822	70,824	680,949
Total assets	23,303	586,822	70,824	680,949

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 tables present the group's changes of financial assets in level 3.

	Level 3
Opening balance January 1, 2019	223,623
Transfers from level 3	-179,580
Transfers to level 3	27,552
Change in fair value and other	-771
Closing balance September 30, 2019	70,824



	Level 3
Opening balance July 1, 2019	176,162
Transfers from level 3	-124,639
Transfers to level 3	22,298
Change in fair value and other	-2,997
Closing balance September 30, 2019	70,824

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

Hemnet, OneTwoTrip, Wallapop, Merro, El Basharsoft, Naseeb Networks, YouScan, Agente Imóvel, DOC+, 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.

### **Babylon**

As per September 30, 2019, Vostok New Ventures values its shares in the company to USD 200.0 mln, classified as level 2 investments, on the basis of an equity transaction that closed on August 2, 2019, whereby the company raised USD 400 mln in a first close in a round of up to USD 500 mln at a pre-money valuation of USD 1,500 mln. VNV participated with a total of USD 72.3 mln in the transaction. The transaction valuation is approximately 557% higher than the valuation as per December 31, 2018.

### **BlaBlaCar**

As per September 30, 2019, the BlaBlaCar investment is classified as a level 2 investment, valued on a transaction in BlaBlaCar where 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 8.6% ownership to USD 150.6 mln as per September 30, 2019.

### **Gett**

As per September 30, 2019, the Gett investment is classified as a level 2 investment as it is valued at USD 74.1 mln 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 September 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**

Vostok New Ventures has invested USD 30.3 mln in VOI, leading free floating electric scooter sharing service, whereof USD 12.8 mln is invested in equity and USD 17.5 mln is invested through a convertible debt.

As per September 30, 2019, Vostok New Ventures values its equity share in VOI at USD 26.7 mln, on the basis of the equity transaction made in the first quarter of 2019. The investment is classified as a level 2 investment. Vostok New Ventures owns 23.9% of the company on a fully diluted basis.

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

As per September 30, 2019, Hemnet is classified as a level 3 investment as it is valued to USD 17.7 mln on the basis of an EV/EBITDA valuation model as the latest significant transaction now is more than 12 months old. The company has been performing well since Vostok's investment in December 2016. As per September 30, 2019, the model is deemed the best fair value estimate of the company. The median multiple of the peer group is 21.8x and consists of a number of listed real estate verticals including, but not limited to, Scout24, Rightmove and REA Group. The model-based valuation is approximately 29% higher than the valuation as per December 31, 2018, primarily driven by higher peer multiples.

	Sensitivity in model-based Hemnet valuation as per September 30, 2019				
	-15%	-10%	EV/EBITDA	+10%	+15%
			multiple		
Valuation of Vostok New Ventures' Hemnet investment, USD mln	15.0	15.9	17.7	19.4	20.3

### OneTwoTrip

As per September 30, 2019, OneTwoTrip is classified as a level 3 investment based on peer multiples model, valued at USD 17.6 mln. Vostok New Ventures owns 16.3% of the company on a fully diluted basis as per September 30, 2019.

	Sensitivity in OneTwoTrip valuation as per September 30, 2019				
	-15%	-10%	OneTwoTrip	+10%	+15%
			valuation		
Valuation of Vostok New Ventures' OneTwoTrip investment, USD mln	15.0	15.9	17.6	19.4	20.3

### SWVL

As per September 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 10.1% of the company on a fully diluted basis as per September 30, 2019.

### Booksy

As per September 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 September 30, 2019.

### Dostavista

As per September 30, 2019, Dostavista is classified as a level 2 investment as it is valued at USD 11.6 mln 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.

### Busfor

Vostok New Ventures invested a total of USD 8.5 mln in Busfor during 2018. As per September 30, 2019, Busfor is valued as per September 30, 2019, at USD 10.9 mln, classified as level 2 investments, on the basis of the ongoing acquisition by BlaBlaCar.

### Wallapop

As per September 30, 2019, Wallapop is classified as a level 3 investment. Vostok New Ventures' indirect stake in the company is valued at USD 9.9 mln. As per September 30, 2019, VNV values its indirect investment into Wallapop as per a revenue valuation model that results in a valuation in line with the last transaction in the company of August 2018. 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 September 30, 2018				
	-15%	-10%	Wallapop	+10%	+15%
			valuation		
Valuation of Vostok New Ventures' Wallapop investment, USD mln	8.4	8.9	9.9	10.9	11.4

### Merro

As per September 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 September 30, 2019, Vostok New Ventures stake in the company is valued to USD 7.8 mln, which is 3% 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 September 30, 2019, Opensooq accounts for 73.3% of the fair value estimate of Merro.

	Sensitivity in Sum of the parts-based Merro valuation as per September 30, 2019				
	-15%	-10%	Opensooq	+10%	+15%
			valuation		
Valuation of Vostok New Ventures' Merro investment, USD mln	7.0	7.2	7.8	8.4	8.7

	Sensitivity in Sum of the parts-based Merro valuation as per September 30, 2019				
	-15%	-10%	Merro	+10%	+15%
			valuation		
Valuation of Vostok New Ventures' Merro investment, USD mln	6.6	7.0	7.8	8.6	9.0

### Shohoz

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

### El Basharsoft

As per September 30, 2019, El Basharsoft is classified as a level 3 investment as it is valued to USD 6.2 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 September 30, 2019, the model is deemed the best fair value estimate of the company. The model-based valuation is approximately 32% higher than the valuation as per December 31, 2018.

	Sensitivity in El Basharsoft valuation as per September 30, 2019				
	-15%	-10%	EV/Sales	+10%	+15%
			multiple		
Valuation of Vostok New Ventures' El Basharsoft investment, USD mln	5.3	5.6	6.2	6.9	7.2

### Housing Anywhere

As per September 30, 2019, Housing Anywhere is classified as a level 2 investment as it is valued at USD 6.0 mln (EUR 5.0 mln) 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 USD 1.9 mln (EUR 1.7 mln) in December 2018.

### JamesEdition

As per September 30, 2019, JamesEdition is classified as a level 2 investment as it is valued at USD 3.3 mln 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.

### Naseeb Networks

As per September 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 3.2 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 8.5x and the median multiple is 7.1x.

	Sensitivity in model-based Naseeb valuation as per September 30, 2019				
	-15%	-10%	EV-Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' Naseeb investment, USD mln	2.7	2.8	3.2	3.5	3.6

### Vezeeta

As per September 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 September 30, 2019, Vostok New Ventures values its investment in Vezeeta to USD 3.2 mln.

### 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 September 30, 2019, YouScan is classified as a level 3 investment based on an EV/Sales model. This model-approach is deemed the best fair value estimate of YouScan as per September 30, 2019.

	Sensitivity in model-based YouScan-valuation as per September 30, 2019				
	-15%	-10%	EV-Sales multiple	+10%	+15%
Valuation of Vostok New Ventures' YouScan investment, USD million	2.5	2.7	3.0	3.3	3.4

### Agente Imóvel

As per September 30, 2019, Agente Imóvel is classified as a level 3 investment based on an EV/Sales model. Vostok New Ventures has invested a total of USD 2.0 mln in the company, which as per September 30, 2019 is valued at USD 2.5 mln.

	Sensitivity in Agente Imóvel valuation as per September 30, 2019				
	-15%	-10%	Agente Imóvel valuation	+10%	+15%
Valuation of Vostok New Ventures' Agente Imóvel investment, USD mln	2.1	2.2	2.5	2.7	2.9

### DOC+

As per September 30, 2019, DOC+ is classified as a level 3 investment as it is valued based on an EV/Sales model. This model-approach is deemed the best fair value estimate of DOC+ as per September 30, 2019.

	Sensitivity in DOC+ valuation as per September 30, 2018				
	-15%	-10%	DOC+ valuation	+10%	+15%
Valuation of Vostok New Ventures' DOC+ investment, USD mln	1.6	1.7	1.8	2.0	2.1

### Yoppie

During the third quarter 2019, Vostok New Ventures invested USD 1.5 mln in Yoppie. As per September 30, 2019, Yoppie is classified as a level 2 investment based on the latest transaction, valued at USD 1.5 mln (GBP 1.2 mln) as per September 30, 2019.

### Shwe Property

As per September 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 third quarter of 2019. The company is valued at USD 1.4 mln.

### Grace Health

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

### Numan

As per September 30, 2019, Numan is classified as a level 2 investment based on a convertible investment amounting to USD 1.0 mln (GBP 0.8 mln) in the company which closed in December 2018 and converted into equity during the first quarter 2019. Numan is valued at USD 1.0 mln as per September 30, 2019.

### JobNet

As per September 30, 2019, JobNet is classified as a level 3 investment as it is valued on the basis of a future looking EV/Sales 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 8.5x and the median multiple is 7.1x.

	Sensitivity in model-based JobNet valuation as per September 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

### Dubicars

As per September 30, 2019, Dubicars is classified as a level 2 investment based on a transaction in the company which closed in the fourth quarter 2018. Dubicars is valued at USD 0.5 mln as per September 30, 2019.

### CarZar

As per September 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 September 30, 2019, is significantly lower compared with the valuation as per December 31, 2018, following continued unfavorable performance and overall market dynamics.

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

#### Marley Spoon (equity, Level 1)

As per September 30, 2019, the equity in Marley Spoon is valued at USD 0.3 mln on the basis of the closing price on the last trading day of Marley Spoon in 3Q19. Marley Spoon equity is classified as a level 1 investment.

#### Liquidity management (Level 1)

As per September 30, 2019, Vostok New Ventures owns USD 23.0 mln in money market funds and bonds as part of the Company's liquidity management operations. The funds and bonds are quoted on a daily basis and the fair value as per September 30, 2019, is the last published NAV as per end of September 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	Fair value change	Closing balance Sep 30, 2019	Percentage weight
Babylon <sup>3</sup>	21,884,394	72,250,703	105,864,953	200,000,050	29.4%
BlaBlaCar	157,695,271	-	-7,049,064	150,646,207	22.1%
Gett	55,358,979	18,620,324	81,425	74,060,728	10.9%
Property Finder	39,985,331	-	-	39,985,331	5.9%
VOI	10,831,921	10,076,628	5,768,701	26,677,250	3.9%
Hemnet <sup>1</sup>	14,178,027	-	3,486,874	17,664,901	2.6%
OneTwoTrip	16,548,231	-	1,071,600	17,619,831	2.6%
SWVL	-	16,001,533	-	16,001,533	2.3%
Booksy	5,989,711	3,499,650	3,441,767	12,931,128	1.9%
Dostavista	-	11,561,199	-	11,561,199	1.7%
Busfor	8,604,151	-	2,262,064	10,866,215	1.6%
Wallapop	9,950,485	-	-10,130	9,940,355	1.5%
Merro	7,761,119	-	56,923	7,818,042	1.1%
Shohoz	-	7,003,759	-	7,003,759	1.0%
El Basharsoft (Wuzzuf and Forasna)	4,736,758	17,067	1,475,645	6,229,470	0.9%
Housing Anywhere	6,226,535	-	-278,330	5,948,205	0.9%
JamesEdition	-	3,341,400	-58,800	3,282,600	0.5%
Naseeb Networks (Rozee and Mihnati)	3,807,560	-	-648,358	3,159,202	0.5%
Vezeeta	3,155,946	-	-	3,155,946	0.5%
YouScan <sup>2</sup>	2,346,512	-	645,880	2,992,392	0.4%
Agente Imóvel	2,999,443	-	-520,212	2,479,231	0.4%
DOC+	4,000,000	1,750,000	-3,905,441	1,844,559	0.3%
Yoppie	-	1,480,920	-	1,480,920	0.2%
Shwe Property	500,000	605,089	330,189	1,435,278	0.2%
Grace Health	-	1,041,951	-21,591	1,020,360	0.1%
Numan <sup>3</sup>	-	1,048,208	-48,363	999,845	0.1%
JobNet	500,000	-	125,034	625,034	0.1%
Dubicars	348,325	135,244	24,751	508,320	0.1%
CarZar	3,000,000	-	-2,548,713	451,287	0.1%
Marley Spoon	315,981	-	-6,247	309,734	0.0%
Avito	539,874,449	-539,874,449	-	-	-
VOI, convertible debt	-	17,500,000	314,521	17,814,521	2.6%
Numan, convertible debt	1,012,000	202,600	20,784	1,235,384	0.2%
Naseeb Networks, convertible debt	-	200,000	6,722	206,722	0.0%
Babylon, convertible debt	9,226,610	-9,242,759	16,149	-	-
Booksy, convertible debt	999,900	-999,900	-	-	-
Liquidity management	644,274	21,854,126	494,600	22,993,000	3.4%
<b>Total</b>	<b>932,481,913</b>	<b>-361,926,707</b>	<b>110,393,333</b>	<b>680,948,539</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

##### Long-term debts

As per September 30, 2019, financial leases are recognized with a provision of future long-term lease payments amounting to USD 0.7 mln.

## Note 5 Long-term Incentive programs (LTIP)

	LTIP 2017	LTIP 2018	LTIP 2019
Program measurement period	Jan 2017– Dec 2019	Jan 2018– Dec 2020	Jan 2019– Dec 2023
Vesting period	May 2017– May 2020	May 2018– May 2021	Aug 2019– May 2024
Maximum number of depository receipts not adjusted for split and redemption program Mar 2019	450,000	510,000	2,100,000
Maximum number of depository receipts adjusted for split and redemption program Mar 2019	661,500	742,350	2,100,000
Maximum dilution, adjusted for redemption program	0.85%	0.95%	2.7%
Common share price per grant day in SEK	72.50	74.70	63.50
Common share price per grant day in USD	8.25	8.59	6.60
Plan share price per grant day in SEK	–	–	6.84
Plan share price per grant day in USD	–	–	0.71
LTIP share-based remuneration expense, excluding social fees in USD mln	LTIP 2017	LTIP 2018	LTIP 2019
September 2019	0.54	0.60	0.02
2018	0.70	0.52	–
2017	0.45	–	–
<b>Total</b>	<b>1.69</b>	<b>1.12</b>	<b>0.02</b>

There are three running long-term share-based incentive programs for management and key personnel in the Vostok New Ventures Group. Program 2017 and 2018 are linked to the long-term performance of the Company's Net Asset Value and program 2019 is linked to the long-term performance of both the Company's Net Asset Value and of the Vostok New Ventures share price.

### Outstanding programs 2017 and 2018

The participants purchased, in the three-year long-term incentive 2017 and 2018 programs, shares (Swedish Depository Receipts) in the Company. The participants are for each purchased share entitled to receive additional shares, so-called performance shares, free of charge, subject to fulfillment of performance condition set by the Board of Directors based on the Company's Net Asset Value.

The Performance SDRs are distributed to the participants automatically at the end of the program. 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.

### Outstanding program 2019

The participants purchased, in the five-year long-term incentive 2019 program, plan shares in the Company.

Plan shares will on the extent to performance of both the Company's Net Asset Value and of the Vostok New Ventures share price be reclassified as Swedish Depository Receipts if the performance conditions have

been fulfilled. If the performance conditions have not been fulfilled, then the plan shares will be redeemed.

The participants will be compensated for dividends and other value transfers to the shareholders. The participants are also entitled to vote during the measurement period.

If a participant ceases to be employed by the Group within this period, the plan shares will be redeemed, except in limited circumstances that are approved by the board on a case-by-case basis.

The fair value of the plan share on the grant date was calculated on the basis of the market price of the Company's depository receipts on the grant date and market conditions prevailed by using the Monte Carlo Valuation Method.

To carry through the incentive program, the Company subsidized the incentive program participants for the subscription price. The subsidy amounted to USD 2.6 mln, social fee excluded, for the cost of acquiring plan shares. The cost for financing and acquiring plan shares is expensed directly.

The Company also compensated for the tax impact arising from the fact that subscription price was below fair market value. The maximum estimated cost of this subsidy, social fee excluded, amounts to USD 1 mln and will be expensed over five years, treated as LTIP share-based remuneration expense. As per September, 2019, LTIP share-based remuneration expense for incentive program 2019 amounts to USD 0.02 mln.

### Completed program 2016

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. The program 2016 resulted in allotment of 632,100 depository receipts adjusted for split and redemption program March 2019. The exercised program resulted a dilution of 0.41% in terms of depository receipts. Total cost, excluding social fees, amounted to USD 1.6 mln for the four participants.

### Accounting principles

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 value is recognized in the income statement as a personnel cost on line operating expenses, allocated over the vesting period with a corresponding increase in equity. The recognized cost corresponds to the fair value of the estimated number of shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested shares. However, no adjustment is made when shares expire only because share price related conditions do not reach the level. When program is exercised, shares are delivered to employee and reported in equity.

## Note 6 Depository receipt buy-back

During the third quarter 2019, 77,200 SDRs were repurchased. At the end of the period, the number of outstanding common shares (SDRs), excluding 7,685,303 repurchased SDRs, was 78,150,006.

## Note 7 Events after the reporting period

After the end of the period, in November 2019, Vostok New Ventures invested a further USD 30 mln into Voi Technology as part of a larger funding round.

# 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 September 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 65.8 mln (2018: 5.79). 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' twelve months report for the period January 1, 2019–December 31, 2019 will be published on February 12, 2020.

Hamilton, Bermuda, November 13, 2019

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, 2019 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 13, 2019  
PricewaterhouseCoopers AB

Bo Hjalmarsson  
*Authorized Public Accountant*  
*Auditor in charge*

Martin Oscarsson  
*Authorized Public Accountant*