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Vostok Emerging Finance

Financial Months Report

Covering the Period
May 28, 2015–September 30, 2015

> The Company was incorporated on May 28, 2015. There were no business activities in the Company between May 28, 2015 and June 9, 2015.

> A Special General Meeting of the shareholders of Vostok New Ventures Ltd (VNV) on June 9, 2015 resolved in accordance with the Board of Directors' proposed transfer of the Company's holding in Tinkoff Bank to the shareholders through the formation and spin-off of the new company Vostok Emerging Finance Ltd (VEF).

> Net result for the period was USD -8.16 million (mln). Earnings per share were USD -0.11.

> Net result for the quarter was USD -7.65 million (mln). Earnings per share were USD -0.10.

> The net asset value of the Company was USD 18.90 mln on September 30, 2015, corresponding to USD 0.26 per share. Given a SEK/USD exchange rate of 8.3882 the values were SEK 158.54 mln and SEK 2.16, respectively.

> The Company's net asset value per share in USD decreased by 30% over the period June 9, 2015–September 30, 2015. During the same period the MSCI Emerging Markets index decreased by 18%.

> Trading in the SDRs of VEF on Nasdaq First North commenced on July 16, 2015 with the ticker VEMF SDB.

> During the period the Company has made an investment in two of Russia's innovative and fastest growing Fintech companies by taking a 12.5% stake in each of REVO and Sorsdata for a total amount of 2.5 MUSD.

> In line with the share-based incentive program, that was authorised by a Special General Meeting in Vostok New Ventures Ltd on June 9, 2015, a total of 750,000 options with strike price SEK 3.70 have been granted to the Managing Director, David Nangle.

> On October 22, the Board of the Company has convened a Special General Meeting to be held on November 9, 2015 to resolve on a rights issue in the amount of up to approximately SEK 588 million (USD 71 million) on the principal terms as further set out in the notice.

> In October 2015, Vostok Emerging Finance invested USD 4 mln in Jumo, which is a mobile money marketplace for people, small businesses and mobile network operators in Africa. Jumo currently operates in three markets, Kenya, Tanzania and Zambia, with several additional markets in pipeline and has disbursed 5 million loans to more than 2 million unique customers to date.

> The Company's estimated net asset value per share as of October 31, 2015 was USD 0.36, corresponding to SEK 3.11 per share. The number of outstanding shares as of October 31, 2015 was 73,499,555.

>02 Management report

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

Background

Vostok Emerging Finance Ltd (VEF) was incorporated and registered with the Bermuda Registrar of Companies on May 28, 2015 with registered number 50298. There were no business activities in the Company between May 28, 2015 and June 9, 2015.

A Special General Meeting of the shareholders of Vostok New Ventures Ltd (VNV) on June 9, 2015 resolved in accordance with the Board of Directors' proposed transfer of the holding in Tinkoff Bank to the shareholders through the formation and spin-off of Vostok Emerging Finance Ltd. On July 16, 2015 Vostok New Ventures' wholly owned subsidiary Vostok Emerging Finance containing the Tinkoff stake (9,079,794 SDRs) was spun-off and distributed to the shareholders of Vostok New Ventures Ltd via a mandatory redemption program.

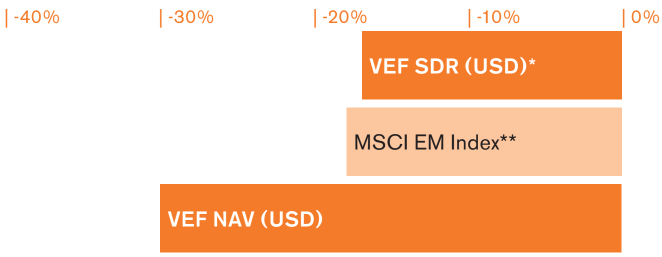
From July 16, 2015 the Swedish Depository Receipts of Vostok Emerging Finance Ltd (SDB) are traded on First North, with the ticker VEMF SDB.

The first financial year comprises the period May 28, 2015–December 31, 2015. Thereafter the financial year is January 1–December 31.

Portfolio development

Vostok Emerging Finance's net asset value (NAV) per share in USD decreased by 30% over the period June 9, 2015–September 30, 2015. During the same period the MSCI Emerging Markets index decreased by 18% in USD terms. Vostok Emerging Finance's SDR decreased by 17% in USD over the period July 16, 2015–September 30, 2015.

Percent development June 9, 2015–September 30, 2015 (last price paid on relevant stock exchange)



* July 16, 2015–September 30, 2015

** 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 September 30, 2015 is shown below.

Number of shares	Company	Fair value, USD Sep 30, 2015	Percentage weight	Value per share, USD Sep 30, 2015
6,379,794	TCS Group Holding PLC (Tinkoff Bank)[2]	11,164,640	58.8%	1.75[1]
1,536	REVO Technology[3]	2,350,000	12.4%	1,529.95[1]
386	Sorsdata[3]	150,000	0.8%	388.60[1]
	Cash and cash equivalents	5,318,379	28.0%	
	Total	18,983,019	100.0%	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.
2. Level 1 of financial asset at fair value through profit or loss
3. Level 2 of financial asset at fair value through profit or loss

>04 Information on holdings

TCS Group Holding PLC (Tinkoff Bank)

Tinkoff Bank 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 Company 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 a 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 Emerging Finance owns 3.5% of Tinkoff Bank (TCS Group Holding PLC).

In the second quarter 2015, Tinkoff Bank continued to focus on maintaining robust collections, quality portfolio management and conservative underwriting policies. The Bank also focused on building their liquidity profile given the wholesale debt maturity schedule of 2015 in a highly volatile funding environment.

After the end of the reporting period, Tinkoff Bank announced it had acquired an additional part of Svyaznoy Bank's credit card portfolio with a total volume of RUB 3.33 bn as part of its current growth strategy.

In October 2015, Tinkoff Bank also announced it will launch brokerage services for its customers based on BCS Broker solution. The new offering will enable Tinkoff's customers to open brokerage accounts and purchase securities online.

Key financial highlights first six months 2015

> Net interest income was RUB 12.9 bln (1H14: RUB 15.2 bln)
> Profit before tax amounted to RUB 0.3 bln (1H14: RUB 2.2 bln)
> Net income amounted to RUB 0.2 bln (1H14: RUB 1.7 bln)
> Net interest margin at 27.1% (1H14: 34.0%)
> Total assets increased by 12.3% to RUB 122.2 bln (YE2014: RUB 108.8 bln)
> Share of non-performing loans (NPLs) down at 14.3% (YE2014: 14.5%)
> Customer accounts increased by 65.3% RUB 71.7 bln (YE2014: RUB 43.4 bln)
> Solid capitalization with CBR N1 capital adequacy ratio at 14.3% at the end of 2Q15

Company website: tinkoff.ru/eng/

TCS Group Holding PLC

Vostok Emerging Finance's number of shares as at September 30, 2015	6,379,794
Total Value as at September 30, 2015 (USD)	11,164,640
Share of total portfolio	58.8%
Share of total shares outstanding	3.5%
Value development June 9–September 30, 2015 (in USD)	-36.4%

REVO Technologies and Sorsdata

REVO was founded in December 2012 to address unmet needs of leading Russian merchants in purchase financing and targeted marketing, leveraging newest available mobile and cloud technologies. Vostok Emerging Finance's holding amounts to 12.5 percent, with a six-month option to acquire an additional 12.5 percent at the same terms as in the initial transaction. In connection with the acquisition of REVO, 12.5 percent (with a six-month option to acquire an additional 12.5 percent) was also acquired in its sister company Sorsdata, a data analytics and consumer marketing/loyalty company, which collaborates closely with REVO.

REVO's business model applies proven mobile and cloud solutions, alongside a well-established credit approval infrastructure and collection operations in Russia to offer customers staggered-payment solutions at the time of purchase. The strategy is to capture and analyse consumer data to drive growth and profitability of merchants. The company is focused on lower ticket retail categories with over USD 100 billion in annual turnover, including apparel, toys, footwear, sporting goods, housewares, cosmetics, medical services and others. REVO is the first mover in the Russian market to deliver small ticket instalment plans for consumers in a paperless way at merchant's cash registers. This model is similar in many ways to that of Klarna in Sweden and Affirm in the US.

Sorsdata, sister company to REVO, was also founded in 2012 and focuses on customer data analytics largely gathered through the Revo machine and provides targeted marketing services for merchants to drive repeat purchases and loyalty. This model is similar in many ways to that of Aimia in Canada.

REVO's business is developing well and the company finds itself in an expansion phase as it signs up new merchants and increases store penetration within existing merchant agreements and continues to build its customer base with rising repeat rates and decreasing default payments. Sorsdata is at an earlier stage of product roll out with a number of pilot projects currently in progress at partner retail chains.

Some of the most attractive features of the REVO/Sorsdata business model include the very low cost of customer acquisition, the competent and experienced management team and the fact that they have a proven model that is scalable from here. Furthermore, the growth within the offline merchant market is set to be complimented by that of the online merchant market as increasing amounts of consumer sales go that route.

REVO/Sorsdata

	REVO	Sorsdata
Vostok Emerging Finance's number of shares as at September 30, 2015	1,536	386
Total Value as at September 30, 2015 (USD)	2,350,000	150,000
Share of total portfolio	12.4%	0.8%
Share of total shares outstanding	12.5%	12.5%
Value development June 9 –September 30, 2015 (in USD)	–	–

REVO Operational Development

	December 2013	August 2014	May 2015
Merchant partners	Traektoria, Kari	Traektoria, Kari, Detsky Mir, INCITY	Traektoria, Kari, Detski Mir, INCITY, Mellon Fashion, ALBA, CentreObuv, Obuvcom Healtcare (4 partners)
No. of active stores	67	395	~600
Store productivity (no. of installments sold/store/day)	0.26	0.17	0.96
No. of installments granted (cumulative)	6,402	20,431	94,800
Avg. installment plan (Rub)	2,442	2,858	3,631
Avg. duration of installment plan (months)	4.5	4.6	4.7
Avg. APR of installment plans	64.2%	79.4%	97.5%
% of repeat customers	15%	32%	35%
Total portfolio (Mln Rub)	11,204	17,696	145,509
% funding from merchants	1.2%	53.0%	51.0%
No. of employees	7	11	16

>06 Investments

During the period, gross investments in financial assets were USD 2.5 mln and proceeds from sales of GDRs in TCS were USD 8.05 mln. Investments concern a new investment in REVO Technologies and Sorsdata.

Company – 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 -7.85 mln, coming from the TCS share price decline.

Net operating expenses amounted to USD -0.32 mln.

Net financial items were USD 0.00 mln.

Net result for the period was USD -8.16 mln.

Total shareholders' equity amounted to USD 18.90 mln on September 30, 2015.

Liquid assets

The liquid assets of the Company, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 5.32 mln on September 30, 2015.

Financial and Operating risks

Market, financial and business related risks

Emerging and frontier markets risks

An investment in Vostok Emerging Finance is subject to risks associated with ownership and management of investments and in particular to risks of ownership and management in emerging and frontier 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 Emerging Finance's adjusted equity. Investors should therefore be aware that investment activity in emerging and frontier 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 more developed countries. Unstable state administration could have an adverse impact on investments.

None of the emerging or frontier 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. It could be more difficult to obtain redress or exercise one's rights in emerging and frontier markets than in more mature legal systems.

Acquisition and disposal risk

Acquisitions and disposals are by definition a natural element in Vostok Emerging Finance's 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 guarantees 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 Emerging Finance 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 Emerging Finance 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 Emerging Finance operates in a market that may be subject to competition with regard to investment opportunities. Other investors may thus compete with Vostok Emerging Finance in the future for the type of investments the Company intends to make. There is no guarantee that Vostok Emerging Finance 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 Emerging Finance 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 Emerging Finance 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 emerging and frontier 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. 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 that relates to the Company's investments and potential investments. Inadequate information and weak accounting standards may adversely affect Vostok Emerging Finance in future investment decisions.

Corporate governance risk

Misuse of corporate governance remains a problem in emerging and frontier 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. Deficiencies in legislation on corporate governance, judicial enforcement and corporate legislation may lead to hostile takeovers, where the rights of minority shareholders are disregarded or abused, which could affect Vostok Emerging Finance in a detrimental manner.

Dependence on key individuals

Vostok Emerging Finance is dependent on its senior executives. It cannot be ruled out that Vostok Emerging Finance might be seriously affected if any of the senior executives left the Company or if the Company is not able to recruit relevant people in the future.

Investments in growth markets

Investments in growth 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.

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 SDR 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.

Exposure to financial services companies in emerging and frontier markets

An investment in Vostok Emerging Finance is subject to risks associated with ownership and management of investments in financial services companies in emerging and frontier markets. Therefore, the Company's business, operating results, financial condition and prospects may be affected by the materialization of such risks, which include, but may not limited to, the following:

- Regulatory risks – most financial services companies in emerging and frontier markets are subject to extensive regulatory requirements. Such requirements, or the interpretation by competent authorities of such, may change rapidly. Failure to adapt to the relevant requirements may lead to sanctions or loss of business opportunities, which in turn could have a material adverse effect on the business, results of operations, financial condition and prospects of the Company's investments.
- Operational risk – financial services companies in emerging and frontier markets are exposed to operational risk, including the risk of fraud by employees, customers or outsiders, mismanagement, unauthorized transactions by employees and operational errors. Any failure to properly mitigate operational risk could have a material adverse effect on the business, results of operations, financial condition and prospects of the Company's investments.
- Reputational risk – consumer behaviour may be negatively impacted by negative publicity in traditional media as well as in social media. Any loss or reputation could have a material adverse effect on the business, results of operations, financial condition and prospects of the Company's investments.
- IT risk – financial services companies are likely to be dependent on IT systems and any disruption that affects the operations of critical systems could have a material adverse effect on the business, results of operations, financial condition and prospects of the Company's investments.

Exposure to Russia

The Company's biggest investment at this time is the ownership of shares in TCS Group, which is a financial services company with operations in Russia. Russia has undergone deep political and social change in recent years. The value of Vostok Emerging Finance's 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 SDR 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.

Foreign exchange risk

The Company's accounting currency is USD. The Company 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).

Price risk

The Company is exposed to listed equity securities price risk because of investments held by the Company and classified on the balance sheet as financial assets at fair value through profit or loss.

Liquidity risk

Liquidity risk refers to the risk that liquidity will not be available to meet payments commitments due to the fact that the Company cannot divest its holdings quickly or without considerable extra costs. Although, this risk may be relatively low as long as the core investment, class A shares in TCS Group, which may readily be converted into GDRs listed on the London Stock Exchange, it may increase in the future if the portfolio changes focus to private equity investments which are less liquid than listed holdings.

Income statement

(Expressed in USD thousands)	May 28, 2015– September 30, 2015	July 1, 2015– September 30, 2015
Result from financial assets at fair value through profit or loss[1]	-7,847	-7,337
Dividend and coupon income	–	–
Total operating income	**-7,847**	**-7,337**
Operating expenses	-316	-316
Operating result	**-8,163**	**-7,652**
Financial income and expenses		
Interest income	8	8
Currency exchange gains/losses, net	-5	-5
Net financial items	**3**	**3**
Result before tax	**-8,160**	**-7,649**
Taxation	–	–
Net result for the financial period	**-8,160**	**-7,649**
Earnings per share (in USD)	-0.11	-0.10
Diluted earnings per share (in USD)	-0.11	-0.10

1. Financial assets at fair value through profit or loss 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)	May 28, 2015– September 30, 2015	July 1, 2015– September 30, 2015
Total comprehensive income for the period	**-8,160**	**-7,649**

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

Balance sheet

(Expressed in USD thousands)	September 30, 2015	June 30, 2015
Financial non-current assets		
Financial assets at fair value through profit or loss	13,665	18,501
Total financial non-current assets	**13,665**	**18,501**
CURRENT ASSETS		
Cash and cash equivalents	5,318	8,046
Other current receivables	8	–
Total current assets	**5,326**	**8,046**
TOTAL ASSETS	**18,991**	**26,547**
SHAREHOLDERS' EQUITY (including net result for the financial period)	**18,900**	**26,547**
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Other current liabilities	69	–
Accrued expenses	22	–
Total current liabilities	**91**	**–**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**18,991**	**26,547**

Statement of Changes in Equity

(Expressed in USD thousands)	Share Capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at May 28, 2015	**–**	**–**	**–**	**–**	**–**
Issuance of share capital	735	26,322	–	–	27,057
Net result for the period May 28, 2015 to June 30, 2015	–	–	–	-510	-510
Total comprehensive income for the period May 28, 2015 to June 30, 2015	**–**	**–**	**–**	**-510**	**-510**
Balance at June 30, 2015	**735**	**26,322**	**–**	**-510**	**26,547**
Balance at June 30, 2015	**735**	**26,322**	**–**	**-510**	**26,547**
Net result for the period July 1, 2015 to September 30, 2015	–	–	–	-7,649	-7,649
Total comprehensive income for the period July 1, 2015 to September 30, 2015	**–**	**–**	**–**	**-7,649**	**-7,649**
Share based compensation	–	2	–	–	2
Balance at September 30, 2015	**735**	**26,325**	**–**	**-8,160**	**18,900**

Cash flow statements

(Expressed in USD thousands)	May 28, 2015– September 30, 2015	July 1, 2015– September 30, 2015
OPERATING ACTIVITIES		
Result before tax	-8,160	-7,649
Adjustment for:		
Interest income	-8	-8
Currency exchange gains/-losses	5	5
Result from financial assets at fair value through profit or loss	7,847	7,337
Other non-cash items affecting profit and loss	2	2
Change in current receivables	-8	-8
Change in current liabilities	91	91
Net cash used in operating activities	**-231**	**-231**
Investments in financial assets	-2,500	-2,500
Sales of financial assets	8,046	–
Interest received	8	8
Net cash flow from/used in operating activities	**5,322**	**-2,723**
FINANCING ACTIVITIES		
Net cash flow used in financing activities	**–**	**–**
Change in cash and cash equivalents	**5,322**	**-2,723**
Cash and cash equivalents at beginning of the period	**–**	**8,046**
Exchange gains/losses on cash and cash equivalents	-4	-4
Cash and cash equivalents at end of period	**5,318**	**5,318**

Key financial ratios

	May 28, 2015– September 30, 2015	July 1, 2015– September 30, 2015
Return on capital employed, %[1]	-86.35%	-33.66%
Equity ratio, %[2]	99.52%	99.52%
Shareholders' equity/share, USD[3]	0.26	0.26
Earnings/share, USD[4]	-0.11	-0.10
Diluted earnings/share, USD[5]	-0.11	-0.10
Net asset value/share, USD[6]	0.26	0.26
Weighted average number of shares for the financial period	73,499,555	73,499,555
Weighted average number of shares for the financial period (fully diluted)	73,499,555	73,499,555
Number of shares at balance sheet date	73,499,555	73,499,555

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

Note 1 Accounting principles

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The 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. As the Company was incorporated on May 28, 2015, no previous financial statements have been prepared in accordance with International Financial Reporting Standards. Applied accounting principles as well as Financial and operating risks are instead described in this report.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, that is the Board of Directors. In the internal reporting of the company, there is only one operating segment.

Foreign currency translation

The Company does not have any subsidiaries per reporting date. The Company values its investments (portfolio companies) at fair value. VEF falls within the classification of an investment company as it's an investment company with the goal of investing in early stage modern financial services companies across emerging and frontier markets that can deliver high rates of growth.

(a) The functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is USD, which is also the presentational currency.

(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.

Financial Assets

The Company 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 Company 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 Company has 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 Company 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 of loss is recognized in the income statement as "Dividend income" when the Company'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 Company 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.

See Note 3 for more details.

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.

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 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 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 Company and it is probable that the temporary difference will not reverse in the foreseeable future. The Company currently has no temporary differences and has no deferred income tax recognised.

Employee benefits:

Pension obligations

The Company has a defined contribution pension plan which is based on the market practice. The Company 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 Company 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.

See Note 4 for more details.

Revenue recognition

Revenue comprises the fair value of the consideration received in the ordinary course of the Company'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 Company 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 Company's activities is reported as "other income" in the income statement.

Note 2 Related party transactions

1) During the period Vostok Emerging Finance has recognized the following related party transactions:

(USD thousand)	Operating expenses	Current liabilities
Key management and Board of Directors*	-109	14

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

2) In order to ensure that the Company had adequate funding to carry its operations, Vostok Emerging Finance sold, on June 9, 2015, 2,700,000 GDRs in TCS Group Holding PLC to Luxor Capital Group at a price equal to the closing rate at which such GDRs were traded on London Stock Exchange at the close of trading on June 8, 2015.

Note 3 Fair value estimation

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 Company, 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 Company 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 Company will normally derive fair value for non-traded assets through any of the models described above. 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 valuations are adjusted accordingly.

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 Company's assets that are measured at fair value at September 30, 2015.

(USD thousand)	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	11,165	2,500	–	13,665
Total assets	**11,165**	**2,500**	**–**	**13,665**

As per September 30, 2015 the Company's holding in Tinkoff Bank is classified as a level 1 investment as its GDRs are trading on London Stock Exchange. Revo which is owned through the parent company Souxou and Sorsdata which is owned through the parent company Mouxou are both valued as level 2 on the basis of the valuation in the latest transaction in the two companies which was announced and closed in close proximity of the third quarter ending.

Note 4 Share-based incentive program

The incentive program, that was authorised by a Special General Meeting in Vostok New Ventures on June 9, 2015 and adopted by resolution of the Sole Member of the Company on the same day, entitles present and future employees to be allocated call options to acquire shares represented by SDRs in the Company ("Options").

Principal Conditions and Guidelines

> The exercise price for the Options shall correspond to 120 percent of the market value of the SDRs of the
> Company at the time of the granting of the Options.
> The Options may be exercised during an exercise period of three months starting five years from the time of the grant.
> 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 of the Company, 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 of the Company may make necessary adjustments to satisfy certain regulations or market conditions abroad. The Board of Directors of the Company 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 plan would no longer be appropriate.

Allocation

The incentive plan includes granting of not more than 2,000,000 options. Allocation of Options to the Managing Director of the Company shall not exceed 1,000,000 Options and allocation to each member of the executive management or to other key employees of the Company shall not exceed 400,000 Options.

The allocation of Options shall be decided by the Board of Directors of the Company or by a designated subcommittee thereof, 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 will require fulfillment of stipulated requirements and targets. The Board of Directors of the Company, or a designated subcommittee thereof, 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 plan.

Bonus for employees resident in Sweden under option (b)

In order to stimulate the participation in the plan 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 plan includes an element of risk.

Dilution and costs

In the event all 2,000,000 Options are fully exercised, the holders will acquire shares represented by SDRs corresponding to a maximum of approximately 2.7 percent of the share capital. The proposed number of Options is expected to meet allocation requirements for the next 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 15,000,000 over the life of the incentive plan, 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 exercise or maturity of the Options. Other costs for the incentive plan, including fees to external advisors and administrative costs for the plan are estimated to amount to approximately SEK 250,000 for the duration of the Options. Social security contributions in respect of Options granted to employees resident outside of Sweden are deemed to be insignificant.

Purpose

The purpose of the proposed incentive plan 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 favorable developments in the value of the Company.

Outstanding Options

As per the date of this report, a total of 750,000 Options with strike price SEK 3.70 have been granted to the Managing Director, David Nangle.

Note 5 Events after the reporting period

On October 22, 2015, the Board of the Company has convened a Special General Meeting to be held on November 9, 2015 to resolve on a rights issue in the amount of up to approximately SEK 588 million on the principal terms as further set out in the notice.

In October 2015, Vostok Emerging Finance invested USD 4 mln in Jumo, which is a mobile money marketplace for people, small businesses and mobile network operators in Africa. Jumo currently operates in three markets, Kenya, Tanzania and Zambia, with several additional markets in pipeline and has disbursed 5 million loans to more than 2 million unique customers to date.

Upcoming Reporting Dates

Vostok Emerging Finance's financial report for the period June 9, 2015–December 31, 2015 will be published on March 10, 2016.

November 6, 2015

David Nangle
Managing Director

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Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Vostok Emerging Finance Ltd. as of 30 September 2015 and for the period of 28 May–30 September 2015. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34.

Gothenburg, 6 November 2015
PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorized Public Accountant

Bo Hjalmarsson
Authorized Public Accountant