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Annual Report 2015

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Financial information during 2016

The company shall issue the following reports:

Interim report for the first three months
May 16, 2016

Interim report for the first six months
August 17, 2016

Interim report for the first nine months
November 16, 2016

Financial accounts bulletin
February 15, 2017

Annual report and account
March/April 2016

General meeting of shareholders 2016
May 17, 2016

Managing Director's introduction

Looking back at 2015 the transaction in Avito whereby Naspers increased their stake to some 68% stands out as the biggest event of our past year. Not only was the asset priced in a very effective way but the company gained a majority owner with world class experience of both emerging markets and online classifieds.

As the Q4 report of Avito shows the company continues to perform very well with growth for the past year at 55% accelerating to 70% in the fourth quarter. Adjusted EBITDA margin amounted to 42% during the final quarter of 2015. The Russian economy is a drag on business in the country but as we have written about before the internet sector stands out with its strong growth despite the economic headwinds and Avito in particular is the leader of the pack. As an investment case the risk reward in Avito really still stands out, especially for such a large company.

In 2015, we completed the shift of Vostok's investment focus to businesses with strong network effects by the spin off to our shareholders of our fintech portfolio in the form of Vostok Emerging Finance (VEF). This was cemented by the name change from Vostok Nafta to Vostok New Ventures and left shareholders with a high octane portfolio of businesses all sharing the common characteristic of a potential of very strong network effects coupled with the strong growth of emerging markets.

Avito stands out as arguably the most mature business in the portfolio (although I am doubtful you can call something mature when you expect it to nearly double in revenues over the next year...). Alongside Avito we have during 2015 built a portfolio of investments which all have the potential of Avito in terms of business characteristics and which with increased visibility on market leadership will throw of similar returns as their Avito mothership.

The investments we have made during this past year are a mix of

- Young verticals headquartered in their local countries (Rozzee, Zameen, Wuzzuf),
- More mature players with clear market leadership (PropertyFinder, OneTwoTrip),
- Regional players (Opensooq through Merro), and
- Global players (BlaBlaCar, Wallapop)

We are as always continuing to look at deals, both in new companies and adding to already existing positions. Our own stock is as usual an opportunity we keep our eye on. The volatility of the world in general and the tech market in particular (Europe fortunately or unfortunately much calmer than the US) is providing an interesting set of opportunities.

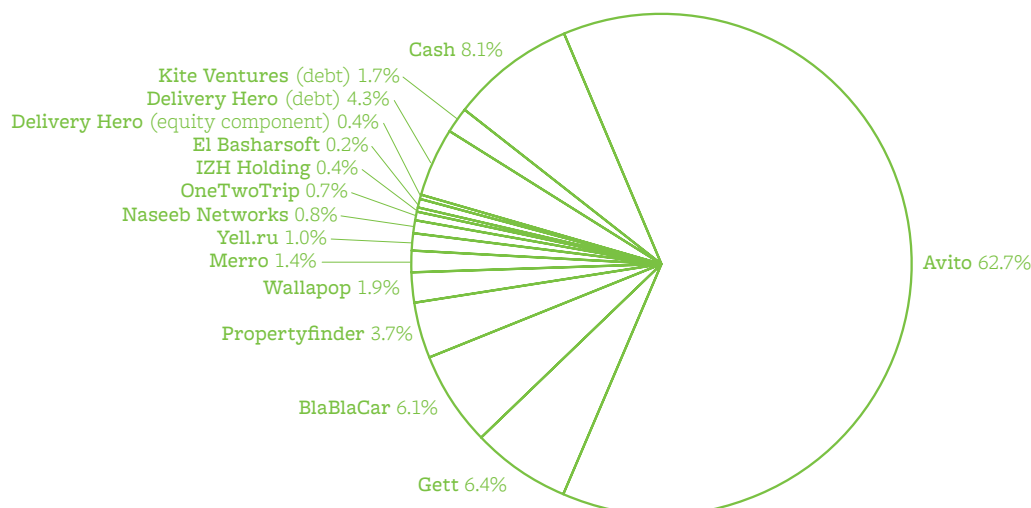
During the course of 2016 I have high expectations for our overall portfolio, both as a result of the quarterly reports of Avito providing more visibility into this fantastic growth story as well as new investments and revaluations of existing positions.

Thanks for your support and I look forward to our journey ahead.

Per Brilioth
Managing Director

The Vostok New Ventures investment portfolio

The Vostok New Ventures investment portfolio as per December 31, 2015



Portfolio structure – Net Asset Value

The investment portfolio stated at market value as at December 31, 2015 is shown below.

Company	Fair value, USD Dec 31, 2015	Percentage weight	Fair value, USD Dec 31, 2014	Valuation change per share, USD Year to date, 2015
Avito ²	338,481,743	62.7%	232,054,598	59.2%* ¹
Gett ²	34,516,317	6.4%	25,638,889	34.6% ¹
BlaBlaCar ²	33,181,762	6.1%	–	– ¹
Propertyfinder ^{2,3}	19,999,199	3.7%	–	– ¹
Wallapop ²	10,302,197	1.9%	–	134.1% ¹
Merro ²	7,513,333	1.4%	–	– ¹
Yell.ru ²	5,662,418	1.0%	8,000,000	-29.2% ¹
Naseeb Networks (Rozee and Mihnati) ²	4,500,000	0.8%	–	– ¹
OneTwoTrip ²	4,000,000	0.7%	–	– ¹
IZH Holding (Zameen and Bayut) ²	2,000,000	0.4%	–	– ¹
El Basharssoft (Wuzzuf and Forasna) ²	968,000	0.2%	–	– ¹
Delivery Hero Holding GmbH, equity component ²	2,412,857	0.4%	7,331,704	– ¹
Delivery Hero Holding GmbH, debt	23,449,753	4.3%	27,808,753	–
Kite Ventures, debt	9,071,642	1.7%	10,103,806	–
Cash	43,660,119	8.1%	42,978,630	–
Total investment portfolio	539,719,340	100.0%		
Pareto credit facility draw down	-20,224,498			
Other net liabilities ³	-16,059,377			
Total NAV	503,435,465			

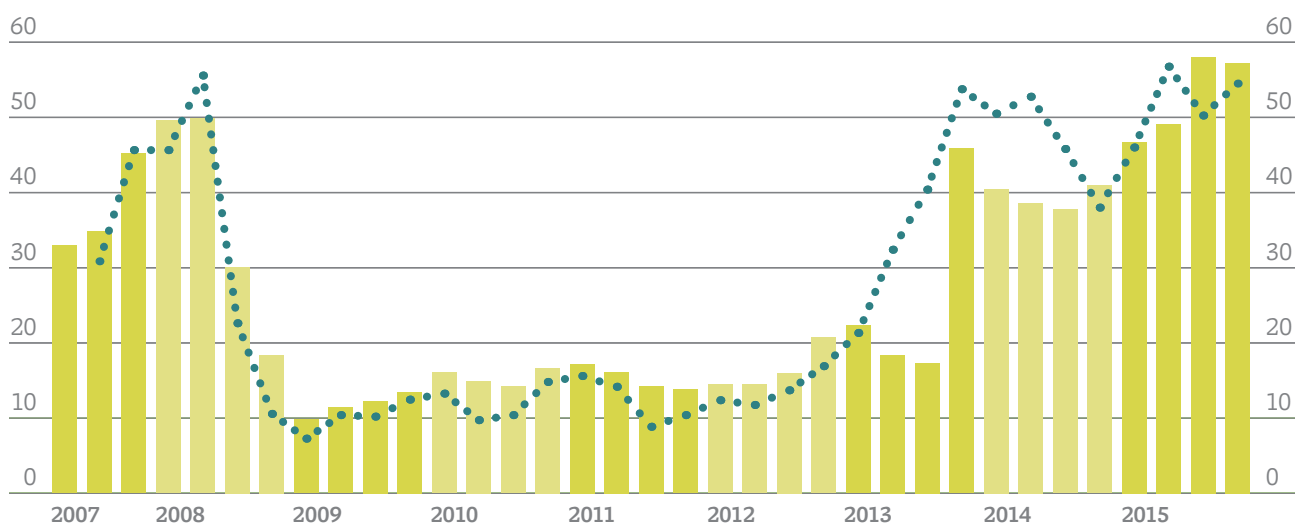
1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.

2. Private equity investment.

3. Including USD 15 mln (second tranche) in Propertyfinder.

* Including dividend proceeds from Avito during December 2015.

Quarterly NAV (columns) and SDR (dotted line) price development, May 2007–December 2015 (SEK/SDR)



The Group's net asset value as at December 31, 2015, was USD 503.44 mln, corresponding to USD 6.85 per share. Given a SEK/USD exchange rate of 8.3524 the values were SEK 4,204.90 mln and SEK 57.21 respectively.

The group's net asset value per share in USD increased by 30.72% over the period January 1, 2015–December 31, 2015. During the same period the RTS index decreased by 4.26% in USD terms.

During the period January 1, 2015–December 31, 2015, the investment portfolio, which represents the largest part of the Group's net asset value, has increased by USD 150.14 mln. Movements of the investment portfolio are (USD mln):

Opening balance	389.58
Additions	93.81
Proceeds from disposals	-61.64
VEF spin-off	-27.06
Net change in loan receivables	-5.39
Interest income	3.58
Exchange differences	-3.60
Change in fair value and result from disposals	120.81
Change in cash	29.61
Closing balance	539.72

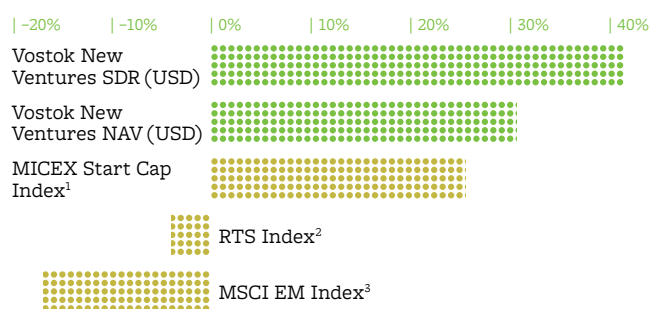
Major portfolio events during 2015 were equity investments in 8 new portfolio companies: Naseeb Networks (USD 4.5 mln), IZH Holding (USD 2 mln), El Basharsoft (USD 1 mln), OneTwoTrip (USD 4 mln), Merro (USD 7.5 mln), Wallapop (EUR 8.1 mln), BlaBlaCar (EUR 30 mln) and Propertyfinder (USD 20 mln of which USD 15 mln

was paid during the first quarter of 2016). During 2015, the Company also obtained a USD 25 mln secured credit facility from Pareto Bank ASA, Pareto Securities AB and Pareto Securities AS, and utilized the first USD 20 mln credit facility request. The second credit facility request in the amount of USD 5 mln and latest repayment date of December 15, 2015 has not been utilized.

At the end of December, 2015 the four biggest investments were Avito (62.7%), Gett (6.4%), BlaBlaCar (6.1%) and Delivery Hero (4.7%).

Percent development January 1–December 31, 2015

(last price paid on relevant stock exchange)



1. The MICEX Start Cap Index is a real-time cap-weighted index of 50 stocks of Russian small cap companies.
2. The RTS Index (Russian Trading System Index) is a capitalization-weighted index. The index is comprised of stocks traded on the Russian Trading System and uses free-float adjusted shares.
3. The MSCI Emerging Markets Index is a free float weighted equity index that consists of indices in 26 emerging economies.

Avito is the largest and most liquid online classifieds platform in Russia, and the company has continued to show strong growth during 2015. The company has established itself as the leading player in terms of visitors and number of ads and continues to outpace its competitors. Avito has established a firm market-leading position, which is a key factor in terms of high profitability potential judging by the experience of peers in other countries. Avito is the leading brand and has the highest brand awareness in Moscow, St. Petersburg and throughout the regions. Compared to western countries, Russia still lags behind in terms of low proportion of internet users in relation to the total population. By the end of 2016 the number of internet users in Russia is expected to reach around 100 million, compared to approximately 84 million in 2014 according to most forecasts. The market for internet-related services is expected to grow significantly 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 approximately 74 mln unique visitors (March 2016) measured by unique cookies compared to approximately 75 mln in March 2015. The stagnation of growth in LiveInternet's figures is likely explained by the growth of mobile apps share of traffic which is not included in the LiveInternet figures.

Verticals

During 2015, Avito has continued to strengthen its position in the key verticals, Auto, Real Estate and Jobs and Services with an increasing product offering for professional sellers. During 2015, the work with Domofond.ru, a real estate portal for the Russian market, launched in 2014 as a JV between Avito and Naspers-owned Korbitec has progressed well. The venture is still young, but has seen considerable traffic growth throughout the year.

Domofond.ru is a designated property vertical, which will service 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 revenues. During 2015, Avito has also invested material amounts in Domofond for marketing purposes and the vertical has



launched TV-campaigns in Moscow, St. Petersburg and the 15 most populated cities in Russia.

As of March 2016, there were roughly 1.7 mln listings on the Domofond portal. The Russian real estate market is still 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.

Avito's Auto category has also progressed well during 2015 despite of a shrinking overall car market during 2015 following a weaker Russian economy. In mid-March 2016 there were around 4.4 mln live ads in the auto category from professional sellers on Avito.

Avito launched its jobs and services vertical in 2013 and has run several TV-campaigns in the category. In mid-March 2016 there were about 1 mln live ads in the jobs category and 1.5 mln live ads in the services category on Avito.

Valuation

On October 23, 2015 Vostok New Ventures announced a material secondary transaction in Avito. Naspers Limited, one of Avito's shareholders, acquired secondary shares from other existing shareholders and increased its stake from 17.4% to 67.9% of the outstanding shares in Avito at an equity valuation of USD 2.7 bln, which includes cash in the company of approximately USD 240 mln or an enterprise value of USD 2.46 bln. The transaction was finalized in November 2015.

Vostok New Ventures did not participate in the transaction and thus remains a minority shareholder in Avito with a 13.3% stake in the company on a fully diluted basis.

Other remaining minority shareholders following the transaction are Baring Vostok and the two founders.

In late December 2015, Vostok New Ventures received a USD 30.6 mln dividend from Avito.

As per December 31, 2015 Vostok New Ventures values Avito on the basis of the price in this transaction adjusted for the dividend distribution and considers this to be the best fair value estimate of Avito.

Key performance indicators fourth quarter 2015¹

- Revenues of RUB 2,145 mln (USD 22.0 mln²), up 70% compared with the fourth quarter 2014 (RUB 1,262 mln).
- Adjusted EBITDA margin of 42% or RUB 908 mln (USD 12.8 mln²), compared with the fourth quarter 2014 (Adjusted EBITDA margin of 39% or RUB 489 mln).
- Page views amounted to 29 bln (mobile views: 50%) compared with 23 bln (mobile views: 37%) for the same period previous year.

Key performance indicators full year 2015¹

- Revenues of RUB 6,674 mln (USD 83.7 mln), up 55% compared with the same period 2014 (RUB 4,305 mln).
- Adjusted EBITDA margin of 49% or RUB 3,286 mln (USD 41.2 mln), compared with the same period 2014 (Adjusted EBITDA margin of 51% or RUB 2,178 mln).
- Page views amounted to 104 bln (mobile views: 46%) compared with 75 bln (mobile views: 32%) for the same period previous year.

Company website: avito.ru

Avito

Vostok New Ventures' number of shares as at December 31, 2015	6,166,470
Total Value (USD)	338,481,743
Share of total portfolio	62.7%
Share of total shares outstanding	13.3%
Value development Jan 1–Dec 31, 2015 (in USD) ³	59.2%

1. Unaudited figures from Avito.

2. Translated with FX rate of 79.6972 as of December 31, 2015.

3. Including dividend proceeds from Avito during December 2015.

Gett

Gett is a simple and instant way to order taxis in a convenient way from a smartphone.

The Gett system automatically finds the taxi closest to the user's location, thus reducing the waiting time to less than 10 minutes. Gett users have access to driver and vehicle information and real-time views of taxis they order. Users can rank drivers, view their previous ride details, and even earn miles points toward free rides and other bonuses. Gett is currently active in four countries and across 57 cities, most notably Moscow, St. Petersburg, Tel Aviv, London and New York. Nearly half of the Fortune 500 companies use Gett today and in total Gett has over 2,500 corporate clients. 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.

Gett provides its services to enterprises and individuals through mobile and web applications and aims to become a global leader in the space. It is currently larger than all its direct competitors in Israel and Russia. Other shareholders include Access Industries, Inventure Partners and MCI.

In contrast to its most well-known competitor, Uber, it offers not only a business-to-consumer product but also a business-to-business product. Although currently smaller in terms of revenues at Gett today, the corporate market offers higher profitability and also immense growth opportunities, as competition is lower. Also in contrast to Uber, Gett deals solely with regulated taxis, making it less confrontational with incumbent solutions.

In September 2014, Gett launched its "USD 10 Anywhere" campaign in Manhattan. The campaign generated impressive demand growth in New York and after some initial struggle to match the strong demand with supply, Gett managed to generate a good balance between driver supply and demand in late 2014. New York is currently Gett's fastest growing market. In February 2015, Gett launched its service in six new cities in the UK – Edinburgh, Manchester, Liverpool, Birmingham, Glasgow and Leeds.



In early 2015, Gett announced its intention to work with the TripThru global hub, a neutral integration hub for on-demand ground transportation apps, set to go live later this year. The TripThru hub is a market neutral cloud platform for on-demand ground transportation apps that facilitates cooperation between networks in a way that is flexible, efficient and customizable. The TripThru hub will give Gett seamless access to on-demand ground transportation providers worldwide. Networks in the hub will have the ability to refer ride requests between themselves, on an on-demand basis, in order to give their apps broader global coverage.

During the summer and fall of 2015, Gett has started launching a few different on-demand delivery services. These new offerings are still in a developing stage but growing fast.

As per December 31, 2015, the Gett investment is valued at USD 34.5 mln, up 34.6% from Vostok New Ventures' entry level, on the basis of the latest transaction in the company in May 2015, when a new Polish investor, MCI, invested USD 20 mln in Gett.

Company website: gett.com

Gett

Vostok New Ventures' number of shares as at December 31, 2015	18,927,570
Total Value (USD)	34,516,317
Share of total portfolio	6.4%
Share of total shares outstanding	6.0%

BlaBlaCar

BlaBlaCar connects people looking to travel long distances with drivers already going the same way, so both can save money by sharing the cost of their journey. This model has made BlaBlaCar a leader of the global sharing economy with over 25 million members in 22 countries, and is helping to make road travel more efficient and affordable. It has a total of 10 million travelers per quarter. At any given time, a total of 2 million trips are available. 3 billion miles have been shared to date at using the BlaBlaCar platform. Downloads currently stand at 15 mln.

BlaBlaCar continues to throw off very impressive growth, especially in emerging markets. After one year in India a total of one million rides have been offered resulting in a total of 55 million km travelled between 700 cities. The company launched its services in Brazil in November 2015 and if guidance from India, Russia, Turkey, Poland is any guide it is set for some serious growth in this country as well.

BlaBlaCar was founded in 2006 by Frédéric Mazzella, CEO, Francis Nappez, CTO, and Nicolas Brusson, COO and has now raised more than USD 300 mln in funding to date. Currently, BlaBlaCar operates in Benelux, Croatia, France, Germany, Hungary, India, Italy, Mexico, Poland, Portugal, Romania, Russia, Serbia, Spain, Turkey, Ukraine and the United Kingdom.

In May 2015, BlaBlaCar announced a European partnership with AXA, to make ridesharing even more reliable for its millions of members. Having made ridesharing a mainstream activity, BlaBlaCar now goes further and offers its members tailored, free of charge, additional insurance coverage, underwritten by AXA, launching first in France and the United Kingdom.



During the last quarter of 2015, BlaBlaCar has increased its efforts in emerging markets including Russia and India and also launched the service in a number of South American markets including Brazil.

In September 2015, 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. The investment comprised of both primary and secondary shares. Vostok New Ventures owns approximately 2.3% of BlaBlaCar on a fully diluted basis following the transaction. As per December 31, 2015, BlaBlaCar is valued as per the valuation in this latest transaction in the company.

BlaBlaCar

Total Value (USD)	33,181,762
Share of total portfolio	6.1%
Share of total shares outstanding	2.3%

Propertyfinder

Propertyfinder 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 headquartered in Dubai, employs more than 150 people and is profitable in its core markets as well as on a group level. Propertyfinder has strong technical platform and has during the last 12 months launched several new features. Propertyfinder launched a new version of their CRM tool for clients, implemented call tracking and launched mortgagefinder.ae which is a one stop shop for finding financing. For more information on Propertyfinder, please visit www.propertyfinder.ae. Vostok New Ventures agreed to invest USD 20 mln for 10% in primary equity of the company in the fourth quarter 2015. In December 2015, the first USD 5 mln was disbursed to the company and the remaining USD 15 mln was disbursed during the first quarter 2016. As per December 31, 2015 Propertyfinder is valued on the basis of this transaction and the remaining second tranche is presented as other liabilities on the balance sheet.



Propertyfinder

Total Value (USD)	19,999,199
Share of total portfolio	3.7%
Share of total shares outstanding ¹	10.0%

1. Post closing of the transaction in 1Q16.

Wallapop



During the first quarter of 2015, Vostok New Ventures invested EUR 2.5 mln in Wallapop, a Barcelona based mobile-only classifieds operator. Wallapop is an online marketplace that enables users to buy and sell goods in categories such as fashion, decoration, motorcycles, electronics, and more. The platform was founded by Agustín 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.

During the second quarter, Vostok New Ventures participated in a new funding round and invested an additional USD 2.4 mln in the company. In October 2015, Vostok New Ventures invested an additional EUR 3.5 mln into Wallapop and currently indirectly owns 4.7% of the company. Vostok New Ventures values the company on the basis of the latest transactions in Wallapop as per December 31, 2015.

Wallapop

Total Value (USD)	10,302,197
Share of total portfolio	1.9%
Share of total shares outstanding	4.7%

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

Merro's portfolio includes three investments, all 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 and Dubicar, an early stage car classifieds site in the United Arab Emirates.

- Opensooq represents the largest value in Merro's portfolio and in December, 2015 Opensooq generated more than one billion monthly page views which represents 300% growth year on year.
- 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 currently has about a million page views every week from which it generates about 8,000 leads.

As per December 31, 2015, Merro is valued on basis of the transaction Vostok New Venture participated in which closed in July 2015.

Merro

Total Value (USD)	7,513,333
Share of total portfolio	1.4%
Share of total shares outstanding	22.7%

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.

Yell monetizes through selling subscription packages to companies connected to Yell. Currently, the subscription price range from RUB 40k-250k for 12 months, depending on which features the connected companies get access to.

In December 2015, Yell.ru had 5.1 mln unique visitors and 18 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.

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

Vostok New Ventures announced the investment in Yell.ru in June 2014. Vostok New Ventures invested USD 8 mln in the context of a total raise of USD 11 mln that included participation from Yell's current principal investor Investment AB Kinnevik. During the first quarter of 2015, Vostok New Ventures invested an additional USD 94,380 in connection with a smaller secondary transaction. Vostok New Ventures values the company on the basis of this recent transaction. Vostok New Ventures owns 33.9% of Yell.ru as per December 31, 2015.

Company website: yell.ru

Yell.ru

Vostok New Ventures' number of shares as at December 31, 2015	8,808,426
Total Value (USD)	5,662,418
Share of total portfolio	1.0%
Share of total shares outstanding	33.9%

Naseeb Networks

(Rozee and Mihnati)

naseeb networks

rozee™

مهنتي
موقع التوظيف الأول في السعودية

Naseeb Networks operates leading employment marketplaces in Pakistan (Rozee) and Saudi Arabia (Mihnati) focused on facilitating the matching between jobseekers and employment opportunities. Its complete range of end-to-end employment solutions are used by over 10,000 companies and 5 million job seekers, processing over 1.5 million job applications every month.

In 2013, Naseeb Networks completed its acquisition of Mihnati, Saudi Arabia's largest indigenous recruiting solutions provider. After its initial market dominance in Pakistan, Naseeb Networks has grown Mihnati's profitability and visits over 500% by leveraging its advanced cloud based recruitment product portfolio, back office operations and business expertise in employment marketplaces.

Vostok New Ventures invested USD 4.5 mln in Naseeb in May 2015. The total funding round amounted to USD 6.5 mln and included participation from Piton Capital. Per December 31, 2015, Vostok New Ventures values Naseeb on the basis of this transaction.

Naseeb Networks

Total Value (USD)	4,500,000
Share of total portfolio	0.8%
Share of total shares outstanding	23%

OneTwoTrip



OneTwoTrip is serving the underpenetrated USD 63 bln Russian travel market characterized by lack of focused local/foreign competition, and with inherent scalability via fully virtual inventory. It is the number 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 (tix + lodging combo), and
- (3) geographic expansion.

Vostok New Ventures invested USD 4 mln into OneTwo-Trip during the third quarter. The transaction closed in late July and as per December 31, 2015 the company is valued based on price paid in the transaction.

OneTwoTrip

Total Value (USD)	4,000,000
Share of total portfolio	0.7%
Share of total shares outstanding	6.1%

IZH Holding

(Zameen and Bayut)



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

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

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

In September 2015, the holding company in which Vostok New Ventures invested, changed its name to Zam Zama property group. Other investors in the holdco are Gilles Blanchard with a background at Seloger in France and Simon Baker with a background at Australian REA Group.

Vostok New Ventures closed an investment of USD 2 mln in Zameen in the end of June 2015. As per December 31, 2015, Vostok New Ventures values Zameen on the basis of this transaction.

IZH Holding

Total Value (USD)	2,000,000
Share of total portfolio	0.4%
Share of total shares outstanding	7.9%

El Basharsoft

(Wuzzuf and Forasna)



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. He was previously backed by the company 500 Startups.

As per December 31, 2015, Vostok New Ventures values its investment into el Basharsoft as per the valuation in this latest transaction in the company.

El Basharsoft

Total Value (USD)	968,000
Share of total portfolio	0.2%
Share of total shares outstanding	14.2%

Debt investments



Delivery Hero

Delivery Hero

Delivery Hero (DHH) is a worldwide network of online food ordering sites with over 200,000 restaurants connected to its service. The company operates in 24 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 10 million meals every month. Delivery Hero has more than 1,500 employees around the world with 440 staff working from its Berlin headquarters.

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

As per December 31, 2015, the equity component of the Delivery Hero investment is valued at USD 2.4 mln on the basis of the most recent primary equity transaction in the company. The loan is valued at USD 23.4 mln based on amortized cost using an NPV-model.

Kite Ventures

Kite Ventures

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

Vostok New Ventures owns EUR 8 mln in senior secured debt of Kite Ventures. The debt carries 13% annual nominal interest and has a 2-year maturity. In September 2015, Kite paid its interest obligation of EUR 1 mln for the first year of the loan. The Kite investment also features a smaller equity component, which on December 31, 2015 carried no value.

The Vostok New Ventures share

Share information

All the shares carry one vote each. The shares are traded as depository receipts (SDR) in Stockholm, where Pareto Securities AB is the custodian bank. A depository receipt carries the same dividend entitlement as the underlying share and the holder of a depository receipt has a corresponding voting right at shareholders' meetings. The holder of a depository receipt must, however, follow certain instructions from the custodian bank in order to have the right to participate in shareholders' meetings.

Dividends

No dividend has been proposed for the year.

Buy-back of own shares

With a view to limiting a possible net asset discount and maximizing shareholder value, the Vostok New Ventures articles of association provide that the Company may buy back its own shares. Such purchases may be made within the stipulated capital limits, provided that the bought back shares are immediately canceled.

On February 13, 2014, Vostok New Ventures informed that the Company's Board of Directors had resolved to mandate the management of Vostok New Ventures to repurchase Swedish Depository Receipts (SDRs) of the Company. The mandate from the Board of Directors stipulates that a maximum of 10 percent of the SDRs that are outstanding at the time of the resolution could be bought back. On April 7, 2014, Vostok New Ventures informed that the initial mandate had been fulfilled and that the Company's Board of Directors had resolved to renew the buy-back mandate with an additional 10 percent of the SDRs that were outstanding at the time of the resolution. On May 14, 2014, Vostok New Ventures informed that the Company's Board of Directors had resolved to renew the buy-back mandate with an additional 10 percent of the SDRs that were outstanding of the time of the resolution. During 2015, Vostok New Ventures repurchased 597,776 SDRs (2014: 15,830,049). The SDRs that were bought back under the mandate and the underlying shares have been canceled.

The market

The Vostok New Ventures share (SDR) is traded on Nasdaq Stockholm, Mid Cap segment since July 4, 2007.

Share turnover

The average daily turnover during the period January 1, 2015 to December 31, 2015, was 67,000 shares (2014: 226,000 shares). Trading has been conducted 100 percent of the time.

Codes Assigned to Vostok New Ventures' Share

Recent and historic quotes for Vostok New Ventures' share are easily accessible on a number of business portals as well as via professional financial and real-time market data providers. Below are some of the symbols and codes under which the Vostok New Ventures share can be found.

ISIN Code: SE0007278965

Nasdaq Stockholm short name (ticker): VNV SDB

Reuters: VNVsdb.ST

Yahoo Finance: VNV-SDB.ST

Google Finance: STO:VNV-SDB

Bloomberg: VNVSDB:SS

Largest shareholders as per December 31, 2015

The shareholder list below as per December 31, 2015, shows the ten largest owners at that time. The number of shareholders in Vostok New Ventures on December 31, 2015 amounted to around 8,800 (2014: 9,850).

Owner	Holding, SDRs	Holding, percent
01 Luxor Capital Group L.P. ¹	27,588,958	37.5%
02 Swedbank Robur Funds	7,136,104	9.7%
03 Alecta Pension Insurance	7,000,000	9.5%
04 Ruane, Cunniff & Goldfarb Inc.	4,721,110	6.4%
05 Fidelity Funds ²	4,349,396	5.9%
06 Carnegie Funds	1,330,000	1.8%
07 Jeffrey Secrest	705,903	1.0%
08 Avanza Pension Insurance	615,080	0.8%
09 Handelsbanken Funds	369,061	0.5%
10 Catella Bank	346,600	0.5%
10 major holders	54,162,212	73.6%
Other	19,337,343	26.4%
Total shares	73,499,555	100.0%

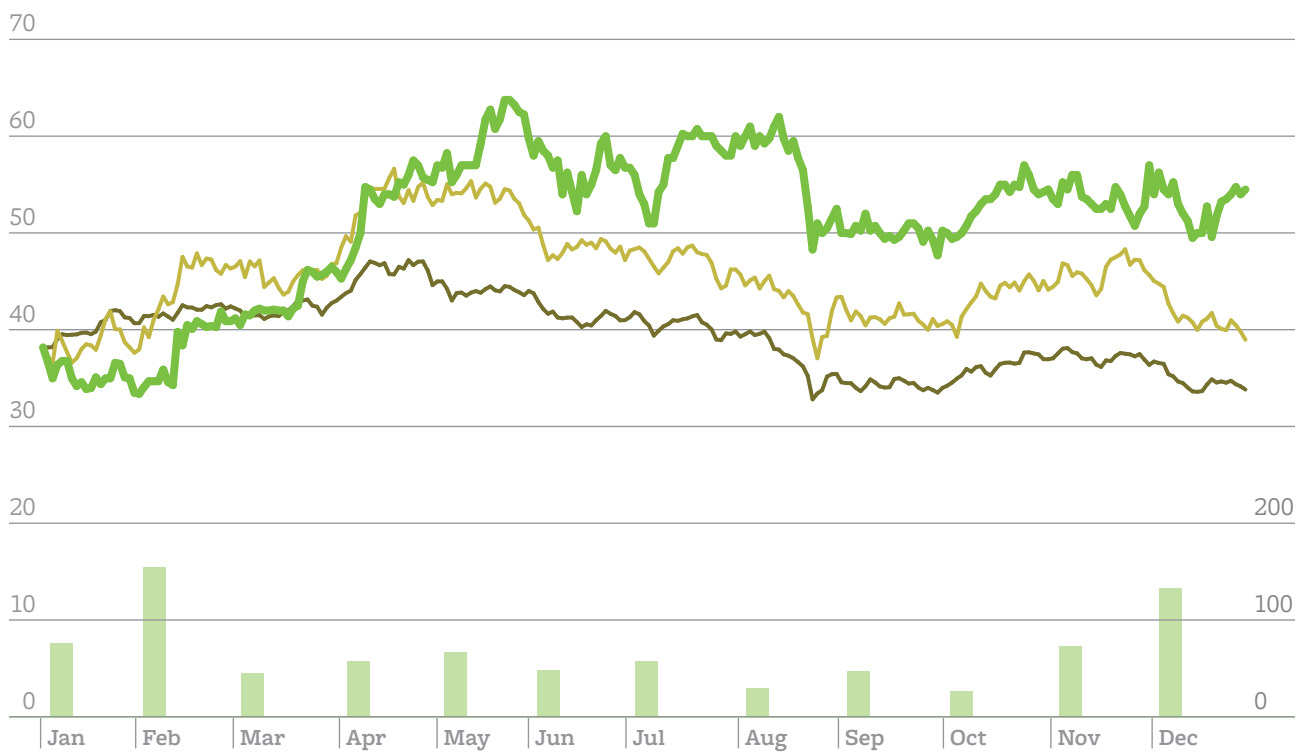
1. Luxor holding as per latest SGM registry from Euroclear (June 2, 2015).

2. Fidelity holding according to latest regulatory filing (February 24, 2015).

Source: Euroclear Sweden AB and holdings known to Vostok New Ventures. Excluding foreign nominees.

Vostok New Ventures share price development 2015

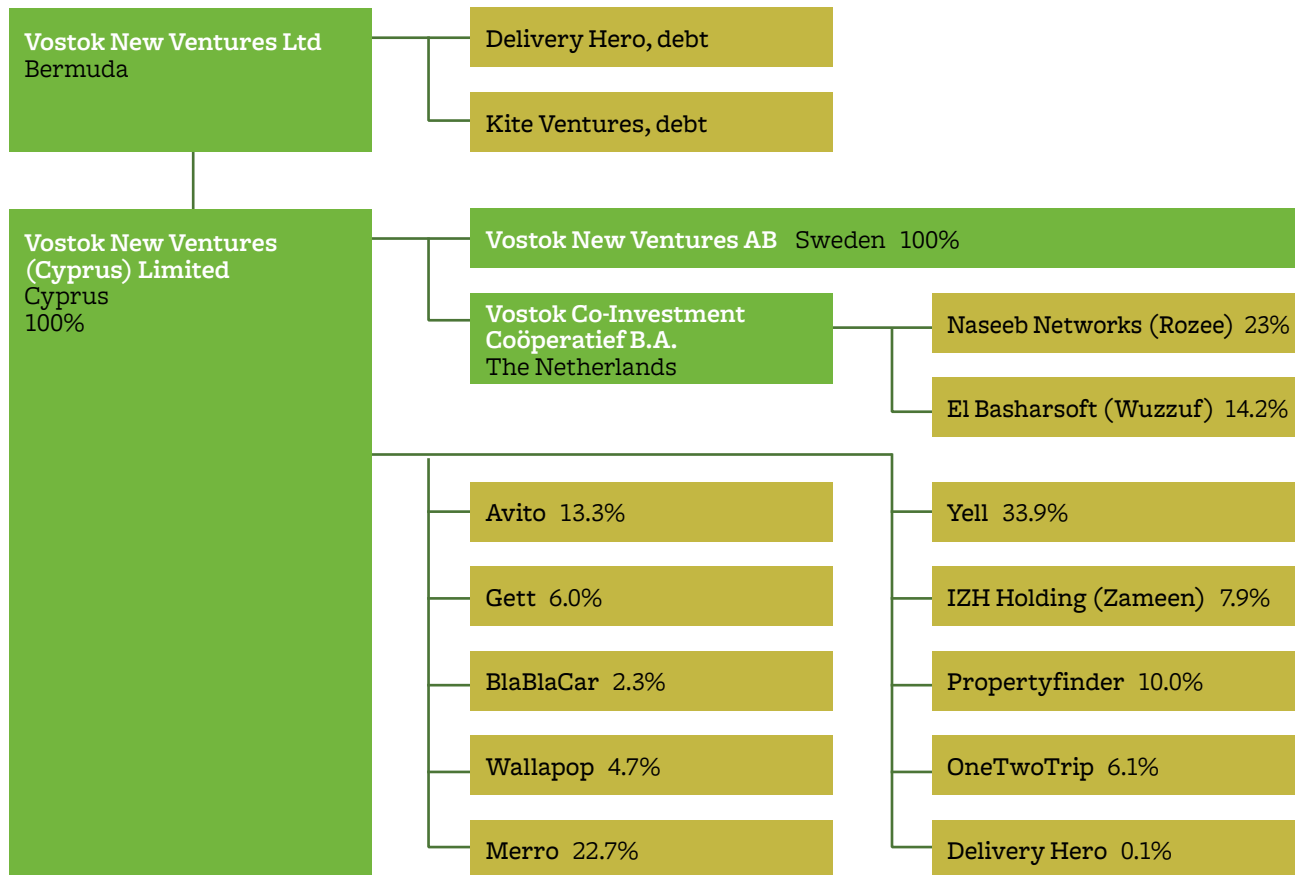
- Vostok New Ventures SDR, SEK (*left axis*)
- RTS Index, adjusted (*left axis*)
- MSCI EM Index, adjusted (*left axis*)
- Vostok New Ventures average daily turnover, '000 SDRs (*right axis*)



Sources: Nasdaq Sweden, Moscow Exchange, MSCI, the Riksbank

Company information

Vostok New Ventures Group organization structure as at December 31, 2015



Background

Vostok New Ventures Ltd (“Vostok New Ventures”, the “Company”) was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861. Swedish Depository Receipts (SDRs) representing the Vostok New Ventures shares are listed on the Nasdaq Nordic Exchange Stockholm, Mid Cap segment with the ticker: VNV SDB. There were approximately 8,800 shareholders as at the end of December 2015.

Group structure

As of December 31, 2015, the Vostok New Ventures Ltd Group consisted 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 parent company’s business is to act as the holding company of the Group and therefore own, manage and finance the holding in its wholly owned Cypriot subsidiary, Vostok New Ventures (Cyprus) Limited. Vostok New Ventures (Cyprus) Limited is responsible for the Group’s portfolio (in some cases via Vostok Co-Investment Coöperatief B.A). Vostok New Ventures AB provides information and analysis services to the parent company.

Operating policy

Business concept

Vostok New Ventures is an investment company with the business concept of using experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation, with a focus on companies with network effects.

The sector mandate is broad and the proposition is to create shareholder value by investing in assets that are associated with risks which Vostok New Ventures is well-equipped to manage. Such typical risks include corporate governance risks, liquidity risks and operational risks.

Strategy

The Company’s investment strategy is to run investments into primarily equity holdings in private companies with a high return potential.

Organisation of activities

The Board of Directors meets in person at least three times a year and more frequently if needed. In addition to this, meetings are conducted by telephone conference when necessary. Between meetings, the Managing Director has regular contact with the Chairman of the Board and the other Board members. The Board of Directors adopts decisions on overall issues affecting the Vostok New Ventures group.

The Managing Director prepares and issues investment recommendations in cooperation with the other members of the Board of Directors.

Recommendations on investments are made by the Board of Directors of the parent company to the Board of the Cypriot subsidiary. Investment decisions are then taken by the Board of Directors of Vostok New Ventures (Cyprus) Limited.

More information on the organisation of the Company’s activities is provided in the Administration Report and the Corporate Governance Report below.

Financial summary

Income statement in brief

(Expressed in USD thousands)	2015	2014	2013	2012	2011
Result from financial assets	120,812	-124,540	374,411	107,782	-141,614
Dividend/coupon and other operating income	31,544	4,316	885	11,682	28,186
Total operating income	152,356	-120,225	375,296	119,464	-113,429
Operating expenses	-5,196	-4,296	-10,614	-5,202	-5,843
Dividend withholding tax expenses/repayments	-	-	-23	3,228	-4,170
Other operating expenses	-	-	-	-1,289	-521
Operating result	147,160	-124,521	364,659	116,202	-123,963
Net financial items	-1,911	-2,877	148	3,599	-276
Result before tax	145,250	-127,398	364,807	119,801	-124,239
Tax	-68	-48	-182	-59	137
Net result for the year	145,182	-127,446	364,626	119,742	-124,102

Balance sheet in brief

(Expressed in USD thousands)	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011
Non-current fixed assets	-	5	11	23	36
Non-current financial assets	486,988	375,530	388,828	293,793	454,321
Current financial assets	9,072	-	1,261	5,109	-
Cash and cash equivalents	43,660	14,050	246,572	31,841	37,665
Tax receivables and other current receivables	392	374	460	442	1,772
Total assets	540,111	389,959	637,133	331,207	493,794
Equity	503,435	388,470	633,966	329,584	492,078
Deferred tax liability	-	-	-	-	-
Current tax liability	393	369	402	288	424
Other current liabilities	36,282	1,120	2,764	1,336	1,293
Total equity and liabilities	540,111	389,959	637,133	331,207	493,794

Cash flow in brief

(Expressed in USD thousands)	2015	2014	2013	2012	2011
Cash flow from/used in operating activities	12,411	-112,452	216,667	274,110	37,769
Cash flow used in/from investing activities	-	-	-4	-17	40
Cash flow from/used in financing activities	16,883	-117,919	-1,929	-282,380	-9,180
Cash flow for the year	29,294	-230,371	214,735	-8,287	28,630
Exchange rate differences in cash and cash equivalents	315	-2,152	-4	2,462	-414
Cash and cash equivalents at the beginning of the year	14,050	246,572	31,841	37,665	9,448
Cash and cash equivalents at the end of the year	43,660	14,050	246,572	31,841	37,665

Key ratios

	2015	2014	2013	2012	2011
Equity ratio, percent	93.21	99.62	99.50	99.51	99.65
Return on equity, percent	32.56	-24.93	75.68	29.15	-22.21
Return on capital employed, percent	32.56	-24.93	75.68	29.15	-22.21
Debt/equity ratio, multiple	-	-	-	-	-
Interest coverage ratio, multiple	-	-	-	-	-
Net asset value, MUSD	503	388	634 ¹	330 ²	492
Exchange rate at balance sheet date, SEK/USD	8.3524	7.8117	6.5084	6.5156	6.9234
Net asset value, MSEK	4,205	3,035	4,126 ¹	2,147 ²	3,407
Net asset value development in USD, percent	31	-39	110 ³	31 ³	-21
Net asset value development in USD including the effect of the redemption programs, percent	31	-39	92	-25	-21
RTS Index	757	791	1,443	1,527	1,382
Development RTS Index, percent	-4	-45	-6	10	-22
Dividends	-	-	-	-	-

Share data

Earnings per share, USD	1.97	-1.62	4.10	1.29	-1.23
Diluted earnings per share, USD	1.97	-1.62	4.10	1.29	-1.22
Net asset value per share, USD	6.85	5.24	7.05 ¹	3.67 ²	4.93
Net asset value per share, SEK	57.21	40.95	45.89 ¹	23.94 ²	34.12
Number of shares outstanding at year-end	73,499,555	74,097,331	89,903,020	89,719,279	98,470,200
Weighted average number of shares outstanding	73,573,384	78,489,261	88,899,415	92,918,593	100,705,275
- diluted	73,573,384	78,489,261	88,923,775	92,918,593	101,400,275

Employees

Average number of employees during the period	4	4	6	7	8
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1. After distribution of holdings in Black Earth Farming Limited and RusForest AB to the shareholders through the 2013 redemption program.
2. After distribution of USD 246 mln to the shareholders through the 2012 redemption program.
3. Excluding the effect of the redemption programs.

Definitions of the key ratios

Equity ratio, percent

Equity ratio is defined as Shareholders' equity in relation to total assets.

Return on equity, percent

Return on equity is defined as net result for the year divided by average equity.

Return on capital employed, percent

Return on capital employed is defined as net result 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 year).

Debt/equity ratio, multiple

Debt/equity ratio, multiple is defined as interest-bearing liabilities in relation to Shareholders' equity.

Interest coverage ratio

Interest coverage ratio is defined as net result plus interest and taxes divided by interest expenses.

Net asset value development in USD, percent

Change in net asset value in USD per share compared with previous accounting year, in percent.

RTS Index

A Russian stock market index consisting of Russia's 50 most liquid and capitalized shares. The RTS Index is denominated in USD.

Development of RTS index

Change in index compared to previous accounting year.

Net asset value

Net asset value is defined as shareholders' equity.

Net asset value per share, USD

Shareholders' capital divided by the number of shares outstanding at year-end.

Earnings/share, USD

is defined as result for the period divided by the adjusted average weighted number of shares for the year.

Diluted earnings/share, USD

is defined as result for the year divided by the adjusted average weighted number of shares for the year calculated on a fully diluted basis.

Board, management and auditors

Board of Directors

Lars O Grönstedt

Chairman

Swedish citizen, born 1954. Member of the board since 2010. Lars O Grönstedt holds a BA in languages and literature from Stockholm University, and an MBA from Stockholm School of Economics. Mr. Grönstedt spent most of his professional life at Handelsbanken. He was CEO of the bank 2001–2006, and Chairman 2006–2008. Today he is, among other things, senior advisor to Nord Stream, chairman of Scypho, East Capital Explorer and Vostok Emerging Finance Ltd, vice chairman of the Swedish National Debt Office, speaker of the elected body of representatives of Trygg Foundation, and sits on the boards of the IT company Pro4U, and the Institute of International Economics at Stockholm University. Holdings in Vostok New Ventures: 1,500 depository receipts. Remuneration: USD 147 thousand. No agreement regarding severance pay or pension.

Josh Blachman

Board member

US citizen, born 1974. Member of the board since 2013. Josh Blachman is a Founder and Managing Director of Atlas Peak Capital, an investment firm focused on private technology companies. Prior to co-founding Atlas Peak Capital, Josh Blachman was a Vice President at Saints Capital where he completed a variety of investments in private technology companies. Previously, Josh Blachman worked in the Corporate Development groups at Microsoft and Oracle where he evaluated and executed both acquisitions and investments. Josh Blachman holds Bachelor and Master of Science degrees in Industrial Engineering from Stanford University and an MBA from the Stanford Graduate School of Business. Holdings in Vostok New Ventures: none. Remuneration: USD 80 thousand. No agreement regarding severance pay or pension.

Victoria Grace

Board member

US citizen, born 1975. Member of the board since 2015. Victoria Grace is Founding Partner of Colle Capital Partners, LP, an opportunistic, early stage technology venture fund. Previously, Ms Grace has been a partner at Wall Street Technology Partners LP, a mid-stage technology fund, and a Director at Dresdner Kleinwort Wasserstein Private Equity Group. Ms Grace has also worked for a Los Angeles-based venture capital/incubator firm and in investment banking at Salomon Brothers, and has extensive experience in originating, structuring and monitoring venture capital transactions. Ms Grace holds a B.A. in Economics and Biochemistry from Washington University in St. Louis. Holdings in Vostok New Ventures: none. Remuneration: USD 19 thousand. No agreement regarding severance pay or pension.

Ylva Lindquist

Board member

Swedish citizen, born 1961. Member of the board since 2015. Ylva Lindquist is Vice President & General Counsel, EMEA, at Xylem Inc., supporting all Xylem entities in Europe, Middle East, India and Africa. Xylem is a leading global water technology company with operations in more than 150 countries with annual revenue of approx. USD 4 billion and 12,500 employees. Xylem Inc. is listed on the New York Stock Exchange. Prior to joining Xylem, Ylva Lindquist was Partner at Hammarstiöld & Co and prior to that an associate at Lagerlöf & Leman Advokatbyrå. She has also been a law clerk at Stockholm City Court. Ylva Lindquist holds a Master of Laws from Stockholm University. Holdings in Vostok New Ventures: none. Remuneration: USD 19 thousand. No agreement regarding severance pay or pension.

Keith Richman

Board member

US citizen, born 1973. Member of the board since 2013. Professional and educational background: Keith Richman is Founder and President of Defy Media, an Internet entertainment community for men. Prior to co-founding Defy Media, Keith Richman was the Co-Founder and Vice-President of OnePage (acquired by Sybase 2002) and Co-Founder and Director of Business Development for Billpoint Inc. (acquired by eBay in 1999). Previous posts include Director of Corporate Planning at the Walt Disney Company, where he focused on consumer products, cable and emerging media. Keith Richman holds Bachelor and Master of Arts degrees in International Policy Studies from Stanford University. Holdings in Vostok New Ventures: none. Remuneration: USD 80 thousand. No agreement regarding severance pay or pension.

Per Brilioth

Managing Director and Board member

Swedish citizen, born 1969. Member of the board and Managing Director since 2007. Between 1994 and 2000, Per Brilioth was head of the Emerging Markets section at Hagströmer & Qviberg and he has worked close to the Russian stock market for a number of years. Per Brilioth is a graduate of Stockholm University and holds a Master of Finance from the London Business School. Other significant board assignments: Chairman of the board of Pomegranate Investment AB, member of the boards of Vostok Emerging Finance Ltd, RusForest AB, Tethys Oil AB and LeoVegas AB. Holdings in Vostok New Ventures: 200,000 depository receipts and 525,000 call options (including holdings through an endowment insurance). Salary and variable remuneration: USD 1,453 thousand. Agreement regarding severance pay and pension: Mr. Brilioth has the right of twelve months' full salary in the event of termination of appointment on the part of the company. Should he himself decide to resign, he must observe six months' notice of termination. Mr. Brilioth also has a pension plan based on Swedish market practice.

Group management

Per Brilioth: *Managing Director*. See also heading "Board of Directors" above.

Nadja Borisova: *Chief Financial Officer*. Swedish and Russian Citizen, born 1968. Employed since 2010. Holdings in Vostok New Ventures: 1,478 depository receipts and 315,000 call options.

Anders F. Börjesson: *General Counsel*. Swedish citizen, born 1971. Employed since 2008. Holdings in Vostok New Ventures: 10,000 depository receipts and 315,000 call options.

Auditors

PricewaterhouseCoopers AB

Ulrika Ramsvik, born 1973. *Authorised public accountant, Auditor in charge*. Auditor in the Company since 2012. PricewaterhouseCoopers AB, Gothenburg, Sweden.

Bo Hjalmarsson, born 1960. *Authorised public accountant, Co-signing auditor*. Auditor in the Company since 2014. PricewaterhouseCoopers AB, Stockholm, Sweden.

Administration report

The Board of Directors and the Managing Director of Vostok New Ventures Ltd, corporate identity number 39861, hereby present the annual report for the financial year January 1, 2015–December 31, 2015.

Group Result

During the year, the result from financial assets at fair value through profit or loss amounted to USD 120.81 mln (2014: -124.54), mainly coming from the revaluation of Avito and Gett, and sale of shares in Quandoo and Delivery Hero during 2015. Dividend and coupon income was USD 31.54 mln (2014: 4.32), of which USD 30.57 mln Avito dividends.

Net operating expenses amounted to USD -5.20 mln (2014: -4.30), which includes variable compensation paid to the employees of the Company in the amount of USD 1.65 mln (including social fees USD 0.39 mln).

Net financial items were USD -1.91 mln (2014: -2.88).

Net result for the year was USD 145.18 mln (2014: -127.45).

Total shareholders' equity amounted to USD 503.44 mln on December 31, 2015 (December 31, 2014: 388.47).

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 43.66 mln on December 31, 2015 (December 31, 2014: 14.05).

Portfolio performance

During the year January 1, 2015–December 31, 2015, Vostok New Ventures' net asset value per share has increased by 30.72%. During the same period the Russian RTS index decreased by 4.26% in USD terms.

During the year January 1, 2015–December 31, 2015, gross investments in financial assets were USD 93.81 mln including the entire Propertyfinder investment (2014: 145.33), and proceeds from sales were USD 61.64 mln (2014: 67.00). As at December 31, 2015, Vostok New Ventures' four biggest investments were Avito (62.7%), Gett (6.4%), BlaBlaCar (6.1%) and Delivery Hero (4.7%).

Major events of the year

During 2015, the Company has repurchased 597,776 SDRs. For further information, see section Share data below.

During 2015, the Company has made equity investments in eight new portfolio companies: Naseeb Networks (USD 4.5 mln), IZH Holding (USD 2 mln), El Basharsoft (USD 1 mln), OneTwoTrip (USD 4 mln), Merro (USD 7.5 mln), Wallapop (EUR 8.1 mln), BlaBlaCar (EUR 30 mln) and Propertyfinder (USD 20 mln of which USD 15 mln was paid during the first quarter of 2016).

During 2015, the Company also obtained a USD 25 mln secured credit facility from Pareto Bank ASA, Pareto Securities AB and Pareto Securities AS, and utilized the first USD 20 mln credit facility request. The second credit facility request in the amount of USD 5 mln and latest repayment date of December 15, 2015 has not been utilized.

During the first quarter of 2015, Vostok New Ventures sold all its shares in Quandoo and 85% of the equity component in Delivery Hero.

In October 2015, the Company announced a material secondary transaction in its largest portfolio holding, Avito. Naspers Limited acquired secondary shares from other existing shareholders, thereby increasing its stake from 17.4% to 67.9% of the outstanding shares in Avito at an equity valuation of USD 2.7 bln. In December 2015, Avito paid a dividend to shareholders in the amount of USD 225 mln, of which Vostok New Ventures' share was USD 30.6 mln. Vostok New Ventures has valued Avito on the basis of the price in this transaction (adjusted for the dividend received in December 2015) as per December 31, 2015.

In June 2015, A Special General Meeting resolved, in accordance with the Board of Directors' proposal, to transfer the Company's holding in Tinkoff Bank to the shareholders through the formation and spin-off of a new listed company, Vostok Emerging Finance Ltd ("VEF"). Trading in the SDRs of VEF on First North commenced on July 16, 2015.

Share data

Vostok New Ventures Ltd was incorporated in Bermuda on April 5, 2007 as a limited liability company with a share capital of USD 1. In July 2007, 46,020,900 new shares were issued in exchange for the same amount of warrants in Vostok New Ventures and a cash consideration of SEK 22 per share. All shares carry one vote each. The Vostok New Ventures share (depository receipt) is quoted on the Nasdaq Nordic Exchange Stockholm; Mid Cap segment.

As a result, at the end of December 2007, the number of outstanding shares in the company was 46,020,901, with a par value of USD 1 per share.

There were no changes in the share capital of the company during 2008.

During 2009, the Company completed two share issues. 46,020,901 new shares were issued in a rights issue in February 2009, and 8,949,173 shares were issued in an in-kind issue in June 2009. As a result, at the end of December 2009, the number of outstanding shares in the company was 100,990,975, with a par value of USD 1 per share.

There were no changes in the share capital of the company during 2010.

Pursuant to a resolution by the Board of Directors on December 6, 2011, Vostok New Ventures repurchased and cancelled 2,520,775 shares during 2011. As a result, at the end of December 2011, the number of outstanding shares in the company as per December 31, 2011 was 98,470,200, with a par value of USD 1 per share.

During 2012, the Company continued to repurchase shares under the 2011 program and adopted new programs on May 9, 2012 and December 3, 2012. The Company repurchased and cancelled a total of 8,750,921 shares during 2012, resulting in a total of 89,719,279 shares as at December 31, 2012, each with a par value of USD 0.50 per share (following the split and mandatory redemption program described below).

During the third quarter of 2012, the Company liquidated the majority of its listed portfolio and subsequently transferred the proceeds in a total amount of approximately USD 246 mln to shareholders by way of a share split and mandatory redemption program. Under the program, each SDR was split into two SDRs, one of which was designated a Redemption SDR. The Redemption SDRs were then redeemed for a consideration of SEK 18.00 per SDR. The proceeds were distributed in October 2012.

During 2013, the company repurchased an additional 1,509,279 SDRs under the Board of Directors' repurchase authorization of December 3, 2012. The underlying shares were cancelled in 2013. In August, 2013, a number of employees exercised options issued in 2010 under the 2010 Incentive Program to purchase a total of 1,693,020 SDRs. (For more information on the 2010 Incentive Program, see note 24 to the Financial Statements below.)

During 2014, the Company repurchased an additional 15,830,049 SDRs under the board of Directors' repurchase authorization of February 13, 2014; April 7, 2014; and May 14, 2014.

During 2015, the Company has repurchased 597,776 SDRs under the Board of Directors' repurchase authorization of May 14, 2014.

During the third quarter of 2015, the Company distributed all of the shares in its subsidiary Vostok Emerging Finance Ltd to shareholders by way of a share split

Share data

Year	Event	Change in number of shares	Number of shares	Par value, USD	Change in share capital, USD	Share capital, USD
April 2007	Incorporation	-	1	0.00	-	-
July 2007	New share issue	46,020,900	46,020,901	1.00	46,020,901	46,020,901
February 2009	Rights issue	46,020,901	92,041,802	1.00	46,020,901	92,041,802
June 2009	In-kind issue	8,949,173	100,990,975	1.00	8,949,173	100,990,975
2011	Repurchase of shares	-2,520,775	98,470,200	1.00	-2,520,775	98,470,200
January–July 2012	Repurchase of shares	-8,516,827	89,953,373	1.00	-8,516,827	89,953,373
September 2012	Split and redemption program	-	89,953,373	-0.50	-44,976,687	44,976,687
December 2012	Repurchase of shares	-234,094	89,719,279	0.50	-117,047	44,859,640
January 2013	Repurchase of shares	-1,509,279	88,210,000	0.50	-754,640	44,105,000
May 2013	Split and redemption program	-	88,210,000	-0.15	-13,231,500	30,873,500
August 2013	Exercise of employee options	1,693,020	89,903,020	0.35	592,557	31,466,057
June 2014	Exercise of employee options	24,360	89,927,380	0.35	8,526	31,474,583
2014	Repurchase of shares	-15,830,049	74,097,331	0.35	-5,540,517	25,934,066
2015	Repurchase of shares	-597,776	73,499,555	0.35	-209,222	25,724,844
July 2015	Split and redemption program	-	73,499,555	-0.03	-2,204,987	23,519,858
December 31, 2015			73,499,555	0.32		23,519,858

and mandatory redemption program. Under the program, each SDR was split into two SDRs, one of which was designated a Redemption SDR. Each Redemption SDR was then redeemed in consideration of one share in Vostok Emerging Finance Ltd.

The number of outstanding shares as at December 31, 2015 was 73,499,555 with a par value of USD 0.32 per share.

Board meetings

The Board of Directors currently comprises six Directors, of which two were elected at the Annual General Meeting on May 20, 2015. During the year, the Board has held 11 board meetings, of which 3 in person and 8 by telephone conference, and has passed four resolutions by circulation. The directors represent a number of nationalities. Board meetings are conducted in English. The work and the composition of the Board are described in detail in the Corporate Governance Report.

As per the resolution of the 2015 AGM, a nomination committee has been established to make recommendations to the 2016 AGM regarding:

- Election of the Chairman for the AGM
- Election of Directors
- Election of the Chairman of the Board of Directors
- Remuneration to the Directors
- Election of the Company's auditors
- Compensation to the Company's auditors, and
- Proposal for how to conduct the nomination process for the 2017 AGM.

The Nomination Committee has the following members: Jonathan Green, appointed by Luxor Capital; Ramsay Brufer, appointed by Alecta Pension Insurance; Håkan Berg, appointed by Swedbank Robur Funds; and Lars O Grönstedt, Chairman of the Board of Directors of Vostok New Ventures.

Remuneration principles for the senior management

The Board of Directors proposes that the management remuneration principles adopted at the Extra General Meeting held on May 18, 2007, which have remained in force and were last confirmed at the Annual General Meeting of the Company held on May 20, 2015, shall continue to apply. The principles adopted are as follows: The remuneration to the managing director and

other members of the senior management shall consist of fixed salary, variable remuneration, other benefits and pension benefits. Except for the managing director, the senior management currently includes two individuals. The total remuneration shall correspond to the prevailing market conditions and be competitive. The fixed and variable remuneration shall correspond to the respective individual's responsibility and authority. The variable component should, in the first instance, be covered within the parameters of the company's option plan and shall, where payable in other instances, be subject to an upper limit in accordance with market terms and specific objectives for the company and/or the individual. The period of notice of termination of employment shall be three to six months in the event of termination by the member of the senior management. In the event of termination by the company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 12 months. Pension benefits shall be either benefit-based or contribution-based or a combination thereof, with individual retirement ages. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. The Board of Directors shall be entitled to deviate from these guidelines in individual cases should special reasons exist.

Corporate governance report

A complete report on Vostok New Ventures' application of the Swedish Corporate Governance Code is included in this Annual Report.

Personnel

At year-end, Vostok New Ventures had four persons employed in Sweden.

Treatment of retained earnings

The group's total retained earnings amount to USD 436,920 thousand.

The Board of Directors propose that the retained earnings of the parent company USD 122,006 thousand, which include the year's loss of USD 2,033 thousand, be brought forward, and that no dividends be paid for the year.

Income statements – Group

(Expressed in USD thousands)	Note	2015	2014
Result from financial assets at fair value through profit or loss ¹	6	120,812	-124,540
Dividend and coupon income	7	31,544	4,316
Total operating income		152,356	-120,225
Operating expenses	8, 24, 25	-5,196	-4,296
Operating result		147,160	-124,521
Financial income and expenses			
Interest income	14, 15	3,863	2,459
Interest expense	14, 19	-2,346	-3
Currency exchange gains/losses, net		-3,428	-5,332
Net financial items		-1,911	-2,877
Result before tax		145,250	-127,398
Taxation	9	-68	-48
Net result for the year		145,182	-127,446
Earnings per share (in USD)	10	1.97	-1.62
Diluted earnings per share (in USD)	10	1.97	-1.62

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)	2015	2014
Net result for the year	145,182	-127,446
Other comprehensive income for the year		
<i>Items that may be classified subsequently to profit or loss:</i>		
Currency translation differences	-43	-132
Total other comprehensive income for the year	-43	-132
Total comprehensive income for the year	145,139	-127,577

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

Balance sheets – Group

<i>(Expressed in USD thousands)</i>	Note	Dec 31, 2015	Dec 31, 2014
NON-CURRENT ASSETS			
<i>Tangible non-current assets</i>			
Property, plant and equipment	11	–	5
Total tangible non-current assets		–	5
<i>Financial non-current assets</i>			
Financial assets at fair value through profit or loss	12, 13	463,538	337,618
Loan receivables	12, 14, 15	23,450	37,913
Total financial non-current assets		486,988	375,530
CURRENT ASSETS			
Cash and cash equivalents	12, 17	43,660	14,050
Loan receivables	12, 14, 15	9,072	–
Tax receivables		309	271
Other current receivables	16	83	103
Total current assets		53,123	14,424
TOTAL ASSETS		540,111	389,959
SHAREHOLDERS' EQUITY (including net result for the financial period)	18	503,435	388,470
CURRENT LIABILITIES			
<i>Non-interest bearing current liabilities</i>			
Tax payables		393	369
Other current liabilities	20	15,922	867
Accrued expenses		135	253
<i>Interest bearing current liabilities</i>			
Borrowings	19	20,224	–
Total current liabilities		36,675	1,489
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		540,111	389,959

Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2014	31,466	157,939	89	444,472	633,966
Net result for the year January 1, 2014 to December 31, 2014	-	-	-	-127,446	-127,446
Other comprehensive income for the year					
Currency translation differences	-	-	-132	-	-132
Total comprehensive income for the year January 1, 2014 to December 31, 2014	-	-	-132	-127,446	-127,577
Transactions with owners:					
Proceeds from shares issued	9	61	-	-	70
Buy back of own shares	-5,541	-112,448	-	-	-117,989
Total transactions with owners	-5,532	-112,387	-	-	-117,919
Balance at December 31, 2014	25,934	45,553	-43	317,027	388,470
Balance at January 1, 2015	25,934	45,553	-43	317,027	388,470
Net result for the year January 1, 2015 to December 31, 2015	-	-	-	145,182	145,182
Other comprehensive income for the year					
Currency translation differences	-	-	-43	-	-43
Total comprehensive income for the year January 1, 2015 to December 31, 2015	-	-	-43	145,182	145,139
Transactions with owners:					
Redemption program	-2,205	-	-	-25,204	-27,409
Buy back of own shares	-209	-2,556	-	-	-2,765
Total transactions with owners	-2,414	-2,556	-	-25,204	-30,174
Balance at December 31, 2015	23,520	42,996	-85	437,005	503,435

Cash flow statements

– Group

(Expressed in USD thousands)	2015	2014
OPERATING ACTIVITIES		
Result before tax	145,250	-127,398
Adjustment for:		
Interest income	-3,863	-2,459
Interest expense	2,346	3
Currency exchange gains/-losses	3,428	5,332
Depreciations and write downs	4	5
Result from financial assets at fair value through profit or loss	-120,812	124,540
Dividend and coupon income	-31,544	-4,316
Change in current receivables	38	1,311
Change in current liabilities	-38	-1,593
Net cash used in operating activities	-5,189	-4,573
Investments in financial assets	-78,806	-145,330
Sales of financial assets	61,640	67,000
Increase/decrease in loan receivables	-	-35,482
Dividend and coupon income	31,544	4,316
Interest received	3,607	1,707
Interest paid	-300	-3
Tax paid	-85	-87
Net cash flow from/used in operating activities	12,411	-112,452
FINANCING ACTIVITIES		
Proceeds from borrowing	20,000	-
Redemption program transaction fees	-351	-
Proceeds from shares issued	-	70
Buy back of own shares	-2,765	-117,989
Net cash flow from/used in financing activities	16,883	-117,919
Change in cash and cash equivalents	29,294	-230,371
Cash and cash equivalents at beginning of the year	14,050	246,572
Exchange gains/losses on cash and cash equivalents	315	-2,152
Cash and cash equivalents at end of year	43,660	14,050

Key financial ratios – Group

	2015	2014
Return on capital employed, % ¹	32.56	-24.93
Equity ratio, % ²	93.21	99.62
Shareholders' equity/share, USD ³	6.85	5.24
Earnings/share, USD ⁴	1.97	-1.62
Diluted earnings/share, USD ⁵	1.97	-1.62
Net asset value/share, USD ⁶	6.85	5.24
Weighted average number of shares for the year	73,573,384	78,489,261
Weighted average number of shares for the year (fully diluted)	73,573,384	78,489,261
Number of shares at balance sheet date	73,499,555	74,097,331

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 year). 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 year divided by average weighted number of shares for the year.
5. Diluted earnings/share is defined as result for the year divided by average weighted number of shares for the year 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)	Note	2015	2014
Result from financial assets at fair value through profit or loss		831	-5,052
Operating expenses	8	-5,394	-4,146
Dividend and coupon income		971	1,564
Operating result		-3,592	-7,634
Financial income and expenses			
Interest income		6,921	4,119
Interest expense		-2,346	-3
Currency exchange gains/losses, net		-3,016	-5,178
Net financial items		1,559	-1,062
Net result for the financial period		-2,033	-8,696

Statement of comprehensive income

(Expressed in USD thousands)	2015	2014
Net result for the financial period	-2,033	-8,696
Other comprehensive income for the period		
<i>Items that may be classified subsequently to profit or loss:</i>		
Currency translation differences	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	-2,033	-8,696

Balance sheet – Parent

(Expressed in USD thousands)	Note	Dec 31, 2015	Dec 31, 2014
NON-CURRENT ASSETS			
<i>Financial non-current assets</i>			
Shares in subsidiaries	23	84,389	84,389
Financial assets at fair value through profit or loss	12	1,021	30,012
Loan receivables		23,450	37,913
Receivables from Group companies	23, 25	78,695	55,205
Total financial non-current assets		187,555	207,518
CURRENT ASSETS			
Cash and cash equivalents		12,964	13,965
Loan receivables		9,072	–
Other current receivables		47	51
Total current assets		22,082	14,016
TOTAL ASSETS		209,637	221,534
SHAREHOLDERS' EQUITY (including net result for the financial period)	18	188,523	220,729
CURRENT LIABILITIES			
<i>Non-interest bearing current liabilities</i>			
Liabilities to group companies	23	727	591
Other current liabilities	20	85	36
Accrued expenses		78	177
<i>Interest bearing current liabilities</i>			
Borrowings		20,224	–
Total current liabilities		21,114	805
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		209,637	221,534

Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share capital	Additional paid in capital	Retained earnings	Total
Balance at January 1, 2014	31,466	157,939	157,939	347,344
Net result for the year January 1, 2014 to December 31, 2014	-	-	-8,696	-8,696
Other comprehensive income for the year				
Currency translation differences	-	-	-	-
Total comprehensive income for the year January 1, 2014 to December 31, 2014	-	-	-8,696	-8,696
Transactions with owners:				
Proceeds from shares issued	9	61	-	70
Buy back of own shares	-5,541	-112,448	-	-117,989
Total transactions with owners	-5,532	-112,387	-	-117,919
Balance at December 31, 2015	25,934	45,553	149,243	220,729
Balance at January 1, 2015	25,934	45,553	149,243	220,729
Net result for the year January 1, 2015 to December 31, 2015	-	-	-2,033	-2,033
Other comprehensive income for the year				
Currency translation differences	-	-	-	-
Total comprehensive income for the year January 1, 2015 to December 31, 2015	-	-	-2,033	-2,033
Transactions with owners:				
Redemption program	-2,205	-	-25,204	-27,409
Buy back of own shares	-209	-2,556	-	-2,765
Total transactions with owners	-2,414	-2,556	-25,204	-30,174
Balance at December 31, 2015	23,520	42,996	122,006	188,523

Cash flow statement – Parent

(Expressed in USD thousands)	2015	2014
OPERATING ACTIVITIES		
Result before tax	-2,033	-8,696
<i>Adjustment for:</i>		
Interest income	-6,921	-4,119
Interest expense	2,346	3
Currency exchange gains/-losses	3,016	5,178
Result from financial assets at fair value through profit or loss	-831	5,052
Dividend and coupon income	-971	-1,564
Change in current receivables and liabilities	152	-164
Net cash used in operating activities	-5,242	-4,310
Investments in financial assets	-10,010	-89,614
Sales of financial assets	39,832	67,000
Increase/decrease in loan receivables	-	-35,482
Dividend and coupon income	971	1,564
Interest received	3,607	1,707
Interest paid	-300	-3
Net cash flow from/used in operating activities	28,858	-59,137
INVESTING ACTIVITIES		
Loan to the companies within the Group	-47,489	-53,433
Net cash flow used in operating activities	-47,489	-53,433
FINANCING ACTIVITIES		
Proceeds from borrowing	20,000	-
Redemption program transaction fees	-351	-
Proceeds from shares issued	-	70
Buy back of own shares	-2,765	-117,989
Net cash flow from/used in financing activities	16,884	-117,919
Change in cash and cash equivalents	-1,747	-230,489
Cash and cash equivalents at beginning of the year	13,965	246,434
Exchange gains/losses on cash and cash equivalents	746	-1,980
Cash and cash equivalents at end of year	12,964	13,965

Notes to the financial statements

(Expressed in USD thousand unless indicated otherwise)

Note 1 General information

Introduction

Vostok New Ventures Ltd (“Vostok New Ventures”, or “the Company”) was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861.

The Vostok New Ventures Group was formed in 2007, in connection with the restructuring of the Vostok Gas Group. Vostok New Ventures is an investment company with the business concept of using experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation, with a focus on companies with network effects.

Vostok New Ventures Ltd, formerly Vostok Nafta Investment Ltd, changed its name as resolved by the Annual General Meeting of shareholders on May 20, 2015. It has been registered on June 15, 2015.

These Group consolidated financial statements were authorised for issue by the Board of Directors on March 31, 2016.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Note 2 Significant accounting policies

Accounting basis

The consolidated and the parent company financial statements are prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by EU, as at December 31, 2015. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Changes in accounting policy and disclosures

New and amended standards adopted by the Group

There are no new or revised IFRS standards that are effective for the first time for the financial year beginning on or after 1 January 2015 that have had a material impact on the Group.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have not been applied in preparing these consolidated financial statements. The Group is yet to assess the full impact of these new standards.

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value

through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted.

IFRS 15, ‘Revenue from contracts with customers’, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Financial period

The financial year comprises the period January 1–December 31.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

In accordance with IFRS 10 Consolidated Financial Statements the Group values its investments (portfolio companies) at fair value. Vostok New Ventures falls within the classification of an investment company as its business concept is to use experience, expertise and a widespread network to identify and invest in assets with considerable potential for value appreciation and obtain a return.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker in the same way as for a Swedish company governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The board of directors of an investment company is by necessity deeply involved in investment decisions and monitoring portfolio companies' performance. The Board has therefore been identified as the chief operating decision maker of the Company for purposes of internal reporting. In the internal reporting of the Company, there is only one operating segment.

Foreign currency translation

(a) The functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Parent Company and its Cypriot subsidiary is USD, which is also considered to be the presentational currency of the Group.

b) Transactions and balances

Transactions in currencies other than USD are translated into USD at the rate of exchange that was in effect at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange prevailing at the balance sheet date. Realized and unrealized exchange gains/losses on portfolio investments, which include loan receivables, investments in associated companies, and financial assets at fair value through profit or loss are recognized in profit or loss as part of the result from each of the categories of financial assets, which are included in the investment portfolio. Realized and unrealized exchange gains/losses on other assets and liabilities are reported among financial items.

c) Group companies

As at the reporting date, the assets and liabilities of subsidiaries that have not the same functional currency as the Parent Company are translated into the presentation currency of the Group at rates of exchange prevailing at the balance sheet date. Their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are recognized as other comprehensive income. The following exchange rates have been used:

	Average	Closing
SEK	8.435	8.3524

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation on furniture, fittings and equipment is based on cost on a straight-line basis of estimated useful life of three and five years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Purchases and sales of financial assets are recognized on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group have transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss

This category has two subcategories:

– *Designated*. The first includes any financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.

– *Held for trading*. The second category includes financial assets that are held for trading. All derivatives (except those designated as hedging instruments) and financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking are held for trading.

The Group classifies all its financial assets at fair value through profit or loss in the subcategory designated. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current. Financial assets are securities held in listed and unlisted companies.

Financial assets carried at fair value through profit or loss is initially recognized at fair value and transaction costs are expensed in the income statement. Thereafter they are subsequently 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. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as "Dividend income" when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments in associated companies

Investments where the Company has the right to exercise significant influence, which is normally the case when the Company holds between 20% and 50%, are accounted for as investments in associated companies by applying fair value. At the application of fair value, the investments are designated on initial recognition as assets to be measured at fair value with fair value changes in profit or loss.

This treatment is permitted by IAS 28 'Investments in associates', which allows investments to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognized in the income statement in the period of change. There are no significant restrictions on the associated companies' ability to transfer funds for loan repayments. On increase/decrease of the investments in associated companies, the Group makes an assessment of fair value for the total investment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'Non current loan receivables', 'Current loan receivables', 'Other current receivables', 'Receivables from related parties' and 'Cash and cash equivalents' in the balance sheet.

Investments in loans and receivables are initially recognized at fair value plus transaction costs. Loans and receivables are carried at amor-

tized cost using the effective interest method. Interest on loan receivables which are considered parts of the investment portfolio is presented in the income statement as 'Result from loan receivables' among operating income items. Interest on other loans and receivables is presented in the income statement as 'Interest income' among financial items.

A financial asset or group of assets is impaired, and impairment losses are recognised, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. An entity is required to assess at each balance sheet date whether there is any objective evidence of impairment. If any such evidence exists, the entity is required to do a detailed impairment calculation to determine whether an impairment loss should be recognised.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate. Impairment losses on portfolio investments are presented in the income statement within 'Result from loan receivables'. Impairment losses on other financial assets are recognized in the income statement as 'Other financial expenses' among financial items.

Financial liabilities

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents

Cash and bank include cash and bank balances and other short-term highly liquid investments with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity. Share issue costs associated with the issuance of new equity are treated as a direct reduction of the proceeds. Buy back of own shares is, after cancellation of the shares, recorded as a reduction of the share capital with the nominal value of shares bought back, and as a reduction of the additional paid in capital or the retained earnings with the amount paid after reduction of transaction costs for the shares in excess of the nominal value.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. The Group currently has no temporary differences and has no deferred income tax recognised.

Employee benefits

Pension obligations

The Group has a defined contribution pension plan which is based on Swedish market practice. The Group has no further obligations once the contributions have been paid. The contributions are reported as a cost recognised as employee benefit pension expense in profit or loss when they are due.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and additional paid in capital when the options are exercised.

There was no share-based compensation of this type in 2015 or 2014. See Note 24 for more details.

Revenue recognition

Revenue comprises the fair value of the consideration received in the ordinary course of the Group's activities.

For investments held at both the start and end of year, the change in value consists of the difference in the market value between these dates. For investments acquired during the year, the change in value consists of the difference between cost and the market value at the end of the year. For investments sold during the year, the change in value consists of the difference between the sales price received and the value of investments at the start of the year. All changes in value are reported in the income statement within 'Result from financial assets at fair value through profit or loss' or 'Result from loan receivables', depending on from what category of assets the changes in value relate.

Dividend income is recognised when the right to receive payment is established. Furthermore, dividend income is accounted for inclusive of withholding taxes. These withholding taxes are shown either as an expense in the income statement, or as a current receivable, depending on whether or not the withholding tax is refundable.

Interest income on non-current loan receivables is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired non-current loan receivables is recognised using the original effective interest rate.

Interest income on current loan receivables and other receivables is recognised taking into account accrued interest on the balance sheet date.

Other consideration received in the ordinary course of the Group's activities is reported as "other income" in the income statement.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. The Group's leases are exclusively operating leases, and refer mainly to office rents and office machines.

Note 3

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, price risk and interest rate risk), credit risk, liquidity risk and cash flow interest-rate risk.

Risk management is carried out by management under policies approved by the Board of Directors.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects currency risk, price risks and interest rate risk.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to the Swedish Krona (SEK), the Russian Ruble (RUB), and Euro (EUR).

At December 31, 2015, if the USD had strengthened by 10.0% against the SEK with all other variables held constant, post-tax profit for the year and equity would have been USD 0.02 mln lower (2014: -0.52), mainly as a result of foreign exchange losses on translation of SEK-denominated cash balances. Profit is less sensitive to movement in SEK/USD exchange rates in 2015 than 2014 because of the decrease in SEK-denominated financial assets, mainly liquidity management portfolio.

At December 31, 2015, if the USD had strengthened by 10.0% against the EUR with all other variables held constant, post-tax profit for the year and equity would have been USD 7.07 mln lower (2014: -4.71), mainly as a result of foreign exchange losses on translation of EUR-denominated investments in financial assets at fair value through profit and loss, debt investments and tax receivables. Profit is more sensitive to movement in EUR/USD exchange rates in 2015 than 2014 because of the increase in EUR-denominated financial assets, mainly BlaBlaCar and Wallapop, which estimates are based in EUR as per December 2015.

At December 31, 2015, if the USD had strengthened by 10.0% against the RUB with all other variables held constant, post-tax profit for the year and equity would have been unchanged (2014: -25.2). During 2014, foreign exchange losses came from translation of investments in financial assets at fair value through profit and loss, which valuations were RUB-based vs. USD-based in 2015. Revenues and cash flows of Avito, Yell, OneTwoTrip and partly Gett are exposed to the foreign exchange risks arising mainly with respect to RUB, SEK, USD and EUR.

Price risk

The Group is not exposed to listed equity securities price risk since all the Company's investment are of private equity nature.

The private equity investments are also exposed to share price risks and classified on the consolidated balance sheet as financial assets at fair value through profit and loss. The Group takes an active role in portfolio companies mainly through Board representation. 10% decrease in the price of the non-quoted shares at December 31, 2015 would have affected post-tax profit and equity by approximately USD 50 mln.

Market interest rate risk

The Group is exposed to a market interest rate risk because of outstanding loan receivables to Delivery Hero Holding GmbH and Kite Ventures which are carried at fixed interest rate. The fair value of the loan receivables is estimated using valuation models based on market rate inputs.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

Within the Group's portfolio investments operations, credit risk arises from non current and current loan receivables. See further Notes 14 and 15. For the investments in loan receivables, there are no formal restrictions with respect to the counterparty's credit rating.

The Group is also exposed to counterparty credit risk on cash and cash equivalents and deposits with banks and financial institutions. The majority of cash is placed in different type of cash securities

which are fully protected in the event of a bankruptcy of the custodian institution since securities on account are separate from the custodian's balance sheet and thus never become a part of the custodian's bankruptcy estate.

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities.

For the Group, prudent liquidity risk management implies maintaining sufficient cash. As at December 31, 2015 approximately 6% of the Group's Net Assets Value comprises cash balances. Cash balances net of financial liability of USD 20 million represent approximately 5% of the Group's Net Assets Value.

The Group has a financial liability as per December 31, 2015 in the amount of USD 20 million as compared to USD 0 on December 31, 2014. At the same time, the Group has loan receivables in the aggregate nominal amount of USD 40 million: non-current loan receivables at book value of USD 23.45 mln and current loan receivables at book value of USD 9.01 mln.

Cash flow interest rate risk

The majority of the Group's financial assets are non-interest bearing, and the majority of outstanding interest-bearing liabilities carry a fixed interest. As a result, the Group is not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders. Up to 2009, the Group's investments were partly financed through debt after which the Board decided on a new financial strategy with zero debt. The Group continues to work with financial leverage only on a restrictive basis during shorter periods of time.

The current credit facility of USD 25 mln allows the Company to remain flexible and agile around investment activities and its liquidity management operations until loan to Delivery Hero Holding and Kite Ventures matures or is sold.

Operating and sector-related risks

Emerging markets and country-specific risks

The risks associated with Russia and other emerging markets are common to all investments in these territories and are not characteristic of any specific portfolio holding. An investment in Vostok New Ventures will be subject to risks associated with ownership and management of investments and in particular to risks of ownership and management in Russia and other emerging markets.

As these countries are still, from an economic point of view, in a phase of development, investments are affected by unusually large fluctuations in profit and loss and other factors outside the Company's control that may have an adverse impact on the value of Vostok New Ventures' adjusted equity. Investors should therefore be aware that investment activity in Russia and other emerging markets entails a high level of risk and requires special consideration of factors, including those mentioned here, which are usually not associated with investment in shares in better regulated countries.

Unstable state administration, could have an adverse impact on investments. None of the emerging markets has a fully developed legal system comparable to that in more developed countries. Existing laws and regulations are sometimes applied inconsistently and both the independence and efficiency of the court system constitute a significant risk. Statutory changes have taken place and will probably continue to take place at a rapid pace, and it remains difficult to predict the effect of legislative changes and legislative decisions for companies. Vostok New Ventures will invest in market segments that the Company is active in or will be active in. It could be more difficult to obtain redress or exercise one's rights in emerging markets than in more mature legal systems.

Acquisition and disposal risk

Acquisitions and disposals are by definition a natural element in Vostok New Ventures' activities. All acquisitions and disposals are subject to uncertainty. The Company's explicit exit strategy is to sell its holdings to strategic investors or via the market. There are no guar-

antees that the Company will succeed in selling its participations and portfolio investments at the price the shares are being traded at on the market at the time of the disposal or valued at the balance sheet. Vostok New Ventures may therefore fail to sell its holdings in a portfolio company or be forced to do so at less than its maximum value or at a loss. If Vostok New Ventures disposes of the whole or parts of an investment in a portfolio company, the Company may receive less than the potential value of the participations, and the Company may receive less than the sum invested.

Vostok New Ventures operates in a market that may be subject to competition with regard to investment opportunities. Other investors may thus compete with Vostok New Ventures in the future for the type of investments the Company intends to make. There is no guarantee that Vostok New Ventures will not in the future be subject to competition which might have a detrimental impact on the Company's return from investments. The Company can partially counter this risk by being an active financial owner in the companies Vostok New Ventures invests in and consequently supply added value in the form of expertise and networks.

Despite the Company considering that there will be opportunities for beneficial acquisitions for Vostok New Ventures in the future, there is no guarantee that such opportunities for acquisition will ever arise or that the Company, in the event that such opportunities for acquisition arose, would have sufficient resources to complete such acquisitions.

Accounting practice and other information

Practice in accounting, financial reporting and auditing in Russia and other emerging markets cannot be compared with the corresponding practices that exist in the Western World. This is principally due to the fact that accounting and reporting have only been a function of adaptation to tax legislation. The Soviet tradition of not publishing information unnecessarily is still evident. The formal requirements for Russian companies are less broad in terms of publishing information than in more developed markets. In addition, access to external analysis, reliable statistics and historical data is inadequate. The effects of inflation can, moreover, be difficult for external observers to analyse. Although special expanded accounts are prepared and auditing is undertaken in accordance with international standard, no guarantees can be given with regard to the completeness or dependability of the information. Inadequate information and weak accounting standards may be imagined to adversely affect Vostok New Ventures in future investment decisions.

Corporate governance risk

Misuse of corporate governance remains a problem in Russia and other emerging markets. Minority shareholders may be badly treated in various ways, for instance in the sale of assets, transfer pricing, dilution, limited access to Annual General Meetings and restrictions on seats on boards of directors for external investors. In addition, sale of assets and transactions with related parties are common. Transfer pricing is generally applied by companies for transfer of value from subsidiaries and external investors to various types of holding companies. It happens that companies neglect to comply with the rules that govern share issues such as prior notification in sufficient time for the exercise of right of pre-emption. Prevention of registration of shares is also widespread. Despite the fact that independent authorised registrars have to keep most share registers, some are still in the hands of the company management, which may thus lead to register manipulation. A company management would be able to take extensive strategic measures without proper consent from the shareholders. The possibility of shareholders exercising their right to express views and take decisions is made considerably more difficult.

Inadequate accounting rules and standards have hindered the development of an effective system for uncovering fraud and increasing insight. Shareholders can conceal their ownership by acquiring shares through shell company structures based abroad which are not demonstrably connected to the beneficiary, which leads to self-serving transactions, insider deals and conflicts of interest. The role of the Russian financial inspectorate as the regulator of the equity market to guarantee effective insight and ensure that fraud is uncovered is complicated by the lack of judicial and administrative enforcement instruments.

Deficiencies in legislation on corporate governance, judicial enforcement and corporate legislation may lead to hostile take-overs,

where the rights of minority shareholders are disregarded or abused, which could affect Vostok New Ventures in a detrimental manner.

Dependence on key individuals

Vostok New Ventures is dependent on its senior executives. Its Managing Director, Per Brilioth, is of particular significance to the development of the Company. It cannot be ruled out that Vostok New Ventures might be seriously affected if any of the senior executives left the Company.

Investments in growth markets

Investments in growth markets such as Russia and other emerging markets entail a number of legal, economic and political risks. Many of these risks cannot be quantified or predicted, neither are they usually associated with investments in developed economies.

There are inherent difficulties and risks in investing in internet market places and online classifieds including but not limited to the ability to monetize and expand in new verticals, execution risks, internet regulatory and compliance matters, competitors risks, technical platform risks.

International capital flows

Economic unrest in a growth market tends also to have an adverse impact on the equity market in other growth countries or the share price of companies operating in such countries, as investors opt to re-allocate their investment flows to more stable and developed markets. The Company's share price may be adversely affected during such periods. Financial problems or an increase in perceived risk related to a growth market may inhibit foreign investments in these markets and have a negative impact on the country's economy. The Company's operations, turnover and profit development may also be adversely affected in the event of such an economic downturn.

Political instability

Russia has undergone deep political and social change in recent years. The value of Vostok New Ventures' assets may be affected by uncertainties such as political and diplomatic developments, social or religious instability, changes in government policy, tax and interest rates, restrictions on the political and economic development of laws and regulations in Russia, major policy changes or lack of internal consensus between leaders, executive and decision-making bodies and strong economic groups. These risks entail in particular expropriation, nationalisation, confiscation of assets and legislative changes relating to the level of foreign ownership. In addition, political changes may be less predictable in a growth country such as Russia than in other more developed countries. Such instability may in some cases have an adverse impact on both the operations and share price of the Company. Since the collapse of the Soviet Union in 1991, the Russian economy has, from time to time, shown

- significant decline in GDP
- weak banking system with limited supply of liquidity to foreign companies
- growing black and grey economic markets
- high flight of capital
- high level of corruption and increased organised economic crime
- hyperinflation
- significant rise in unemployment

The Russian economy is largely dependent on the production and export of oil and natural gas, which makes it vulnerable to fluctuations in the oil and gas market. A downturn in the oil and gas market may have a significant adverse impact on the Russian economy.

Note 4

Critical accounting estimates and assumptions

The management of Vostok New Ventures Ltd has to make estimates and judgements when preparing the Financial Statements of the Group. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Group's result. The most important estimates and judgements in relation thereto are:

Fair value of unlisted financial assets

The estimates and judgements when assessing the fair value of unlisted financial assets at fair value through profit or loss are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For further information on fair value estimation, see below.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 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 (investment portfolio)	-	457,876	5,662	463,538
Financial assets at fair value through profit or loss (liquidity management)	-	-	-	-
Total assets	-	457,876	5,662	463,538

The Group's assets that are measured at fair value at December 31, 2014:

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss (investment portfolio)	28,965	39,670	240,055	308,690
Financial assets at fair value through profit or loss (liquidity management)	28,928	-	-	28,928
Total assets	57,893	39,670	240,055	337,618

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

	Level 3
Opening balance January 1, 2015	240,055
Transfers from level 3	-232,055
Change in fair value	-2,338
Closing balance December 31, 2015	5,662

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 are adjusted accordingly. No significant events in the portfolio companies, which have had an impact on the valuations, has occurred since the latest transactions except as described below. The transaction-based valuations are also frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models.

Vostok New Ventures follows a structured process in assessing the valuation of its unlisted investments. Vostok New Ventures evaluate company specific and external data relating to each specific investment on a monthly data. The data is then assessed at monthly and quarterly valuation meetings by senior management. If internal or external factors are deemed to be significant further assessment is undertaken and the specific is revalued to the best fair value estimate. Revaluations are approved by the Managing Director.

Avito

The Group's Investment in Avito is valued as a level 2 investment as per December 31, 2015.

As per September 30, 2015, Vostok New Ventures has revalued Avito on the basis of a transaction in the company announced on October 23, 2015. Naspers Ltd, one of Avito's shareholders, agreed to acquire 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 includes cash in the company of approximately USD 240 mln. The transaction closed in November 2015.

Vostok New Ventures did not participate in the transaction and remains a minority shareholder in Avito with a 13.3% stake in the company on a fully diluted basis. The valuation as per December 31, 2015 of Vostok New Ventures stake in Avito is valued at USD 338 mln, which is based on the price paid in the transaction adjusted for a dividend distribution that occurred in December 2015. Vostok New Ventures received USD 30.6 mln in dividends from Avito. Other than the dividend distribution, nothing material has happened at Avito between the closing of transaction and December 31, 2015 that is assessed to have an impact on the valuation.

Yell.ru

During the first quarter of 2015, in February 17, Vostok New Ventures invested additional USD 94,380 in Yell.ru in connection with a smaller secondary transaction in the company at a valuation of USD 16.7 (30% lower than the valuation in the larger round in 2014). All shares (2.1% of the company) sold in the transaction were bought by 4 existing shareholders. Following the transaction, Vostok New Ventures owns 33.9% of Yell.ru fully diluted. As per December 31, 2015, Yell is classified as a level 3 investment as it is valued on the basis of this transaction and it is deemed the best fair value estimate of Yell.ru. Since this is a relatively small transaction the investment is classified as level 3 to reflect the higher level of uncertainty. In USD terms Yell.ru has been adversely affected by the ruble's depreciation in the last 6 months but as the vast majority of new funding Yell received still is held as cash in hard currency most of the negative pressure has been cushioned.

	Sensitivity in transaction-based Yell valuation as per December 31, 2015				
	-20%	-10%	+10%	+20%	
Valuation of Vostok New Ventures' Yell investment	4,530	5,096	5,662	6,228	6,794

Gett

As per December 31, 2015, 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 May 2015, a new Polish investor, MCI, invested USD 20 mln in Gett. Following this transaction Vostok New Ventures has as per June 30, 2015 revalued its stake in the company on the basis of the

price per share paid in the MCI transaction. As per December 31, 2015 Vostok New Ventures' holding is valued at USD 34.5 mln, up some 33% from Vostok New Ventures' entry level. Since the latest transaction in Gett, the company has progressed inline with the budget and nothing material has happened at the company that would suggest that the transaction-based value is no longer valid.

BlaBlaCar

As per December 31, 2015, the BlaBlaCar investment is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company when Vostok New Ventures, alongside other investors, invested in the company. The EUR 30 mln investment closed in September 2015 and Vostok New Ventures owns approximately 2.3% of BlaBlaCar on a fully diluted basis following the transaction.

Propertyfinder

As per December 31, 2015, 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 when Vostok New Ventures invested into the company. As per December 31, 2015 Vostok New Ventures has disbursed USD 5 mln out of the USD 20 mln investment in total. The remaining USD 15 mln tranche was disbursed during the first quarter of 2016.

Wallapop

As per December 31, 2015, Wallapop is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company. During the second quarter 2015, Vostok New Ventures made a follow up investment in Wallapop of USD 2.4 mln alongside other shareholders in the company. Following this transaction Vostok New Ventures' has as per December 31, 2015 revalued its stake in the company on the basis of the valuation in the latest transaction in the company. As per December 31, 2015 Vostok New Ventures' holding is valued at USD 10.3 mln.

Merro

As per December 31, 2015, Merro is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company when Vostok New Ventures, alongside other investors, invested into the company. Vostok New Ventures finalized its investment into Merro in August 2015. Merro is Dubai-based investment platform which currently has four assets: Opensooq, Propertyfinder, Dubicars and a smaller undisclosed asset.

Naseeb Networks

As per December 31, 2015, Naseeb Networks is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company when Vostok New Ventures, alongside other, investors invested into the company. During the second quarter 2015, Vostok New Ventures made an investment in Naseeb Networks of USD 4.5 mln. As per December 31, 2015 Vostok New Ventures' holding is valued at USD 4.5 mln on the basis of the price per share paid in this recent funding round. The investment in Naseeb Networks, where the Company holds 23%, is accounted applying fair value.

OneTwoTrip

As per December 31, 2015, OneTwoTrip is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company when Vostok New Ventures invested into the company. Vostok New Ventures closed its USD 4 mln investment into OneTwoTrip in July 2015. The Company invested into newly issued common shares. As per December 31, 2015 Vostok New Ventures owns 6.1% of the company on a fully diluted basis.

IZH holding (Zameen and Bayut)

As per December 31, 2015, IZH holding is classified as a level 2 investment as it is valued on the basis of the latest transaction in the company when Vostok New Ventures, alongside other investors, invested into the company. In the end of the second quarter 2015, Vostok New Ventures closed an investment of USD 2 mln in IZH holding. As per December 31, 2015 Vostok New Ventures' holding is valued at USD 2.0 mln on the basis of the price per share paid in this recent funding round.

El Basharsoft

As per December 31, 2015, el Basharsoft (Wuzzuf and Forasna) 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 end of July 2015, when Vostok New Ventures, alongside other investors, invested into the company. Vostok New Ventures invested USD 968k in the company of which 900k was in primary shares through its newly formed entity Vostok Cooperatief. Vostok New Ventures owns 14.2% of Wuzzuf on a fully diluted basis.

Delivery Hero (equity component)

During the third quarter 2015, the terms of the Delivery Hero loan were amended resulting in a lower cash interest rate and additional cover shares in the company. As per December 31, 2015, the loan receivable is valued at amortized cost using an NPV-model and 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. As per December 31, 2015, the equity component is valued at USD 2.4 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, 2015	Dec 31, 2014
Short-term	9,072	-
Long-term	23,450	37,913
Total loan receivables	32,522	37,913

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 has raised approximately USD 400 million during 2015 (2014: USD 260 million) and will raise additional funds 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 the impairment.

Note 5 General

Incorporation and legal structure

Vostok New Ventures Ltd (the Company or the Parent Company) is an investment company with its focus on portfolio investments with considerable potential for value appreciation. The Company was incorporated in Bermuda on April 5, 2007, as an exempted limited liability company under the Bermuda Companies Act 1981. The Swedish Depository Receipts of Vostok New Ventures (SDB) are listed on the Nasdaq Nordic Exchange Stockholm, Mid Cap section. Ticker: VNV SDB.

As of December 31, 2015, the Vostok New Ventures Ltd Group consisted of the Bermudian parent company Vostok New Ventures Ltd; one wholly-owned Cypriot subsidiary, Vostok New Ventures (Cyprus) Limited; one majority-owned Dutch cooperative, Vostok Co-Investment Coöperatief B.A.; and one wholly-owned Swedish subsidiary, Vostok New Ventures AB.

The registered office of the Company is in Hamilton, Bermuda (Codan Services Ltd, 2 Church Street, Hamilton, Bermuda). Vostok New Ventures AB's registered office is at Hovslagargatan 5, 111 48 Stockholm, Sweden.

Note 6 Result from financial assets at fair value through profit or loss

	Group 2015	Group 2014
Proceeds from sale of financial assets at fair value through profit or loss	61,640	67,000
Acquisition value of sold financial assets at fair value through profit or loss	-55,570	-70,686
Change in fair value of remaining financial assets at fair value through profit or loss	114,742	-120,854
Result from financial assets at fair value through profit or loss	120,812	-124,540

During 2015 and 2014 result from financial assets at fair value through profit or loss comprises the result from fair value changes of financial assets that have been designated on initial recognition as assets to be measured at fair value with fair value changes in profit or loss.

Note 7 Dividend and coupon income

	Group 2015	Group 2014
Dividend and coupon income recognized in the income statement ¹	31,544	4,316
whereof unsettled at balance sheet date	-	-
Tax withheld on dividends	-	-
Net proceeds from dividends and coupons, net of tax, recognized in the income statement during the year	31,544	4,316

1. USD 30.6 mln coming from the Avito dividend in December 2015 and the remainder attributable to coupon income.

Note 8 Operating expenses by nature

	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Employee benefit expense (Note 24)	3,375	1,799	382	207
Depreciation and write down of property, plant and equipment	5	5	-	-
Operating lease expenses	126	154	-	-
Service agreement between Vostok New Ventures AB and Vostok New Ventures Ltd	-	-	3,669	2,312
Other expenses	1,690	2,338	1,343	1,627
Total operating expenses	5,196	4,296	5,394	4,146

Lease rentals amounting to TUSD 126 (2014: 154) relating to rent of office space in Stockholm have been recognized in the income statement.

Note 9 Tax

Corporate income tax – general

The parent company, Vostok New Ventures Ltd, is exempted and therefore not liable for tax in Bermuda.

The Group's Cypriot entity is subject to corporation tax on taxable profits at the rate of 12.5% (2014: 12.5%).

Under certain conditions, interest may be exempt from income tax and only subject to defence contribution at the rate of 30% as from April 29, 2013 (August 31, 2011–April 28, 2013: 15%).

In certain cases dividends received from abroad may be subject to defence contribution at the rate of 30% (2014: 30%).

Any gains from disposal of qualified securities are not subject to corporate tax in Cyprus.

As from the tax year 2012, brought forward losses of the prior five years may be utilized.

During 2015, the Swedish subsidiary's profits are subject to Swedish income tax at the rate of 22% (2014: 22%).

Income tax expense

	Group 2015	Group 2014
Current tax	-68	-48
Deferred tax	-	-
Taxation	-68	-48

The tax on the Group's result before tax differs from the theoretical amount that would arise using the tax rate of the countries where the Group operates as follows:

	Group 2015	Group 2014
Result before tax	145,250	-127,398
Tax calculated at domestic tax rates applicable to profits in the respective countries	-18,435	14,822
<i>Tax effects of:</i>		
- Income not subject to tax	19,123	347
- Expenses not deductible for tax purposes	-754	-15,214
- Adjustment in respect of prior years	-	-
- Utilisation of previously unrecognised tax losses	-	-
- Tax losses for which no deferred income tax asset was recognised	-2	-2
Tax charge	-68	-48

The weighted average applicable tax rate was 13% (2014: 12%). The slight change is caused by a change in the profitability of the Group's subsidiaries in the respective countries.

Deferred tax

Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

Note 10 Earnings per share

Basic earnings per share have been calculated by dividing the net result for the financial year by the weighted average number of shares in issue during the year.

Diluted earnings per share have been calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares. Share options are the only category of dilutive potential ordinary shares for the company. For the share options, a calculation is made in order to determine the number of shares that would have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the options.

The 1,218,000 options outstanding on December 31, 2015 have not been included in the calculation of diluted earnings per share because they were antidilutive for the year ended December 31, 2015. These options could potentially dilute basic earnings per share in the future.

	2015	2014
Profit attributable to the equity holders of the company	145,182	-127,446
Weighted average number of ordinary shares on issue	73,573,384	78,489,261
Earnings per share, basic	1.97	-1.62
Adjustment for dilution effect of incentive options	-	-
Weighted average number of ordinary shares for diluted	73,573,384	78,489,261
Earnings per share, diluted	1.97	-1.62

Note 11 Property, plant and equipment Group

At January 1, 2014	
Cost or valuation	55
Accumulated depreciation	-43
Net book amount	11
Year ended December 31, 2014	
Opening net book amount	11
Additions	-
Disposals	-
Depreciation charge	-5
Exchange differences	-1
Closing net book amount	5
At December 31, 2014	
Cost or valuation	46
Accumulated depreciation	-41
Net book amount	5
Year ended December 31, 2015	
Opening net book amount	5
Additions	-
Disposals	-
Depreciation charge	-5
Exchange differences	-
Closing net book amount	-
At December 31, 2015	
Cost or valuation	-
Accumulated depreciation	-
Net book amount	-

Depreciations amounting to net USD -5 thousand (2014: -5) for the Vostok New Ventures Group have been recognized among operating expenses in the income statement (see also Note 8).

Note 12 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

December 31, 2015 – Group

Assets as per balance sheet			
	Loans and receivables	Assets at fair value through profit and loss – designated	Total
Financial assets at fair value through profit or loss	-	463,538	463,538
Loan receivables	32,521	-	32,521
Cash and cash equivalents	43,660	-	43,660
Total assets	76,182	463,538	539,719

Liabilities as per balance sheet

	Liabilities at amortised cost	Total
Borrowings	20,224	20,224
Total liabilities	20,224	20,224

December 31, 2014 – Group

Assets as per balance sheet			
	Loans and receivables	Assets at fair value through profit and loss – designated	Total
Financial assets at fair value through profit or loss	-	337,618	337,618
Loan receivables	37,913	-	37,913
Cash and cash equivalents	14,050	-	14,050
Total assets	51,963	337,618	389,581

December 31, 2015 – Parent Company

Assets as per balance sheet			
	Loans and receivables	Assets at fair value through profit and loss – designated	Total
Financial assets at fair value through profit or loss	-	1,021	1,021
Loan receivables	32,521	-	32,521
Cash and cash equivalents	12,964	-	12,964
Receivables from Group Companies	78,695	-	78,695
Total assets	124,180	1,021	125,201

Liabilities as per balance sheet

	Liabilities at amortised cost	Total
Borrowings	20,224	20,224
Total liabilities	20,224	20,224

December 31, 2014 – Parent Company

Assets as per balance sheet			
	Loans and receivables	Assets at fair value through profit and loss – designated	Total
Financial assets at fair value through profit or loss	-	30,012	30,012
Loan receivables	37,913	-	37,913
Cash and cash equivalents	13,965	-	13,965
Receivables from Group Companies	55,205	-	55,205
Total assets	107,083	30,012	137,094

Note 13 Non-current financial assets at fair value through profit or loss

	Group 2015	Group 2014
Beginning of the year	337,618	383,828
Additions	93,806	145,330
Transfer of Tinkoff (VEF spin-off)	-27,058	-
Reclassifications	-	-
Acquisition value	-55,570	-70,686
Change in fair value for the year	114,742	-120,854
End of the year	463,538	337,618

The assets specified in the table below are investments in financial assets at fair value through profit or loss.

	Parent Company 2015	Parent Company 2014
Beginning of the year	30,012	12,450
Additions	10,906	89,614
Transfer of Tinkoff to VNV	27,058	-
VEF spin-off	-27,058	-
Reclassifications	-	-
Disposals	-41,787	-70,686
Change in fair value	1,890	-1,366
End of the year	1,021	30,012

Security/Company name	Currency	Number of shares held Dec 31, 2015	Fair value (USD), Dec 31, 2015	Ownership share, %	Number of shares held Dec 31, 2014	Fair value (USD), Dec 31, 2014	Ownership share, %
Group							
Avito	USD	6,166,470	338,481,743	13.3%	6,166,470	232,054,598	13.7%
Tinkoff Bank	USD	-	-	-	9,079,794	28,964,543	4.9%
Gett	USD	18,927,570	34,516,317	6.0%	18,927,570	25,638,889	6.7%
Quandoo	EUR	-	-	-	-	6,699,598	4.6%
Yell.ru	USD	8,808,426	5,662,418	33.9%	8,661,609	8,000,000	33.3%
BlaBlaCar	EUR	-	33,181,762	2.3%	-	-	-
Wallapop	EUR	-	10,302,197	4.7%	-	-	-
Merro	USD	-	7,513,333	22.7%	-	-	-
Propertyfinder	USD	-	19,999,199	10%	-	-	-
Naseeb Networks (Roze and Mihnati)	USD	-	4,500,000	23%	-	-	-
OneTwoTrip	USD	-	4,000,000	6.1%	-	-	-
IZH Holding (Zameen and Bayut)	USD	-	2,000,000	7.9%	-	-	-
El Basharsoft (Wuzzuf and Forasna)	USD	-	968,000	14.2%	-	-	-
Delivery Hero Holding GmbH, equity component	EUR	-	2,412,857	0.1%	-	7,331,704	0.8%
Liquidity management (corporate bond portfolio)			-			28,928,347	
Total non current financial assets at fair value through profit or loss			463,537,827			337,617,679	
Parent Company							
Liquidity management (SEK denominated)			-			5,539,767	
Liquidity management (USD denominated)			-			23,388,580	
Liquidity management (EUR denominated)			1,020,656			1,083,335	
Total non current financial assets at fair value through profit or loss			1,020,656			30,011,682	

Change in financial assets at fair value through profit or loss¹

Company	Opening balance Jan 1, 2015	Investments/ (disposals), net, USD	FV change	Closing balance Dec 31, 2015	Percentage weight of total portfolio
Avito	232,054,598	-	106,427,145	338,481,743	62.7%
Gett	25,638,889	-	8,877,428	34,516,317	6.4%
BlaBlaCar	-	34,041,584	-859,822	33,181,762	6.1%
Propertyfinder	-	19,999,199	-	19,999,199	3.7%
Wallapop	-	9,025,726	1,276,471	10,302,197	1.9%
Merro	-	7,513,333	-	7,513,333	1.4%
Yell.ru	8,000,000	94,380	-2,431,962	5,662,418	1.0%
Naseeb Networks (Roze and Mihnati)	-	4,500,000	-	4,500,000	0.8%
OneTwoTrip	-	4,000,000	-	4,000,000	0.7%
IZH Holding (Zameen and Bayut)	-	2,000,000	-	2,000,000	0.4%
El Basharsoft (Wuzzuf and Forasna)	-	968,000	-	968,000	0.2%
Delivery Hero Holding GmbH, equity component	7,331,704	-7,641,666	2,722,819	2,412,857	0.4%
Quandoo	6,699,598	-12,509,919	5,810,321	-	-

1. Excludes TCS Group Holding PLC and liquidity management investments.

Note 14 Non-current loan receivables

	Group 2015	Group 2014
Beginning of the year	37,913	5,000
Additions	-	40,482
Repayments	-3,607 ¹	-1,172
Interest income	3,576	1,922
Reclassifications	-9,015	-5,000
Exchange differences	-3,595	-3,319
Interest expense/Revaluation	-1,821	-
End of the year	23,450	37,913

1. Includes Delivery Hero monthly interest payments and one-time interest payment from Kite Ventures during 2015.

Counterparty	Credit rating Dec 31, 2015 ¹	Nominal value Dec 31, 2015	Nominal value Dec 31, 2014	Carrying value Dec 31, 2015	Carrying value Dec 31, 2014	Terms of interest	Maturity
Delivery Hero Holding GmbH	-	27,342	30,453	23,450	27,809	7.25%/8.75%/10.25%	Aug 2018
Kite Ventures Partners III Ltd	-	-	10,104	-	10,104	-	-
Total		27,342	40,557	23,450	37,913		

1. 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 has raised approximately USD 400 million during 2015 (2014: USD 260 million) and will raise additional funds 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 the impairment.

In August 2014, Vostok New Ventures invested EUR 25 mln in senior secured debt of Delivery Hero with 9.5–10.5 per cent annual nominal interest. The loan also includes a smaller equity component in which Vostok New Ventures has received a number of shares and warrants in the company. As per December 31, 2014 the warrants had been converted into equity and the total value of the equity component amounted to USD 7.3 mln. In February 2015, 85 per cent of the equity component was sold for a total purchase price of approximately USD 9.4 mln. In August 2015, the loan was restructured which resulted in new terms including an additional equity component and amended nominal interest rate. The new nominal interest rate is 7.25–10.25% and the loan matures in August 2018.

In September 2014, Vostok New Ventures invested EUR 8 mln in senior secured debt of Kite Ventures. The debt carries 13 per cent annual nominal interest and has 2-year maturity. The Kite loan features a smaller equity component, which on December 31, 2015 had no value. During 2015, the loan to Kite Ventures of EUR 8 mln and accrued interest was reclassified from non-current to current loan receivables.

During 2014, the bridge loan to RusForest of USD 5 mln and accrued interest was reclassified from non-current to current loan receivables.

Note 15 Current loan receivables

	Group 2015	Group 2014
Beginning of the year	-	-
Additions	1,500	-
Repayments	-1,502	-5,517
Reclassifications	9,015	5,000
Interest income	287	517
Exchange differences	-228	-
End of the year	9,072	-

Counterparty	Credit rating Dec 31, 2015	Nominal value Dec 31, 2015	Nominal value Dec 31, 2014	Carrying value Dec 31, 2015	Carrying value Dec 31, 2014	Terms of interest	Maturity
Kite Ventures Partners III Ltd	-	9,072	-	9,072	-	13%	Sep 2016
Total		9,072	-	9,072	-		

In September 2014, Vostok New Ventures invested EUR 8 mln in senior secured debt of Kite Ventures. The debt carries 13 per cent annual nominal interest and has 2-year maturity. The Kite loan features a smaller equity component, which on December 31, 2015 had no value. During 2015, the loan to Kite Ventures of EUR 8 mln and

accrued interest was reclassified from non-current to current loan receivables.

During 2014, the bridge loan to RusForest of USD 5 mln and accrued interest was reclassified from non-current to current loan receivables. The loan was fully repaid in December 2014.

Note 16 Other current receivables

	Group Dec 31, 2015	Group Dec 31, 2014	Parent Company Dec 31, 2015	Parent Company Dec 31, 2014
Prepayments and accrued income	62	72	47	48
Other receivables	21	31	-	3
Total	83	103	47	51

Note 17 Cash and cash equivalents

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Group Dec 31, 2015	Group Dec 31, 2014
Cash and cash equivalents	43,660	14,050
of which short-term investments equivalent to cash	-	10,000
Total	43,660	14,050

Note 18 Share capital and additional paid in capital Group and Parent Company

	Number of shares held	Share capital	Additional paid in capital
At January 1, 2014	89,903,020	31,466	157,939
New shares issued	-	-	-
Repurchase of own shares, 2014	-15,830,049	-5,541	-112,448
Employees share option scheme:			
- value of employee services	24,360	9	61
At December 31, 2014	74,097,331	25,934	45,553
New shares issued	-	-	-
Redemption program	-	-2,205	-
Repurchase of own shares	-597,776	-209	-2,556
Employees share option scheme:			
- value of employee services	-	-	-
At December 31, 2015	73,499,555	23,520	42,996

On May 14, 2014, Vostok New Ventures' Board of Directors, acting under Bermudan law and the Company's bye-laws, mandated the management of Vostok New Ventures to repurchase up to 10 percent of the Swedish Depository Receipts (SDRs) of the Company then outstanding during the period until the next AGM.

During 2015, Vostok New Ventures repurchased 597,776 (2014: 15,830,049) SDRs under the 2014 repurchase mandate.

There are currently 2,094,351 (2014: 1,160,000) ordinary shares available under the employee share option scheme. Each option entitles the holder to one new share (SDR) in Vostok New Ventures Ltd. For more information on the options, see Note 24.

Note 19 Borrowings

	Group Dec 31, 2015	Group Dec 31, 2014	Parent Company Dec 31, 2015	Parent Company Dec 31, 2014
Borrowings	20,224	-	20,224	-
Total	20,224	-	20,224	-

In October 2015, the Company has obtained a twelve-month USD 25 mln secured credit facility from Pareto Bank ASA, Pareto Securities AB and Pareto Securities AS, and utilized the first USD 20 mln credit facility request. The second credit facility request in the amount of USD 5 mln and latest repayment date of December 15, 2015 has not been utilized.

The facility is secured by a first priority pledge over shares in the Company's wholly owned subsidiary Vostok New Ventures (Cyprus) Limited and by a charge over the Company's cash and custody account.

The carrying value is assumed to be the same as its fair value due to its short-term nature.

Note 20 Other current liabilities

	Group Dec 31, 2015	Group Dec 31, 2014	Parent Company Dec 31, 2015	Parent Company Dec 31, 2014
Liability for unpaid investment in Propertyfinder	14,999	-	-	-
Other current liabilities	140	84	85	36
Accrued VAT liability	783	783	-	-
Total	15,922	867	85	36

Note 21 Financial guarantees

There were no financial guarantee contracts as at December 31, 2015 or December 31, 2014.

Note 22 Pledged assets and contingent liabilities

Pledged assets

In October 2015, the Company has obtained a twelve-month USD 25 mln secured credit facility from Pareto Bank ASA, Pareto Securities AB and Pareto Securities AS. The facility is secured by a first priority pledge over shares in the Company's wholly owned subsidiary Vostok New Ventures (Cyprus) Limited and by a charge over the Company's cash and custody account.

	Group Dec 31, 2015	Group Dec 31, 2014	Parent Company Dec 31, 2015	Parent Company Dec 31, 2014
Pledged assets	398,481	-	84,389	-
Total	398,481	-	84,389	-

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 is obliged to pay an additional amount of output VAT of SEK 13,767,907 on the services supplied to Vostok New Ventures Ltd in addition to tax penalties in the amount of SEK 2,753,579 (together approximately USD

2 mln). Vostok New Ventures AB has appealed the STA's decision to the administrative court and applied for a deferral of payment, which was approved. Vostok New Ventures AB currently sees no grounds for making provisions for potential additional taxes ensuing from this matter, an assessment which is supported by our legal advisors. However, this is considered to be a contingent liability.

Note 23 Shares in subsidiaries

Parent Company

	Country	Number of shares	Share of capital and votes, %	Book value Dec 31, 2015 USD thousand	Book value Dec 31, 2014 USD thousand
Vostok New Ventures (Cyprus) Limited	Cyprus	150,000	100	84,389	84,389
<i>Other subsidiaries of the Group</i>					
Vostok New Ventures AB	Sweden	1,000	100		
Vostok Co-Investment Coöperatief B.A	The Netherlands	N/A			
Total				84,389	84,389

All the companies are included in the consolidated financial statements from the time of acquisition.

Note 24 Employee benefit expense

	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Wages and salaries	2,447	1,187	347	182
Social security costs	742	385	35	24
Pensions costs	185	225	-	-
Other employee benefit expenses	1	3	-	-
Total employee benefit expense	3,375	1,799	382	207

	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Salaries and other remunerations to the management and the Board of Directors of the parent and its subsidiaries	2,502	1,330	347	182
Salaries and other remunerations to other employees	131	85	-	-
Total salaries	2,633	1,415	347	182

Decisions regarding remuneration to managers are made by the Board of Directors. The Managing Director has the right to 12 months' salary in the event of the termination of appointment on part of the company. He must himself observe 6 months' notice of termination. The rest of the management has a notice period of three months, which also applies to the company in the event of termination on part of the company. No notice period applies to the Board of Directors. The average number of persons employed by the Group during the year, excluding members of the Board of Directors, was 4 (4), of which 3 (3) were men. The average number of persons in the management was 3 (3).

Group 2015

	Base salaries/ board fee	Variable compensations	Other benefits	Pension expenses	Shares based compensations	Other remunerations	Total
Lars O Grönstedt	97	50	-	-	-	-	147
Josh Blachman	30	50	-	-	-	-	80
Victoria Grace	19	-	-	-	-	-	19
Ylva Lindquist	19	-	-	-	-	-	19
Keith Richman	30	50	-	-	-	-	80
Per Brilioth	453	1,000	-	95	-	-	1,548
Other management and board members of subsidiaries	328	200	-	80	-	-	608
Total	978	1,350	-	175	-	-	2,502

Group 2014

	Base salaries/ board fee	Variable compensations	Other benefits	Pension expenses	Shares based compensations	Other remunerations	Total
Lars O Grönstedt	112	-	-	-	-	-	112
Josh Blachman	35	-	-	-	-	-	35
Keith Richman	35	-	-	-	-	-	35
Per Brilioth	540	-	-	117	-	-	657
Other management and board members of subsidiaries	392	-	-	98	-	-	490
Total	1,115	-	-	215	-	-	1,330

Parent 2015

	Base salaries/ board fee	Variable compensations	Other benefits	Pension expenses	Shares based compensations	Other remunerations	Total
Lars O Grönstedt	97	-	-	-	-	-	97
Josh Blachman	30	-	-	-	-	-	30
Victoria Grace	-	-	-	-	-	-	-
Ylva Lindquist	-	-	-	-	-	-	-
Keith Richman	30	-	-	-	-	-	30
Per Brilioth	-	-	-	-	-	-	-
Other management and board members of subsidiaries	-	-	-	-	-	-	-
Total	158	-	-	-	-	-	158

Parent 2014

	Base salaries/ board fee	Variable compensations	Other benefits	Pension expenses	Shares based compensations	Other remunerations	Total
Lars O Grönstedt	112	-	-	-	-	-	112
Josh Blachman	35	-	-	-	-	-	35
Keith Richman	35	-	-	-	-	-	35
Per Brilioth	-	-	-	-	-	-	-
Other management and board members of subsidiaries	-	-	-	-	-	-	-
Total	182	-	-	-	-	-	182

The managing director has a defined contribution pension plan, according to the Group's pension policy which is based on Swedish ITP-standards. The Group has no further obligations once the contributions have been paid. The contributions are recognized as employee benefit pension expense in profit or loss when they are due. The pension is not tied to the managing director's employment and is based on the managing director's base salary.

The 2010 Incentive Program

The Annual General Meeting held on May 5, 2010 decided in accordance with the proposal from the Board of Directors to adopt an incentive program (the "2010 Incentive Program") entitling present and future employees to be allocated call options to acquire shares represented by Swedish Depositary Receipts in Vostok New Ventures Ltd. The terms of the 2010 Incentive Program were subsequently adjusted to reflect the results of the Share Split and Mandatory Redemption Programs concluded in October 2012 and June 2013 and again in July 2015 in connection with the spin-off of Vostok Emerging Finance Ltd. Adjusted figures are shown below, with original terms in parentheses.

The 2010 Incentive Program is governed by the following terms and conditions:

Principal Conditions and Guidelines

- The exercise price for the Options shall correspond to 120 percent of the market value of the Swedish Depositary Receipts at the time of the granting of the Options.
- The Options may be exercised during an exercise period of one month starting three years from the time of the granting.
- For employees resident outside of Sweden, no premium shall be paid for the Options and the Options may only be exercised if the holder is still employed within the Group at the time of exercise.
- For employees resident in Sweden, the employees may elect either of the following alternatives:
 - a) No premium shall be paid for the Options and the Options may only be exercised if the holder is still employed within the Group at the time of exercise (same as for employees resident outside of Sweden); or
 - b) The Options shall be offered to the employee at a purchase price corresponding to the market value of the Options at the time of the offer. The Options shall be fully transferable and will thereby be considered as securities. This also means that Options granted under this option (b) are not contingent upon employment and will not lapse should the employee leave his or her position within the Group.
- Options may be issued by the Company or by other Group companies.

Preparation and Administration

The Board of Directors, or a designated committee appointed by the Board of Directors, shall be authorized to determine the detailed terms and conditions for the Options in accordance with the principal conditions and guidelines set forth above. The Board of Directors may make necessary adjustments to satisfy certain regulations or market conditions abroad. The Board of Directors shall also be authorized to resolve on other adjustments in conjunction with material changes affecting the Group or its business environment, which would mean that the described conditions for the incentive scheme would no longer be appropriate.

Allocation

The incentive scheme is proposed to include granting of not more than 5,115,600 (originally 2,000,000) options. Allocation of Options to the Managing Director shall not exceed 2,557,800 (originally 1,000,000) Options and allocation to each member of the executive management or to other key employees shall not exceed 1,023,120 (originally 400,000) Options.

The allocation of Options shall be decided by the Board of Directors (or by the Compensation Committee), taking into consideration, among other things, the performance of the employee and his or her importance to the Group. Specific criteria to be considered include the employee's ability to manage and develop the existing portfolio and to identify new investment opportunities and evaluate conditions of new investments as well as return on capital or estimated return on capital in investment targets. The employees will not initially be offered the maximum allocation of Options and a performance-related allocation system will be maintained since allocation of additional Options within the mandate given by the General Meeting will require fulfilment of stipulated requirements and targets. The Compensation Committee shall be responsible for the evaluation of the performance of the employees. The outcome of stipulated targets shall, if possible, be reported afterwards.

Directors who are not employed by the Group shall not be able to participate in the scheme.

Bonus for employees resident in Sweden under option (b)

In order to stimulate the participation in the scheme by employees resident in Sweden electing option (b) above, the Company intends to subsidize participation by way of a bonus payment which after tax corresponds to the Option premium. Half of the bonus will be paid in connection with the purchase of the Options and the remaining half at exercise of the Options, or, if the Options are not exercised, at maturity. In order to emulate the vesting mechanism offered by the employment requirement under option (a) above, the second bonus payment is subject to the requirement that the holder is still an employee of the Group at the time of exercise or maturity, as the case may be. Thus, for employees in Sweden who choose option (b), the participation in the scheme includes an element of risk.

Dilution and costs

A total of 5,115,600 (originally 2,000,000) options were authorized under the 2010 Option Program. A total of 1,218,000 (originally 1,160,000) options are currently outstanding. If all options are fully exercised, the holders will acquire shares represented by Swedish Depositary Receipts corresponding to a maximum of approximately 1.66 percent of the share capital as at December 31, 2015. The proposed number of Options was chosen to meet allocation requirements for the subsequent couple of years, also taking into account possible future recruitment needs.

The total negative cash flow impact for the bonus payments described above is estimated to approximately SEK 20,000,000 over the life of the incentive scheme, provided that all Options are offered to employees resident in Sweden, that all such employees choose to purchase the Options under option (b) above, and that all Option holders are still employed by the Company at the time of maturity of the Options.

Other costs for the incentive scheme, including fees to external advisors and administrative costs for the scheme are estimated to amount to approximately SEK 250 thousand for the duration of the Options.

Purpose

The purpose of the incentive scheme is to create conditions that will enable the Company to retain and recruit competent employees to the Group as well as to promote long-term interests of the Company by offering its employees the opportunity to participate in any favourable developments in the value of the Company. The Board of Directors is of the opinion that the adoption of an incentive scheme is particularly justified given the absence of any variable bonus scheme for the employees in the Company.

Current Status of the 2010 Incentive Program

A total of 1,717,380 (originally 705,000) out of the 5,115,600 options authorized under the 2010 Incentive Program were issued to employees in 2010 and 2011. Of these, a total of 1,495,500 options, entitling to the purchase of 1,693,020 SDRs with a strike price of SEK 12.83 (originally 31.41) matured and were exercised in August 2013, and the remaining 21,000, entitling to the purchase of 24,360 at a strike price of SEK 19.18 (originally 46.94) matured and were exercised in June, 2014. A total of 1,218,000 (originally 1,160,000) out of the remaining 3,312,351 (originally 3,154,620) call options available for issue under the same program were issued to employees in 2013, of which 525,000 (originally 500,000) to the Managing Director. These have a strike price of SEK 57.40 (originally SEK 60.35) and mature in January 2017. All employees chose to purchase their awarded options at fair market value, under option (b) above.

Options Outstanding under the 2010 Incentive Program

	Issued 2013 ¹	Total Dec 31, 2015
<i>Management and board members of subsidiaries</i>		
Per Brilioth	525,000	525,000
Nadja Borisova	315,000	315,000
Anders F. Börjesson	315,000	315,000
Other	63,000	63,000
Total	1,218,000	1,218,000
Strike price, SEK ²	57.40	
Market value per option at the time of issue, SEK ³	7.46	
Option life	Dec 10, 2013–Jan 31, 2017	
Exercise period	Dec 1, 2016–Jan 31, 2017	

1. Originally, 1,160,000 options were issued in 2013. The Board has subsequently adjusted the terms for the options, following the redemption program via VEF spin off in the third quarter of 2015 as required under the terms of the 2010 Incentive Program. Under the revised terms, each option issued 2013 entitles the holder to subscribe for 1.05 SDRs at a strike price of SEK 57.4 (originally 60.35).
2. The strike price for the options was calculated as 120% of the average last paid price of the ten trading days leading up to the day of issue in line with the rules of the 2010 Incentive Program.
3. The market value at the time of issue was calculated with the help of the Black & Scholes options valuation model. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns based on an analysis of historical share prices, option life; and the Swedish market interest rate at the grant date. The original value as calculated on the date of grant and based on original number of options was SEK 7.46. The significant inputs into the model were a share price of SEK 50.29, a volatility of 29%, a dividend yield of 0%, an expected option life of three years and an annual risk-free interest rate of 1.12%.

Movements in the number of share options outstanding and their weighted average prices are as follows:

	Average exercise price in SEK/share	Options Dec 31, 2015	Options Dec 31, 2014
At opening balance day	60.35	1,160,000	1,184,360
Modified	-	58,000	-
Forfeited	-	-	-
Exercised	-	-	-24,360
Granted	-	-	-
At closing balance day	57.40	1,218,000	1,160,000

Out of the 1,218,000 options (2014: 1,160,000) 0 options (2014: 0) were exercisable.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Exercise price, SEK	Options 2015	Options 2014
January 31, 2017	57.40 (60.35)	1,218,000	1,160,000
At the end of the financial year			1,160,000

Note 25 Related-party transactions

The Group has identified the following related parties: Key Management and Board of Directors, including members of the Board and Management, and members of the Board of subsidiaries.

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

	Operating expenses		Current liabilities	
	2015	2014	2015	2014
Key management and Board of Directors ¹	-2,327	-1,115	-	-104

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

Total variable compensation (excluding social taxes) paid to the management in 2015 amounted to USD 1.20 mln (including USD 1 mln paid to the Managing Director), and to the Board of Directors USD 0.15 mln.

Subsidiaries

The parent company, Vostok New Ventures Ltd, has related-party transactions with its subsidiaries: the Cypriot subsidiary Vostok New Ventures (Cyprus) Limited; and a Swedish subsidiary, Vostok New Ventures AB. The parent company's business is to act in the holding company of the Group and therefore own, manage and finance the holding in its wholly owned Cypriot subsidiary, Vostok New Ventures (Cyprus) Limited. The Swedish subsidiary provides information and analysis services to the parent company.

Parent Company

	Dec 31, 2015	Dec 31, 2014
Loan receivables	78,695	55,205
Interest income	3,059	1,662
Current liabilities	-727	-591
Operating expenses	-3,669	-2,313

Note 26 Business combinations

No business combination transactions have taken place during 2015 and 2014.

Note 27 Adoption of annual report

The annual report has been submitted by the Board of Directors on March 31, 2016, see page 51. The balance sheet and profit and loss accounts are to be adopted by the company's shareholders at the annual general meeting on May 17, 2016.

Declaration

The Board of Directors and the Managing Director declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with IFRS and give a true and fair view of the Parent Company's financial position and results of operations.

The Administration Report and the other parts of the Annual Report of the Group and the Parent Company provide a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describe material risks and uncertainties facing the Parent Company and the companies included in the Group.

The Statutory Corporate Governance and the other parts of the Annual Report of the Group provides a fair review of the development of the Group's operations, financial position and results of operations and describes material risks and uncertainties facing the companies included in the Group.

Stockholm, March 31, 2016

Lars O Grönstedt
Chairman

Josh Blachman
Board member

Victoria Grace
Board member

Ylva Lindquist
Board member

Keith Richman
Board member

Per Brilioth
Managing Director and Board member

Independent Auditors' Report

We have audited the accompanying consolidated and parent company financial statements of Vostok New Ventures Ltd, appearing on pages 24 to 51, which comprise balance sheets as at December 31, 2015, and income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of Vostok New Ventures Ltd as of December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Stockholm, March 31, 2016

PricewaterhouseCoopers AB

Ulrika Ramsvik

Authorised public accountant

Auditor in charge

Bo Hjalmarsson

Authorised public accountant

Corporate Governance Report

The current Swedish Corporate Governance Code (the “Code”) came into force on November 15, 2015. The rules of the Code are a supplement to the main provisions of the Swedish Companies Act (2005:551) regarding a company’s organization, but also to the relatively extensive self-regulation that exists for corporate governance. The Code is based on the principle of “comply or explain”. According to this principle a company may choose whether it wants to follow a clause in the Code, or explain why it has chosen not to.

CORPORATE GOVERNANCE CODE APPLICATION

Vostok New Ventures Ltd (the “Company”) is a limited liability company registered in Bermuda. Since the Company’s depository receipts are listed on a Swedish regulated market, it applies the Code. The Company will apply the Code in full to the extent it is compliant with the Bermudian Companies Act, or, where applicable, explain deviations from it. At present, the Company deviates from the Code in that it does not have an Internal Audit function and that the Board of Directors does not have a designated Audit Committee, as further explained below. The main principles of corporate governance in the Company are described below.

Shareholders’ meetings

The Annual General Meeting (“AGM”) is the highest decision-making body of the Company, in which all shareholders are entitled to attend in person or by proxy. The AGM of the Company is held in Stockholm, Sweden, in the Swedish language, once per year, no later than six months after the end of the financial year. The task of the AGM is to report on the financial results and take decisions on corporate matters, including payment of dividends and amendments to the Articles of Association. The AGM also appoints members of the Board of Directors and auditors, and establishes the remuneration of the Board of Directors and the auditors. The 2015 AGM was held on May 20, 2015.

Major Shareholders

Luxor Capital – which holds a total of 27,588,958 shares in the Company, representing a total of 37.5 percent of the outstanding shares – is the only shareholder directly or indirectly controlling 10 percent or more of the votes

in the Company. The shares are held through various legal entities controlled by Luxor Capital.

Nomination Committee

Shareholders in the Company have the right to nominate members of the Board of Directors, and auditors, to the AGM.

At the Company’s 2015 AGM it was resolved to establish a Nomination Committee consisting of representatives of the three largest shareholders of the Company, as at the last banking day of August 2015. The Nomination Committee for the 2016 Annual General Meeting consists of the following members: Jonathan Green, appointed by Luxor Capital, Ramsay Bruford, appointed by Alecta and Håkan Berg, appointed by Swedbank Robur Funds. At the Nomination Committee’s first meeting Ramsay Bruford was elected Chairman of the Committee. The Nomination Committee’s task is to prepare proposals for the following resolutions at the 2016 AGM: (i) election of the chairman of the AGM, (ii) the election of Board members, (iii) the election of the Chairman of the Board, (iv) the remuneration of the directors, (v) election of auditors and remuneration of the Company’s auditors, and (vi) proposals on the nomination process for the AGM 2017.

Appointment and Remuneration of the Board of Directors and the Auditors

Rules on appointment and removal of Directors are contained in clauses 4.1.1 through 4.1.3 of the Company’s Bye-Laws, which are available on the Company’s website. Under the Bye-Laws, the Board shall consist of not less than 3 and not more than 15 directors with no alternate directors. The Board is appointed annually at the AGM for the period until the closing of the next AGM. The term of office of a director may be terminated prematurely at the director’s own request to the Board or by the general meeting. In addition, the office of a director may be terminated prematurely by the Board upon the occurrence of any of the following events: (i) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health; (ii) if he becomes bankrupt or compounds with his creditors; or (iii) if he is prohibited by law from being a director. Where a director’s term of office is terminated prematurely, then the other direc-

tors shall take steps to have a new director appointed by the general meeting, for the remaining term of the office. However, such new appointment may be postponed until the next AGM at which an election of directors shall take place, provided that the remaining directors form a quorum and that the remaining number of directors is not less than the prescribed minimum number of directors.

Auditors are elected by the AGM for a term of one year at a time.

The 2015 Board of Directors

The Company's 2015 AGM resolved, in accordance with the Nomination Committee's proposal, to re-elect Josh Blachman, Per Brilioth, Lars O Grönstedt and Keith Richman, and to elect Victoria Grace and Ylva Lindquist to the Board of Directors, with Lars O Grönstedt as Chairman. All Directors are independent vis-à-vis the Company and its management, with the exception of Per Brilioth, who is Managing Director of the Company, and all Directors are independent of the Company's major shareholders.

For a detailed presentation of the current Board, see "Board of Directors, group management and auditors" in the 2015 Annual Report.

Board meetings

The Board of Directors meets at least three times per year in person, and more frequently when necessary. In addition, meetings are conducted by telephone if considered necessary, and, on occasion, resolutions may be passed by circulation. The Managing Director is in regular contact with the Chairman of the Board of Directors as well as with the other members of the Board of Directors.

Evaluation of the Board of Directors and Managing Director

The Chairman of the Board annually conducts an evaluation of the Board by distributing self-assessment forms and conducting one-on-one interviews with the other Board members with a view to assessing how well the Board functions and whether there are areas that need improvement or competences that are deemed lacking. The Chairman compiles the results of the self-assessment forms and interviews and presents them to the Nomination Committee along with any issues raised by Board members during the year.

The Board evaluates the work of the Managing Director at one of the two regular in person meetings in the form of a discussion in camera without management present, at which the performance of senior management is also discussed.

Work and Responsibilities

The Board of Directors adopts decisions on overall issues affecting the Group which include preparing and issuing

investment recommendations to the Board of the subsidiary. The Board of Directors' primary duties are the organization of the Company and the management of the Company's operations including:

- Decisions regarding the focus of the business and adoption of Company policies;
- Supply of capital;
- Appointment and regular evaluation of the work of the Managing Director and Company management;
- Approval of the reporting instructions for the Company management;
- Ensuring that the Company's external communications are open, objective and appropriate for target audiences;
- Ensuring that there is an effective system for follow-up and control of the Company's operations and financial position vis-à-vis the established goals; and
- Follow-up and monitoring that the operations are carried out within established limits in compliance with laws, regulations, stock exchange rules, and customary practice on the securities market.
- As there is no Audit Committee appointed, the Board in its entirety is responsible for reviewing the financial reports issued by the company, including the four quarterly reports as well as the annual report, and for addressing any critical accounting issues, including:
 - matters of internal control and application of relevant accounting principles and laws.
 - any uncertainties in presented values, changes in estimates and appraisals.
 - significant events after the reporting period.
 - proposals for addressing established irregularities.
 - discussing any other issues that might affect the quality of the company's reporting.
- The Board shall on a continuous basis (at least once a year) meet with the company's auditors to stay informed of the direction and extent of the audit. The Board and the auditors shall also discuss the coordination between internal control and external audit and the auditors' views on potential risks to the company's quality of reporting.
- The Board shall on an annual basis in connection with the end of the financial year, evaluate the performance by the company's auditors. They shall inform the nomination committee of the result of the valuation, to be considered when they nominate auditors for the Annual General Meeting ("AGM").
- The Board shall further assist the nomination committee in the process of nominating auditors and proposing the remuneration for the auditors.

Sub-committees of the Board

Given the central role that valuation of unlisted holdings plays in the Company's accounts, the Board has taken the view that all Board members need to be informed and involved in the Company's reporting. For this rea-

Composition of the Board of Directors, elected on May 20, 2015, including meeting attendance

Name	Elected to the board	Position	Connection to the Company	Attended Board meetings	Annual Board fee, SEK thousand
Lars O Grönstedt	2010	Chairman	Independent	100%	800 ¹
Josh Blachman	2013	Member	Independent	100%	250 ¹
Per Brilioth	2007	Member	Management	100%	-
Victoria Grace	2015	Member	Independent	83% ²	250
Ylva Lindquist	2015	Member	Independent	100% ²	250
Keith Richman	2013	Member	Independent	100%	250 ¹
Number of meetings				11	1,800

1. Excl. *ex gratie* payment of USD 50k as resolved at the 2015 AGM.

2. A total of six meetings were held after the Director was elected at the 2015 AGM.

son, the Board has not formed an audit committee. The Board of Directors does not have any other sub-committees.

Management

The Managing Director, who is a member of both the Board of Directors as well as of group management, prepares and issues investment recommendations in cooperation with the other members of the Board. For a detailed presentation of the management, see the section "Board of Directors, group management and auditors".

Group Management in 2015

Per Brilioth: Managing Director.

Nadja Borisova: Chief Financial Officer.

Anders F. Börjesson: General Counsel.

A full descriptions of the group management can be found on page 23 of the 2015 Annual Report.

Investor Relations

The Investor Relations function of the Company is handled in-house by Björn von Sivers.

Remuneration of the Board of Directors and group management

Remuneration of the Company's Board of Directors

At the 2015 AGM it was resolved that the remuneration of the Board of Directors be set at a total of SEK 1,800 thousand, with SEK 800 thousand to the Chairman and SEK 250 thousand to each of the four other Directors who were not employed by the Company. The 2015 AGM also resolved on an *ex gratie* payment in the amount of USD 50 thousand to each of the three independent Board members in acknowledgment of their greatly increased workload during 2014–2015. The resolution was ratified at a Special General Meeting held on June 9, 2015.

Remuneration of the senior management

The Company's 2015 AGM resolved on the following guidelines for the remuneration of the group management: The remuneration to the Managing Director and other members of the senior management shall consist of fixed salary, variable remuneration, other benefits and

pension benefits. Except for the Managing Director, the senior management currently includes two individuals. The total remuneration shall correspond to the prevailing market conditions and be competitive. The fixed and variable remuneration shall correspond to the respective individual's responsibility and authority. The variable component should, in the first instance, be covered within the parameters of the Company's option plan and shall, where payable in other instances, be subject to an upper limit in accordance with market terms and specific objectives for the Company and/or the individual. The period of notice of termination of employment shall be three to six months in the event of termination by the member of the senior management. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 12 months. Pension benefits shall be either benefit-based or contribution based or a combination thereof, with individual retirement ages. Benefit based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. The Board of Directors shall be entitled to deviate from these guidelines in individual cases should special reasons exist.

In 2015, the Managing Director received a fixed annual salary of approximately USD 540 thousand. In 2015, the Managing Director was also awarded an *ex gratie* payment in the amount of USD 1,000 thousand. The Managing Director has a pension plan based on Swedish market practice, which is accounted for as a defined contribution plan in accordance with IAS 19. The premium is calculated on the basis of the Managing Director's base salary. The Managing Director is entitled to 12 months' full salary in the event of termination by the Company. Should he himself choose to resign the notice period is six months.

The combined fixed annual salary to the other senior executives amounted to a total of approximately USD 328 thousand. In 2015, the senior management was also awarded *ex gratie* payments in the aggregate amount of USD 250 thousand. The other senior executives have a pension plan based on Swedish market practice, which is accounted for as a defined contribution plan in accordance with IAS 19. The premium is calculated on the

basis of base salary. The employment agreements of the other members of the group management have a mutual notice period of three months.

In awarding the *ex gratie* payments to the Managing Director and senior management despite the absence of specific objectives communicated to the beneficiaries in advance, the Board relied on its right to deviate from the guidelines as set out above. The deviation was motivated by the successful spin-off during the year of Vostok Emerging Finance, as well as the realized profits from the 2015 divestment of Quandoo and Delivery Hero. Before resolving on the payment, the Board commissioned a study from an executive compensation consultancy, which confirmed the payment was in line with executive compensation in private equity firms.

Share repurchase authorization

While share repurchases in Swedish companies require authorization by the General Meeting, neither Bermudan company law nor the Company's Bye-Laws contains any restriction against repurchasing own shares. On May 14, 2014, Vostok New Ventures disclosed that the Company's Board of Directors had resolved to renew the buy-back mandate of up to 10 percent of the SDRs that were outstanding of the time of the resolution. During 2015, Vostok New Ventures repurchased a total of 597,776 SDRs under the 2014 mandate. All repurchased SDRs and their underlying shares were canceled during 2015.

Incentive program

Incentive program for the Company

A share-based incentive program was adopted at the Annual General Meeting held on May 5, 2010. The program is described in detail in note 24 to the 2015 financial statements. A total of 1,218,000 options granted in 2013 (of which 525,000 to the Managing Director), remain outstanding.

Incentive program for the Company's portfolio companies

At an Extra General Meeting held on August 29, 2007, an incentive scheme was adopted under which the Company may issue and transfer call options to members of the executive management and other employees related to investments in non-listed portfolio companies to create opportunities for employees to take part in any future increase in value. By enabling the Company's employees to subscribe for call options of shares in portfolio companies, opportunities are created for employees to take part in any future increase in value, in a similar mode as for individuals that are working within so-called private equity companies. The options shall entitle the holder to acquire shares in the portfolio company from Group companies at a certain exercise price corresponding to 110–150 percent of the market value of the shares in the portfolio company at the time of the transfer of the

options. The term of the options shall be no longer than five years. The Company shall be entitled to repurchase the options at market value if the holder ceases to be an employee of the Group. The number of options issued can correspond to no more than 10 percent of the underlying shares in a portfolio company owned by Vostok New Ventures. The Directors of the Board who are not employed by the Company shall not be entitled to participate in the program. As of yet no call options have been transferred to any employees within the Group.

Other matters related to remuneration

There are no agreements on severance payment or pensions for the Board of Directors with the exception for the Managing Director in his capacity as Managing Director, see "Remuneration to the Managing Director and other senior executives" above. Except as otherwise stated there are no reserved or accrued amounts in the Company for pensions or other post-employment remunerations or post-assignment for members of the Board of Directors or the senior executives.

Auditors

At the Company's AGM held on May 20, 2015, the audit firm PricewaterhouseCoopers AB, Sweden, was appointed as auditor for the period up to the next AGM.

Ulrika Ramsvik, born 1973. Authorized Public Accountant, Auditor in charge. Auditor in the Company since 2012. PricewaterhouseCoopers AB, Gothenburg, Sweden.

Bo Hjalmarsson, born 1960. Authorised Public Accountant, Co-signing auditor. Auditor in the Company since 2014. PricewaterhouseCoopers AB, Stockholm, Sweden.

During the year the auditing firm has not had any other significant assignments from Vostok New Ventures in addition to auditing work specified in the section "Independent Auditors' Report" on page 52.

Internal control

The Board of Directors is responsible for the Company's organization and administration of the Company's activities, which includes internal control. Internal control in this context regards those measures taken by the Company's Board of Directors, management and other personnel, to ensure that bookkeeping, asset management and the Company's financial condition in general are controlled in a reliable fashion and in compliance with relevant legislation, applicable accounting standards and other requirements for listed companies. This control is exercised by the Board in its entirety. This report on internal control is made in accordance with section 7.4 of the Code, which governs internal control over the financial reporting, and in accordance with guidance

provided by FAR, the institute for the accounting profession in Sweden, and by the Confederation of Swedish Enterprise.

Vostok New Ventures is an investment company whose main activity is the management of financial transactions. As such, the Company's internal control over financial reporting is focused primarily on ensuring an efficient and reliable process for managing and reporting on purchases and sales of securities and holdings of securities. According to the Swedish Corporate Governance Code, the board shall ensure that the company has an adequate internal control and shall continuously evaluate the company's internal control system. Since Vostok New Ventures is a relatively small organization, the Board has decided that an internal audit function is not needed, since the internal control can be maintained through the work methods described above. The system of internal control is normally described in terms of five different areas that are a part of the internationally recognized framework which was introduced in 1992 by The Committee of Sponsoring Organizations in the Treadway Commission (COSO). These areas, described below, are control environment, risk assessment, control activities, information and communication and monitoring.

Management continuously monitors the Company's operations in accordance with the guidelines set out below. Monthly reports are produced for internal use, which later form the basis for a quarterly review by the Board of Directors.

Control environment

The control environment, which forms the basis of internal control over financial reporting, to a large extent exists of the core values which the Board of Directors communicate and themselves act upon. Vostok New Ventures' ambition is that values such as precision, professionalism and integrity should permeate the organization. Another important part of the control environment is to make sure that such matters as the organizational structure, chain of command and authority are well defined and clearly communicated. This is achieved through written instructions and formal routines for division of labor between the Board of Directors on the one hand, and management and other personnel on the other. The Board of Directors establishes the general guidelines for Vostok New Ventures' core business, which are purchases and sales of securities and holdings of securities. To ensure a reliable and easily foreseeable procedure for purchases and sales of securities the Company has established a sequential process for its investment activities. The Board of Directors as a whole is responsible for identifying and reviewing potential investments or divestments. After review, a majority is needed to issue a recommendation for sale or purchase, upon which investment decisions are formally made by the board of directors of Vostok New Ventures (Cyprus)

Limited, and an execution order is issued. As for the investment process, as for all other company activities they are governed by internal guidelines and instructions. Vostok New Ventures has a close and flat organizational structure. The limited number of staff members and the close cooperation among them contribute to high transparency within the organization, which complements fixed formal control routines. Vostok New Ventures' Chief Financial Officer is responsible for the control and reporting of the Company's consolidated economic situation to management and Board of Directors.

Risk assessment

The Board of Directors of Vostok New Ventures is responsible for the identification and management of significant risks for errors in the financial reporting. The risk assessment specifically focuses on risks for irregularities, unlawful benefit of external parties at Vostok New Ventures' expense and risks of loss or embezzlement of assets. It is the ambition of Vostok New Ventures to minimize the risk of errors in the financial reporting by continuously identifying the safest and most effective reporting routines. An internal control report is prepared by management and reviewed by the Board of Directors on a quarterly basis. The Company's flat organizational structure and open internal communication facilitate the work to identify potential shortcomings in the financial reporting, and also simplify implementation of new, safer routines. The Board of Directors puts most effort into ensuring the reliability of those processes that are deemed to hold the greatest risk for error or where potential errors would have the most significant negative effect. Among other things this includes establishing clearly stated requirements for the classification and description of income statement and balance sheet items according to generally accepted accounting principles and applicable legislation. Another example is the routine of a sequential procedure for investment recommendations and approvals of the same.

Control activities

To verify compliance with the requirements and routines established in response to the risk assessment made, a number of concrete control activities need to be put in place. The purpose of the control activities is to prevent, detect and rectify any weaknesses and deviations in the financial reporting. For Vostok New Ventures' part such control activities include the establishment of verifiable written decisions at every instance in the investment procedure. In addition, after every completed transaction, purchase or sale, the whole process is examined to verify the validity of the transaction, from recommendation to approval, execution and entry of the transaction into the Company's books. Bank and custody reconciliations are also performed and compared to reported financial statement items. Control activities also include permanent

routines for the presentation and reporting of company accounts, for example monthly reconciliations of Vostok New Ventures' assets and liabilities, as well as portfolio changes. Special focus is also put on making sure that the requirements and routines for the accounting procedure, including consolidation of accounts and creation of interim and full year reports comply with pertinent legislation as well as generally accepted accounting principles and other requirements for publicly listed companies. Controls have also been carried out to ensure that the IT-/computer systems involved in the reporting process have a sufficiently high dependability.

Information and communication

Vostok New Ventures has tried to ensure an efficient and accurate provision of information internally and externally. For this purpose the Company has established fixed routines and invested in reliable technical applications to guarantee a fast and reliable way of sharing information throughout the organization. Internal policies and general guidelines for financial reporting are communicated between the Board of Directors, management and other personnel through regular meetings and e-mails. Vostok New Ventures' flat organizational structure and limited number of staff members further contributes to the efficient sharing of accurate information internally. To ensure the quality of the external reporting, which is an extension of the internal reporting, there is a written communication policy which sets out what information shall be communicated and how it shall be communicated.

Monitoring

The Board of Directors receives monthly NAV reports and detailed quarterly reports on Vostok New Ventures' financial position and changes in its holdings. The Company's financial situation and strategy are discussed at every board meeting, as well as any problems in the business and financial reporting since the last board meeting. Potential reported shortcomings are followed up via management. The Company prepares interim reports four times annually which are reviewed by the board. A review of the Company's accounts is also performed at least once a year in addition to the comprehensive audit in connection with the Annual Report.

Vostok New Ventures is in full compliance with the NOREX member rules for issuers, which are rules and regulations for members and trading in the SAXESS system for each exchange in the NOREX-alliance, i.e. Nasdaq Nordic Exchanges in Copenhagen, Helsinki, Iceland and Stockholm, and Oslo Börs. There has not been any infringement to fair practices on the Swedish stock market.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders in Vostok New Ventures Ltd, corporate identity number 39861.

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2015 on pages 53–58 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 31, 2016

PricewaterhouseCoopers AB

Ulrika Ramsvik

*Authorised Public Accountant
Auditor in charge*

Bo Hjalmarsson

Authorised Public Accountant

Glossary

of terms and acronyms used in the annual report

AGM	Annual General Meeting
bln	Billion
CBR	The Central Bank of the Russian Federation
CIS	Commonwealth of Independent States (former Soviet Union)
CRM	Customer Relationship Management
E	Estimate
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EV	Enterprise Value, i.e. stock exchange value + net liability
EUR	Euro
FX	Foreign exchange rate
GDP	Gross Domestic Product
GDR	Global Depository receipt
IPO	Initial Public Offering
IRR	Internal Rate of Return
k	Thousand
MENA	Middle East and North Africa
MICEX	One of the leading Russian stock exchanges
mln or mm	Million
n/a	Not available
pa	Per annum
P/B	Price-to-Book, i.e. the relationship between the stock exchange value and book value
P/BV	Relationship between stock exchange value and entered equity capital
P/E	Price/Earnings, i.e. the relationship between the stock exchange value and net profit
P/EBIT	The relationship between the stock exchange value and the operating profit
P/S	Price/Sales, i.e. the relationship between the stock exchange value and sales
ROE	Return on Equity
RTS	Russian Trading System, the leading trading place for Russian shares
RUB	Russian Rubles
SDR	Swedish Depository Receipt
SEC	Securities and Exchange Commission
SEK	Swedish Kronor
T	Thousand
UMV	Unique Monthly Visitor
USD	United States Dollars
VEF	Vostok Emerging Finance Ltd
Y-o-Y	Year-on-Year

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