



VOSTOK
NEW
VENTURES

Information to SDR holders in Vostok New Ventures Ltd.

Information to holders of Swedish Depository Receipts (“**SDRs**”) in Vostok New Ventures Ltd (“**Vostok New Ventures**” or the “**Company**”) regarding the Board’s proposal of an SDR split and mandatory redemption procedure to the Special General Meeting to be held on February 14, 2019

Important information

This document has been prepared for the purpose of providing information to the SDR holders of Vostok New Ventures regarding the Board’s proposal of an SDR split and mandatory redemption to be approved at the Company’s forthcoming Special General Meeting on February 14, 2019. The document does not constitute an offer or prospectus according to the Swedish Financial Instruments Trading Act (1991:980) (*Swe: lagen om handel med finansiella instrument*) or any other regulation. The document is not directed towards persons whose participation in the SDR redemption procedure would require additional information to be provided, registration or any other actions other than those prescribed by Swedish law. The document may not be distributed to such jurisdictions as may require additional information or actions as described above or to such jurisdictions where such distribution would be in violation with applicable laws or regulations. It is each person’s responsibility to ensure that they comply with any such restriction imposed under foreign jurisdiction.

The Board’s proposal, which is included in the notice to the Special General Meeting, is available at Vostok New Ventures, on the Company’s [website](#) and will be sent to SDR holders upon request. In the event of discrepancies between the information in this document and the Board’s proposal, the Board’s proposal applies. Any dispute arising from this document shall be governed by Swedish law and settled in Swedish court exclusively.

This document is also available in Swedish

Contents

- 2 Definitions
- 3 Background and reasons
- 4 How the split and redemption procedure works
- 4 Timetable
- 5 Description of the split and redemption procedure
- 6 Preliminary financial effects of the procedure
- 7 Tax implications
- 9 Questions and answers
- 10 Do you want to know more?

Definitions

SDR	Swedish Depository Receipt representing a common share in Vostok New Ventures Ltd (ISIN-code before split: SE0007278965) (ISIN-code after split: (SE0012231074)
Euroclear	Euroclear Sweden AB with company registration number 556112-8074
Redemption SDR	Swedish Depository Receipt representing a redemption share which will be mandatorily redeemed (ISIN-code: SE0012231082)
SEK	Swedish kronor
The Board	The Board of Directors in Vostok New Ventures Ltd
Vostok New Ventures or the Company	Vostok New Ventures Ltd of Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, with corporate registration number 39861
USD	United States Dollars
SGM	The Special General Meeting which will be held on February 14, 2019. Notice of the Special General Meeting was sent by mail to the shareholder of record and published by press release on the Company's website on January 28, 2019

Background and reasons

On January 25, 2019, Vostok New Ventures announced that an agreement had been entered into to sell its entire fully diluted 13.2 per cent shareholding in Avito AB for a cash consideration of a total of USD 540 million. The transaction implies a total value of Avito of approximately USD 4 billion. All minority shareholders in Avito sold their respective holdings in Avito in connection with the transaction. As of September 30, 2018, Avito represented approximately 61.1 per cent of Vostok New Venture's investment portfolio.

For Vostok New Ventures, the transaction resulted in gross proceeds of USD 540 million, or approximately SEK 57.3 per SDR. Vostok New Ventures' Net Asset Value ("NAV") following the transaction is approximately USD 10.4 or SEK 92.9 per SDR¹, of which SEK 61.6 per SDR or 66.3 per cent represents cash and cash equivalents.

With the increased liquidity, the Company intends to distribute approximately USD 236 million², or SEK 25 per SDR, to its SDR holders by way of a split and mandatory redemption program subject to approval by the shareholders at the SGM which is intended to be held on February 14, 2019. The Company further intends to use part of the net proceeds from the sale of Avito to redeem its outstanding bonds with ISIN SE0010023390 and SE0011337294 in full, in accordance with the terms and conditions for the bonds. The remaining proceeds will be injected in the Company's ordinary business and will thus be used for future investments and portfolio management.

Hamilton, Bermuda, February 7, 2019
VOSTOK NEW VENTURES LTD

1. Based on an exchange rate of 8.9686 SEK per USD.

2. The actual amount may differ as a result of the Company having repurchased SDRs during the period from the announcement of the transaction and the record date for the split and right to receive Redemption SDRs and depending on the applicable USD/SEK exchange rate on the date of the resolution. As of the date of publication of this information brochure, the Company has repurchased 3,199,098 SDRs.

How the split and redemption procedure works

Before



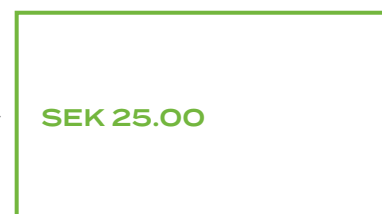
Split

Each existing SDR will be divided into two SDRs, one of which will be a Redemption SDR.



Redemption

The Redemption SDRs are redeemed, whereby those who hold Redemption SDRs on the record date will receive SEK 25 per Redemption SDR.



Timetable

February 14, 2019	Special General Meeting deciding on the Board's proposal.
February 19, 2019	Last day of trading in the SDRs before split and with right to receive Redemption SDRs.
February 21, 2019	Record date for the split and right to receive Redemption SDRs.
February 22–March 7, 2019	Trading in Redemption SDRs.
March 11, 2019	Record date for the redemption of Redemption SDRs.
March 14, 2019	Expected date of payment of redemption settlement.

Description of the split and redemption procedure

The Vostok New Ventures Board has proposed the SGM on February 14, 2019 to resolve on a share split and mandatory SDR redemption program. In brief, the proposal entails that each existing SDR be split into two, of which one will be a so-called Redemption SDR. Each Redemption SDR will automatically be redeemed for a cash payment of SEK twenty-five (25). After the redemption procedure, each SDR holder will own the same number of SDRs as before the split and redemption procedure and will have received payment of twenty-five (25) kronor per Redemption SDR held by the SDR holder on the record date.

Obtaining Redemption SDRs

The last day of trading in the SDRs including the right to receive Redemption SDRs is February 19, 2019. The record date for the split and receipt of Redemption SDRs is February 21, 2019. There is no action required on the part of the SDR holders in order to receive Redemption SDRs. SDR holders who do not wish to receive any Redemption SDRs must however sell their SDRs no later than February 19, 2019.

Trading in Redemption SDRs

Trading in Redemption SDRs (ISIN-code: SE0012231082) is expected to take place on Nasdaq Stockholm during the period February 22–March 7, 2019. All banks and other brokerage firms with necessary permits can assist with trading in Redemption SDRs. SDR holders who do not wish to receive the redemption settlement of SEK twenty-five (25) must sell their Redemption SDRs no later than March 7, 2019.

Payment of redemption settlement

In order to receive payment of the redemption settlement, holders of Redemption SDRs must be registered as owners of such in Euroclear's register no later than the record date for payment. The record date for payment of the redemption settlement is March 11, 2019. A redemption settlement of SEK twenty-five (25) in cash consideration for each Redemption SDR will be paid on or about March 14, 2019. Payment will be made automatically via Euroclear to the yield account tied to the VP account where the Redemption SDRs are held.

Holding of SDRs registered in the name of a nominee

SDRs registered in the name of a nominee will not receive any notification from Euroclear. Information about the redemption procedure will instead be provided by the nominee. Payment will be made automatically to the holding account.

Preconditions for the redemption procedure

The split and redemption procedure is subject to approval from the Special General Meeting in accordance with the Board's proposal of a split of existing SDRs and redemption procedure.

Preliminary financial effects of the procedure

As a result of the proposed distribution of assets through the mandatory redemption procedure, the total shareholders' equity in the Company will decrease by approximately USD 236 million¹ excluding transaction costs. The assets to be distributed to the SDR holders consist of cash

held on account by the Company, which consequently will decrease by an equal amount. The below pro forma balance sheet shows the indicative financial effects of the value distributions of SEK 25 per SDR and the earlier repayment of the outstanding bonds.

Balance sheet (pro forma)²

(Expressed in mUSD) ³	Before redemption program & bond repayment	After redemption program & bond repayment	Change
Financial non current assets	393	393	0
Current assets			
Cash and cash equivalents	580	246	-334
Other current receivables	1	1	0
Total current assets	581	247	-334
TOTAL ASSETS	974	640	-334
Shareholders' equity (including net result for the financial period)	877	637	-240
Non current liabilities			
Long term debts	94	0	-94
Total non current liabilities	94	0	-94
Current liabilities	3	3	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	974	640	-334
NAV/share USD	10.37	7.53	-2.84
NAV/share SEK	92.98	67.55	-25.43

1. The actual amount may differ as a result of the Company having repurchased SDRs during the period from the announcement of the transaction and the record date for the split and right to receive Redemption SDRs and depending on the applicable USD/SEK exchange rate on the date of the resolution. As of the date of publication of this information brochure, the Company has repurchased 3,199,098 SDRs.
2. Information in the table is unaudited and has not been reviewed by the Company's auditor. The information is based on the Company's own judgement.
3. All USD amounts have been translated based on an exchange rate of 8.9686 SEK per USD.

Tax implications

Below is a summary of certain Swedish tax issues related to the redemption procedure for holders of SDRs in Vostok New Ventures that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on regulations and practice in force at the time of this information brochure and is intended to provide only general information.

The summary does not cover:

- *situations where SDRs are held as current assets in business operations;*
- *situations where SDRs are held by a limited partnership or a partnership;*
- *situations where SDRs are held in an investment savings account (Sw. investeringssparkonto);*
- *the special rules regarding tax-free capital gains (including non-deductible capital losses) that may be applicable when the investor holds SDRs that are deemed to be held for business purposes (for tax purposes);*
- *the special rules which in certain cases may be applicable to SDRs in companies which are or have been so-called close companies or to SDRs acquired by means of such SDRs;*
- *foreign companies conducting business through a permanent establishment in Sweden; or*
- *foreign companies that have been Swedish companies.*

Furthermore, special tax rules apply to certain categories of companies. The tax consequences for each individual holder of SDRs depend on such holder's particular circumstances. Each holder of SDRs is advised to consult an independent tax advisor as to the tax consequences that could arise from the redemption procedure, including the applicability and effect of foreign tax legislation and provisions in tax treaties.

Receipt of Redemption SDRs

The receipt of Redemption SDRs through to the split does not give rise to any taxation. The acquisition cost of the original SDRs in Vostok New Ventures¹ immediately before the split shall be allocated between the Redemption SDRs and the ordinary SDRs in Vostok New Ventures. The allocation will be based on the market values of the different SDRs in connection with the split and the separation of Redemption SDRs. Vostok New Ventures intends to seek general advice from the Swedish Tax Agency regarding how this allocation should be made.²

Example of allocation of acquisition cost

Assume in this example, that a holder has SDRs in Vostok New Ventures with an average acquisition cost of SEK 50 immediately before the split, that the trading price for the original SDR at the time of the split is SEK 65 and that the price of the Redemption SDR is SEK 25. Furthermore, assume in this example, that the Swedish Tax Agency in its forthcoming general advice determines that 62 per cent of the acquisition cost for one original SDR shall be allocated to the ordinary SDR and that 38 per cent shall be allocated to the Redemption SDR. The acquisition cost of the Redemption SDR will consequently be SEK 19 (38 per cent of SEK 50). The acquisition cost of the ordinary SDR will then be SEK 31 (62 per cent of SEK 50). Thus, if the Redemption SDR is redeemed or sold for SEK 25, a capital gain of (SEK 25 – SEK 19 =) SEK 6 per Redemption SDR will arise.

1. HOLDERS OF SDRs:

- (a) that received redemption SDRs in Vostok New Ventures through split in 2015, see SKV M 2015:9 published on the Swedish Tax Agency's website (www.skatteverket.se).
- (b) that received redemption SDRs in Vostok Nafta Investment Ltd through split in 2013, see SKV M 2013:14 published on the Swedish Tax Agency's website (www.skatteverket.se).
- (c) that received redemption SDRs in Vostok Nafta Investment Ltd through split in 2012, see SKV M 2012:19 published on the Swedish Tax Agency's website (www.skatteverket.se).
- (d) that received redemption SDRs in Vostok Gas Ltd through split in 2007, see SKV M 2007:22 published on the Swedish Tax Agency's website (www.skatteverket.se).

2. Information on the Swedish Tax Agency's general advice will be published on Vostok New Ventures' website (www.vostoknewventures.com) and the Swedish Tax Agency's website (www.skatteverket.se).

Redemption and sale of Redemption SDRs

Redemption or sale of Redemption SDRs, for example, by sale in the market, give rise to capital gains taxation. A capital gain or capital loss is computed as the difference between the received payment, after deduction of sales costs, if any, and the acquisition cost. In this case, the received payment for SDRs redeemed is the redemption amount. The received payment for SDRs sold in the market is the sales price.

The acquisition cost for SDRs received at the split is to be calculated by allocating the acquisition cost as described above under the heading “Receipt of Redemption SDRs”. The acquisition cost of Redemption SDRs acquired in the market is the actual acquisition cost.

The acquisition cost of all Redemption SDRs of the same series and type is to be computed collectively in accordance with the average method. It should be noted that the Redemption SDRs are not considered to be of the same series and type as the ordinary SDRs in Vostok New Ventures. For SDRs that are quoted on a market, the acquisition cost may alternatively be determined in accordance with the standard method to 20 per cent of the sales price after deduction of sales costs.

For private individuals, capital gains on Redemption SDRs are taxed in the capital income category. The tax rate for the capital income category is 30 per cent. Capital losses on quoted securities that are taxed as shares, for example SDRs, are fully deductible against taxable capital gains in the same year on shares and other quoted securities that are taxed as shares (however not units mutual funds (*Sw. värdepappersfonder*) or hedge funds (*Sw. specialfonder*) that only contain Swedish receivables (*Sw. räntefonder*)). Any excess losses are 70 per cent deductible against other income from capital. If there is a net loss in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. The tax reduction is 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of any remaining net loss. A net loss cannot be carried forward to future tax years.

For limited liability companies (*Sw. aktiebolag*) all income, including capital gains on Redemption SDRs, is taxed as income from business operations at a rate of 21.4 per cent.³ Deductible capital losses on securities taxed as shares, for example SDRs, may only be offset against taxable capital gains on shares and other securities taxed as shares. In certain cases, capital losses may be offset against capital gains within a certain corporate group if group contributions are permitted among the companies. Capital losses that cannot be utilized during a certain year may be carried forward and offset against taxable capital gains in subsequent fiscal years.

Shareholders and holders of SDRs with a limited tax liability in Sweden

Vostok New Ventures is not a Swedish limited liability company and, thus, no Swedish withholding tax is levied on dividend payments or other payments to shareholders and holders of SDRs who are not tax resident in Sweden. Shareholders and holders of SDRs with a limited tax liability in Sweden are generally not subject to Swedish capital gains taxation at sale of shares and SDRs. However, the shareholders and the holders of the SDRs may be liable to tax in their home states.

Bermuda tax implications

There is no income or other tax of Bermuda imposed by withholding or otherwise on any payment to be made by the Company to shareholders or holders of SDRs pursuant to the redemption of Redemption SDR's of the Company as described herein.

3. For financial years beginning no earlier than January 1, 2019.

Questions and answers

What does the split and redemption procedure imply for me as an SDR holder?

Conditional upon the Special General Meeting in Vostok New Ventures, which will be held on 14 February 2019 resolving on a split and redemption of SDRs in accordance with the Board's proposal, each SDR will be split into two SDRs, one of which will be a Redemption SDR which will be automatically redeemed for SEK twenty-five (25). As SDR holder, you will own as many SDRs after the redemption as you did prior to the split and redemption procedure.

Why does Vostok New Ventures propose an SDR redemption procedure?

The Company wishes to distribute part of the consideration received from the sale of Avito of USD 540 million to its SDR holders. A redemption procedure will facilitate such distribution while allowing SDR holders some flexibility in choosing how to benefit from the distribution based on their individual circumstances.

Why is the redemption procedure mandatory?

A mandatory redemption procedure is relatively simple and cost-effective, since it occurs automatically and does not require any action from the SDR holders.

As an SDR holder, do I need to do anything?

As an SDR holder, you will not need to do anything actively. You will obtain a Redemption SDR automatically, whereby these will be automatically redeemed against a cash consideration of SEK twenty-five (25) per Redemption SDR. If you for some reason do not wish to participate in the redemption procedure, you must sell your SDR no later than February 19, 2019 or sell your Redemption SDR no later than March 7, 2019.

What are my options in connection with the redemption procedure?

You have three options:

1. Do nothing, and you will then receive SEK twenty-five (25) per Redemption SDR when they are redeemed; or
2. Sell all or a part of your Redemption SDRs during the trading period between February 22 and March 7, 2019. The Redemption SDRs will be traded on Nasdaq Stockholm.
3. Refrain entirely from participating in the procedure, requiring you to dispose your SDRs by February 19, 2019 at the latest.

Where and when can I trade Redemption Shares?

Redemption SDRs will be traded on Nasdaq Stockholm. Trading is expected to occur between February 22–March 7, 2019.

When and how is the redemption settlement paid?

The redemption settlement will be paid on or about March 14, 2019. Payment will be made automatically via Euroclear to the yield account tied to the VP account or to the holding account.

How many SDRs will I have after the redemption procedure?

After redemption has been completed, you will have the same number of SDRs in Vostok New Ventures as you owned before the split and redemption procedure. This, however, is provided you do not trade any SDRs or Redemption SDRs during the period in question.

What are the tax consequences for me as an SDR holder at redemption of the Redemption SDRs?

SDR holders must report the redemption of the redemption shares in their tax returns as sale of SDRs, please refer to "Tax implications" on pages 7-8. A capital gain or capital loss is calculated, which means that SDR holder may deduct part of the acquisition cost of the original SDR. Coupon tax is not payable for SDR holders who are limited in tax liability in Sweden.

What are the tax consequences for me as an SDR holder upon a sale of the Redemption SDRs?

For SDR holders who are tax residents in Sweden, the sale of Redemption SDRs result in the same tax consequences as redemption of Redemption SDRs, see the answer to the previous question. For SDR holders who are limited in tax liability in Sweden, coupon tax is not payable if the redemption SDRs are sold in the market.

What will happen to SDRs repurchased and held by the Company?

Redemption SDRs received by the Company as a result of its holding of own SDRs will be cancelled prior to the record date for redemption of Redemption SDRs on March 11, 2019 and will thus not generate any payment.

Do you want to know more?

The Board's proposal to the Special General Meeting is available at Vostok New Ventures website (<https://www.vostoknewventures.com/investor-relations/general-meetings/>). SDR holders who wish to obtain these documents by mail may order them by calling +46 8 545 015 50 or by sending an e-mail to info@vostoknewventures.com.

For additional questions, please contact:
Björn von Sivers, Investor Relations
+46 (0)8-545 015 50

Registered office

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

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

www.vostoknewventures.com
info@vostoknewventures.com