



Mail.ru Group Limited unaudited results for Q3 2021

October 28, 2021. Mail.ru Group Limited (MAIL, hereinafter referred to as "the Company" and together with its subsidiaries "VK" or "the Group"), one of the largest companies in the Russian-speaking Internet market, today releases unaudited IFRS results and segment financial information for the three and nine months ended 30 September 2021.

Performance highlights*

Results for the three months ended 30 September 2021:

- Q3 2021 Group aggregate segment revenue grew 19% YoY to RUB 30,418m
- Q3 2021 Group aggregate segment EBITDA rose 28% YoY to RUB 8,426m
- Q3 2021 Group aggregate net profit from consolidated subsidiaries grew 41% YoY to RUB 3,836m
- Q3 2021 Group aggregate net loss including key strategic associates and joint ventures was RUB (1,371m), compared to Q3 2020 net loss of RUB (415m), including the following contributions:
 - O2O JV: RUB (3,882m) in Q3 2021 vs RUB (2,968m) in Q3 2020;
 - AER JV: RUB (1,212m) in Q3 2021 vs RUB (162m) in Q3 2020;
 - Uchi.ru Group: RUB (113m) in Q3 2021

Results for the nine months ended 30 September 2021:

- 9M 2021 Group aggregate segment revenue rose 21% YoY to RUB 88,699m
- 9M 2021 Group aggregate segment EBITDA grew 8% YoY to RUB 21,159m
- 9M 2021 Group aggregate net profit from consolidated subsidiaries declined 2% YoY to RUB 8,070m
- 9M 2021 Group aggregate net loss including key strategic associates and joint ventures was RUB (5,299m), compared to 9M 2020 net profit of RUB 674m, including the following contributions:
 - O2O JV: RUB (11,098m) in 9M 2021 vs RUB (6,866m) in 9M 2020;
 - AER JV: RUB (2,179m) in 9M 2021 vs RUB (695m) in 9M 2020;
 - Uchi.ru Group: RUB (92m) in 9M 2021

* Performance highlights are based on the Group aggregate segment financial information, which is different from IFRS accounts. See "Presentation of Aggregate Segment Financial Information".

Commenting on the results of the Group, Dmitry Grishin, Chairman of the Board, and Boris Dobrodeev, CEO (Russia) of VK, said:

In Q3, Group revenue grew by 18.6% (to RUB 30.4bn). We saw a particularly strong YoY performance from online advertising (+28.2%) and Education Technology services (+56.2%). Community IVAS returned to growth (+5.7% YoY versus -2.3% in Q2), with largely flat performance from MMO Games (-0.8% YoY) given the continued challenging base effect (+34% YoY in Q3 2020), combined with no major new games launches.

Q3 revenue split:

- Advertising: +28.2% YoY to RUB 12,229m
- MMO: -0.8% YoY to RUB 8,841m
- Community IVAS: +5.7% YoY to RUB 4,479m
- Education Technology services: +56.2% YoY to RUB 2,546m
- Other: 74.9% YoY to RUB 2,323m

VKontakte remains the key contributor to our core online advertising revenue stream as well as the largest Communications & Social (C&S) reporting segment, with its quarterly revenue exceeding RUB 7bn on the back of 29% YoY revenue growth. In terms of



advertising products, performance remained the key driver (+40% YoY). Within advertising formats, we saw 52% YoY growth in our in-stream video revenue in Q3, with the further monetization of video among our key strategic priorities. As the base effect becomes more challenging, **we expect further QoQ moderation in the advertising revenue growth rate in Q4, but with the goal to continue to outgrow the broader digital market.**

Community IVAS (~14.7% of Group revenue in Q3), which returned to growth in Q3 (5.7% versus -2.3% in Q2), was driven by Music, which sits at the heart of our VK Combo loyalty program, with >4.5mn subscribers as of the end of September. **We expect a broadly similar growth rate for IVAS in Q4, with moderate growth for the year.**

With >97% of Community IVAS and >80% of Online advertising revenues booked within the C&S segment, it saw solid underlying trends in Q3, with 20.2% YoY growth. **C&S segment also saw margin improvement, with an EBITDA margin of 49.1% versus 41.3% in Q2 and 46.1% in Q3 2020.**

While MMO Games (29.1% of Group revenue) was largely flat YoY in Q3, the overall Games segment (represented by MY.GAMES) delivered slight growth (+2.3% YoY, RUB 10.1bn). EBITDA of MY.GAMES was RUB 2.4bn with a margin of 24.2%, an improvement compared to 20.2% margin in Q3 2020. MY.GAMES is set to deliver an **EBITDA margin of ~20% in 2021 versus 16% in 2020, along with some revenue growth.**

EdTech segment (Skillbox Holding Limited) revenues grew >56% YoY in Q3 (to RUB 2.5bn), supported by active ongoing course offer expansion, which helps drive paying user growth (+37,000 in Q3). **EdTech revenues are now expected to exceed RUB 10bn in 2021.** EBITDA margin improved to -13% in Q3 versus -38% in Q2 and we target **further improvement in profitability in Q4.**

Within the New Initiatives segment, Youla saw 28% revenue growth in Q3 (to RUB 968m), with a continued reduction in EBITDA burn, to -17% in Q3, versus -20% in Q2 and -58% in Q3 2020. **Youla is on track to deliver RUB3.6-3.9bn in revenues in 2021, with major progress towards break-even, expected in 2022.**

We are very bullish on the growth prospects of MY.GAMES, but with 2021 being more focused on EBITDA growth for the segment. This is due to the high COVID-19 related base effect for growth along with IDFA-related changes, which shifted launches into 2022, allowing for a period of adjustment for our marketing models to maximize efficiency of the key cost item for MY.GAMES. As a result, we currently see **RUB124-127bn in revenue as the base case for 2021, with 16.5-19.4% growth for this year.** The target for **slight YoY margin improvement versus 25.3% delivered in 2020** remains in place.

Our net debt position excluding lease liabilities at the end of September stood at RUB 29,231m (RUB 45,025m including lease liabilities). During the quarter Mail.ru Finance finalized the placement of the RUB 15bn in exchange-traded local bonds with a 7.9% annual coupon rate, with proceeds used for investments into the O2O and AliExpress Russia (AER) JVs as well as online education and games. In 2021, we invested RUB 21.5bn into the O2O JV, \$60.3mn into the AER JV and RUB 4bn into online education and games as we see these assets as strategically important ecosystem elements and growth areas for the Group.

The Group's rebranding from "Mail.ru Group" into "VK" is also part of our ecosystem development strategy. The positive impact the "VK" brand has on awareness and use of



products is clear and should help drive the Group's reach, engagement and monetization, while also stimulating the internal culture of togetherness and collaboration.

Also, to closer align with our stakeholders, the Remuneration and Nomination Committee of the Board has recently approved the shift to a new long-term incentive program (LTI) for Executives. It is equity-based with awards in Performance Stock Units ("PSUs") and options linked to GDRs, with annual vesting over 4 years, starting in 2022. Vesting of PSUs is subject to meeting performance conditions linked to financial parameters such as budgeted Revenue and Adjusted Free-Cash-Flow, while options have a strike price of \$20/GDR (which will only have value in case of share price appreciation above that level), with any gains to be settled in GDRs. Under the Program, PSUs or options may be clawed back in the event of misconduct or certain accounting irregularities.

Financial and operational highlights around our most material non-consolidated assets among associates and joint ventures including AliExpress Russia JV and O2O JV can be found below in the "Joint Ventures" section of the press release.

As of September 2021, we reassessed the probability of successfully completing the Payments and Financial Services JVs deal in its current structure as agreed in February 2021 as not highly probable. Hence, we ceased to classify assets and liabilities related to Money.Mail.Ru, VK Pay and InPlat as held for sale. The event is P&L neutral and the Group intends to form Payments JV and Financial Services JV in the foreseeable future, and is currently in active negotiations on the matter.

Segmental highlights

Communications and Social segment

The segment's revenue was up 20.2% YoY to RUB 15bn in Q3 2021 driven by advertising revenue growth along with improved Community IVAS performance. EBITDA increased by 28.1% YoY to RUB 7.4bn in Q3 (with a margin of 49% vs 46% a year ago) due to the improvement seen in the high margin Community IVAS revenue and despite the ongoing product investments, particularly into content and music.

Communications and Social Segment Performance – Q3 2021 & 9M 2021

RUB millions	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
Revenue						
External revenue	12,456	14,910		36,464	42,283	
Intersegment revenue	(2)	62		(3)	222	
Total revenue	12,454	14,972	20%	36,461	42,505	17%
Total operating expenses	6,718	7,622	13%	18,492	23,356	26%
EBITDA	5,736	7,350	28%	17,969	19,149	7%
EBITDA margin, %	46.1%	49.1%	3.0pp	49.3%	45.1%	-4.2pp

VKontakte

VKontakte maintained its local social networking leadership, with a stable average Russia MAU of 72mn and DAU of 46.2mn (+0.2% YoY) in Q3. Mobile time spent stood at ~33 minutes per day as of August, including ~48 minutes per day for the most engaged 12–24 age group^a.



The number of VK Mini Apps rose by almost 70% YoY in September to above 36,800, with MAU of 34mn (+26% YoY). Monetization of mini apps and games based on the VK Mini Apps platform is progressing, with related in-app ads revenue rising by 550% YoY in Q3.

Communication products and related technology enhancements continued, with the rollout of free-of-charge unlimited duration group video calls for up to 2,048 simultaneous participants on desktop, with video call MAU of 20mn. VKontakte launched VK Mail, an email service integrated with VKontakte messenger with authorization via VK ID. 5.7mn email accounts were registered in VK Mail within the first three days.

Video remains a major focus area, with several significant video platform updates. VKontakte is focused on content creation as a driver of video consumption, having launched VK Squad, an educational project for bloggers. VKontakte is also boosting its video monetization tools, which includes the launch of revenue share with authors, initially available for Groups participating in the VKontakte partner program. These initiatives helped drive a 5x YoY increase in VKontakte's revenue from video ads in Q3, to be further stimulated by the rollout of VK Video in October, unifying all of the Group's video resources in a platform with 40mn video DAU, the largest in Russia.

Content creators using VK Donut earned >RUB 126mn since its launch in late June 2020. The VKontakte Mobile Games catalogue grew by 135% YoY, with +15% YoY growth in mobile games audience in Q3.

Technological enhancements are ongoing, with VKontakte being among the pioneers to have implemented the advanced technology of data transmission based on the new network protocol QUIC, which accelerated delivery of content by 2x.

^a Source: Mediascope, August 2021, Russia (all cities, age 12+), Mobile app

Odnoklassniki (OK)

Average Russia MAU stood at 38mn in Q3. Users sent more than 6.6bn virtual gifts, 500mn postcards and 450mn stickers during Q3. Additional IVAS growth contribution came from social games. Average DAU in mobile games on the OK platform grew by 22% YoY in Q3, with penetration exceeding 10% of OK's overall mobile DAU. Game advertising revenue inside OK also continues to grow, with total games advertising revenue up by 340%.

Moments MAU reached 26mn in September, with the number of views and reactions growing to 390mn and 42mn respectively during the period.

OK continues to develop advertising based monetization, with the number of advertisers increasing by 17% YoY in Q3. Revenue from the internal advertising manager within OK was up 74% YoY in Q3.

Cross-integrations continue, with the launch of a recruiting service and a special section in OK main menu with VK Jobs. In September, OK rolled out the AI-based voice message transcription feature on the basis of the technology developed by VKontakte, and enhanced its music service.

Games segment (represented by MY.GAMES)

MY.GAMES revenues grew 2.3% YoY in Q3 (to RUB 10.1bn) given the still elevated COVID-19 base effect from 2020 along with no major new launches as of 9M21 (versus 8



during the same period last year). ~96% of revenues came from F2P games, with mobile share at 75% of the total in Q3 (versus 73% in Q3 2020). War Robots, Warface, Hustle Castle, Rush Royale and Grand Hotel Mania were the largest revenue contributors for the quarter.

The Games segment EBITDA stood at RUB 2.4bn in Q3, delivering 22.6% YoY growth, with a margin of 24.2% (versus 20.2% in Q3 2020), and the segment is firmly on track to deliver margin growth for the year. Average MAU stood at 21mn in Q3 with a 4.32% share of monthly paying users and Average Revenue Per User (ARPU) of RUB 160.

Games Segment Performance – Q3 2021 & 9M 2021

RUB millions	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
Revenue						
External revenue	9,822	10,054		28,498	32,083	
Intersegment revenue	30	26		73	78	
Total revenue	9,852	10,080	2%	28,571	32,161	13%
Total operating expenses	7,865	7,644	-3%	23,682	25,615	8%
EBITDA	1,987	2,436	23%	4,889	6,546	34%
<i>EBITDA margin, %</i>	<i>20.2%</i>	<i>24.2%</i>	<i>4.0pp</i>	<i>17.1%</i>	<i>20.4%</i>	<i>3.3pp</i>

The share of revenue coming from markets outside of Russia & CIS stood at 77% (versus 75% in Q3 2020), with the US, Germany and France holding the largest share of international revenue.

MY.GAMES Venture Capital (MGVC) completed four minority investments in new studios in Q3 (VOX, Tworogue Games, Breach Studios, Wideview Games) and consolidated Mamboo Games.

MY.GAMES continued to grow by supporting its existing portfolio with product updates, spreading existing titles to other platforms as well as expanding its portfolio with new IP consolidations. Mamboo games joined MY.GAMES in late Q3 to drive further portfolio diversification into the attractive and fast-growing hyper casual and hybrid casual genres. A total of 14 internal studios of MY.GAMES have 20 new titles in active development across PC, console and mobile platforms, set to support future growth, to be further enhanced by MGVC acquisitions.

Mobile

The top-5 revenue-generating mobile titles in Q3 remained War Robots, Rush Royale, Hustle Castle, Grand Hotel Mania and Left to Survive, with the most recently launched (December 2020) Rush Royale now ranked second in terms of quarterly revenue.

War Robots (2014, Pixonic studio) shooter had 200mn registered users in September, with average monthly revenue of ~RUB 850mn in Q3 and significant positive EBITDA contribution.

Hustle Castle (2017, Nord studio) RPG title exceeded 71mn in downloads, with >RUB 300mn in average monthly revenue in Q3. The Nord Studio also operates Zero City (~19mn downloads, ~RUB 100mn in average monthly revenue). American Dad! Apocalypse Soon continued to scale, with ~10mn in cumulative downloads as of the end of Q3.



Grand Hotel Mania (2020, Deus Craft studio) time management game approached 13mn installs, with nearly RUB 200mn in average monthly revenue in Q3.

Left to Survive (2018, Whalekit studio) shooter reached 42mn downloads and exceeded RUB 150mn in average monthly revenue in Q3. Another title from this studio, Warface: Global Operations (2020), reached 20mn downloads.

Rush Royale (2020, IT Territory studio) tower defence game reached ~14mn downloads with average monthly revenue reaching a new record of >RUB 400mn in September, being the most successful launch in MY.GAMES' history.

Tacticool (2019, Panzerdog) top-down PvP mobile shooter game reached 21mn downloads and achieved nearly RUB 100mn in average monthly revenue in Q3.

In Q3, MY.GAMES continued to port its mobile titles to PC on MY.GAMES Store as part of internal cross-selling and cross-integration, with Tacticool and Grand Hotel Mania ported in Q3.

PC & Console

The Warface (2013, PC/console/mobile) first-person shooter franchise reached 120mn players worldwide across all platforms and remains a top-3 revenue generator for MY.GAMES. Warface cross-play via console platforms connects over 24mn players to the same server, with growth supported by the rollout of the new Heist season on PlayStation 4 and Xbox One in September, to be soon extended to Nintendo Switch.

Lost Ark (PC, licensed from Smilegate RPG) MMORPG reached 3mn in registered users.

Tactical action MMO Conqueror's Blade (2019, PC, licensed from Booming Tech) reached 3.5mn in users in Q3.

Free-to-play MMO Skyforge (2017, PC, Allods Team) reached 13.2mn in registered users.

MY.GAMES and the third-party developer (The Farm 51 studio) launched Early Access to tactical online multiplayer FPS World War 3, which is set to launch globally in Q1 2022.

EdTech segment (represented by Skillbox Holding Limited)

The segment continued to demonstrate solid performance in Q3, with revenue rising by 56% YoY to RUB 2.5bn. EdTech delivered an EBITDA loss of RUB 0.3bn in Q3 compared to a positive RUB 0.3bn contribution in Q3 2020 due to personnel, content development cost as well as marketing expense increases. An increase in the tax burden relative to 2020 also had a negative effect (with 4% margin excluding this tax effect). At the same time, the economics of the business improved QoQ, with a negative EBITDA margin of -13% vs -38% during the prior quarter.

EdTech Segment Performance – Q3 2021 & 9M 2021

RUB millions	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
Revenue						
External revenue	1,630	2,545		3,522	6,869	
Intersegment revenue	-	1		-	2	
Total revenue	1,630	2,546	56%	3,522	6,871	95%



Total operating expenses	1,319	2,875	118%	2,872	8,024	180%
EBITDA	311	(329)	n/m	650	(1,153)	n/m
<i>EBITDA margin, %</i>	<i>19.1%</i>	<i>-12.9%</i>	<i>-32.0pp</i>	<i>18.5%</i>	<i>-16.8%</i>	<i>-35.3pp</i>

The platforms exceeded 1.94mn in combined cumulative registered students as of the end of September, up 1.5x YoY, with 210,000 in new registrations during the quarter. The cumulative number of paying students approached 273,000, up 2.1x YoY, with nearly 37,000 new paying students added during Q3.

The units launched 163 new courses and programs (professions and faculties) during Q3, with most additions in programming and gaming (41), design (30), marketing (21) and management (19), and the overall number of available courses reaching 1,210. The average check stood at RUB 67,000 in Q3 (+13% YoY).

Accounting for the consolidation of SkillFactory since the back end of September, we expect EdTech revenues to exceed RUB 10bn in 2021 with further QoQ improvement in EBITDA margin in Q4.

New Initiatives segment

The segment's revenue was up 68% to RUB 2.9bn in Q3 driven mainly by Youla. New Initiatives EBITDA loss amounted to RUB 1bn (vs. the loss of RUB 1.5bn in Q3 2020), which implies a -35.2% margin (-83.2% in Q3 2020) due to the ongoing improvement in profitability across most product groups, including Youla, recommendation platforms and B2B (including Cloud).

New Initiatives Segment Performance – Q3 2021 & 9M 2021

RUB millions	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
Revenue						
External revenue	1,737	2,909		4,910	7,464	
Intersegment revenue	8	17		33	30	
Total revenue	1,745	2,926	68%	4,943	7,494	52%
Total operating expenses	3,197	3,957	24%	8,809	10,877	23%
EBITDA	(1,452)	(1,031)	-29%	(3,866)	(3,383)	-12%
<i>EBITDA margin, %</i>	<i>-83.2%</i>	<i>-35.2%</i>	<i>48.0pp</i>	<i>-78.2%</i>	<i>-45.1%</i>	<i>33.1pp</i>

Youla (classifieds)

Youla grew revenues by 28% YoY in Q3 to RUB 968mn, driven by the rising share of B2B sales. EBITDA loss as a proportion of revenue continued to decline, at -17% in Q3 versus -58% in Q3 2020. MAU grew by 27% YoY reaching 33mn in September, stimulated by the ongoing rollout of VK Classifieds, with 115,000 Groups in VKontakte now able to show relevant listings via VK Classifieds (+130% QoQ).

The revenue of the Jobs vertical (VK / Youla Jobs) nearly doubled YoY, with related DAU rising by 32% YoY, and the number of new CVs increasing by 144% YoY. Within the VKontakte social network, more than 90% of job search Groups are now connected to the VK Jobs.

Youla remains on track to deliver RUB 3.6-3.9bn in revenues in 2021, with significant progress towards break-even.



VK ID (unified ID)

Since its launch in June 2020, 51.5mn people have used VK ID for authentication, not counting for authentication on vk.com, with their number growing 27% QoQ in Q3. 27 Group services are now using VK ID (versus 24 as of the end of June), including CityDrive and VK Mail among the most recently added.

VK Clips (short video)

VK Clips' video inventory now exceeds 8mn+ clips, with 2.1mn unique authors.

Engagement continues to rise, with daily video views reaching up to 350mn and DAU at 20mn in September.

Time spent per user in Clips grew by 62% YoY in September, with the number of users spending 10+ minutes per day on Clips rising by 71% during the same period.

Product enhancements continue, with VK Clips being the first short video platform to launch thematic feeds. There is already certain advertising-based monetization in Clips with two main formats used: traditional video promos and special projects (with special effects, AR masks, challenges, etc), albeit the main near-term focus remains on rising engagement and retention on the platform.

Pulse and Relap (recommendation platforms)

In Q3, Pulse DAU stood at 9mn (+144.8% YoY), with MAU of 70.4mn (+87.5% YoY). Relap DAU stood at 6.3mn (+1.63% YoY) in Q3, with MAU of 84.5mn (-7.27% YoY), driven by the change in the cookie-collection policy of the major internet browsers. The two platforms' combined revenue reached RUB 345mn in Q3 (+141% YoY). So far in Q4, the first iteration of integration with the VK Video platform was completed and Pulse launched a video uploading feature for authors via Pulse personal cabinet. At the end of September, UGC video recommendations on pulse.mail.ru were launched, with Pulse now offering bloggers a new way to monetize on the recommendation platform.

Joint Ventures

O2O JV (equal 45.01% ownership between Sber and VK)

GMV of O2O JV reached 47.7bn (+55% YoY) in Q3. EBITDA burn stood at RUB 7.6bn, as its units remain in an active investment phase. At the same time, continuous focus on operational efficiency resulted in an EBITDA margin of -16% (as % of GMV), an improvement versus -20% in Q2 and -25% in Q3 2020.

	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
GMV, RUB mn	30,829	47,745	55%	75,645	133,442	76%
EBITDA, RUB mn	(7,598)	(7,631)	-0.4%	(17,730)	(23,003)	-30%
<i>EBITDA margin, as % of GMV</i>	-25%	-16%	8.7pp	-23%	-17%	6.2pp

Food-tech, including Delivery Club (98%), Samokat (85%), r_keeper (99%) and Local Kitchen (85%)

Delivery Club generated RUB 4bn in gross revenue (+53% YoY) in Q3, with a 45% YoY growth in orders to 22mn. 1P orders stood at 64% of total platform orders in Q3 (versus 59% in Q3 2020), while grocery orders amounted to 17% of the total (versus 6% in Q3 2020).



Delivery Club is present in all federal districts and covers >50% of the Russian population, with a connected partner network exceeding 47,000 September (+55% YoY), including 6,270 retail stores.

As a result of the expanding offer and the ongoing improvements in the service level (with an average delivery time of 32.9 min in Moscow in September), the average frequency increased QoQ as well as YoY, with ~4.3 orders/active user in Q3 and the number of active customers up 27% YoY to 5mn.

	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
Gross revenue, RUB mn	2,622	4,014	53%	6,963	10,850	56%
Number of orders, mn	15.3	22.1	45%	42.2	60.5	44%
<i>Share of grocery orders</i>	6%	17%		4%	14%	
<i>Share of 1P orders</i>	59%	64%		57%	63%	
Number of vendors, thousands, end of period	30.7	47.5				
Active customers, mn	4.0	5.1	27%			
Average frequency, orders	3.8	4.3	14%			

Samokat grew gross revenue by 4.5x YoY (to RUB 9.5bn) in Q3, with 18.9mn in orders (+4.2x YoY), including up to 250,000 in daily orders in September.

Samokat launched operations in 2 additional cities in Q3, now available across 22 Russian cities with access to ~19% of the local population. It plans further expansion, including into cities with <500,000 in population.

Samokat's dark store base reached 758 in September (+2.6x YoY), being among the largest networks globally.

The entire category base has greatly expanded, including into cosmetics, with plans to further scale this into categories such as medicine. The private label SKU base reached 720 and contributed >16% of revenue in Q3.

	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
GMV, RUB mn	2,340	10,808	362%	5,300	26,782	405%
Gross revenue, RUB mn	2,093	9,497	354%	4,725	23,556	399%
<i>Share of revenue from private label assortment</i>	13%	16%		10%	16%	
Number of orders, mn	4.5	18.9	324%	9.5	45.6	379%
Number of dark stores	290	758	161%			

Local Kitchen delivered 1.8mn orders (+27% YoY) and generated RUB 930mn in gross revenue (+29% YoY) in Q3 from its 50 dark kitchens across Moscow.

	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
GMV, RUB mn	849	1,110	31%	1,972	3,157	60%
Gross revenue, RUB mn	719	930	29%	1,671	2,654	59%
Number of orders, mn	1.4	1.8	27%	3.2	5.0	56%
Average number of kitchens	33	50				



Active users, thousands 169 238 41%

Mobility, including Citymobil (97%) and Citydrive (former YouDrive) (77%)

In Q3, **Citymobil** completed 44.6mn rides with GMV growth of 8.5% YoY (to RUB 14.6bn), supported by the ongoing growth in B2B (+3.2 YoY) and Premium segment rides (+1.9x YoY). Focus on unit economics resulted in a 20% increase in contribution profit per passenger ride QoQ in Q3. Delivery business continues to expand, with up to 21,000 deliveries in peak days in September.

	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
GMV, RUB mn	13,444	14,592	9%	30,433	44,450	46%
Number of rides, mn	49.7	44.6	-10%	125	146	17%
Active riders, mn	4.4	3.9	-11%	3.5	4.2	20%

Citydrive grew rides by 1.5x YoY in Q3 through its 5,690 car park with GMV more than doubling to RUB 1bn.

	Q3 2020	Q3 2021	YoY, %	9M 2020	9M 2021	YoY, %
GMV, RUB mn	483	1,000	107%	854	2,345	174%
Number of rides, mn	1.4	2.1	47%	2.6	5.4	105%
Number of cars, end of period	4,329	5,690	31%	4,329	5,690	31%

AliExpress Russia (AER) JV (15% stake held by VK)

AER continues its diversification, with the local marketplace GMV growing 126% YoY during H1 FY22 (April 2021 – September 2021), including ~5.5x YoY growth in orders, reflecting the focus on category diversification towards higher frequency categories. The number of local sellers exceeded 75,000 in September (+172% YoY), with the number of local SPUs (Standardized Product Units) growing by 230% YoY to 11.7mn. Including the cross-border business, the platform offers a total of 176mn SPUs from 350,000+ sellers with a total GMV of RUB 133.3bn in H1 FY22 (139.2mn of total orders). LTM active buyers reached 27.9mn, with 114% YoY growth of buyers in local.

Target remains to reach ~30mn total buyers, with local GMV approaching 50% of the total by the end of AER's FY2022 (April 2022) versus 33% as of September.

VK provided \$60.3mn in additional capital to AER in August as part of its ongoing funding round, which is expected to close by the end of November. Group's shareholding is expected to remain broadly unchanged.



Conference call and webcast:

The management team will host an analyst and investor conference call and webcast at 16.00 Moscow time (14.00 London, 9.00 New York) on the same day, including a Question and Answer session.

Conference call details:

Date: Thursday, October 28

Time: 16:00 (Moscow), 14:00 (London), 9:00 (New York)

Dial-in Numbers (recommended option to be able to ask questions*):

From the UK/International: +44 (0)330 336 9434 (local access) / 0800 279 7209 (toll free)

From Russia: +7 495 646 9190 (local access) / 8 10 8002 8675011 (toll free)

From the US: +1 929 477 0324 (local access) / 800 458 4148 (toll free)

Confirmation Code: 8774578

Webcast (recommended option to be able to listen and view related slides):

<https://www.webcast-egs.com/mailru20211028>

*We recommend participants to dial at least 5 minutes prior to the start of the conference call.

For further information please contact:

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Cautionary Statement regarding Forward Looking Statements and Disclaimers

This press release contains statements of expectation and other forward-looking statements regarding future events or the future financial performance of the Group. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "forecast", "intend", "will", "could", "may" or "might", the negative of such terms or other similar expressions including "outlook" or "guidance". The forward-looking statements in this release are based upon various assumptions that are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and may be beyond the Group's control. Actual results could differ materially from those discussed in the forward-looking statements herein. Many factors could cause actual results to differ materially from those discussed in the forward looking statements included herein, including competition in the marketplace, changes in consumer preferences, the degree of Internet penetration and online advertising in Russia, concerns about data security, claims of intellectual property infringement, adverse media speculation, changes in political, social, legal or economic conditions in Russia, exchange rate fluctuations, and the Group's success in identifying and responding to these and other risks involved in its business, including those referenced under "Risk Factors" in the Group's public filings. The forward-looking statements contained herein



speaks only as of the date they were made, and the Group does not intend to amend or update these statements except to the extent required by law to reflect events and circumstances occurring after the date hereof.



About VK

VK develops the ecosystem helping millions of people with their day-to-day needs online. More than 90% of the Russian internet audience use it every day.

The ecosystem enables people to keep in touch (using social networks OK and VKontakte, messaging apps and email service), play video games (via MY.GAMES), get and offer items and services, browse jobs and hire talent (via Youla and VK Jobs), order food and grocery delivery (via Delivery Club, Samokat and Local Kitchen), get a ride (with Citymobil and Citydrive), master new skills (at GeekBrains, Skillbox and other educational services), buy and sell at AliExpress Russia and fulfill other needs.

The VK ecosystem features a number of shared elements bringing the services together. Users can sign in to different services with a single VK ID account, pay and earn cash back with the VK Pay platform, get discounts and deals with VK Combo, access their favorite services via the VK Mini Apps platform — and the Marusya voice assistant can help with any task.

The company offers enterprises to employ its dynamic ecosystem to digitize their business processes, providing a range of solutions from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.



Filing of the Interim Condensed Consolidated Financial Statements for 9m 2021

The Group's interim condensed consolidated financial statements for the nine months ended 30 September 2021 prepared in accordance with IFRS and accompanied by an independent auditor's review report have been filed on the National Storage Mechanism appointed by the Financial Conduct Authority and can be accessed at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> or on the Group's website at <https://vk.com/company/media/files/vkifrsq32021.pdf>.

Group Aggregate Segment Financial Information*

RUB millions	Q3 2020	Q3 2021	YoY, %	9m 2020	9m 2021	YoY, %
Group aggregate segment revenue (1)						
Online advertising	9,540	12,229	28.2%	26,225	33,949	29.5%
MMO games	8,910	8,841	-0.8%	26,060	27,788	6.6%
Community IVAS	4,237	4,479	5.7%	13,433	13,403	-0.2%
Education Technology services	1,630	2,546	56.2%	3,521	6,865	95.0%
Other revenue**	1,328	2,323	74.9%	4,155	6,694	61.1%
Total Group aggregate segment revenue	25,645	30,418	18.6%	73,394	88,699	20.9%
Group aggregate operating expenses						
Personnel expenses	6,068	7,615	25.5%	17,273	23,050	33.4%
Agent/partner fees	7,000	7,967	13.8%	19,549	24,418	24.9%
Marketing expenses	4,707	4,654	-1.1%	13,088	15,828	20.9%
Server hosting expenses	202	225	11.4%	567	635	12.0%
Professional services	236	318	34.7%	627	1,038	65.6%
Other operating (income)/expenses, excl. D&A	850	1,213	42.9%	2,648	2,571	-2.9%
Total Group aggregate operating expenses	19,063	21,992	15.4%	53,752	67,540	25.7%
Group aggregate segment EBITDA (2)	6,582	8,426	28.0%	19,642	21,159	7.7%
<i>margin, %</i>	<i>25.7%</i>	<i>27.7%</i>		<i>26.8%</i>	<i>23.9%</i>	
Depreciation and amortisation (3)	2,779	3,592	29.3%	8,123	10,412	28.2%
Share of loss of key JVs and equity associates	3,130	5,207	66.4%	7,561	13,369	76.8%
Other non-operating income (expense), net	(578)	(385)	-33.2%	(1,576)	(1,385)	-12.1%
Profit/(loss) before tax (4)	95	(758)	n/m	2,382	(4,007)	n/m
Income tax expense (5)	510	613	20.2%	1,708	1,292	-24.4%
Group aggregate net profit from consolidated subsidiaries (6)	2,715	3,836	41.3%	8,235	8,070	-2.0%
<i>margin, %</i>	<i>10.6%</i>	<i>12.6%</i>		<i>11.2%</i>	<i>9.1%</i>	
Group aggregate net profit/(loss) (7)	(415)	(1,371)	n/m	674	(5,299)	n/m
<i>margin, %</i>	<i>-1.6%</i>	<i>-4.5%</i>		<i>0.9%</i>	<i>-6.0%</i>	

(*) The numbers in this table and further in the document may not exactly foot or cross-foot due to rounding.

(**) Including Other IVAS revenues.

- (1) Group aggregate segment revenue is calculated by aggregating the segment revenue of the Group's operating segments and eliminating intra-segment and inter-segment revenues. This measure differs in significant respects from IFRS consolidated net revenue. See "Presentation of Aggregate Segment Financial Information" below.
- (2) Group aggregate segment EBITDA is calculated by subtracting Group aggregate segment operating expenses from Group aggregate segment revenue. Group aggregate segment operating expenses are calculated by aggregating the segment operating expenses (excluding the depreciation and amortisation) of the Group's operating segments including allocated Group's corporate expenses, and eliminating intra-segment and inter-segment expenses. See "Presentation of Aggregate Segment Financial Information".



- (3) Group aggregate depreciation, amortisation and impairment expense is calculated by aggregating the depreciation, amortisation and impairment expense of the subsidiaries consolidated as of the date hereof, excluding amortisation and impairment of fair value adjustments to intangible assets acquired in business combinations.
- (4) Profit before tax is calculated by deducting from Group aggregate segment EBITDA Group aggregate depreciation, amortisation and impairment expense and adding/deducting Group aggregate other non-operating incomes/expenses primarily consisting of interest income on cash deposits, interest expenses, dividends from financial and available-for-sale investments and other non-operating items.
- (5) Group aggregate income tax expense is calculated by aggregating the income tax expense of the subsidiaries consolidated as of the date hereof. Group aggregate income tax expense is different from income tax as would be recorded under IFRS, as it is adjusted for the tax effect of differences in profit before tax between Group aggregate segment financial information and IFRS.
- (6) Group aggregate net profit from consolidated subsidiaries is the (i) Group aggregate segment EBITDA; less (ii) Group aggregate depreciation, amortisation and impairment expense; less (iii) Group aggregate other non-operating expense; plus (iv) Group aggregate other non-operating income; less (v) Group aggregate income tax expense.
- (7) Group aggregate net profit is the (i) Group aggregate net profit from consolidated subsidiaries; less (ii) Share of loss of key JVs and equity associates. Group aggregate net profit differs in significant respects from IFRS consolidated net profit. See "Presentation of Aggregate Segment Financial Information".

Operating Segments

The composition of the reporting segments reflects the Group's strategy, the way the business is managed and units' interconnection within its eco-system. From the first quarter of 2021 the Group has identified the following reportable segments on this basis:

- Communications and Social;
- Games;
- Education Technologies (EdTech); and
- New initiatives.

The Communications and Social segment includes email, instant messaging and portal (main page and media projects). It earns substantially all revenues from display and context advertising. This segment also aggregates the Group's social network VKontakte (VK) and two other social networks (OK and My World) and earns revenues from (i) commission from application developers based on the respective applications' revenue, (ii) user payments for virtual gifts, stickers and music subscriptions and (iii) online advertising, including display and context advertising. It also includes Search and music services (UMA). These businesses have similar nature and economic characteristics as they are represented by social networks and online communications, common type of customers for their products and services and are regulated under similar regulatory environment.

The Games segment includes online gaming services, including MMO, social and mobile games operated by the Group. It earns substantially all revenues from (i) sale of virtual in-game items to users, (ii) royalties for games licensed to third-party online game operators and (iii) in-game advertising.

The Education Technologies (EdTech) segment includes our consolidated education businesses presented by GeekBrains and Skillbox. The businesses earn substantially all revenues from education technology services.

The New initiatives segment primarily consists of Youla classifieds earning substantially all revenues from advertising and listing fees, VK Clips with potential to become a major separate product with the planned launch of own application and target presence across the various Group's services, B2B new projects including cloud along with other services, which are considered insignificant by the CODM for the purposes of performance review and resource allocation.



Each segment's EBITDA is calculated as the respective segment's revenue less operating expenses (excluding depreciation and amortisation and impairment of intangible assets), including our corporate expenses allocated to the respective segment.

Operating Segments Performance – Q3 2021

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	14,910	10,054	2,545	2,909	-	30,418
Intersegment revenue	62	26	1	17	(106)	-
Total revenue	14,972	10,080	2,546	2,926	(106)	30,418
Total operating expenses	7,622	7,644	2,875	3,957	(106)	21,992
EBITDA	7,350	2,436	(329)	(1,031)	-	8,426
<i>EBITDA margin, %</i>	49.1%	24.2%	-12.9%	-35.2%		27.7%
Net profit from consolidated subsidiaries						3,836
<i>Net profit from consolidated subsidiaries margin, %</i>						12.6%
Share of loss of key JVs and equity associates:						
Aliexpress Russia JV						(1,212)
O2O JV						(3,882)
Uchi.ru						(113)
Net loss						(1,371)
<i>Net loss margin, %</i>						-4.5%

Operating Segments Performance – Q3 2020

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	12,456	9,822	1,630	1,737	-	25,645
Intersegment revenue	(2)	30	-	8	(36)	-
Total revenue	12,454	9,852	1,630	1,745	(36)	25,645
Total operating expenses	6,718	7,865	1,319	3,197	(36)	19,063
EBITDA	5,736	1,987	311	(1,452)	-	6,582
<i>EBITDA margin, %</i>	46.1%	20.2%	19.1%	-83.2%		25.7%
Net profit from consolidated subsidiaries						2,715
<i>Net profit from consolidated subsidiaries margin, %</i>						10.6%
Share of loss of key JVs						
Aliexpress Russia JV						(162)
O2O JV						(2,968)
Net loss						(415)
<i>Net loss margin, %</i>						-1.6%

Operating Segments Performance – 9m 2021

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	42,283	32,083	6,869	7,464	-	88,699
Intersegment revenue	222	78	2	30	(332)	-
Total revenue	42,505	32,161	6,871	7,494	(332)	88,699
Total operating expenses	23,356	25,615	8,024	10,877	(332)	67,540
EBITDA	19,149	6,546	(1,153)	(3,383)	-	21,159
<i>EBITDA margin, %</i>	45.1%	20.4%	-16.8%	-45.1%		23.9%
Net profit from consolidated subsidiaries						8,070



<i>Net profit from consolidated subsidiaries margin, %</i>	9.1%
Share of loss of key JVs and equity associates:	
Aliexpress Russia JV	(2,179)
O2O JV	(11,098)
Uchi.ru	(92)
Net loss	(5,299)
<i>Net loss margin, %</i>	-6.0%

Operating Segments Performance – 9m 2020

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	36,464	28,498	3,522	4,910	-	73,394
Intersegment revenue	(3)	73	-	33	(103)	-
Total revenue	36,461	28,571	3,522	4,943	(103)	73,394
Total operating expenses	18,492	23,682	2,872	8,809	(103)	53,752
EBITDA	17,969	4,889	650	(3,866)	-	19,642
<i>EBITDA margin, %</i>	49.3%	17.1%	18.5%	-78.2%		26.8%
Net profit from consolidated subsidiaries						8,235
<i>Net profit from consolidated subsidiaries margin, %</i>						11.2%
Share of loss of key JVs:						
Aliexpress Russia JV						(695)
O2O JV						(6,866)
Net profit						674
<i>Net profit margin, %</i>						0.9%

Liquidity

As of 30 September 2021, the Group had RUB 30,820 million of cash and cash equivalents and RUB 60,051 million of debt outstanding (excluding lease liabilities). The Group's net debt position was RUB 29,231 million excluding lease liabilities and RUB 45,025 million including lease liabilities.

Presentation of Aggregate Segment Financial Information

The Group aggregate segment financial information is derived from the financial information used by management to manage the Group's business by aggregating the segment financial data of the Group's operating segments and eliminating intra-segment and inter-segment revenues and expenses. Group aggregate segment financial information differs significantly from the financial information presented on the face of the Group's consolidated financial statements in accordance with IFRS. In particular:

- The Group's segment financial information excludes certain IFRS adjustments which are not analysed by management in assessing the core operating performance of the business. Such adjustments affect such major areas as revenue recognition, share-based payment transactions, disposal of and impairment of investments, fair value adjustments, amortisation and impairment thereof, net foreign exchange gains and losses, as well as irregular non-recurring items that occur from time to time and are evaluated for adjustment as and when they occur. The tax effect of these adjustments is also excluded from segment reporting.
- In 2021 the Group changed the approach to the presentation and composition of reporting segments in order to better reflect the Group's strategy and the way the business is managed. From the first quarter of 2021 the Group has presented reportable segments based on the consolidation scope as determined in accordance with IFRS, a change from previously applying a pro forma approach to acquisitions, disposals and assets held for sale.



- Segment revenues do not reflect certain other adjustments required when presenting consolidated revenues under IFRS. For example, segment revenue excludes barter revenues and adjustments to defer online gaming, social network and education revenues under IFRS.

A reconciliation of group aggregate segment revenue, as presented to the CODM, to IFRS consolidated revenue of the Group for the three months ended September 30, 2021 and 2020 is presented below:

RUB millions	Q3 2021	Q3 2020
Group aggregate segment revenue, as presented to the CODM	30,418	25,645
Adjustments to reconcile revenue as presented to the CODM to consolidated revenue under IFRS:		
Differences in timing of revenue recognition	(377)	(1,128)
Consolidated revenue under IFRS	30,041	24,517

A reconciliation of group aggregate segment EBITDA, as presented to the CODM, to IFRS consolidated loss before income tax expense of the Group for the three months ended September 30, 2021 and 2020 is presented below:

RUB millions	Q3 2021	Q3 2020
Group aggregate segment EBITDA, as presented to the CODM	8,426	6,582
Adjustments to reconcile EBITDA as presented to the CODM to consolidated loss before income tax expenses under IFRS:		
Differences in timing of revenue recognition	(377)	(1,128)
Share-based payment transactions	27	(447)
Other	12	(95)
EBITDA	8,088	4,912
Depreciation and amortisation	(4,562)	(3,578)
Share of loss of equity accounted associates and joint ventures	(5,451)	(4,986)
Finance income	340	76
Finance expenses	(993)	(627)
Other non-operating income/(loss)	47	(15)
Net gain on derivative financial assets and liabilities at fair value through profit or loss	698	3,939
Gain on remeasurement of previously held interest in equity accounted associate	305	-
Loss on remeasurement of financial instruments	(116)	(53)
Net foreign exchange (loss)/gain	(205)	331
Consolidated loss before income tax expense under IFRS	(1,849)	(1)

A reconciliation of group aggregate net loss, as presented to the CODM, to IFRS consolidated net loss of the Group for the three months ended September 30, 2021 and 2020 is presented below:

RUB millions	Q3 2021	Q3 2020
Group aggregate net loss, as presented to CODM	(1,371)	(415)
Adjustments to reconcile net loss as presented to the CODM to consolidated net loss under IFRS:		
Differences in timing of revenue recognition	(377)	(1,128)
Share-based payment transactions	27	(447)
Other non-operating income/(loss)	47	(15)



Net gain on derivative financial assets and liabilities at fair value through profit or loss	698	3,939
Gain on remeasurement of previously held interest in equity accounted associate	305	-
Loss on remeasurement of financial instruments	(116)	(53)
Net foreign exchange (loss)/gain	(205)	331
Amortisation of fair value adjustments to intangible assets	(970)	(800)
Net loss on financial liabilities at amortised cost	(227)	-
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(244)	(1,856)
Other	(29)	(67)
Tax effect of the adjustments	108	249
Consolidated net loss under IFRS	(2,354)	(262)

A reconciliation of group aggregate segment revenue, as presented to the CODM, to IFRS consolidated revenue of the Group for the nine months ended September 30, 2021 and 2020 is presented below:

RUB millions	9m 2021	9m 2020
Group aggregate segment revenue, as presented to the CODM	88,699	73,394
Adjustments to reconcile revenue as presented to the CODM to consolidated revenue under IFRS:		
Differences in timing of revenue recognition	(1,235)	(4,168)
Consolidated revenue under IFRS	87,464	69,226



A reconciliation of group aggregate segment EBITDA, as presented to the CODM, to IFRS consolidated loss before income tax expense of the Group for the nine months ended September 30, 2021 and 2020 is presented below:

RUB millions	9m 2021	9m 2020
Group aggregate segment EBITDA, as presented to the CODM	21,159	19,642
Adjustments to reconcile EBITDA as presented to the CODM to consolidated loss before income tax expenses under IFRS:		
Differences in timing of revenue recognition	(1,235)	(4,168)
Share-based payment transactions	(711)	(1,380)
Expected credit loss on consideration receivable	(473)	-
Other	(18)	(149)
EBITDA	18,722	13,945
Depreciation and amortisation	(13,405)	(10,526)
Share of loss of equity accounted associates and joint ventures	(14,181)	(10,327)
Finance income	716	280
Finance expenses	(2,910)	(1,868)
Other non-operating income	25	23
Goodwill impairment	-	(6,430)
Net gain on derivative financial assets and liabilities at fair value through profit or loss	2,023	3,525
Impairment of equity accounted associates	-	(260)
Gain on remeasurement of previously held interest in equity accounted associate	305	46
Loss on remeasurement of financial instruments	(414)	(230)
Net foreign exchange gain	7	425
Consolidated loss before income tax expense under IFRS	(9,112)	(11,397)



A reconciliation of group aggregate net (loss)/profit, as presented to the CODM, to IFRS consolidated net loss of the Group for the nine months ended September 30, 2021 and 2020 is presented below:

RUB millions	9m 2021	9m 2020
Group aggregate net (loss)/profit, as presented to CODM	(5,299)	674
Adjustments to reconcile net (loss)/profit as presented to the CODM to consolidated net loss under IFRS:		
Differences in timing of revenue recognition	(1,235)	(4,168)
Share-based payment transactions	(711)	(1,380)
Expected credit loss on consideration receivable	(473)	-
Other non-operating income	25	23
Goodwill impairment	-	(6,430)
Net gain on derivative financial assets and liabilities at fair value through profit or loss	2,023	3,525
Impairment of equity accounted associates	-	(260)
Gain on remeasurement of previously held interest in equity accounted associate	305	46
Loss on remeasurement of financial instruments	(414)	(230)
Net foreign exchange gain	7	425
Amortisation of fair value adjustments to intangible assets	(2,993)	(2,399)
Net loss on financial liabilities at amortised cost	(659)	-
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(812)	(2,766)
Other	(168)	(165)
Tax effect of the adjustments	616	954
Consolidated net loss under IFRS	(9,788)	(12,151)



Consolidated IFRS Statement of Financial Position

RUB millions	September 30, 2021 (unaudited)	December 31, 2020 (audited)
ASSETS		
Non-current assets		
Investments in equity accounted associates and joint ventures	48,045	41,948
Goodwill	138,003	135,670
Right-of-use assets	15,330	15,618
Other intangible assets	19,160	19,623
Property and equipment	15,511	11,651
Financial assets at fair value through profit or loss	5,382	2,305
Deferred income tax assets	4,407	2,924
Long-term loans issued	1,298	422
Advance under office lease contracts	460	249
Total non-current assets	247,596	230,410
Current assets		
Trade accounts receivable	16,251	16,707
Prepaid income tax	340	358
Prepaid expenses and advances to suppliers	1,807	853
Loans issued	623	2,441
Inventories	148	98
Other current assets	1,826	1,247
Cash and cash equivalents	30,820	39,297
Total current assets	51,815	61,001
Total assets	299,411	291,411
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	-	-
Share premium	77,920	77,101
Treasury shares	(1,044)	(1,071)
Retained earnings	94,929	103,103
Foreign currency translation reserve	873	1,195
Total equity attributable to equity holders of the parent	172,678	180,328
Non-controlling interests	407	1,663
Total equity	173,085	181,991
Non-current liabilities		
Deferred income tax liabilities	1,509	1,379
Deferred revenue	2,076	1,871
Non-current lease liabilities	12,358	11,338
Non-current financial liabilities at fair value through profit or loss	1,622	3,506
Long-term interest-bearing loans and bonds	51,369	41,497
Other non-current liabilities	265	265
Total non-current liabilities	69,199	59,856
Current liabilities		
Trade accounts payable	12,947	10,923
Income tax payable	2,450	2,673
VAT and other taxes payable	3,422	2,259
Deferred revenue and customer advances	18,766	16,912
Short-term portion of long-term interest-bearing loans	7,060	3,718
Current lease liabilities	3,436	3,861
Other payables, accrued expenses and contingent consideration liabilities	9,046	9,218
Total current liabilities	57,127	49,564
Total liabilities	126,326	109,420
Total equity and liabilities	299,411	291,411



Consolidated IFRS Statement of Comprehensive Income

RUB millions	Q3 2021 (unaudited)	Q3 2020 (unaudited)	9m 2021 (unaudited)	9m 2020 (unaudited)
Online advertising	12,229	9,543	33,950	26,230
MMO games	8,888	8,514	27,649	23,527
Community IVAS	4,425	4,109	13,316	13,086
Education technology services	2,173	934	5,924	2,097
Other revenue	2,326	1,417	6,625	4,286
Total revenue	30,041	24,517	87,464	69,226
Personnel expenses	(7,589)	(6,515)	(23,762)	(18,653)
Agent/partner fees	(7,970)	(7,002)	(24,430)	(19,549)
Marketing expenses	(4,653)	(4,709)	(15,827)	(13,093)
Server hosting expenses	(225)	(202)	(635)	(567)
Professional services	(321)	(238)	(1,050)	(637)
Other operating expenses	(1,195)	(939)	(3,038)	(2,782)
Total operating expenses	(21,953)	(19,605)	(68,742)	(55,281)
EBITDA	8,088	4,912	18,722	13,945
Depreciation and amortisation	(4,562)	(3,578)	(13,405)	(10,526)
Share of loss of equity accounted associates and joint ventures	(5,451)	(4,986)	(14,181)	(10,327)
Finance income	340	76	716	280
Finance expenses	(993)	(627)	(2,910)	(1,868)
Other non-operating income/(loss)	47	(15)	25	23
Goodwill impairment	-	-	-	(6,430)
Net gain on financial assets and liabilities at fair value through profit or loss	698	3,939	2,023	3,525
Impairment of equity accounted associates	-	-	-	(260)
Gain on remeasurement of previously held interest in equity accounted associate	305	-	305	46
Loss on remeasurement of financial instruments	(116)	(53)	(414)	(230)
Net foreign exchange (loss)/gain	(205)	331	7	425
Loss before income tax expense	(1,849)	(1)	(9,112)	(11,397)
Income tax expense	(505)	(261)	(676)	(754)
Net loss	(2,354)	(262)	(9,788)	(12,151)
Attributable to:				
Equity holders of the parent	(2,096)	(141)	(9,424)	(11,886)
Non-controlling interest	(258)	(121)	(364)	(265)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations:				
Differences arising during the period	202	244	(322)	128
Total other comprehensive income/(loss), net of tax effect of 0	202	244	(322)	128
Total comprehensive loss, net of tax	(2,152)	(18)	(10,110)	(12,023)
Attributable to:				
Equity holders of the parent	(1,894)	103	(9,746)	(11,758)
Non-controlling interest	(258)	(121)	(364)	(265)
Loss per share, in RUB:				
Basic loss per share attributable to ordinary equity holders of the parent	(9.00)	(1.00)	(42.00)	(55.00)
Diluted loss per share attributable to ordinary equity holders of the parent	n/a	n/a	n/a	n/a

Consolidated IFRS Statement of Cash Flows

RUB millions	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cash flows from operating activities		



Loss before income tax	(9,112)	(11,397)
Adjustments to reconcile loss before income tax to cash flows:		
Depreciation and amortisation	13,405	10,526
Share of loss of equity accounted associates and joint ventures	14,181	10,327
Finance income	(716)	(280)
Finance expenses	2,910	1,868
Expected credit loss allowance on trade and other receivables	326	310
Goodwill impairment	-	6,430
Net gain on financial assets and liabilities at fair value through profit or loss	(2,023)	(3,525)
Impairment of equity accounted associates	-	260
Gain on remeasurement of previously held interest in equity accounted associates	(305)	(46)
Loss on remeasurement of financial instruments	414	230
Net foreign exchange gain	(7)	(425)
Cash settled and equity settled share-based payments	711	1,380
Other non-cash items	25	29
Net loss on disposal of intangible assets	-	11
Impairment of intangible assets	-	56
Change in operating assets and liabilities:		
Decrease in accounts receivable	134	556
(Increase)/decrease in prepaid expenses and advances to suppliers	(971)	37
(Increase)/decrease in inventories and other assets	(1,202)	384
Increase in accounts payable and accrued expenses	2,587	102
Decrease/(increase) in other non-current assets	208	(103)
Increase in deferred revenue and customer advances	1,535	4,213
Increase in financial assets at fair value through profit or loss	(3,724)	(375)
Operating cash flows before interest and income taxes	18,376	20,568
Interest received	36	355
Interest paid	(2,347)	(1,868)
Income tax paid	(2,234)	(2,535)
Net cash provided by operating activities	13,831	16,520
Cash flows from investing activities		
Cash paid for property and equipment	(7,331)	(4,432)
Cash paid for intangible assets	(4,057)	(2,399)
Dividends received from equity accounted associates	883	29
Loans issued	(15,962)	(408)
Loans collected	139	507
Cash paid for acquisitions of subsidiaries, net of cash acquired	(1,762)	(19)
Cash paid for investments in equity accounted associates and joint ventures	(4,717)	(6,577)
Net cash used in investing activities	(32,807)	(13,299)
Cash flows from financing activities		
Payment of lease liabilities	(2,714)	(2,956)
Loans repaid	(1,960)	(1,969)
Proceeds from bonds issued	15,000	-
Proceeds from issuance of GDR, net of issuance costs paid	-	15,209
Cash received from disposal of non-controlling interests in subsidiaries	655	-
Cash paid for non-controlling interests in subsidiaries	(20)	-
Dividends paid by subsidiaries to non-controlling shareholders	(215)	(235)
Net cash provided by financing activities	10,746	10,049
Net (decrease)/increase in cash and cash equivalents	(8,230)	13,270
Effect of exchange differences on cash balances	(247)	1,578
Cash and cash equivalents at the beginning of the period	39,297	9,825
Cash and cash equivalents at the end of the period	30,820	24,673