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Dear shareholders,

I am very happy to be addressing you all for the first time as MD of Vostok Emerging Finance (VEF) and provide an update on our first quarterly financial report since VEF came into existence at the end of May of this year. As a reminder, VEF was born out of a split of listed Vostok Nafta into 2 separate more focused listed investment companies of 1) Vostok New Ventures with focus on investments in online market places and businesses with network effects and 2) Vostok Emerging Finance with focus on investments in modern financial services companies. Along with the company split came the separate listing for VEF as it was listed on Nasdaq First North under the ticker VEMF SDB. Along with the underlying NAV, the share price has experienced some pressure over its initial trading period, primarily a function of the mark to market in TCS, currently the principal underlying holding, which has suffered from Russian macro and currency weakness.

From a strategy viewpoint, VEF is an investment vehicle that looks to invest in companies coming through in the financial services sector that are disrupting the playing field via innovation and carving out a piece of the sector profits in the process. VEF looks to invest in businesses led by entrepreneurs with proven track records and in companies that it believes have viable concepts, strategies and early track records that are scalable and can deliver fast growth. VEF targets businesses from all walks of financial services, inclusive of consumer lenders, payment providers, remittance businesses, wealth managers, savings and lending clubs, debt collectors and all forms of financial marketplaces. The prime geographic focus is emerging and frontier markets, with a natural bias for markets with sizeable populations and growth profile and where modern financial services are already nascent and proving successful.

The opportunity for VEF remains clear to us and we wanted to reiterate it to you the shareholder, in our first release. There is a clear trend within the financial services industry as a host of new, modern financial service companies (Fintech) are eating into the market share and revenue streams of incumbent bell weather financial institutions. New technology has made traditional institutions more vulnerable while this trend has also been enhanced by changing customer attitudes towards banks and other financial services companies. To date this is primarily a developed markets phenomenon, with key hubs of London, Scandinavia and West Coast US leading the way. Vostok Emerging Finance has noticed that the trend is moving quickly to and through emerging and frontier markets – and unlike in developed markets, a lot quicker than the capital arriving to support such early stage ventures. This is the opportunity we see at Vostok Emerging Finance and for us to create value for our shareholders.

Our portfolio as per September 30, 2015 consists of three principal holdings 1) a 3.5% stake in TCS Group, 2) a 12.5% holding in REVO, and 3) a 12.5% holding in REVO's sister company Sorsdata. In both REVO and Sorsdata we have an option to acquire another 12.5% in each.

TCS is our anchor holding and one we view more as private equity irrespective of its listed status. In spite of, and partly because of the current cyclical downturn in Russia's economy, TCS Group continues to gain clients and market share and is indeed one of the only profitable players in their consumer banking segment and one we see emerging in a stronger position into any economic recovery.

REVO and Sorsdata are recent additions to the portfolio and excellent examples of the type of companies we will be adding in the future. These sister companies work closely with small ticket merchants to increase sales by simplifying and spreading payment for the consumer. They complement this with a consumer data analytics approach allowing their merchant clients to provide direct consumer marketing, loyalty and reward programs. The business has many aspects of Klarna in Sweden and Affirm in the US.

In October 2015, after the third quarter ending we closed a 4 mln investment into Jumo in Africa. Jumo is a mobile money marketplace for African people, small businesses and mobile network operators. Jumo works with large mobile operators, including Airtel and MTN, and has disbursed 5 million loans to more 2 million unique customers to date. The company is headquartered in Cape Town and currently operates in three markets, Kenya, Tanzania and Zambia with several additional markets in pipeline.

We are very excited about our Investment in Jumo and our maiden investment in the African geography. Africa is at the forefront of mobile money globally and Jumo is a great business to play this expanding theme. Jumo is a great fit for our portfolio as they use disruptive technology to drive a fast-growth financially inclusive financial services business in the world's fastest growing continent. The good news is that there is no shortage of investment pipeline in our region/segment of focus, and we are engaged with a number of potential investments, ranging from first conversations to final round due diligence. With this in mind, the Board is seeking to raise a total of up to approximately SEK 588 million to be resolved at a Special General Meeting to be held on November 9, 2015. Access to growth capital remains the key road block for many of the investment opportunities we have engaged with to date and that gives us optimism for the success of our mandate at Vostok Emerging Finance.

November 2015,
David Nangle