



*Vostok New Ventures Ltd.*

## Financial Report

For the Fourth Quarter 2016 and the Period January 1, 2016–December 31, 2016

- Net result for the period was USD 135.47 million (mln) (January 1, 2015–December 31, 2015: 145.18). Earnings per share were USD 1.77 (1.97).
- Net result for the quarter was USD 51.54 mln (-5.3). Earnings per share for the quarter were USD 0.63 (-0.07).
- The net asset value of Vostok New Ventures (“Vostok” or “the Company”) was USD 725.52 mln on December 31, 2016 (December 31, 2015: 503.44), corresponding to USD 8.47 per share (December 31, 2015: 6.85). Given a SEK/USD exchange rate of 9.0971 the values were SEK 6,600.09 mln (December 31, 2015: 4,204.90) and SEK 77.02 per share (December 31, 2015: 57.21), respectively.
- The group’s net asset value per share in USD increased by 23.6% over the period January 1, 2016–December 31, 2016.
- During the quarter, October 1, 2016–December 31, 2016 the group’s net asset value per share in USD increased by 7.5%.
- The increase of the group’s net asset value per share in USD during the quarter is mainly driven by a revaluation of the investment in Avito.
- During the quarter, Vostok New Ventures acquired 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. Following the acquisition, Vostok owns approximately 8.0% of the shares in BlaBlaCar.
- Vostok New Ventures agreed during the fourth quarter of 2016 to invest into Sweden’s largest online property portal, Hemnet, through a co-investment vehicle. The Company invested SEK 93.3 mln (USD 10.3 mln) in the co-investment vehicle, which translates into equity exposure of approximately 7.0% of Hemnet on a fully diluted basis.
- In December 2016, Vostok New Ventures agreed to invest an additional USD 5.8 mln in OneTwoTrip through a purchase of secondary shares from an existing shareholder. Following the transaction, Vostok owns 14.6% of the company on a fully diluted basis.
- Vostok New Ventures sold all of its shares in IZH Holding (Zameen and Bayut) in December 2016 for a total consideration of USD 4.7 mln. This represents a multiple of 2.4x on invested capital over the 18 months period from the initial investment.
- The number of outstanding shares at the end of the period was 85,688,309.

# Management report

## Avito

Avito grew revenues by 75% to RUB 11,678 mln during 2016 compared to 2015, while delivering an EBITDA margin of 54%. The company had 123 bln page views during the year. During the fourth quarter, revenues increased by 54% compared to the previous year, with margins at 47%. Page views amounted to 31 bln (of which 59% was mobile) during the fourth quarter. Avito continues to show very strong revenue growth despite continued economic headwinds and increased activity from competitors, who are investing heavily into marketing. The continued solid performance of Avito despite competitors' investments shows the difficulties of replacing the largest player once a leadership position has been established. The main competitors are Youla (mainly women's clothing and children's products), Cian (real estate in Moscow city), auto.ru (cars, primarily in Moscow) and Drom.ru (cars in Siberia).

It is important to note that revenue growth can move around a bit from quarter to quarter depending on which periods you compare and if, for example, listing fee launches were heavy in the comparative period. Also, margins may vary due to timing of marketing campaigns. However, over time our belief remains strong that Avito will increase revenue per internet pop from some USD 2 in 2016 (assuming a Russian internet population of close to 100 mln in 2016) towards the USD 10 (and higher) witnessed at international peers.

One new pillar of future revenues which has been launched in the fourth quarter of 2016 is subscription for professional users. The new subscription offer combines the possibility to list (i.e., listing fees) with branding products such as company pages. Extremely successfully used by the likes of Autotrader and Rightmove, this not only provides a strong lock-in effect but also creates a platform for future revenue increase, by constantly adding new valuable features to the subscription offer, which in turn will allow Avito to increase the monthly fee charged.

## BlaBlaCar

BlaBlaCar continues to strongly develop the liquidity and quality of its product in the 22 countries in which it is active. Its 40 mln members of today are growing by 1.5 mln every month. 12 mln travelers are clocked on a quarterly basis. On a country level this growth is easily observed in Russia where the company has reached 10 mln members today having started from scratch some 2.5 years ago.

Following our latest additional investment into BlaBlaCar which closed during the fourth quarter, we now own 8% of a company that shares many characteristics with online classifieds, including the importance of liquidity as well as the potential for future margins and valuation creation.

Airbnb comes to mind as a relevant marketplace to benchmark off but unlike Airbnb, BlaBlaCar has unconstrained supply as essentially every empty car seat is potential supply. Of European 100–600 km range trips, 80% are made by car, with pretty much the rest covered by trains and buses. By tapping further into this vast supply, BlaBlaCar has the potential to become the largest transportation network in the world!

## OneTwoTrip

We have increased our stake in OneTwoTrip by buying 7.0% of the company on a fully diluted basis in secondary common shares for roughly USD 5.8 mln, which we believe is a very attractive price. In total, we now own 14.6% of the company.

OneTwoTrip has continued to deliver excellent results over this very rough patch in the Russian travel market. Both revenue and margin have grown despite the headwinds of a depreciating currency and negative economic cycle. Market share has increased during this period as the brick-and-mortar part of the travel industry has been forced out of business.

Also within the online part of the industry we have seen OneTwoTrip gaining market share during this economic downturn.

We are now witnessing a Russian economy that is improving. The ruble is stable (or even strong), inflation is coming down to the 5% level, and the economy is expected to grow by 1.5–2% during 2017, and further accelerate during 2018. This economic recovery is of a more sustainable quality than the previous knee-jerk jumps we have seen in the past. Cost levels have improved, balance sheets repaired and the banking system is well supported by bad banks being consolidated by stronger ones.

OneTwoTrip is very well positioned to benefit from this economic picture and we think the position we have built over the past 18 months will prove to be a source of outstanding returns in the years to come.

## Hemnet

In December 2016, we acquired 7.0% of Hemnet together with a group of other investors led by General Atlantic, a leading global growth equity firm with stakes in Airbnb, Delivery Hero, Axel Springer to name a few. The transaction was closed in early January 2017. The process was run by Pierre Siri and Henrik Persson of Merro and it is, by this association, that our involvement has been organized. Pierre and Henrik will remain active in Hemnet.

Sweden is not our typical hunting ground (although it is home to many of us at Vostok...) but Hemnet offers an exceptional risk/reward in our preferred space of businesses with strong network effects. Hemnet is the market leading Swedish real estate vertical and a household

name in the country as well as the fourth largest website in the country.

The investment case rests on the fact that it monetizes at roughly USD 2.3 (2015) per internet user in the country, compared to other market leading players around the world at USD 10–20. Whilst one should not expect a sudden change in the economic model of the company, long-term, there is ample opportunity to run the company in line with international benchmarks, in turn providing very good upside for shareholders. We are well acquainted with the business model from our experience in Avito, Domofond, Propertyfinder and Zameen.

We only wish we could have bought more!

### Zameen

During the fourth quarter, we have sold our shares in Zameen, the real estate vertical in Pakistan. The three founding Ali Kahn brothers are very strong entrepreneurs

with whom we look forward to staying in touch in the years to come. The background to selling lay in the 135% or so uptick in the price over the year we were invested in the name, but most of all the increasing complications over the potential conflict of interest with our holding in Propertyfinder, especially over both groups' regional ambitions. Whilst we feel that Zameen is very strong at home in Pakistan (an asset we would have liked to stay exposed to), they are up against formidable competitors, like Propertyfinder, in the region, reducing the favorable risk/reward.

Looking ahead, 2017 looks promising for our portfolio. We are working on a couple of new potential investments, all with the common denominator of strong network effects. We will compare the risk/reward of any new investment with the pricing of our existing portfolio through our own share price, which is always an alternative investment for us.

February 2017,  
Per Brilioth

## Portfolio structure – Net Asset Value

The investment portfolio stated at market value as at December 31, 2016 is shown below.

Company	Fair value, USD Dec 31, 2016	Percentage weight	Fair value, USD Dec 31, 2015	Valuation change per share, USD 2016
Avito <sup>2</sup>	449,281,016	59.3%	338,481,743	33% <sup>1</sup>
BlaBlaCar <sup>2</sup>	107,738,524	14.2%	33,181,762	-4% <sup>1,3</sup>
Gett <sup>2</sup>	50,358,980	6.6%	34,516,317	52% <sup>1</sup>
Propertyfinder <sup>2</sup>	19,999,199	2.6%	19,999,199	– <sup>1</sup>
OneTwoTrip <sup>2</sup>	14,958,960	2.0%	4,000,000	22% <sup>1</sup>
Merro <sup>2</sup>	12,384,907	1.6%	7,513,333	41% <sup>1</sup>
Wallapop <sup>2</sup>	11,520,768	1.5%	10,302,197	12% <sup>1</sup>
Hemnet (YSaphis SA) <sup>2</sup>	10,252,714	1.4%	–	– <sup>1</sup>
Naseeb Networks (Rozee and Mihnati) <sup>2</sup>	4,034,693	0.5%	4,500,000	-10% <sup>1</sup>
KEH AB (Yell.ru and EatOut.ru) <sup>2</sup>	3,515,204	0.5%	5,662,418	-38% <sup>1</sup>
Carable (Garantibil) <sup>2</sup>	2,198,526	0.3%	–	77% <sup>1,4</sup>
El Basharsoft (Wuzzuf and Forasna) <sup>2</sup>	1,158,956	0.2%	968,000	14% <sup>1</sup>
Vezeeta (DrBridge) <sup>2</sup>	894,724	0.1%	–	-40% <sup>1,4</sup>
Delivery Hero Holding GmbH, equity component <sup>2</sup>	3,284,645	0.4%	2,412,857	-11% <sup>1,3</sup>
<b>Total financial assets at fair value through profit and loss</b>	<b>691,581,816</b>	<b>91.2%</b>	<b>463,537,826</b>	
Delivery Hero Holding GmbH, debt	24,074,461	3.2%	23,449,753	
Kite Ventures, debt	7,698,611	1.0%	9,071,642	
Cash	34,780,024	4.6%	43,660,119	
<b>Total investment portfolio</b>	<b>758,134,913</b>	<b>100.0%</b>	<b>539,719,340</b>	
Borrowings	-32,399,831		-20,224,498	
Other net liabilities	-219,172		-16,059,377	
<b>Total NAV</b>	<b>725,515,910</b>		<b>503,435,465</b>	

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.
4. Valuation change compared to the originally invested amount.

Vostok New Ventures' number of shares as at	
December 31, 2016	6,166,470
Total Value (USD)	449,281,016
Share of total portfolio	59.3%
Share of total shares outstanding	13.3%
Value development Jan 1–Dec 31, 2016 (in USD)	33%

Website: [avito.ru](http://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 2016, the company has continued to deliver strong growth. Avito's firm market-leading position has proven to be a key factor in terms of the potential to reach high profitability 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. According to International Communication Union (ITU) Russia now has just over 100 mln internet users. 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 66 mln unique visitors during the last 31 days prior to this report measured by unique cookies.

Avito also runs Domofond.ru which is a designated property vertical servicing 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 populous cities in Russia.

Since launch, Domofond has had strong, although from a low base, monthly growth in visitors. In December 2016, Domofond had 7.4 mln visits according to Similarweb. The Russian 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 December 31, 2016, Vostok New Ventures values its stake in Avito to USD 449.3 mln (USD 3.4 bln for the entire company) on the basis of a EV/EBITDA peer multiples valuation model. This represents a 37% increase in valuation compared with the latest transaction (October 2015) in the company.

As per December 31, 2016, Vostok New Ventures owns a 13.3% stake in the company on a fully diluted basis.

#### Key performance indicators fourth quarter 2016<sup>1</sup>

- Revenues of RUB 3,299 mln (USD 54.4 mln<sup>2</sup>), up 54% compared with the fourth quarter 2015 (RUB 2,145 mln).
- Adjusted EBITDA margin of 47% or RUB 1,536 mln (USD 25.3 mln<sup>2</sup>), compared with the fourth quarter 2015 (Adjusted EBITDA margin of 42% or RUB 908 mln).
- Page views amounted to 31 bln (mobile views: 59%) compared with 29 bln (mobile views: 50%) for the same period previous year.

#### Key performance indicators 2016<sup>1</sup>

- Revenues of RUB 11,678 mln (USD 192.5 mln<sup>2</sup>), up 75% compared with 2015 (RUB 6,674 mln).
- Adjusted EBITDA margin of 54% or RUB 6,261 mln (USD 103.2 mln<sup>2</sup>), compared with 2015 (Adjusted EBITDA margin of 49% or RUB 3,286 mln).
- Page views amounted to 123 bln (mobile views: 56%) compared with 104 bln (mobile views: 46%) for the previous year.

1. Unaudited figures from Avito.

2. Translated with FX rate of 60.6569 as of December 31, 2016.

# BlaBlaCar

Vostok New Ventures' number of shares as at December 31, 2016	12,238,079
Total Value (USD)	107,738,524
Share of total portfolio	14.2%
Share of total shares outstanding	8.0%
Value development Jan 1–Dec 31, 2016 (in USD)	-4%*

\* Attributable to currency exchange differences.

Website: [blablacar.com](http://blablacar.com)



BlaBlaCar connects people looking to travel long distances with drivers already going the same way, so that 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 40 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 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 2016, BlaBlaCar has increased its efforts in emerging markets including Russia and India, and has also launched the service in a number of South American markets including Brazil. Also in 2016, BlaBlaCar launched in two other new markets, the 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 both primary and secondary shares. During 2016, Vostok New Ventures has invested an additional EUR 72 mln in to BlaBlaCar in two separate transactions by buying secondary shares from two other BlaBlaCar shareholders, Luxor Capital and Lead Edge Capital. These transactions were approved by two Special General Meetings of VNV shareholders on August 5, 2016 and November 18, 2016 respectively as the consideration for the BlaBlaCar shares was paid in the form of newly issued Vostok New Ventures shares. Both these transactions were made at the same valuation as in Vostok's first investment into the company.

As per December 31, 2016, Vostok New Ventures owns approximately 8.0% 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 December 31, 2016	18,171,609
Total Value (USD)	50,358,980
Share of total portfolio	6.6%
Share of total shares outstanding	4.2%
Value development Jan 1–Dec 31, 2016 (in USD)	52%

Website: [gett.com](http://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 NYC. 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 USD 640 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 safe and valid option within European and NYC regulatory framework.

In the first quarter of 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 of 2016, Gett and Volkswagen Group launched their first joint initiative by offering Gett drivers in Moscow preferential terms on Volkswagen and Škoda cars.



# Propertyfinder

Vostok New Ventures' number of shares as at December 31, 2016	137,916
Total Value (USD)	19,999,199
Share of total portfolio	2.6%
Share of total shares outstanding	10.0%
Value development Jan 1–Dec 31, 2016 (in USD)	–

Website: [propertyfinder.ae](http://propertyfinder.ae)



During the fourth quarter of 2016, Gett announced it had secured a seven-year USD 100 mln debt facility with Sberbank Investments LLC. As part of the deal, Sberbank also owns options linked to Gett equity.

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

As per December 31, 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 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 profitable in its core markets as well as on a group level. During the second quarter of 2016, Propertyfinder announced that it had acquired a small 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 of 2016. As per December 31, 2016, Propertyfinder is valued on the basis of this transaction.

## Group KPI development 2016

- Total page views are up 80% year on year
- Total sessions are up 75% year on year
- Total leads generated are up 48% year on year
- Total unique users are up 76% year on year

# OneTwoTrip

Vostok New Ventures' number of shares as at December 31, 2016	96,228
Total Value (USD)	14,958,960
Share of total portfolio	2.0%
Share of total shares outstanding	14.6%
Value development Jan 1–Dec 31, 2016 (in USD)	22%

Website: [onetwotrip.com](http://onetwotrip.com)



OneTwoTrip (OTT) 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 1 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 (tickets + lodging combo), and
- (3) geographic expansion.

Despite a tough Russian travel-macro in late 2015 and early 2016, with a weak ruble and unfortunate external factors in popular Russian tourist destinations such as Egypt and Turkey, OneTwoTrip has managed to continue to show good developments and is well positioned for what seems to be an improving Russian travel macro.

In December 2016, Vostok New Ventures agreed to invest an additional USD 5.8 mln in OTT through a purchase of secondary shares from an existing investor in the Company. The additional investment will be disbursed in January 2017. Following the transaction, Vostok New Ventures owns 14.6% of the company on a fully diluted basis.

Vostok New Ventures has invested a total of USD 12.2 mln in OTT during 2015 and 2016. As per December 31, 2016 the company is valued based on price paid in the latest transaction in the company on fair market terms, which closed in August 2016.

# Merro

Vostok New Ventures' number of shares as at December 31, 2016	10,900
Total Value (USD)	12,384,907
Share of total portfolio	1.6%
Share of total shares outstanding	21.6%
Value development Jan 1–Dec 31, 2016 (in USD)	41%

## MERRO

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 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 six other smaller investments.

- Opensooq represents the largest value in Merro's portfolio and in November 2016 Opensooq generated approximately 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.
- CloudSight (formerly Camfind) is a technology company that simplifies the creation of classifieds listings dramatically through its API (application programming interface).

# Wallapop

Vostok New Ventures' number of shares as at December 31, 2016	21,872*
Total Value (USD)	11,520,786
Share of total portfolio	1.5%
Share of total shares outstanding	2.9%
Value development Jan 1–Dec 31, 2016 (in USD)	12%

\* Shares held indirectly through a limited partnership.

Website: [wallapop.com](http://wallapop.com)



- Yta.se (formerly Objektia), a company that simplifies the process of finding commercial real estate to lease or purchase. By relaying relevant information about the property and its surroundings in a classic marketplace setting, Yta.se 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 December 31, 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.

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 has recently launched in the US. During the fall of 2015, Wallapop increased its marketing efforts in the US, taking on competitors such as Craigslist and Ebay. 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 existing shareholders.

During the third quarter of 2016, 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 it 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 December 31, 2016, Vostok New Ventures indirectly owns approximately 2.9% of the company and values its indirect stake in company on the basis of the latest primary transaction in the company’s shares which closed in the second quarter of 2016.



# Hemnet

Vostok New Ventures' number of shares as at December 31, 2016	n/a*
Total Value (USD)	10,252,714
Share of total portfolio	1.4%
Share of total shares outstanding	7.0%
Value development Jan 1–Dec 31, 2016 (in USD)	–

\* Indirect exposure to Hemnet on a fully diluted basis immediately after closing.



Hemnet is Sweden's largest online property portal, founded in 1998, with two million unique visitors each week to its mobile and desktop products. In 2015, 220,000 real estate listings were published on Hemnet. Hemnet's mobile app has over 1.5 mln downloads on iOS and 630k on Android. During 2015, the company generated revenue of SEK 182 mln and EBIT of SEK 46.5 mln. Hemnet has a strong position in the Swedish market with substantial network effects through its relationships with real estate brokers and home sellers alike, and is in an excellent position to continue to grow its business. For more information, please visit [www.hemnet.se](http://www.hemnet.se).

The investment in Hemnet is made through the co-investment vehicle YSaphis S.A., together with a consortium led by Henrik Persson and Pierre Siri, which alongside majority investor General Atlantic acquired Hemnet in December 2016.

In December 2016, Vostok New Ventures invested SEK 93.3 mln (USD 10.3 mln) in YSaphis S.A., which translates into an equity exposure of approximately 7.0% in Hemnet on a fully diluted basis immediately after closing. The transaction was closed in early January 2017. As per December 31, 2016, Vostok New Ventures values its investment on the basis of this transaction.

# Naseeb Networks

(Rozee and Mihnati)

Vostok New Ventures' number of shares as at December 31, 2016	11,481,176
Total Value (USD)	4,034,693
Share of total portfolio	0.5%
Share of total shares outstanding	23.7%
Value development Jan 1–Dec 31, 2016 (in USD)	-10%

Website: [naseebnetworks.com](http://naseebnetworks.com)

naseeb networks

rozee™

مهناتي  
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 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 December 31, 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 4.0 mln for Vostok New Ventures' stake in the company. This is 10% lower than Vostok New Ventures' previous valuation, and mainly driven by Naseeb revenue figures coming in slightly below plan.

## KEH AB

(Yell.ru and EatOut.ru)

Vostok New Ventures' number of shares as at December 31, 2016	8,808,426
Total Value (USD)	3,515,204
Share of total portfolio	0.5%
Share of total shares outstanding	33.9%
Value development Jan 1–Dec 31, 2016 (in USD)	-38%

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 KEH's current principal investor, Investment AB Kinnevik. Vostok New Ventures values the company partly on the basis of a valuation model based on revenue multiples of comparable listed peers, and partly based on an ongoing fundraising in the company's subsidiary EatOut.ru. Vostok New Ventures owns 33.9% of KEH AB as per December 31, 2016.

In December 2016, Yell.ru had 3.2 mln sessions and 9 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 and fourth 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. During 2017, continued management focus is expected to be on EatOut.ru

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

## Carable

(Garantibil)

Vostok New Ventures' number of shares as at December 31, 2016	18,332
Total Value (USD)	2,198,526
Share of total portfolio	0.3%
Share of total shares outstanding	7.68%
Value development Jan 1–Dec 31, 2016 (in USD)	77%

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 December 31, 2016, Vostok New Ventures values its investment on the basis of a new fundraising at the company that closed in December 2016.

# El Basharsoft

(Wuzzuf and Forasna)

Vostok New Ventures' number of shares as at December 31, 2016	295
Total Value (USD)	1,158,956
Share of total portfolio	0.2%
Share of total shares outstanding	14.8%
Value development Jan 1–Dec 31, 2016 (in USD)	14%

# Vezeeta

(DrBridge)

Vostok New Ventures' number of shares as at December 31, 2016	292,965
Total Value (USD)	894,724
Share of total portfolio	0.1%
Share of total shares outstanding	7.8%
Value development Jan 1–Dec 31, 2016 (in USD)	-40%

Website: [vezeeta.com](http://vezeeta.com)



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

Interestingly also it 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 December 31, 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 1.2 mln for Vostok New Ventures' stake in the company. This is 25.9% lower than Vostok New Ventures' previous valuation as per 3Q16, mainly driven by material devaluation of the Egyptian currency during the fourth quarter of 2016.



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 speciality, 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 December 31, 2016, the investment into Vezeeta is valued on the basis of this recent transaction adjusted for a material devaluation of the Egyptian currency during the fourth quarter of 2016.

## 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 into 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 an amended nominal interest rate. The new nominal interest rate is 7.25-10.25% and the loan matures in August 2018.

As per December 31, 2016, the equity component of the Delivery Hero investment is valued at USD 3.3 mln on the basis of the most recent primary equity transaction in the company. The loan receivable is valued at USD 24.1 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.

As per December 31, 2016 Vostok New Ventures' outstanding loan balance to Kite was USD 7.7 mln in senior secured debt of Kite Ventures following a partial loan repayment of EUR 2 mln in October 2016. In January 2017, Kite Ventures repaid the remainder of the loan. Vostok New Ventures also owns an equity component linked to Kite Ventures' underlying portfolio, which as per December 31, 2016 is valued at zero.

## Investments

During the fourth quarter 2016, gross cash investments in financial assets were USD 10.12 mln (2015: 8.92) and proceeds from sales were USD 5.74 mln (2015: 2.50). Investments concern cash investments in YSaphis S.A. (Hemnet) and in-kind acquisition of BlaBlaCar for USD 34.13 mln.

During the twelve months period of 2016, gross cash investments in financial assets were USD 31.66 mln (2015: 78.81) and proceeds from sales were USD 7.83 mln (2015: 61.64). Investments concern investments in Propertyfinder, el Basharsoft, Garantibil, Merro BlaBlaCar, OneTwoTrip, Vezeeta and YSaphis S.A. (Hemnet). Proceeds from sale concern Gett, Quandoo and IZH Holding.

## 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 133.84 mln (2015: 120.81), mainly coming from the revaluation of Avito, Gett, Wallapop and Merro. Dividend and coupon income from Avito was USD 6.76 mln (2015: 31.54).

Net operating expenses amounted to USD -6.67 mln (2015: -5.20).

Net financial items were USD 1.63 mln (2015: -1.91).

Net result for the period was USD 135.47 mln (2015: 145.18).

Total shareholders' equity amounted to USD 725.52 mln on December 31, 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 49.21 mln (2015: -34.43), mainly coming from the revaluation of Avito. Dividend and coupon income was USD 6.76 mln (2015: 30.61).

Net operating expenses amounted to USD -2.91 mln (2015: -1.09).

Net financial items were USD -1.44 mln (2015: -0.29).

Net result for the quarter was USD 51.54 mln (2015: -5.27).

## 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 34.8 mln on December 31, 2016 (December 31, 2015: 43.66).

# Income statements – Group

(Expressed in USD thousands)	Jan 1, 2016– Dec 31, 2016	Jan 1, 2015– Dec 31, 2015	Oct 1, 2016– Dec 31, 2016	Oct 1, 2015– Dec 31, 2015
Result from financial assets at fair value through profit or loss <sup>1</sup>	133,840	120,812	49,213	-34,430
Dividend and coupon income	6,760	31,544	6,761	30,608
<b>Total operating income</b>	<b>140,600</b>	<b>152,356</b>	<b>55,974</b>	<b>-3,822</b>
Operating expenses	-6,666	-5,196	-2,909	-1,093
<b>Operating result</b>	<b>133,934</b>	<b>147,160</b>	<b>53,065</b>	<b>-4,915</b>
<b>Financial income and expenses</b>				
Interest income	4,748	3,863	1,158	1,149
Interest expense	-1,908	-2,346	-609	-524
Currency exchange gains/losses, net	-1,210	-3,428	-1,984	-917
<b>Net financial items</b>	<b>1,630</b>	<b>-1,911</b>	<b>-1,435</b>	<b>-292</b>
<b>Result before tax</b>	<b>135,563</b>	<b>145,250</b>	<b>51,630</b>	<b>-5,207</b>
Taxation	-89	-68	-89	-68
<b>Net result for the financial period</b>	<b>135,474</b>	<b>145,182</b>	<b>51,541</b>	<b>-5,275</b>
Earnings per share (in USD)	1.77	1.97	0.63	-0.07
Diluted earnings per share (in USD)	1.77	1.97	0.63	-0.07

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– Dec 31, 2016	Jan 1, 2015– Dec 31, 2015	Oct 1, 2016– Dec 31, 2016	Oct 1, 2015– Dec 31, 2015
<b>Net result for the financial period</b>	<b>135,474</b>	<b>145,182</b>	<b>51,541</b>	<b>-5,275</b>
<b>Other comprehensive income for the period</b>				
<i>Items that may be classified subsequently to profit or loss:</i>				
Currency translation differences	-83	-43	-53	4
<b>Total other comprehensive income for the period</b>	<b>-83</b>	<b>-43</b>	<b>-53</b>	<b>4</b>
<b>Total comprehensive income for the period</b>	<b>135,391</b>	<b>145,139</b>	<b>51,488</b>	<b>-5,271</b>

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)	Dec 31, 2016	Dec 31, 2015
<b>NON-CURRENT ASSETS</b>		
<i>Tangible non-current assets</i>		
Property, plant and equipment	48	–
<b>Total tangible non-current assets</b>	<b>48</b>	<b>–</b>
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	691,582	463,538
Loan receivables	24,074	23,450
<b>Total financial non-current assets</b>	<b>715,656</b>	<b>486,988</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	34,780	43,660
Loan receivables	7,699	9,072
Tax receivables	317	309
Other current receivables	6,830	83
<b>Total current assets</b>	<b>49,626</b>	<b>53,123</b>
<b>TOTAL ASSETS</b>	<b>765,330</b>	<b>540,111</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	<b>725,516</b>	<b>503,435</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts	32,400	–
<b>Total non-current liabilities</b>	<b>32,400</b>	<b>–</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Tax payables	412	393
Other current liabilities	6,732	15,922
Accrued expenses	270	135
<i>Interest bearing current liabilities</i>		
Borrowings	–	20,224
<b>Total current liabilities</b>	<b>7,414</b>	<b>36,675</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>765,330</b>	<b>540,111</b>

# Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
<b>Balance at January 1, 2015</b>	<b>25,934</b>	<b>45,553</b>	<b>-43</b>	<b>317,027</b>	<b>388,470</b>
Net result for the period January 1, 2015 to December 31, 2015	-	-	-	145,182	145,182
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-43	-	-43
<b>Total comprehensive income for the period January 1, 2015 to December 31, 2015</b>	<b>-</b>	<b>-</b>	<b>-43</b>	<b>145,182</b>	<b>145,139</b>
<i>Transactions with owners:</i>					
Redemption program	-2,205	-	-	-25,204	-27,409
Buy back of own shares	-209	-2,556	-	-	-2,765
<b>Total transactions with owners</b>	<b>-2,414</b>	<b>-2,556</b>	<b>-</b>	<b>-25,204</b>	<b>-30,174</b>
<b>Balance at December 31, 2015</b>	<b>23,520</b>	<b>42,996</b>	<b>-85</b>	<b>437,005</b>	<b>503,435</b>
<b>Balance at January 1, 2016</b>	<b>23,520</b>	<b>42,996</b>	<b>-85</b>	<b>437,005</b>	<b>503,435</b>
Net result for the period January 1, 2016 to December 31, 2016	-	-	-	135,474	135,474
<i>Other comprehensive income for the period</i>					
Currency translation differences	-	-	-83	-	-83
<b>Total comprehensive income for the period January 1, 2016 to December 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-83</b>	<b>135,474</b>	<b>135,391</b>
<i>Transactions with owners:</i>					
Proceeds from shares issued	3,917	82,714	-	-	86,631
Redemption program	-	-	-	-6	-6
Value of employee services					
- Employees share option scheme	-	130	-	-	130
- Share-based long-term incentive program	-	231	-	-	231
Buy back of own shares	-16	-280	-	-	-296
<b>Total transactions with owners</b>	<b>3,900</b>	<b>82,795</b>	<b>-</b>	<b>-6</b>	<b>86,690</b>
<b>Balance at December 31, 2016</b>	<b>27,420</b>	<b>125,791</b>	<b>-168</b>	<b>572,473</b>	<b>725,516</b>

# Cash flow statements – Group

(Expressed in USD thousands)	Jan 1, 2016– Dec 31, 2016	Jan 1, 2015– Dec 31, 2015	Oct 1, 2016– Dec 31, 2016	Oct 1, 2015– Dec 31, 2015
<b>OPERATING ACTIVITIES</b>				
Result before tax	135,563	145,250	51,630	-5,207
<i>Adjustment for:</i>				
Interest income	-4,748	-3,863	-1,158	-1,149
Interest expense	1,908	2,346	609	524
Currency exchange gains/-losses	1,210	3,428	1,984	917
Depreciations and write downs	-	4	-	-
Result from financial assets at fair value through profit or loss	-133,840	-120,812	-49,213	34,430
Dividend and coupon income	-6,760	-31,544	-6,760	-30,608
Other non-cash adjustments	231	-	289	-
Change in current receivables	133	38	127	-36
Change in current liabilities	136	-38	-85	-24
<b>Net cash used in operating activities</b>	<b>-6,166</b>	<b>-5,189</b>	<b>-2,577</b>	<b>-1,153</b>
Investments in financial assets	-31,661	-78,806	-10,118	-8,919
Sales of financial assets	7,830	61,640	5,736	1,200
Increase in loan receivables	2,205	-	2,205	-
Dividend and coupon income	-	31,544	-	30,608
Interest received	1,997	3,607	485	497
Interest paid	-	-300	-	-300
Tax paid	-131	-85	-25	22
<b>Net cash flow used in/from operating activities</b>	<b>-25,926</b>	<b>12,411</b>	<b>-4,293</b>	<b>21,955</b>
<b>INVESTMENT ACTIVITIES</b>				
Investments in office equipment	-52	-	-	-
<b>Net cash flow used in investment activities</b>	<b>-52</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Change in interest-bearing loans	13,833	20,000	-530	20,000
Redemption program transaction fees	-6	-351	-	-
Share issue in-kind transaction costs	-512	-	-391	-
Proceeds from options issued to employees	130	-	-	-
Proceeds from shares issued	7,566	-	7,566	-
Buy back of own shares	-296	-2,765	-	-
<b>Net cash flow from/used in financing activities</b>	<b>20,715</b>	<b>16,883</b>	<b>6,646</b>	<b>20,000</b>
<b>Change in cash and cash equivalents</b>	<b>-5,263</b>	<b>29,294</b>	<b>2,352</b>	<b>41,955</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>43,660</b>	<b>14,050</b>	<b>34,343</b>	<b>1,785</b>
Exchange gains/losses on cash and cash equivalents	-3,618	315	-1,917	-80
<b>Cash and cash equivalents at end of period</b>	<b>34,780</b>	<b>43,660</b>	<b>34,779</b>	<b>43,660</b>

# Alternative Performance Measures – Group

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

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

meaningful supplemental information to analysts, investors and other parties.

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

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

	12m 2016	12m 2015
Return on capital employed, % <sup>1</sup>	21.18	32.56
Equity ratio, % <sup>2</sup>	94.80	93.21
Shareholders' equity/share, USD <sup>3</sup>	8.47	6.85
Earnings/share, USD <sup>4</sup>	1.77	1.97
Diluted earnings/share, USD <sup>5</sup>	1.77	1.97
Net asset value/share, USD <sup>6</sup>	8.47	6.85
Weighted average number of shares for the financial period	76,544,877	73,573,384
Weighted average number of shares for the financial period (fully diluted)	76,544,877	73,573,384
Number of shares at balance sheet date	85,688,309	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– Dec 31, 2016	Jan 1, 2015– Dec 31, 2015	Oct 1, 2016– Dec 31, 2016	Oct 1, 2015– Dec 31, 2015
Result from financial assets at fair value through profit or loss	954	831	618	-424
Operating expenses	-6,854	-5,394	-2,938	-1,104
Dividend and coupon income	-	971	-	35
<b>Operating result</b>	<b>-5,900</b>	<b>-3,592</b>	<b>-2,320</b>	<b>-1,492</b>
<b>Financial income and expenses</b>				
Interest income	10,627	6,921	3,166	2,289
Interest expense	-1,908	-2,346	-609	-524
Currency exchange gains/losses, net	-1,248	-3,016	-2,056	-823
<b>Net financial items</b>	<b>7,471</b>	<b>1,559</b>	<b>501</b>	<b>942</b>
<b>Net result for the financial period</b>	<b>1,571</b>	<b>-2,033</b>	<b>-1,819</b>	<b>-551</b>

## Statement of comprehensive income

(Expressed in USD thousands)	Jan 1, 2016– Dec 31, 2016	Jan 1, 2015– Dec 31, 2015	Oct 1, 2016– Dec 31, 2016	Oct 1, 2015– Dec 31, 2015
<b>Net result for the financial period</b>	<b>1,571</b>	<b>-2,033</b>	<b>-1,819</b>	<b>-551</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>1,571</b>	<b>-2,033</b>	<b>-1,819</b>	<b>-551</b>



# Balance sheet – Parent

(Expressed in USD thousands)	Dec 31, 2016	Dec 31, 2015
<b>NON-CURRENT ASSETS</b>		
<i>Financial non-current assets</i>		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	1,147	1,021
Loan receivables	24,074	23,450
Receivables from Group companies	165,237	78,695
<b>Total financial non-current assets</b>	<b>274,847</b>	<b>187,555</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	27,639	12,964
Loan receivables	7,699	9,072
Other current receivables	45	47
<b>Total current assets</b>	<b>35,383</b>	<b>22,082</b>
<b>TOTAL ASSETS</b>	<b>310,230</b>	<b>209,637</b>
<b>SHAREHOLDERS' EQUITY (including net result for the financial period)</b>	<b>276,783</b>	<b>188,523</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts	32,400	–
<b>Total non-current liabilities</b>	<b>32,400</b>	<b>–</b>
<b>CURRENT LIABILITIES</b>		
<i>Non-interest bearing current liabilities</i>		
Liabilities to group companies	704	727
Other current liabilities	114	85
Accrued expenses	229	78
<i>Interest bearing current liabilities</i>		
Borrowings	–	20,224
<b>Total current liabilities</b>	<b>1,047</b>	<b>21,114</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>310,230</b>	<b>209,637</b>

# Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
<b>Balance at January 1, 2015</b>	<b>25,934</b>	<b>45,553</b>	<b>149,243</b>	<b>220,729</b>
Net result for the period January 1, 2015 to December 31, 2015	-	-	-2,033	-2,033
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
<b>Total comprehensive income for the period January 1, 2015 to December 31, 2015</b>	<b>-</b>	<b>-</b>	<b>-2,033</b>	<b>-2,033</b>
<i>Transactions with owners:</i>				
Redemption program	-2,205	-	-25,204	-27,409
Buy back of own shares	-209	-2,556	-	-2,765
<b>Total transactions with owners</b>	<b>-2,414</b>	<b>-2,556</b>	<b>-25,204</b>	<b>-30,174</b>
<b>Balance at December 31, 2015</b>	<b>23,520</b>	<b>42,996</b>	<b>122,006</b>	<b>188,523</b>
<b>Balance at January 1, 2016</b>	<b>23,520</b>	<b>42,996</b>	<b>122,006</b>	<b>188,523</b>
Net result for the period January 1, 2016 to December 31, 2016	-	-	1,571	1,571
<i>Other comprehensive income for the period</i>				
Currency translation differences	-	-	-	-
<b>Total comprehensive income for the period January 1, 2016 to December 31, 2016</b>	<b>-</b>	<b>-</b>	<b>1,571</b>	<b>1,571</b>
<i>Transactions with owners:</i>				
Proceeds from shares issued	3,917	82,714	-	86,631
Redemption program	-	-	-6	-6
Value of employee services:				
- Employees share option scheme	-	130	-	130
- Share-based long-term incentive program	-	231	-	231
Buy back of own shares	-16	-280	-	-296
<b>Total transactions with owners</b>	<b>3,900</b>	<b>82,795</b>	<b>-6</b>	<b>86,690</b>
<b>Balance at December 31, 2016</b>	<b>27,420</b>	<b>125,791</b>	<b>123,571</b>	<b>276,783</b>

## 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	
	12m 2016	12m 2015	12m 2016	12m 2015
Key management and Board of Directors <sup>1</sup>	-3,084	-2,327	-	-

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 1.78 mln (including USD 1 mln paid to the Managing Director), and to the Board of Directors USD 0.29 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 December 31, 2016.

The costs for a new long term incentive program (LTIP 2016) for the management amounted to USD 0.23 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 December 31, 2016.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	-	233,592	457,990	691,582
Total assets	-	233,592	457,990	691,582

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	343,999
Change in fair value and other	108,329
Closing balance September 30, 2016	457,990

During the fourth quarter of 2016 one transfer between level 2 and 3 has been done, Vezeeta. The investments in BlaBlaCar, Gett, Propertyfinder, OneTwoTrip, Wallapop, Merro, Zameen, Garantibil 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 level 3 investments, based on valuation models using EBITDA and revenue multiples of comparable listed peers. Vezeeta is also classified as a level 3 investment, based on a currency adjusted transaction-based valuation.

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 December 31, 2016.

As per December 31, 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 December 31, 2016. Avito has performed very well with revenue growth of approximately 75% y-o-y during 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 December 31, 2016. The model values Vostok's stake in Avito to USD 449.3 mln, or USD 3.4 bln for the 100% of the company. This is 33% higher compared with the transaction-based enterprise valuation USD 338.5 mln as per January 1, 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 16.5x and the median multiple is 16.6x.

Below tables show the sensitivity in the model generated valuation in relation to USD/RUB and the peer multiple used as per December 31, 2016.

	Sensitivity EBITDA multiple				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Avito investment, USD million	359	404	449	494	539

	Sensitivity USD/RUB				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Avito investment, USD million	375	409	449	499	561

#### BlaBlaCar

As per December 31, 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 fourth quarter of 2016. Vostok New Ventures acquired an additional EUR 32 mln worth of shares in BlaBlaCar and owns approximately 8.0% of BlaBlaCar on a fully diluted basis following the transaction.

#### Gett

As per December 31, 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 December 31, 2016 revalued its stake in the company on the basis of the price per share paid in the Volkswagen transaction. As per December 31, 2016 Vostok New Ventures' holding is valued at USD 50.4 mln, up approx. 92% from Vostok New Ventures' entry level.

#### Propertyfinder

As per December 31, 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.

#### OneTwoTrip

As per December 31, 2016, OneTwoTrip is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company priced at market terms which closed in September 2016. Vostok New Ventures invested an additional USD 5.8 mln into the Company in December 2016 and owns as per December 31, 2016 14.6% of the company on a fully diluted basis.

#### Merro

As per December 31, 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 11.5 mln.

#### Wallapop

As per December 31, 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.

#### Hemnet (through YSaphis SA)

As per December 31, 2016, Hemnet is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company, which closed in early January 2017. In December 2016, Vostok New Ventures invested a total of SEK 93.3 mln (USD 10.3 mln) in the company through the co-investment vehicle YSaphis S.A.

#### Naseeb Networks

As per December 31, 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 4.0 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 online classifieds/jobs portal peers including SEEK, Infoedge, and 51job. The average multiple of the peer group is 6.7x and the median multiple is 5.5x.

	Sensitivity in model-based Naseeb valuation as per December 31, 2016				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Naseeb investment, USD thousand	3,228	3,631	4,035	4,438	4,842

#### KEH AB (Yell.ru and EatOut.ru)

Following the latest transaction in the company which closed in the first quarter of 2015, Vostok New Ventures owns 33.9% of KEH AB fully diluted. As per December 31, 2016, KEH AB is classified as a level 3 investment with Yell.ru valued on the basis of a revenue multiples model and EatOut.ru valued on the basis of an ongoing transaction in EatOut. This model-approach is deemed the best fair value estimate of Yell.ru as per December 31, 2016. The model generates a valuation approximately 38% lower than the transaction based valuation used at year-end 2015.

The peer group for Yell.ru includes 6 listed peers including Yelp.com, Tripadvisor, Mail Ru Group and Yandex. The average multiple of the peer group is 3.8x and the median multiple is 4.5x.

	Sensitivity in model-based KEH valuation as per December 31, 2016				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' KEH AB investment, USD thousand	2,812	3,164	3,515	3,867	4,218

#### Carable (Garantibil)

As per December 31, 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 fourth quarter of 2016. Vostok New Ventures did not participate in this transaction and was slightly diluted as a result.

#### El Basharsoft

As per December 31, 2016, el Basharsoft (Wuzzuf and Forasna) is classified as a level 3 investment as it is valued on the basis of a forward looking EV/revenue peer multiples valuation model. The model values Vostok's stake in el Basharsoft to USD 1.2 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 December 31, 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 6.7x and the median multiple is 5.5x.

	Sensitivity in model-based el Basharsoft valuation as per December 31, 2016				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' el Basharsoft investment, USD thousand	927	1,043	1,159	1,275	1,391

#### Vezeeta

As per December 31, 2016, Vezeeta (DrBridge) is classified as a level 3 investment as it is valued on the basis of the latest transaction in the company adjusted for a significant currency devaluation of the EGP during the fourth quarter of 2016. Vostok New Ventures values its original USD 1.5 mln investment to USD 895k as per December 31, 2016, following this recent currency devaluation.

#### Delivery Hero (equity component)

As per December 31, 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 3.2 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	Dec 31, 2016	Dec 31, 2015
Short-term	7,699	9,072
Long-term	24,074	23,450
Total loan receivables	31,773	32,522

As per December 31, 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 in October 2016. The Kite loan was fully repaid after the reporting period in January 2017.

### 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

Company	Opening balance Jan 1, 2016	Investments/ (disposals), net, USD	FV change	Closing balance Dec 31, 2016	Percentage weight of total portfolio
Avito AB	338,481,743	-	110,799,273	449,281,016	59.3%
BlaBlaCar	33,181,762	79,612,945	-5,056,183	107,738,524	14.2%
Gett	34,516,317	-2,093,836	17,936,499	50,358,980	6.6%
Propertyfinder	19,999,199	-	-	19,999,199	2.6%
OneTwoTrip	4,000,000	8,259,959	2,699,002	14,958,960	2.0%
Merro	7,513,333	1,249,853	3,621,721	12,384,907	1.6%
Wallapop	10,302,197	-	1,218,571	11,520,768	1.5%
Hemnet (YSaphis SA)	-	10,118,113	134,602	10,252,714	1.4%
Naseeb Networks (Rozee and Mihnati)	4,500,000	-	-465,307	4,034,693	0.5%
KEH AB (Yell.ru and EatOut.ru)	5,662,418	-	-2,147,214	3,515,204	0.5%
Carable (Garantibil AB)	-	1,242,693	955,833	2,198,526	0.3%
El Basharsoft (Wuzzuf and Forasna)	968,000	50,700	140,256	1,158,956	0.2%
Vezeeta (DrBridge)	-	1,500,000	-605,276	894,724	0.1%
IZH Holding (Zameen and Bayut)	2,000,000	-4,742,928	2,742,928	-	-
Delivery Hero Holding GmbH, equity component	2,412,857	162	871,626	3,284,645	0.4%
Total	463,537,826			691,581,816	

### Note 4 Events after the reporting period

There were no significant events after the report period.

### 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.

### 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 bonds are listed for trading 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](http://www.vostoknewventures.com) and on the Swedish Financial Supervisory Authority's website [www.fi.se](http://www.fi.se).

The value of the bonds debt as per December 31, 2016 was USD 32.4 million. The book values for long-term debts are deemed to correspond to the fair values.

### 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 fourth quarter, the reported costs for the program amounted to USD 0.17 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 December 31, 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 year was USD 1.57 mln (2015: -2,03).

## 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' three months report for the period January 1, 2017–March 31, 2017 will be published on May 15, 2017.

## Annual General Meeting and Annual Report 2016

The annual general meeting of Vostok New Ventures Ltd is planned to take place on Tuesday, May 16, 2017. The annual report will be available on the Company's website ([www.vostoknewventures.com](http://www.vostoknewventures.com)) from March 31, 2017.

February 15, 2017

Per Brilioth

*Managing Director*

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[www.vostoknewventures.com](http://www.vostoknewventures.com)

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