

Vostok
Nafta
Investment
Ltd

Three
Months
Report
January
– March
2015

- Net result for the period was USD 12.83 million (mln) (January 1, 2014–March 31, 2014: –67.02). Earnings per share were USD 0.17 (–0.75).
- The net asset value of the company was USD 398.51 mln on March 31, 2015 (December 31, 2014: 388.47), corresponding to USD 5.42 per share (December 31, 2014: 5.24). Given a SEK/USD exchange rate of 8.6232 the values were SEK 3,436.40 mln (December 31, 2014: 3,034.62) and SEK 46.75 (December 31, 2014: 40.95), respectively.
- The group’s net asset value per share in USD increased by 2.58% over the period January 1, 2015–March 31, 2015. During the same period the RTS index increased by 11.35% in USD terms.
- The Board of Directors’ proposed change of the Company’s name to Vostok New Ventures Ltd to be resolved at the annual general meeting on May 20, 2015.
- The Board of Directors’ proposed transfer of the Company’s holding in Tinkoff Bank to the shareholders through the formation and spin-off of a new company, Vostok Emerging Finance Ltd, to be resolved at a Special General Meeting on June 9, 2015.
- During the first quarter 2015, Vostok Nafta repurchased 591,176 SDRs (shares). The number of outstanding shares at the end of the period was 73,506,155.

Management report

Russia

In Russian capital markets the ruble has performed strongly this year (up 15% year-to-date) on the back of a stronger oil price, sustained peace in Ukraine and increased demand for the local currency due to the timing of domestic tax payments.

Due to this and following a strong and supportive rally in Russian bond markets, it has provided a bullish backdrop for Russian equity index, which year-to-date are up 29.90% in USD terms, amongst the strongest in the world year-to-date in 2015.

This is all supportive for valuations as they have risen from distressed levels we witnessed in late 2014. Although there are encouraging signs (inflation coming off, interest rates being cut, companies cutting costs, oil price higher etc.) the country is still in the midst of a tough macro backdrop with GDP still expected to contract c. 3–4% for 2015 followed by another, albeit smaller drop of 0–1.5% in 2016. Key moving part in the GDP equation remains the price of oil.

Another positive sign in terms of capital market activity is that we have seen two equity placements out of the Russian retail already in 2015, first Magnit and more recently, Lenta, with the latter placing USD 225 mln of stock to international investors, mainly from EU and US. We welcome these first major capital raises on the Russian public markets post-crisis and are clearly a positive sign of what is ahead.

Avito

Avito continues to do well, extremely well given the challenging macro environment as per above. Its revenues grew by 42% during the first quarter of 2015 with an EBITDA margin of 46%. The margin includes heavy marketing into the Domofond brand, its new property portal.

Gett

Gett (previously known as GetTaxi) is also powering ahead with expected annual gross revenues of USD 200 mln in 2015 and an annual run rate of USD 400 mln at the end of the year.

In terms of other data points it now has 10 million app users across the 32 cities where they are active. It is rebranding itself to Gett.

The company recently announced that it will capitalize on its existing infrastructure (mobile app, payments system, service provider screening and training and live person customer service) to start to offer on demand services such as manicures, house cleaning and pizza delivery.

Naseeb Networks

We have in mid-May closed an investment into Naseeb Networks, which is a holding company with two assets: Rozee, the leading job vertical in Pakistan, and Mihnati, one of the leading job verticals in Saudi Arabia. We have invested some USD 4.5 mln for a sizeable minority shareholding in the company.

I am very excited by this as it fulfills our criteria of a business with strong network effects (online classifieds for jobs), a large addressable emerging market (Pakistan is a country of 200 mln people) and led by a strong entrepreneur (Monis Rahman stands out as one of the best internet entrepreneurs in Pakistan, all in all of capacity to succeed in any part of the world).

Rozee was founded in 2007 and is the clear-leader job vertical in Pakistan with over 1,300 customers, 2.2 mln registered jobseekers (10% of Pakistan’s service sector employees) and 2,200 paid new postings per month. Mihnati was acquired in 2014 and turned a profit post-investment through cutting cost, and switching to Rozee’s products and SEO marketing tactics.

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Monis Rahman, the CEO, studied at the University of Wisconsin, then worked at Intel as a semiconductor designer while doing post-grad work at Stanford, then as an internet entrepreneur in the US. Naseeb's proposition in both countries is focused on the white-collar segment, however, blue-collar provides an additional opportunity.

Beyond Naseeb I hope to be able to conclude a handful of further deals in Pakistan and the Middle East over the summer. The initial tickets of all these investments may not be large enough to make a big contribution to the development of our NAV in the short term, but it is important to remember that also Avito started out as a USD 5 mln or so investment. Like Avito in its early days these are not without risk but the upside potential is certainly very large, all in making the risk reward very investable.

Vostok Emerging Finance

As per the press release and notice of a Special General Meeting issued on Monday, May 18, the management and Board of Vostok Nafta intends to propose to its shareholders a spin-off of a newly formed company, Vostok Emerging Finance, from the core group. As previously announced, there is also a proposal to change the name of Vostok Nafta to Vostok New Ventures.

Key points of changes planned:

- Vostok Emerging Finance will be created as a replica of the Vostok New Ventures corporate structure with initial assets of approximately USD 30 mln split between a 3.5% stake in Tinkoff Bank and approximately USD 9 mln in cash.
- Core investment idea is to invest into early stage, entrepreneur led companies focusing on online modern financial services consumer finance in emerging markets.

- The spin-off of Vostok Emerging Finance will leave Vostok New Ventures portfolio completely focused on its core investment strategy of online marketplaces. The emphasis will remain on businesses with the potential to enjoy strong network effects.
- Allows the shareholders of Vostok to tailor their exposure to what investment theme/vehicle they desire; online marketplaces and/or online modern financial services.
- Vostok Emerging Finance considers to raise investment capital through a rights issue during the autumn to finance investments according to its strategy.
- On day one Vostok Emerging Finance will assume the same management team and board as Vostok New Ventures, but a new CEO with a long career within emerging market banking has been recruited and will be announced during the summer. They will build a separate management team.
- Luxor Capital will concentrate its exposure to the online marketplace strategy of Vostok New Ventures. It has therefore been arranged so that Luxor will buy roughly its pro rata share of our Tinkoff Bank position and intends to sell its exposure to Vostok Emerging Finance. A group of experienced emerging market investors with an interest to replace Luxor has been identified. The sale of shares in Tinkoff Bank to Luxor will give Vostok Emerging Finance a cash balance to operate on before it is capitalized through the planned rights issue in the autumn.

Background

Vostok Nafta's investment strategy has for some time been tightened to focus exclusively on online marketplaces or, more precisely, on online businesses that have the potential to enjoy strong network effects. Within this sector focus we concentrate our

efforts on entrepreneur led companies at early stage in emerging markets.

We feel that now is also the time to rename our company to better reflect this investment focus, and the vote has landed on Vostok New Ventures. I think to most investors, be it in Sweden or elsewhere in the world, we are mostly known as Vostok. In fact I believe that when the name Vostok is mentioned within the context of emerging market capital markets, people probably think of us. Dropping the historic Nafta (oil products in Russian—we have never dealt in oil products but back in the mid 90's this came up as a better word to say in Swedish than the intended Russian word for oil: neft) is something that probably should have been done a long time ago.

As a logical step within the investment focus on online marketplaces we are also now proceeding to spin-off our stake in Tinkoff Bank to our shareholders, through the formation and spin-off of partner vehicle Vostok Emerging Finance.

Tinkoff Bank

Tinkoff Bank has for some time now been the odd bird in a portfolio that is otherwise very focused both in terms of existing holdings (Avito, Gett, Yell, etc.) and its investment focus on online marketplaces. An excellent business and investment for us at Vostok, I have felt that it would not be in the interests of our shareholders to exit the position at this juncture given the low share price of the company and in my view the excellent risk reward associated with an investment into the stock from a medium term perspective.

Tinkoff Bank's share price is more a reflection of where Russia is at than of the business itself. The macro and credit cycle is at low ebb, while regulation leading into this window was a growing impediment to sector profitability. Investors have naturally

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shied away from names which have a key underlying macro component and one could argue that Tinkoff Bank is one the most geared plays to the Russian economy. A perfect storm, one could say has hit the business, all largely beyond its control. However, my experience from having been active in Russia for these past twenty years (scary number...) is that the lack of visibility gets priced way too harshly and that the end outcome never comes in as bad as people were willing to price things in the midst of turmoil.

Furthermore, at the company level, Tinkoff Bank has a strong balance sheet (especially when compared to its local peers) and is very well capitalized, with stable funding and in a strong liquidity position. It is the only Russian consumer finance player of note to remain profitable through this crisis period and is well positioned for any rebound in the economy and thus the sector and should benefit from a weakened competitive landscape as a result. Moreover, the combination of the entrepreneurial spirit of its main owner, Oleg Tinkov, its strong management team and its technologically advanced product platform, I dare say makes it an unparalleled opportunity, certainly within the emerging market consumer finance space.

These are the windows in Russia when it has proved rewarding to be constructive on names like Tinkoff, quality at a great valuation, and remain patient.

Investment strategy of Vostok Emerging Finance

Hence the formation of a new investment vehicle whose strategy will be similar to Vostok New Ventures' but with a different sector of focus: online modern financial services. The company will look for early stage; entrepreneur led online consumer finance related opportunities in emerging markets.

Online modern financial services is a strong trend

across developed markets, where it is probably not unfair to assume that some years down the road there will be little consumer banking done across a physical counter, reflecting a move of all services be it savings, credit, insurance, payments to online platforms. Old form banks are unlikely to be able to capture the same market share of this space as older systems/processes hold them back versus start up competition. Regulation will slow change but a clear evolutionary trend remains.

Tinkoff Bank will be a formidable cornerstone asset of Vostok Emerging Finance checking all the boxes of emerging markets, online consumer banking and entrepreneur led. Having in a material way captured Russia's true competitive edge of programming talent it leads by many years it terms of technological sophistication in its product versus anything present in the majority of global emerging markets today.

Summary

At Vostok, off the back of our successful and long investment history in Tinkoff Bank, we see a flow of investment opportunities around the online modern financial services industry, which, whilst not falling within our current focused marketplace strategy, makes a lot of sense from a risk reward perspective for our shareholders to gain exposure to.

The spin-off of Vostok Emerging Finance to the shareholders of Vostok New Ventures creates a platform to capitalize on these opportunities through a Stockholm listed vehicle, run by an experienced management team.

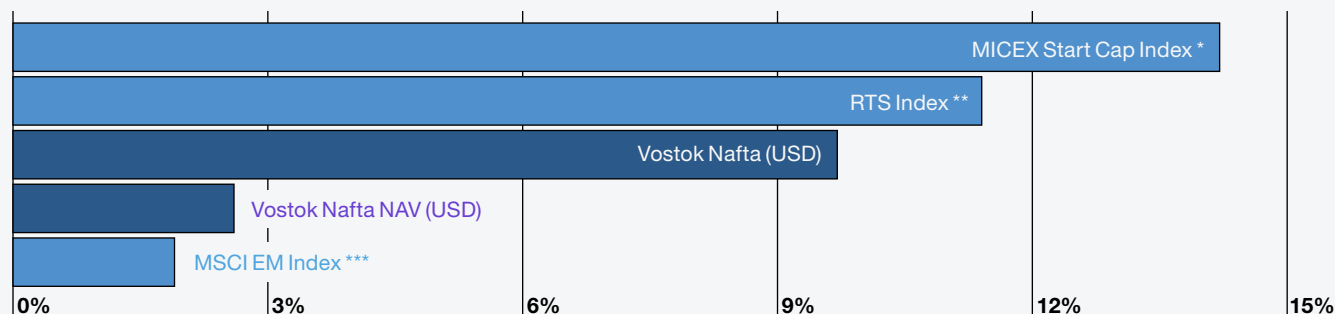
As a shareholder I look forward and am excited by the exposure that Vostok Emerging Finance will provide—an unparalleled opportunity within the public equity space. As always not without risk but similar to our other ventures, potential rewards are high.

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Vostok Nafta's portfolio development

The group's net asset value per share in USD increased by 2.58% over the period January 1, 2015–March 31, 2015. During the same period the RTS index increased by 11.35% in USD terms.

Percent development January 1–March 31, 2015 (last price paid on relevant stock exchange)



* The MICEX Start Cap Index is a real-time cap-weighted index of 50 stocks of Russian small cap companies.

** 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.

*** The MSCI Emerging Markets Index is a free float weighted equity index that consists of indices in 26 emerging economies.

Portfolio structure

The investment portfolio stated at market value as at March 31, 2015 is shown to the right.

Number of shares	Company	Fair value, USD Mar 31, 2015	Percentage weight	Value per share, USD Mar 31, 2015	Value per share, USD Dec 31, 2014
6,166,470	Avito ²	249,554,280	62.4%	40.5	37.6 ¹
9,079,794	Tinkoff Bank (TCS Group Holding PLC)	21,791,506	5.5%	2.4	3.2 ¹
18,927,570	Gett ²	25,638,889	6.4%		1
8,808,426	Yell.ru ²	5,662,418	1.4%	0.6	0.9 ¹
	Wallapop ²	2,783,409	0.7%		1
	Delivery Hero Holding GmbH, debt	24,827,742	6.2%		
	Delivery Hero Holding GmbH, equity component ²	1,693,352	0.4%		1
	Kite Ventures, debt	9,213,094	2.3%		
	Liquidity management portfolio, including cash	58,518,824	14.6%		
	Total	399,683,514	100.0%		

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

2. Private equity investment.

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Avito

Avito is the largest and fastest growing online classified platform in Russia, and the company has continued to show strong growth throughout the first quarter of 2015 despite the tougher business environment. 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. 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 76 mln (52 mln in 1Q14) unique visitors during the

last 31 days prior to this report measured by unique cookies. Avito also owns just under 50% of the leading classified site in Morocco, Avito.ma, following a transaction with Schibsted in 2014 in which Avito.ma merged with Schibsted's site in the country. The merged Moroccan site, which is run by Schibsted, has continued to develop well since the merger was executed.

Avito launched Domofond.ru in a joint venture with Korbitec in March, 2014. 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 the first quarter 2015, Avito invested material amounts in Domofond. Domofond.ru launched TV-campaigns in Moscow, St. Petersburg and the 13 most populated cities in Russia.

Since launch, Domofond has had strong, although from a low base, monthly growth in visitors and the company recently started running advertisement on Russian TV-channels. The Russian real estate market is underdeveloped and holds great promise for the future. Some of the most profitable and highest valued international classifieds sites are real estate portals, including the likes of Rightmove, Zillow, REA Group and SeLogger.

As per March 31, 2015, Vostok Nafta values Avito using a model based valuation as there has not been any recent transaction in the company. The model generates a valuation of USD 250 mln for Vostok Nafta's stake in Avito as per March 31, 2015. A peer group multiple is applied to Vostok Nafta's conservative short to medium-term ruble EBITDA forecasts for Avito. The USD/RUB rate of 57.75 as per March

31, 2015 is used in the model. The new valuation is roughly 7.5% higher than the valuation as per December 31, 2014.

Avito's trading statement for the second quarter 2015 is expected to be released on July 30, 2015.

Company website: avito.ru

Key performance indicators first quarter 2015¹

- Revenues of RUB 1,207 mln (USD 20.6 mln²), up 42% compared with the first quarter 2014 (RUB 852 mln).
- Adjusted EBITDA margin of 46.4% or RUB 560 mln (USD 9.6 mln²), compared with the first quarter 2014 (RUB 393 mln).
- Avito's cash and cash equivalents in excess of USD 152 mln at the end of the first quarter.
- Page views amounted to 26 bln (mobile views: 41%) compared to 17 bln (mobile views: 27%) for the same period previous year.
- Monthly audience³ in March 2015 according to TNS Russia and the Web Index project was 27.4 mln compared to 25.8 mln in March 2014.

Avito

Vostok Nafta's number of shares as at March 31, 2015	6,166,470
Total Value (USD)	249,554,280
Share of total portfolio	62.4%
Share of total shares outstanding	13.7%
Value development January 1–March 31, 2015 (in USD)	7.5%

During the first quarter 2015 Vostok Nafta purchased 0 shares and sold 0 shares in Avito.

1. Unaudited figures from Avito.
2. Translated with official FX rate of 58.4643 as of March 31, 2015 quoted by the Central Bank of the Russian Federation.
3. Monthly audience is measured by a regular survey performed by TNS Russia (desktop only). Details can be found at <http://en.tns-global.ru/services/media/media-audience/internet/description/>

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Tinkoff Bank

Tinkoff Bank (TCS Group Holding PLC) is an innovative provider of online retail financial services operating in Russia through a high-tech branchless platform. In order to support its branchless platform, the Group has also developed a “smart courier” network covering almost 600 cities and towns in Russia which allows next day delivery to many customers. In early 2015, Tinkoff Credit Systems was renamed Tinkoff Bank to reflect the company’s long-term strategy of becoming an universal supplier of online retail financial services, with loan products remaining its core. Since its launch in 2007 by Mr Oleg Tinkov, a renowned Russian entrepreneur with a long track record of creating successful businesses, Tinkoff Bank has grown into a leader in the Russian credit card market. As of March 1, 2015, Tinkoff Bank has issued 5 mln credit cards. In addition to a market-leading credit card offering, Tinkoff Bank has developed a successful online retail deposits programme. Tinkoff Bank’s other innovative lines of business include Tinkoff Online Insurance, which enables Tinkoff Bank to underwrite and sell its own innovative online insurance products, and Tinkoff Mobile Wallet, mobile payment solutions and financial services for Russian consumers.

Tinkoff Bank’s senior management consists of a team of experienced professionals formerly employed by Visa, McKinsey and several top Russian banks. By combining a purpose-built platform with dedicated staff, TCS can serve millions of customers. The advanced underwriting process and customer acquisition by invitation only limits the risk of fraud and exposure to less desirable customers, thus reducing the credit risk. The low-cost business model is flexible with a proven ability to rapidly grow and effectively service the credit card portfolio.

Tinkoff Bank was listed on the main list of London Stock Exchange on October 25, 2013. Vostok Nafta sold down its stake in Tinkoff Bank in conjunction with the IPO, which comprised of both primary and secondary equity. As per March 31, 2015, Vostok Nafta owns 4.8% of Tinkoff Bank (TCS Group Holding PLC) valued at USD 21.8 mln.

2014 was a challenging year for the entire Russian retail banking industry. Tinkoff Bank has responded to slowing sector growth in the beginning of the year by initiating cost saving initiatives to counter the sharp deterioration of the market environment, and took specific steps throughout the year to enable the bank to deliver strong results, proving the robustness of the strategy and flexibility of the business model. Tinkoff Bank’s net profit for full year 2014 totaled RUB 3.4 bln, reaching the higher end of their guidance provided last year. Tinkoff Bank remains one the most profitable Russian banks with an ROE of 15.7% and has with a significant liquidity cushion been successful in managing their deposit portfolio throughout volatile periods in 2014 Tinkoff Bank’s primary focus in 2014 has been on risk management and the quality of the loan portfolio, with cost of risk going down consistently throughout the year to 15.1% in 4Q14 following a spike in 1Q14 at 20.5%. Tinkoff Bank deliberately decelerated loan growth

and cut approval rates down to 15%, but managed to acquire new high-quality low-risk clients, growing the loan portfolio by 12.8% and acquiring over 560,000 new active customers during 2014. Despite the weakening market environment and slower loan portfolio expansion, Tinkoff Bank has continued to develop new business opportunities including co-branded products together with major Russian and international online retailers, and new internet and mobile banking services. Tinkoff Bank is rated B+ with negative outlook by Fitch and B2 with stable outlook by Moody’s as per December 31, 2014.

Following the IPO of the company in the end of 2013, Tinkoff Bank’s share price has been very volatile and seen a significant share price decline following a declining macro environment driven by a down turn in the Russian consumer credit cycle, declining oil prices, indirect effects from the situation in Ukraine coupled with sanctions and an overall declining Russia sentiment. Tinkoff Bank’s share price has declined some 24.7% during the first quarter 2015. However, Tinkoff Bank is well capitalized and together with its strong management team, the company is well positioned for growth when market conditions improve. Tinkoff Bank has stayed meaningfully profitable through out of 2014.

Company website: tinkoff.ru/eng/

Tinkoff Bank

Vostok Nafta’s number of shares as at March 31, 2015	9,079,794
Total Value (USD)	21,791,506
Share of total portfolio	4.5%
Share of total shares outstanding	4.8%
Value development January 1–March 31, 2015 (in USD)	–24.7%

During the first quarter 2015 Vostok Nafta purchased 0 shares and sold 0 shares in TCS.

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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.

Vostok Nafta announced the investment in Yell.ru in June 2014. Vostok Nafta 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. Vostok Nafta owns 33.9% of Yell.ru as per March 31, 2015.

In March 2015, Yell.ru had over 3.3 mln UMs and page views amounted to 9.3 mln. Currently there are over 850k user generated reviews on Yell.ru. 95% of Yell's traffic is organic and roughly 30% is currently coming from mobile channels.

Yell.ru is headed by two Swedish internet entrepreneurs, Joakim Grönvall and Mathias Eklöf, who run the company from Moscow.

Company website: yell.ru

Yell.ru

Vostok Nafta's number of shares as at March 31, 2015	8,808,426
Total Value (USD)	5,662,418
Share of total portfolio	1.4%
Share of total shares outstanding	33.9%

During the first quarter 2015 Vostok Nafta purchased 146,817 shares and sold 0 shares in Yell.ru.

Quandoo (Full exit in 1Q15)

During the first quarter in 2015, Vostok Nafta sold all its shares in Quandoo. In February 2015, one of Quandoo's existing shareholders, Japanese Recruit acquired 100% of Quandoo at a valuation of approximately EUR 214 mln for the entire company. Vostok Nafta sold its indirect held shares in Quandoo as part of the transaction which is expected to result in a 2.3x return on invested capital and an IRR of 242% in EUR over the 9 months Vostok Nafta has invested in the company. Vostok Nafta has received 92.5% of these proceeds and the remaining 7.5% is expected to be distributed in 18 months as long as the buyer does not identify any inaccuracies in the company's accounts.

Recruit's press release regarding the acquisition: http://www.recruit-rgf.com/ir/ir_news/2015/0305_7604.html

Company website: quandoo.com

Gett

Gett is a simple and instant way to order taxis with one click of a button 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 30 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 2,000 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 and second only to Uber globally. Other shareholders include Access Industries and Inventure Partners.

In contrast to its most famous 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.

Vostok Nafta has invested USD 25 mln in Gett during the third quarter of 2014 and the transaction was finalized on August 11, 2014. Vostok Nafta's 25 mln investment was part of a larger round and structured as a convertible loan. The loan was converted into equity in December 2014.

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

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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.

In April 2015, GetTaxi rebranded to Gett in all markets and also announced it would launch an on-demand delivery service (covering food, house cleaning services and more) in the summer of 2015.

Company website: gett.com

Gett

Vostok Nafta's number of shares as at March 31, 2015	18,927,570
Total Value (USD)	25,638,889
Share of total portfolio	6.4%
Share of total shares outstanding	6.7%

Wallapop

During the first quarter of 2015, Vostok Nafta 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 Agustin Gomez and Gerard Olivé 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.

Wallapop

Total Value as at March 31, 2015 (USD)	2,783,409
Share of total portfolio	0.7%

Debt investments

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 Nafta owns EUR 25 mln in senior secured debt of Delivery Hero with 9.5–10.5% annual nominal interest. The loan also included a smaller equity component in which Vostok Nafta has received a number of shares and warrants in the company.

In February 2015, Vostok Nafta sold 85% of the equity component in DHH for a total purchase price of approximately USD 9.4 mln in connection with a transaction in which Rocket Internet invested EUR 496 mln in both primary and secondary shares of Delivery Hero. The remaining equity component is valued at USD 1.7 mln as per March 31, 2015.

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 Nafta owns EUR 8 mln in senior secured debt of Kite Ventures. The debt carries 13% annual nominal interest and has a 2-year maturity. The Kite investment also features a smaller equity component, which on March 31, 2015 had no value.

Investments

During the first quarter 2015, gross investments in financial assets were USD 4.07 (2014: 54.35) mln and proceeds from sales were USD 23.62 (11.82) mln. Investments concern short-term cash placements and investments in Yell.ru and Wallapop. Proceeds from sales concern exits of Quandoo, Delivery Hero and cash placements.

Group – results for the period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 17.11 (–66.79) mln, mainly coming from the revaluation of Avito and sale of shares in Quandoo and Delivery Hero. Dividend and coupon income, net of withholding tax expenses, was USD 0.03 (0.29) mln.

Operating expenses amounted to USD –0.71 (–0.72) mln.

Net financial items were USD –3.60 (0.21) mln.

Net result for the period was USD 12.83 (–67.02) mln.

Total shareholders' equity amounted to USD 398.51 mln on March 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 30.46 mln on March 31, 2015 (December 31, 2014: 14.05).

Three Months Report Covering the Period
January 1, 2015–March 31, 2015

(Expressed in USD thousands)	Jan 1, 2015– Mar 31, 2015	Jan 1, 2014– Mar 31, 2014
Result from financial assets at fair value through profit or loss ¹	17,106	-66,788
Dividend and coupon income	34	285
Total operating income	17,140	-66,504
Operating expenses	-714	-721
Operating result	16,426	-67,225
Financial income and expenses		
Interest income	1,213	143
Interest expense	-	-
Currency exchange gains/losses, net	-4,808	63
Net financial items	-3,595	206
Result before tax	12,831	-67,019
Taxation	-	-
Net result for the financial period	12,831	-67,019
Earnings per share (in USD)	0.17	-0.75
Diluted earnings per share (in USD)	0.17	-0.75

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.

Income statements – Group

(Expressed in USD thousands)	Jan 1, 2015– Mar 31, 2015	Jan 1, 2014– Mar 31, 2014
Net result for the financial period	12,831	-67,019
Other comprehensive income for the period		
Items that may be classified subsequently to profit and loss:		
Currency translation differences	-66	-
Total other comprehensive income for the period	-66	-
Total comprehensive income for the period	12,765	-67,019

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

Statement of comprehensive income

(Expressed in USD thousands)	Mar 31, 2015	Dec 31, 2014
NON-CURRENT ASSETS		
Tangible non-current assets		
Property, plant and equipment	-	5
Total tangible non-current assets	-	5
Financial non-current assets		
Financial assets at fair value through profit or loss	335,180	337,618
Loan receivables	34,041	37,913
Total financial non-current assets	369,221	375,530
CURRENT ASSETS		
Cash and cash equivalents	30,463	14,050
Tax receivables	289	271
Other current receivables	39	103
Total current assets	30,791	14,424
TOTAL ASSETS	400,011	389,959
SHAREHOLDERS' EQUITY (including net result for the financial period)		
	398,506	388,470
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Tax payables	381	369
Other current liabilities	924	867
Accrued expenses	221	253
Total current liabilities	1,505	1,489
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	400,011	389,959

(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 period					
January 1, 2014 to					
March 31, 2014	-	-	-	-67,019	-67,019
Other comprehensive income					
for the period					
Currency translation differences	-	-	-	-	-
Total comprehensive income for the period January 1, 2014 to March 31, 2014	-	-	-	-67,019	-67,019
Transactions with owners:					
Buy back of own shares	-2,331	-48,831	-	-	-51,162
	-2,331	-48,831	-	-	-51,162
Balance at March 31, 2014	29,135	109,108	89	377,453	515,785
Balance at January 1, 2015	25,934	45,553	-43	317,027	388,470
Net result for the period					
January 1, 2015 to					
March 31, 2015	-	-	-	12,831	12,831
Other comprehensive income					
for the period					
Currency translation differences	-	-	-66	-	-66
Total comprehensive income for the period January 1, 2015 to March 31, 2015	-	-	-66	12,831	12,765
Transactions with owners:					
Buy back of own shares	-207	-2,523	-	-	-2,730
	-207	-2,523	-	-	-2,730
Balance at March 31, 2015	25,727	43,030	-109	329,858	398,506

Balance sheets
– Group

Statement of Changes
in Equity – Group

(Expressed in USD thousands)	Jan 1, 2015– Mar 31, 2015	Jan 1, 2014– Mar 31, 2014
OPERATING ACTIVITIES		
Result before tax	12,831	-67,019
Adjustment for:		
Interest income	-1,213	-143
Interest expenses	-	-
Currency exchange gains/-losses	4,808	-63
Depreciations and write downs	5	1
Result from financial assets at fair value through profit or loss	-17,106	66,788
Result from investments in associated companies	-	-
Result from loan receivables	-	-
Dividend and coupon income	-34	-285
Change in current receivables	60	1,377
Change in current liabilities	57	-1,702
Net cash used in operating activities	-593	-1,045
Investments in financial assets		
Investments in financial assets	-4,073	-54,350
Sales of financial assets	23,618	11,824
Increase/decrease in loan receivables	-	138
Dividend and coupon income	34	285
Interest received	659	5
Interest paid	-	-
Tax paid	-32	-71
Net cash flow used in/from operating activities	19,612	-43,215
INVESTING ACTIVITIES		
Investments in office equipment	-	-
Sale of office equipment	-	-
Net cash flow used in investing activities	-	-
FINANCING ACTIVITIES		
Redemption program transaction fees	-	-
Proceeds from shares issued	-	-
Buy back of own shares	-2,730	-51,162
Net cash flow used in financing activities	-2,730	-51,162
Change in cash and cash equivalents	16,882	-94,377
Cash and cash equivalents at beginning of the period	14,050	246,572
Exchange gains/losses on cash and cash equivalents	-469	67
Cash and cash equivalents at end of period	30,463	152,262

Cash flow statements – Group

	1Q 2015	1Q 2014
Return on capital employed, % (01)	3.26	-11.66
Equity ratio, % (02)	99.62	99.72
Shareholders' equity/share, USD (03)	5.42	6.20
Earnings/share, USD (04)	0.17	-0.75
Diluted earnings/share, USD (05)	0.17	-0.75
Net asset value/share, USD (06)	5.42	6.20
Weighted average number of shares for the year	73,798,869	88,903,702
Weighted average number of shares for the year (fully diluted)	73,798,869	88,928,062
Number of shares at balance sheet date	73,506,155	83,244,280

01. Return on capital employed is defined as the Group's result for the period plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average total assets less non-interest bearing liabilities over the period). Return on capital employed is not annualised.
02. Equity ratio is defined as shareholders' equity in relation to total assets.
03. Shareholders' equity/share USD is defined as shareholders' equity divided by total number of shares.
04. Earnings/share USD is defined as result for the period divided by average weighted number of shares for the period.
05. Diluted earnings/share USD is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.
06. Net asset value/share USD is defined as shareholders' equity divided by total number of shares.

Key financial ratios – Group

(Expressed in USD thousands)	Jan 1, 2015– Mar 31, 2015	Jan 1, 2014– Mar 31, 2014
Result from financial assets at fair value through profit or loss ¹	323	-948
Operating expenses	-746	-772
Dividend and coupon income	34	285
Operating result	-390	-1,435
Financial income and expenses		
Interest income	2,032	176
Currency exchange gains/losses, net	-4,476	63
Net financial items	-2,444	239
Net result for the financial period	-2,834	-1,196

(Expressed in USD thousands)	Jan 1, 2015– Mar 31, 2015	Jan 1, 2014– Mar 31, 2014
Net result for the financial period	-2,834	-1,196
Other comprehensive income for the period		
Items that may be classified subsequently to profit and loss:		
Currency translation differences	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	-2,834	-1,196

**Income statements
– Parent**

Statement of
comprehensive income

(Expressed in USD thousands)	Mar 31, 2015	Dec 31, 2014
NON-CURRENT ASSETS		
Financial non-current assets		
Shares in subsidiaries	84,389	84,389
Financial assets at fair value through profit or loss	29,487	30,012
Loan receivables	34,041	37,913
Receivables from Group companies	45,694	55,205
Total financial non-current assets	193,611	207,518
CURRENT ASSETS		
Cash and cash equivalents	22,301	13,965
Other current receivables	4	51
Total current assets	22,305	14,016
TOTAL ASSETS	215,916	221,534
SHAREHOLDERS' EQUITY		
(including net result for the financial period)	215,166	220,729
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Liabilities to group companies	532	591
Other current liabilities	56	36
Accrued expenses	163	177
Total current liabilities	750	805
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	215,916	221,534

(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 period				
January 1, 2014 to March 31, 2014	-	-	-1,196	-1,196
Other comprehensive income				
for the period				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2014 to March 31, 2014	-	-	-1,196	-1,196
Transactions with owners:				
Buy back of own shares	-2,331	-48,831	-	-51,162
	-2,331	-48,831	-	-51,162
Balance at March 31, 2014	29,135	109,108	156,743	294,986
Balance at January 1, 2015	25,934	45,553	149,243	220,719
Net result for the period				
January 1, 2015 to March 31, 2015	-	-	-2,834	-2,834
Other comprehensive income				
for the period				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2015 to March 31, 2015	-	-	-2,834	-2,834
Transactions with owners:				
Buy back of own shares	-207	-2,523	-	-2,730
	-207	-2,523	-	-2,730
Balance at March 31, 2015	25,727	43,030	146,409	215,166

Balance sheet
– Parent

Statement of Changes
in Equity – Parent

Note 1 Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for Vostok Nafta Investment Ltd 2014.

Note 2 Related party transactions

During the period Vostok Nafta has recognized the following related party transactions:

	Operating expenses		Current liabilities	
	1Q 2015	1Q 2014	1Q 2015	1Q 2014
Key management and Board of Directors (1)	-231	-297	-132	-90

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

Note 3 Fair value estimation

The numbers below are based on the same accounting and valuation policies as used in the Company's most recent Annual Report. For more information regarding financial instruments in level 2 and 3 see note 3 in Vostok Nafta's Annual Report 2014. The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

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

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

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value				
through profit or loss	49,848	30,116	255,217	335,180
Total assets	49,848	30,116	255,217	335,180

The following table presents 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	57,893	39,670	240,055	337,618
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
Investments	94
Transfers into level 3	-
Change in fair value and other	15,068
Closing balance March 31, 2015	255,217

During the first quarter of 2015 no transfers between level 1, 2 and 3 have been done. The investment in Avito and Yell are classified as level 3 investments. The group's largest investment, Avito AB is classified as a level 3 investment following a transfer from level 2 in the third quarter of 2014. The Avito investment has been revalued as per March 31, 2015 on the basis of the same methodology as per December 31, 2014 and is valued with a valuation model as the validity of the transaction-based valuation used earlier has eroded over time. The investments in Gett, Wallapop and the remaining Delivery Hero equity are classified as level 2 as the valuations are based on the price paid in each respective transaction.

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 derive 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. The transaction-based valuations are frequently assessed using multiples of comparable traded companies for each unlisted investment or other valuation models.

Avito

The Group's Investment in Avito AB is valued as a level 3 investment as per March 31, 2015.

As per March 31, 2015, Vostok Nafta has revalued Avito using the same model as per year end, 2014 with input data as per end of March, 2015. The model applies a future-looking multiple derived from peer group of traded comparable companies on Vostok Nafta's conservative short- to medium-term estimate for Avito's EBITDA. As per March 31, 2015, the model generates a fair value of USD 249.6 mln for Vostok Nafta's stake in Avito. This valuation reflects Avito's continued strong momentum, an improved Russian macro outlook and overall higher valuation multiples of Avito's international peers. The model is primarily sensitive to the USD/RUB rate as Vostok Nafta's Avito estimates are based in RUB. The USD/RUB rate of 57.7463 as per March 31, 2015 is used in the model. The USD 250 mln valuation is roughly 7.5% higher than the valuation of Avito as per December 31, 2014.

The valuation model is sensitive to input assumptions, especially as the comparable companies used are non-russian and the model does not adjust for any potential country risk-premium apart from the currency effect which impacts our Avito EBITDA-forecasts in USD terms. The ruble has seen high volatility in the recent months and moved more than +/- 20% from the exchange rate as per December 31, 2014 but we believe the model-based valuation using the FX-rate of March 31, 2015 is the best fair value estimate of Avito.

A 10% lower/higher peer group multiple would result in a decrease/increase by USD 21 mln or 5.9% of the total portfolio. A 10% higher USD/RUB rate would result in a decrease by USD 19 mln or 5.8% of the total portfolio, while a 10% lower USD/RUB rate would result in an increase by USD 24 mln or 6% of the total portfolio. The tables below outline how a 10% and 20% decrease/increase of the USD/RUB rate and peer group multiple would impact the valuation of Vostok Nafta's Avito investment.

Valuation of Vostok Nafta's	Sensitivity in model-based Avito valuation USD/RUB as per March 31, 2015				
	+20%	+10%	57.75	-10%	-20%
Avito investment, USD mln	211	229	250	275	307

Valuation of Vostok Nafta's	Sensitivity in model-based Avito valuation Peer group multiple as per March 31, 2015				
	-20%	-10%	Multiple	+10%	+20%
Avito investment, USD mln	200	225	250	275	299

Valuation of Vostok Nafta's	Sensitivity in model-based Avito valuation EBITDA estimate as per March 31, 2015				
	-20%	-10%	Estimate	+10%	+20%
Avito investment, USD mln	204	227	250	272	295

Yell.ru

During the first quarter of 2015, Vostok Nafta 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 Nafta owns 33.9% of Yell.ru fully diluted. As per March 31, 2015, Yell is classified as a level 3 investment as it is valued on the basis of this transaction and even though its relatively small, it is deemed the best fair value estimate of Yell.ru as per March 31, 2015. 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.

Valuation of Vostok Nafta's	Sensitivity in transaction-based Yell valuation as per March 31, 2015				
	-20%	-10%	5.7	+10%	+20%
Yell investment, USD mln	6.4	7.2	5.7	8.8	9.6

Gett

As per March 31, 2015, the Gett investment is classified as a level 2 investment as it is valued to USD 25.6 mln on the basis of Vostok Nafta's USD investment which is equivalent to Vostok Nafta's acquisition cost and accrued interest on the convertible loan which was converted in to Equity in the fourth quarter of 2014.

Quandoo

During the first quarter of 2015, Vostok Nafta sold all shares in Quandoo for a total consideration of USD 12.5 mln.

Delivery Hero (equity component)

During the first quarter of 2015 Vostok Nafta sold 85% of the equity component relating to the Delivery Hero investment for a total consideration of USD 9.3 mln. As per March 31, 2015, the loan receivable is valued with an NPV-model and the remaining shares and warrants are valued on the basis of the large equity transaction in Delivery Hero in the first quarter of 2015. As per March 31, 2015, the remaining equity component is valued at USD 1.7 mln.

Loan receivables

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

	Mar 31, 2015	Dec 31, 2014
Short-term	-	-
Long-term	34,041	37,913
Total loan receivables	34,041	37,913

Carrying value corresponds to fair value of loans receivables.

Note 4 Events after the reporting period

After the end of the period the Company has repurchased 6,600 SDRs (shares). Following the cancellation in April of these and previously repurchased SDRs, the total number of shares and SDRs outstanding is 73,499,555 as per April 30, 2015.

In mid-May Vostok Nafta made a USD 4.5 mln investment in Naseeb Networks, which owns job verticals in Pakistan and Saudi Arabia.

Background

Vostok Nafta Investment Ltd was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861. Since July 4, 2007, the Swedish Depository Receipts of Vostok Nafta (SDB) are listed on the Nasdaq Nordic Exchange Stockholm, Mid Cap segment, with the ticker VNIL SDB.

As of March 31, 2015 the Vostok Nafta Investment Ltd Group consists of the Bermudian parent company, one wholly-owned Cypriot subsidiary, and one wholly owned Swedish subsidiary.

The financial year is January 1–December 31.

Parent company

The parent company finances the Cypriot subsidiaries' operations on market terms. The net result for the period was USD -2.83 (-1.20) mln.

Financial and Operating risks

The Company's risks and risk management are described in detail in note 3 of the Company's Annual Report 2014.

Upcoming Reporting Dates

Vostok Nafta's six month report for the period January 1, 2015–June 30, 2015 will be published on August 19, 2015.

May 20, 2015

Per Brilioth
Managing Director

[This report has not been subject to review by the company's auditors.](#)

Three Months Report Covering the Period
January 1, 2015–March 31, 2015



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