



VK Company Limited unaudited IFRS results for Q3 2022

November 10, 2022. VK Company Limited (LSE, MOEX: VKCO, hereinafter referred to as "VK" or "the Company" or "the Group") today releases an unaudited IFRS report and segment financial information for the three and nine months ended 30 September 2022.

VK key results in Q3 2022:

- **Q3 2022 Revenue was up 21% YoY to RUB 24,119 mn** due to higher sales of online advertising, up 29% YoY. The sector's main drivers were:
 - Performance formats, up 71% YoY
 - Advertising revenue from small and medium size businesses (SMBs) grew 128% YoY
 - Video ad revenue increased by 16% YoY
- **Q3 2022 Adjusted EBITDA was up 16% YoY to RUB 9,807 mn. EBITDA margin increased by 3 percentage points (p.p.) YoY to 30.6%** mostly due to expanding margins in Communications & Social and EdTech segments (+3p.p. and +34 p.p. respectively)
- **Q3 2022 Total Net profit was RUB 41,197 mn**, compared to Q3 2021 Total Net loss of RUB 2,354 mn.
- **VK's largest asset, VKontakte continued to strengthen its leadership position among social networks in Russia** with daily audience increasing by 7.1% to a record of 49.4 mn, while the social network's monthly active users grew 6.9% YoY to a record of 76.9 mn. **The growth in audience and engagement led VKontakte to increase its adjusted revenue by almost 34% YoY in Q3**
- **The EdTech segment showed Q3 revenue coming in at RUB 2.6 bn, up 20.3%**. The segment posted positive adjusted EBITDA of RUB 459 mn with a margin of 16%.
- **B2B projects' revenue expanded 28% YoY in Q3**. The highest growth rates in Q3 were seen by corporate communications services and by the VK Tax Compliance, up 343% and 129%, respectively.
- **Youla (classifieds platform) showed positive adjusted EBITDA in Q3 2022 for the first time since its launch.**
- On September 12, VK closed the deal to purchase content platforms Dzen and News from Yandex in exchange for a 100% stake in Delivery Club, ready-to-eat and e-grocery service, and ceased to be a shareholder of O2O Holding. **VK continues to enhance its focus on content services and develop its business based on Company's core products:** social networks, communication services and online education platforms.
- On September 27, VK announced sale of MY.GAMES to Alexander Chachava, the managing partner of LETA Capital. VK continues to develop its own local gaming services under the VK Play brand. Since its launch in April, **VK Play has already become the largest video game platform in Russia.**
- **VK has significantly moved forward in restructuring of its Convertible Bonds. As at the date of this financial report's publication, VK has bought back ~55% of all Bonds outstanding with a nominal value of ~\$220 mn.** The Company continues to look at opportunities to purchase the bonds that remain outstanding.



Growth of the key operating and audience metrics was achieved due to strategic focus on enhancement of VK's leadership position among content, entertainment and education IT-services, as well as further development of innovative business solutions.

Segmental highlights

Communications and Social segment

The segment's revenue was up 24.3% YoY to RUB 18.5 bn in Q3 2022 with online advertising revenue being the largest revenue component. VKontakte was the main driver with growth of its adjusted revenue approaching 34% YoY in Q3.

The segment's revenue includes revenue from Dzen and News since their acquisition in early September.

Adjusted EBITDA was up 30.4% YoY to RUB 9.2 bn in Q3 (with a margin of 49% vs 47% a year ago) driven by higher revenue, reduced remuneration to agents/partners and received IT benefits.

Communications and Social Segment Performance – Q3 2022 & 9M 2022

RUB millions	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Revenue	14,917	18,536	24%	42,350	50,612	20%
<i>Adjustments:</i>						
Changes in deferred revenues	55	(21)		155	(212)	
Adjusted revenue	14,972	18,515	24%	42,505	50,400	19%
External revenue	14,910	18,407		42,283	50,253	
Intersegment revenue	62	108		222	147	
Operating expenses	(7,950)	(9,358)	18%	(24,280)	(29,125)	20%
Adjusted EBITDA	7,022	9,157	30%	18,225	21,275	17%
<i>Adj. EBITDA margin, %</i>	<i>47%</i>	<i>49%</i>	<i>3pp</i>	<i>43%</i>	<i>42%</i>	<i>-1pp</i>

VKontakte

VKontakte has further strengthened its leading position among the social networks in Russia with a new peak in quarterly average MAU at 76.9 mn (+6.9% YoY) and record-high DAU of 49.4 mn (+7.1% YoY) in Q3 2022. In Q3, the average total time spent on VKontakte stood at 45.2 minutes per day*. VKontakte was reaching 85% of the Russian-speaking internet audience in September, with 54% visiting the platform daily**.

A major update of the VKontakte mobile app was launched in Q3, with maximum focus on content. Updated newsfeed design and user profile were already rolled out.

The number of VK Mini Apps continues to grow, up 73% YoY in September to 63,800, with MAU reaching 38.4 mn in Q3 (+15% YoY). In-app ad revenue of mini apps on the VK Mini Apps platform rose by 45% YoY in Q3. VKontakte increasingly invested in key mini-apps Health and Dating, with their MAU at 7.6 mn and 1.9 mn respectively in Q3. The number of titles in the VKontakte Mobile Games catalog grew by 160% YoY, with 59% YoY growth in in-game purchases on mobile in Q3.

Our Key video technology platforms (VK Video and VK Clips) reached a new record of 2.41 bn in average combined daily views in Q3. VK Video (1.69bn daily views) launched monetization of live streams for content creators as well as the beta version of the content creator cabinet. It has also further enhanced its content recommendation system. VKontakte also saw growth in video views on the social network itself with 1.16 bn (+45% YoY) in average daily views in Q3.



VKontakte is seeing an increase in content creation and consumption. In Q3, the number of communities created in Russia increased by 28% YoY, while the number of confirmed friend requests up 34% YoY. The number of news feed views increased by 45% YoY. Among the Q3 highlights was the launch of vmoji, a tool to create personal virtual avatars using facial recognition technology and VKontakte's proprietary generative ML models. Since launch, 6 mn users have launched their digital avatars as of 7 November. VKontakte also launched instant chat translation with multiple language support to help users from different countries and cultures communicate.

In Q3, the total earnings communities made using official VKontakte monetization tools (video monetization, partnership program, and VK Donut) grew by 88% YoY. Creators using VK Donut earned over RUB 126 mn in Q3 (+205% YoY), with the number of communities using VK Donut up 48% YoY and the number of subscribers making payments through VK Donut up 107% YoY in Q3.

Monetization capabilities for communities and content creators are expanding. In Q3 a beta of an updated version of the partnership program for communities was launched, providing access to additional revenue through utilization of new formats inside VKontakte, including by publishing stories or short videos.

In Q3 the number of SMB advertisers in VKontakte increased by 65% YoY, while SMB promotion spending grew twice YoY.

** Source: Mediascope, Q3 2022, Russia (all cities, age 12+), Mobile and Desktop.*

*** Source: Mediascope, September 2022, Russia (all cities, age 12+), Mobile and Desktop.*

Odnoklassniki (OK)

Average Russia MAU for OK stood at 38 mn in Q3, with the best seasonal audience metrics dynamics for the past several years registered in September. Audiences demonstrated strong engagement sending more than 6.4 bn virtual gifts, 325 mn postcards and 490 mn stickers during the quarter. The number of new user registrations in September grew +8.3% YoY, driven by the 25-45 y.o. age group, with new users demonstrating above average engagement. The number of created communities grew by 66.3% YoY in Q3.

Moments MAU reached 28.4 mn in Q3 (+8.8% YoY). The number of views increased by 32% YoY and reached 497 mn

Advertising revenue from small and medium size businesses (SMBs) grew 26.5% YoY in Q3, with the number of unique paying SMBs increasing by 12.9% YoY. Total number of business communities publishing content on OK grew by 44.5% YoY in Q3.

In Q3 OK announced its new positioning as a social network centered around hobbies and interests. A key service called "Hobbies" went live on September 1 for all OK users. The social network's mobile app were also updated, with enhanced navigation with a personalized user menu based on interests. OK has also overhauled its content recommendation system and added monetization for communities featuring video content.

Recommendation platforms (Dzen, Pulse, Relap, News)

Pulse DAU (including vendor audiences) reached 11.2 mn (+24.8% YoY) in Q3 while MAU was 92.8 mn (+7% YoY). Relap's DAU in Q3 grew to 7.3 mn (+14.9%), MAU reached 107 mn (+26% YoY). Combined Adjusted revenue reached RUB 434 mn in Q3 (+26% YoY). Time spent per active user increased by 49.8% YoY to 19.3 minutes in Q3.

On September 12, VK closed the deal to purchase content platforms Dzen and News from Yandex in exchange for Delivery Club. More information on the deal is available on our website: <https://vk.com/company/en/investors/info/11262/>

Games segment



On September 27, VK announced sale of MY.GAMES. The deal has incorporated all MY.GAMES assets including its studios and game products. The total deal value stood at USD 642mn. More information on the transaction can be found in the related press release: <https://vk.company/en/investors/info/11276/>

Games Segment Performance – Q3 2022 & 9M 2022 (For reference)

RUB millions	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Revenue	10,127	8,602	-15%	32,022	30,076	-6%
<i>Adjustments:</i>						
Changes in deferred revenues	(47)	(934)		139	(1,628)	
Bookings (Adjusted revenue)	10,080	7,668	-24%	32,161	28,448	-12%
External revenue	10,054	7,665		32,083	28,371	
Intersegment revenue	26	3		78	77	
Operating expenses	(7,108)	(6,327)	-11%	(23,990)	(26,334)	10%
Adjusted EBITDA	2,972	1,341	-55%	8,171	2,114	-74%
<i>Adj. EBITDA margin, %</i>	<i>29%</i>	<i>17%</i>	<i>-12pp</i>	<i>25%</i>	<i>7%</i>	<i>-18pp</i>

EdTech segment

The segment's revenue rose by 20.3% YoY to RUB 2.6 bn. EdTech delivered a positive Adjusted EBITDA of RUB 459 mn in Q3 compared to a loss of RUB 455 mn in Q3 2021 due to optimized expenses and the effect of IT benefits.

EdTech Segment Performance – Q3 2022 & 9M 2022

RUB millions	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Revenue	2,177	2,619	20%	5,930	8,065	36%
<i>Adjustments:</i>						
Changes in deferred revenues	369	175		941	(199)	
Adjusted revenue	2,546	2,871	13%	6,871	7,866	14%
External revenue	2,545	2,909		6,869	7,866	
Intersegment revenue	1	(38)		2	-	
Operating expenses	(3,001)	(2,412)	-20%	(8,398)	(8,201)	-2%
Adjusted EBITDA	(455)	459	n/a	(1,527)	(335)	-78%
<i>Adj. EBITDA margin, %</i>	<i>-18%</i>	<i>16%</i>	<i>34pp</i>	<i>-22%</i>	<i>-4%</i>	<i>18pp</i>

As at the end of September, our consolidated platforms reached 12.0 mn in combined cumulative registered students, which is 1.4x higher YoY, with 0.7 mn in new registrations during the quarter. Cumulative number of paying students reached 465,000 (+1.7x YoY), with almost 45,000 new paying students joining during the quarter.

New Initiatives segment

The segment's revenue has returned to growth, up 6.6% to RUB 3.1 bn in Q3. Main growth drivers were B2B services (including Cloud), VK Play, and VK Clips. Adjusted EBITDA burn in Q3 amounted to RUB 1.0 bn (vs. the loss of RUB 0.9 bn in Q3 2021) which implies a margin of -32% vs -31% a year ago. Losses are driven by the ongoing investment into VK Play, VK Clips, and other new initiatives.

New Initiatives Segment Performance – Q3 2022 & 9M 2022



RUB millions	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Revenue	2,926	3,119	7%	7,494	7,717	3%
Adjusted revenue	2,926	3,119	7%	7,494	7,717	3%
External revenue	2,909	3,037		7,464	7,590	
Intersegment revenue	17	82		30	127	
Operating expenses	(3,834)	(4,131)	8%	(10,563)	(13,446)	27%
Adjusted EBITDA	(908)	(1,012)	11%	(3,069)	(5,729)	87%
<i>Adj. EBITDA margin, %</i>	<i>-31%</i>	<i>-32%</i>	<i>-1pp</i>	<i>-41%</i>	<i>-74%</i>	<i>-33pp</i>

B2B (including Cloud)

B2B revenue exceeded RUB 1 bn in Q3, with 28% YoY growth. VK Cloud remains the largest contributor. The fastest growing products in Q3 were Corporate Communication Services (+343% YoY) and tax monitoring platform VK Tax Compliance (+129% YoY).

VK Clips (short video)

Daily views of VK Clips averaged 717 mn (+152% YoY) in Q3. The number of new Clips published rose by 312% YoY, and the number of content creators increased by 122% YoY.

Youla (classifieds)

Average MAU reached 31 mn in Q3, with the service showing positive EBITDA for the first time.

VK Calls

In Q3 VKontakte opened its API for video call control, added call planning, launched the beta-version of its app for meeting rooms and conference halls, and launched its first large-scale promo campaign.

VK Play

VK continues to develop its own local gaming services under the VK Play brand following the sale of MY.GAMES. Since its launch in April, VK Play has already become the largest video game platform in Russia offering a catalog of games, cloud gaming, the VK Play Live streaming platform, a tournament platform, and news media. VK Play has already above 7 mn registered accounts. As at the end of Q3, VK Play had more than 13,000 titles on its platform (including more than 350 games available through cloud gaming). By the end of the year, the service is planning to add more features for players to fulfil its primary near-term goal of expanding the platform's audience.

RuStore

Since the beta launch of RuStore (the Russian app store for Android), more than 1,700 apps have been added to its catalog, generating more than 4 million downloads. The service offers an app developer account, app listing, integration with the security system, and more. In Q3 RuStore opened access to private developers and expanded its features, adding app categories, reviews and ratings, in-app purchases, and promotion tools. By the end of the year the app store plans to add marketing tools and analytics.

Joint ventures

VK has exited the O2O Holding joint venture in Q3. The respective deal was closed on September 29.

In Q3 VK recognized its share of loss in O2O Holding in amount of RUB (2,291mn) vs RUB (3,868mn) in Q3 2021. Due to sale of the entire stake in the O2O JV, VK recognized a revaluation gain in the amount of RUB 24,186mn;

This release presents Adjusted revenue, Adjusted EBITDA, Adjusted net profit/loss, which are non-IFRS financial measures

Adjusted measures for 2021 and 2022 also include contribution from discontinued operations (MY.GAMES). IFRS measures exclude contribution form MY.GAMES, according to the IFRS 5 requirement due to the disposal of the asset at the end of Q3 2022.



RUB millions	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Adjusted revenue	30,418	32,018	5%	88,699	94,080	6%
Revenue	19,914	24,119	22%	55,442	66,058	19%
Adjusted EBITDA	8,426	9,807	16%	21,159	16,974	-20%
Adjusted net profit/(loss)	(1,429)	704		(4,659)	(10,101)	
Net profit/(loss)	(2,354)	41,197		(9,788)	(10,094)	

RUB millions*	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Online advertising Revenue	11,163	14,455	29%	30,408	37,597	24%
<i>Adjustments:</i>						
Discontinued operations	1,066	728		3,542	3,036	
Barter revenues	-	-		-	(15)	
Changes in deferred revenues	(1)	(15)		(1)	(15)	
Online advertising Adjusted revenue	12,228	15,168	24%	33,949	40,603	20%
Users payments (Community IVAS)	4,326	3,992	-8%	13,075	12,838	-2%
<i>Adjustments:</i>						
Discontinued operations	8,987	7,871		27,890	26,836	
Changes in deferred revenues	7	(934)		226	(1,791)	
Users payments adjusted (Community IVAS & MMO games)	13,320	10,929	-18%	41,191	37,883	-8%
Education Technology services Revenue	2,173	2,634	21%	5,924	8,034	36%
<i>Adjustments:</i>						
Changes in deferred revenues	373	270		941	(181)	
Education Technology services Adjusted revenue	2,546	2,904	14%	6,865	7,853	14%
Other Revenue	2,252	3,038	35%	6,035	7,589	26%
<i>Adjustments:</i>						
Discontinued operations	74	3		590	204	
Changes in deferred revenues	(2)	(24)		69	(52)	
Other Adjusted revenue	2,324	3,017	30%	6,694	7,741	16%

* Figures in the table above include contribution from discontinued operations (MY.GAMES)



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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 speak 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 is one of the largest technology companies in Russia. Its products help millions of people with their day-to-day needs online. More than 90% of the Russian internet audience use VK services, which enable people to keep in touch, play video games, master new skills, listen to music, watch and create video content, buy and offer goods and services and fulfill wide range of other needs. The company provides a number of solutions for digitizing business processes, from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.



Interim Condensed Consolidated Financial Results for Q3 and 9M 2022

	RUB millions					
	Q3 2021	Q3 2022	YoY, %	9M 2021	9M 2022	YoY, %
Revenue						
Online advertising	11,163	14,455	29.5%	30,408	37,597	23.6%
Community IVAS	4,326	3,992	-7.7%	13,075	12,838	-1.8%
Education technology services	2,173	2,634	21.2%	5,924	8,034	35.6%
Other revenue	2,252	3,038	34.9%	6,035	7,589	25.7%
Total revenue	19,914	24,119	21.1%	55,442	66,058	19.1%
<i>Adjustments</i>						
Revenue from discontinued operations	10,127	8,602	-15.1%	32,022	30,076	-6.1%
Barter revenues	-	-	n/m	-	(15)	n/m
Changes in deferred revenues	377	(703)	n/m	1,235	(2,039)	n/m
Total adjusted revenue**	30,418	32,018	5.3%	88,699	94,080	6.1%
Operating expenses						
Personnel expenses	(6,010)	(6,550)	9.0%	(18,926)	(27,167)	43.5%
Agent/partner fees	(5,439)	(5,025)	-7.6%	(16,234)	(16,408)	1.1%
Marketing expenses	(2,038)	(3,430)	68.3%	(6,024)	(8,306)	37.9%
Server hosting expenses	(136)	(244)	79.4%	(390)	(517)	32.6%
Professional services	(257)	(263)	2.3%	(793)	(751)	-5.3%
Other operating income	178	243	36.5%	494	761	54.0%
Other operating expenses, excl. D&A	(1,143)	(953)	-16.6%	(2,879)	(3,207)	11.4%
Total operating expenses	(14,845)	(16,222)	9.3%	(44,752)	(55,595)	24.2%
<i>Adjustments</i>						
OPEX related to discontinued operations	(7,108)	(6,327)	-11.0%	(23,990)	(26,334)	9.8%
Share-based payment transactions	(27)	277	n/m	711	4,687	n/m
Other	(12)	61	n/m	491	136	-72.3%
Adjusted EBITDA**	8,426	9,807	16.4%	21,159	16,974	-19.8%
Adjusted EBITDA margin, %	27.7%	30.6%		23.9%	18.0%	
Net profit/ (loss)	(2,354)	41,197	n/m	(9,788)	(10,094)	3.1%
Net profit/ (loss) margin	-11.8%	170.8%				
Adjusted Net profit/ (loss)	(1,429)	704	n/m	(4,659)	(10,101)	n/m
Adjusted Net profit/ (loss) margin	-4.7%	2.2%		-5.3%	-10.7%	

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

(**) Please refer to "Presentation of Segment Financial Information" for reconciliation of non-IFRS measures (Adj.revenue, Adj EBITDA and Adj. net income/(loss) to IFRS

Operating Segments

In order to assess operational performance and allocate resources, the Chief Executive Officer of the Group, who is the Group's Chief Operating Decision Maker (CODM), reviews selected items of each segment's income statement, assuming 100% ownership in all of the Group's key operating subsidiaries, based on management reporting.

In our effort to further enhance our reporting quality and transparency, the Group's aggregate segment financial information previously presented in the form of management (CODM) accounts has been transformed starting from Q1 2022. In addition to IFRS-based disclosure, we have reported adjusted metrics, which are used in the management decision making process, with a clear transition between IFRS-based results and adjusted metrics to be provided, including within segmental disclosure.



Revenue in Segments Performance correspond with revenue according to IFRS. To supplement the financial information prepared and presented in accordance with IFRS, we have presented the following non-IFRS financial measures: Adjusted revenue, Adjusted EBITDA, Adjusted Net profit.

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

- Communications and Social;
- Games (the segment is presented as a discontinued operation as of September 30, 2022);
- Education Technologies (EdTech); and
- New initiatives.

The Communications and Social segment includes email, instant messaging, News and Dzen.Platform (hereinafter - 'Dzen.Platform'; News and Dzen.Platform are being consolidated from September 2022), recommendation platforms (Pulse and Relap), as well as 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 V Kontakte 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. 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 a similar regulatory environment.

The Games segment contains online gaming services, including MMO, social and mobile games, games streaming and platform solutions operated by the Group under the MY.GAMES brand and within the MY.GAMES ecosystem. It earns substantially all revenues from (i) sale of virtual in-game items to users (f2p) or sale of digital copies of the games (b2p), (ii) royalties for games and gaming solutions licensed to third party online game operators (iii) in-game advertising and (iv) revenues from streaming services and gaming platform services. The Games segment is presented as a discontinued operation as of September 30, 2022

The EdTech segment includes the Group's online education platforms with educational courses and programs (such as GeekBrains, Skillbox and Skillfactory) and earns substantially all revenue from individuals for education technology services.

The New initiatives reportable segment represents separate operating segments aggregated in one reportable segment for their similar nature of newly acquired or newly launched and dynamically developing businesses. This segment primarily consists of VK Clips with potential to become a major separate product, B2B new projects including cloud along with other services, as well as of Youla classifieds that earns substantially all revenues from advertising, listing fees and other services that are considered insignificant by the CODM for the purposes of a performance review.

Since Q1 2022 the Group has changed its approach to allocation of corporate services expenses. The Group has analyzed the functionality of key services and defined appropriate drivers to allocate expenses of each service. Previously the Group applied a single driver in allocation of all corporate services expenses, based on the share of each segment in direct costs.

Non-allocated items - Allocations exclude services that are mostly related to general group issues, as well as expenses that cannot be tied to a particular BU, such as PR, Investor Relations, Government Relations, and other services.



Operating Segments Performance – Q3 2022

RUB millions	Communica tions and Social	Games	EdTech	New initiatives	Not allocated	Eliminatio ns	Group
Revenue	18,536	-	2,619	3,119	-	(155)	24,119
Adjustments							
Revenue of the "Games" segment	-	8,602	-	-	-	-	8 602
Changes in deferred revenues	(21)	(934)	252	-	-	-	(703)
Adjusted revenue	18,515	7,668	2,871	3,119	-	(155)	32,018
External revenue	18,407	7,665	2,909	3,037	-	-	32,018
Intersegment revenue	108	3	(38)	82	-	(155)	-
Total operating expenses	(9,358)	-	(2,412)	(4,131)	(476)	155	(16,222)
Adjustments							
Expenses of the "Games" segment	-	(6,327)	-	-	-	-	(6,327)
Share-based payment transactions	-	-	-	-	277	-	277
Other	-	-	-	-	61	-	61
Adjusted EBITDA	9,157	1,341	459	(1,012)	(138)	-	9,807
<i>Adjusted EBITDA margin, %</i>	<i>49.5%</i>	<i>17.5%</i>	<i>16.0%</i>	<i>-32.4%</i>			<i>30.6%</i>
Group Adjusted net loss							704
<i>Adjusted profit margin, %</i>							<i>2.2%</i>
Including Share of loss of equity accounted associates and joint ventures:							
Aliexpress Russia JV							-
O2O JV							(1,471)
Umschool associate							(28)
Uchi.ru associate							54
Other							(6)



Operating Segments Performance – Q3 2021

RUB millions	Communica tions and Social	Games	EdTech	New initiatives	Not allocated	Eliminatio ns	Group
Revenue	14,917	-	2,177	2,926	-	(106)	19,914
Adjustments							
Revenue of the "Games" segment	-	10,127	-	-	-	-	10,127
Changes in deferred revenues	55	(47)	369	-	-	-	377
Adjusted revenue	14,972	10,080	2,546	2,926	-	(106)	30,418
External revenue	14,910	10,054	2,545	2,909	-	-	30,418
Intersegment revenue	62	26	1	17	-	(106)	-
Total operating expenses	(7,950)	-	(3,001)	(3,834)	(166)	106	(14 845)
Adjustments							
Expenses of the "Games" segment	-	(7,108)	-	-	-	-	(7,108)
Share-based payment transactions	-	-	-	-	(27)	-	(27)
Other	-	-	-	-	(12)	-	(12)
Adjusted EBITDA	7,022	2,972	(455)	(908)	(205)	-	8,426
<i>Adjusted EBITDA margin, %</i>	<i>46.9%</i>	<i>29.5%</i>	<i>-17.9%</i>	<i>-31.0%</i>			<i>27.7%</i>
Group Adjusted net loss							(1,429)
<i>Adjusted profit margin, %</i>							<i>-4.7%</i>
Including Share of loss of equity accounted associates and joint ventures:							
Aliexpress Russia JV							(1,212)
O2O JV							(3,882)
Uchi.ru associate							(113)
Other							(58)



Operating Segments Performance – 9M 2022

RUB millions	Communica tions and Social	Games	EdTech	New initiatives	Not allocated	Eliminatio ns	Group
Revenue	50,612	-	8,065	7,717	15	(351)	66,058
Adjustments							
Revenue of the "Games" segment	-	30,076	-	-	-	-	30,076
Barter revenues	-	-	-	-	(15)	-	(15)
Changes in deferred revenues	(212)	(1,628)	(199)	-	-	-	(2,039)
Adjusted revenue	50,400	28,448	7,866	7,717	-	(351)	94,080
External revenue	50,253	28,371	7,866	7,590	-	-	94,080
Intersegment revenue	147	77	-	127	-	(351)	-
Total operating expenses	(29,125)	-	(8,201)	(13,446)	(5,174)	351	(55 595)
Adjustments							
Expenses of the "Games" segment	-	(26,334)	-	-	-	-	(26,334)
Share-based payment transactions	-	-	-	-	4,687	-	4,687
Other	-	-	-	-	136	-	136
Adjusted EBITDA	21,275	2,114	(335)	(5,729)	(351)	-	16,974
<i>Adjusted EBITDA margin, %</i>	<i>42.2%</i>	<i>7.4%</i>	<i>-4.3%</i>	<i>-74.2%</i>	-	-	<i>18.0%</i>
Group Adjusted net loss							(10,101)
<i>Adjusted profit margin, %</i>							<i>-10.7%</i>
Including Share of loss of equity accounted associates and joint ventures:							
Aliexpress Russia JV							(828)
O2O JV							(9,224)
Umschool associate							52
Uchi.ru associate							134
Other							(123)



Operating Segments Performance – 9M 2021

RUB millions	Communica tions and Social	Games	EdTech	New initiatives	Not allocated	Eliminatio ns	Group
Revenue	42,350	-	5,930	7,494	-	(332)	55,442
Adjustments							
Revenue of the "Games" segment	-	32,022	-	-	-	-	32,022
Changes in deferred revenues	155	139	941	-	-	-	1,235
Adjusted revenue	42,505	32,161	6,871	7,494	-	(332)	88,699
External revenue	42,283	32,083	6,869	7,464	-	-	88,699
Intersegment revenue	222	78	2	30	-	(332)	-
Total operating expenses	(24,280)	-	(8,398)	(10,563)	(1,843)	332	(44,752)
Adjustments							
Expenses of the "Games" segment	-	(23,990)	-	-	-	-	(23,990)
Share-based payment transactions	-	-	-	-	711	-	711
Other	-	-	-	-	491	-	491
Adjusted EBITDA	18,225	8,171	(1,527)	(3,069)	(641)	-	21,159
<i>Adjusted EBITDA margin, %</i>	<i>42.9%</i>	<i>25.4%</i>	<i>-22.2%</i>	<i>-41.0%</i>	-	-	<i>23.9%</i>
Group Adjusted net loss							(4,659)
<i>Adjusted profit margin, %</i>							<i>-5.3%</i>
Including Share of loss of equity accounted associates and joint ventures:							
Aliexpress Russia JV							(2,179)
O2O JV							(11,098)
Uchi.ru associate							(92)
Other							640

Liquidity

As of 30 September 2022, the Group had RUB 14,688 million of cash and cash equivalents and short-term time deposits and RUB 70,625 million of debt outstanding (excluding lease liabilities). The Group's net debt position was RUB 55,937 million.

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.
- 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 adjusted EBITDA to IFRS consolidated loss before income tax expense of the Group for the three months ended 30 September 2021 and 2022 is presented below:

RUB millions	Q3 2022	Q3 2021
Group adjusted EBITDA	9,807	8,426
Group adjusted EBITDA related to discontinued operations	(1,341)	(2,972)
Changes in deferred revenues	(231)	(424)
Share-based payment transactions	(277)	27
Other	(61)	12
Depreciation and amortisation	(4,413)	(4,036)
Impairment of intangible assets	(43)	-
Share of loss of equity accounted associates and joint ventures	(2,353)	(5,451)
Finance income	1,779	339
Finance expenses	(1,909)	(987)
Other non-operating income/(loss)	(82)	47
Goodwill impairment	(425)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(1,602)	753
Gain on remeasurement of previously held interest in equity accounted associate	24,186	305
Impairment of equity accounted associates and joint ventures	(792)	-
Loss on remeasurement of financial instruments	(94)	(92)
Expected credit loss allowance on restricted cash	(97)	-
Net foreign exchange gain	(3,924)	(228)
Profit before income tax expense from discontinued operations	21,847	2,432
Consolidated profit/(loss) before income tax expense under IFRS	39,975	(1,849)

A reconciliation of Group adjusted net loss to IFRS consolidated net loss of the Group for the three months ended 30 September 2021 and 2022 is presented below:

RUB millions	Q3 2022	Q3 2021
Group adjusted net loss	704	(1,429)
Group adjusted net loss related to discontinued operations	(878)	(2,441)
Changes in deferred revenues	(231)	(424)
Share-based payment transactions	(277)	27
Other non-operating income/(loss)	(82)	47
Goodwill impairment	(425)	-
Impairment of intangible assets	(43)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(1,602)	753
Gain on remeasurement of previously held interest in equity accounted associate	24,186	305
Impairment of equity accounted associates and joint ventures	(792)	-
Loss on remeasurement of financial instruments	(94)	(92)
Expected credit loss allowance on restricted cash	(97)	-
Net foreign exchange gain	(3,924)	(228)
Amortisation of fair value adjustments to intangible assets	(780)	(970)
Net loss on financial liabilities at amortised cost	1,532	(227)
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(902)	(186)
Other	(23)	(29)
Tax effect of the adjustments	3,078	294
Net profit from discontinued operations	21,847	2,246
Consolidated net profit/(loss) under IFRS	41,197	(2,354)



A reconciliation of group adjusted EBITDA to IFRS consolidated loss before income tax expense of the Group for the nine months ended 30 September 2021 and 2022 is presented below:

RUB millions	9M 2022	9M 2021
Group adjusted EBITDA	16,974	21,159
Group adjusted EBITDA related to discontinued operations	(2,114)	(8,171)
Barter revenue	15	-
Changes in deferred revenues	411	(1,096)
Share-based payment transactions	(4,687)	(711)
Expected credit loss on consideration receivable	-	(473)
Other	(136)	(18)
Depreciation and amortisation	(13,302)	(11,836)
Impairment of intangible assets	(1,052)	-
Share of loss of equity accounted associates and joint ventures	(16,827)	(14,181)
Finance income	2,299	715
Finance expenses	(10,210)	(2,891)
Other non-operating income/(loss)	(37)	25
Goodwill impairment	(9,681)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(9,079)	2,078
Gain on remeasurement of previously held interest in equity accounted associate	24,186	305
Impairment of equity accounted associates and joint ventures	(13,617)	-
Loss on remeasurement of financial instruments	(119)	(390)
Expected credit loss allowance on restricted cash	(2,162)	-
Net foreign exchange gain	9,164	(89)
Profit before income tax expense from discontinued operations	19,742	6,462
Consolidated loss before income tax expense under IFRS	(10,232)	(9,112)

A reconciliation of Group adjusted net loss to IFRS consolidated net loss of the Group for the nine months ended 30 September 2021 and 2022 is presented below:

RUB millions	9M 2022	9M 2021
Group adjusted net loss	(10,101)	(4,659)
Group adjusted net loss related to discontinued operations	(522)	(6,584)
Changes in deferred revenues	411	(1,096)
Share-based payment transactions	(4,687)	(711)
Expected credit loss on consideration receivable	-	(473)
Other non-operating income/(loss)	(37)	25
Goodwill impairment	(9,681)	-
Impairment of intangible assets	(1,052)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(9,079)	2,078
Gain on remeasurement of previously held interest in equity accounted associate	24,186	305
Impairment of equity accounted associates and joint ventures	(13,617)	-
Loss on remeasurement of financial instruments	(119)	(390)
Expected credit loss allowance on restricted cash	(2,162)	-
Net foreign exchange gain	9,164	(89)
Amortisation of fair value adjustments to intangible assets	(2,398)	(2,993)
Net loss on financial liabilities at amortised cost	(4,094)	(659)
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(6,838)	(1,452)
Other	(71)	(168)
Tax effect of the adjustments	(82)	924
Net profit from discontinued operations	20,685	6,154
Consolidated net loss under IFRS	(10,094)	(9,788)



Consolidated IFRS Statement of Financial Position

RUB millions	September 30, 2022	December 31, 2021
ASSETS		
Non-current assets		
Investments in equity accounted associates and joint ventures	4,776	48,921
Goodwill	151,205	138,414
Right-of-use assets	14,274	14,843
Other intangible assets	20,686	18,324
Property and equipment	18,018	15,798
Financial assets at fair value through profit or loss	4,055	6,903
Deferred income tax assets	2,128	5,157
Long-term loans issued	367	69
Advance under office lease contracts	488	462
Total non-current assets	215,997	248,891
Current assets		
Trade accounts receivable	15,371	20,688
Accounts receivable from the sale of a subsidiary	29,315	-
Prepaid income tax	1,122	359
Prepaid expenses and advances to suppliers	1,963	2,353
Loans issued	1,200	109
Inventories	380	157
Other current assets	4,432	1,445
Cash and cash equivalents	14,688	23,737
Assets held for sale	4,175	-
Total current assets	72,646	48,848
Total assets	288,643	297,739
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital		
Share premium	81,383	79,397
Treasury shares	(1,039)	(1,044)
Retained earnings	80,566	89,985
Foreign currency translation reserve	808	1,578
Total equity attributable to equity holders of the parent	161,718	169,916
Non-controlling interests	(2,185)	346
Total equity	159,533	170,262
Non-current liabilities		
Deferred income tax liabilities	1,737	1,228
Deferred revenue	590	1,455
Non-current lease liabilities	10,798	11,327
Non-current financial liabilities at fair value through profit or loss	1,450	879
Long-term interest-bearing loans and bonds	28,102	50,810
Other non-current liabilities	434	522
Total non-current liabilities	43,111	66,221
Current liabilities		
Trade accounts payable	12,270	14,541
Income tax payable	2,495	3,208
VAT and other taxes payable	4,507	4,391
Deferred revenue and customer advances	6,141	17,794
Short-term portion of long-term interest-bearing loans and bonds	35,488	7,078
Current lease liabilities	4,925	4,121
Current financial liabilities at fair value through profit or loss	5,585	-
Other payables and accrued expenses	10,276	10,123
Liabilities directly associated with assets held for sale	4,312	-
Total current liabilities	85,999	61,256
Total liabilities	129,110	127,477
Total equity and liabilities	288,643	297,739



Consolidated IFRS Statement of Comprehensive Income

RUB millions	Q3 2022	Q3 2021	9m 2022	9m 2021
Continuing operations				
Online advertising	14,455	11,163	37,597	30,408
Community IVAS	3,992	4,326	12,838	13,075
Education technology services	2,634	2,173	8,034	5,924
Other revenue	3,038	2,252	7,589	6,035
Total revenue	24,119	19,914	66,058	55,442
Personnel expenses	(6,550)	(6,010)	(27,167)	(18,926)
Agent/partner fees	(5,025)	(5,439)	(16,408)	(16,234)
Marketing expenses	(3,430)	(2,038)	(8,306)	(6,024)
Server hosting expenses	(244)	(136)	(517)	(390)
Professional services	(263)	(257)	(751)	(793)
Other operating income	243	178	761	494
Other operating expenses	(953)	(1,143)	(3,207)	(2,879)
Total operating expenses, net	(16,222)	(14,845)	(55,595)	(44,752)
Depreciation and amortisation	(4,413)	(4,036)	(13,302)	(11,836)
Impairment of intangible assets	(43)	-	(1,052)	-
Share of loss of equity accounted associates and joint ventures	(2,353)	(5,451)	(16,827)	(14,181)
Finance income	1,779	339	2,299	715
Finance expenses	(1,909)	(987)	(10,210)	(2,891)
Other non-operating gain/(loss)	(82)	47	(37)	25
Goodwill impairment	(425)	-	(9,681)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(1,602)	753	(9,079)	2,078
Impairment of equity accounted associates and joint ventures	(792)	-	(13,617)	-
Gain on remeasurement of previously held interest in equity accounted associate	24,186	305	24,186	305
Loss on remeasurement of financial instruments	(94)	(92)	(119)	(390)
Expected credit loss allowance on restricted cash	(97)	-	(2,162)	-
Net foreign exchange gain	(3,924)	(228)	9,164	(89)
Profit/(loss) before income tax expense from continuing operations	18,128	(4,281)	(29,974)	(15,574)
Income tax expense	1,222	(319)	(805)	(368)
Net profit/(loss) from continuing operations	19,350	(4,600)	(30,779)	(15,942)
Discontinued operations				
Profit and other comprehensive income from discontinued operations	21,847	2,246	20,685	6,154
Net profit/(loss)	41,197	(2,354)	(10,094)	(9,788)
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods				
Effect of translation to presentation currency of Group's joint ventures	-	-	1,002	-
Exchange difference on translation of foreign operations	1,424	202	(1,765)	(322)
Total other comprehensive loss that may be reclassified to profit or loss in subsequent periods	1,424	202	(763)	(322)
Total other comprehensive loss net of tax effect of 0	1,424	202	(763)	(322)
Total comprehensive loss, net of tax	42,621	(2,152)	(10,857)	(10,110)
Net profit/(loss), attributable to:				
Equity holders of the parent	41,515	(2,096)	(9,419)	(9,424)
Non-controlling interests	(318)	(258)	(675)	(364)



Total comprehensive loss, net of tax, attributable to:

Equity holders of the parent	42,939	(1,894)	(10,182)	(9,746)
Non-controlling interests	(318)	(258)	(675)	(364)

Profit/(loss) per share, in RUB:

Basic profit/(loss) per share attributable to ordinary equity holders of the parent	184	(9)	(42)	(42)
Diluted earnings per share attributable to ordinary equity holders of the parent	1840	n/a	n/a	n/a

Profit/(loss) per share from continuing operations, in RUB:

Basic profit/(loss) per share attributable to ordinary equity holders of the parent	86	(18)	(127)	(68)
Diluted earnings per share attributable to ordinary equity holders of the parent	85	n/a	n/a	n/a

Profit/(loss) per share from discontinued operations, in RUB:

Basic profit/(loss) per share attributable to ordinary equity holders of the parent	97	9	85	26
Diluted earnings per share attributable to ordinary equity holders of the parent	95	9	83	26



Consolidated IFRS Statement of Cash Flows

RUB millions	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cash flows from operating activities		
Loss before income tax from continuing operations	(29,974)	(15,574)
Profit before income tax from discontinued operations	19,742	6,462
Loss before income tax	(10,232)	(9,112)
Adjustments to reconcile loss before income tax to cash flows		
Depreciation and amortisation	14,991	13,405
Impairment of intangible assets	1,052	-
Share of loss of equity accounted associates and joint ventures	16,827	14,181
Finance income	(2,405)	(716)
Finance expenses	10,219	2,910
Expected credit loss allowance on trade receivables	213	326
Expected credit loss allowance on restricted cash	2,934	-
Goodwill impairment	9,681	-
Net loss/(gain) on financial assets and liabilities at fair value through profit or loss	9,659	(2,023)
Net gain on disposal of subsidiaries	(20,178)	-
Impairment of equity accounted associates and joint ventures	13,617	-
Gain on remeasurement of previously held interest in equity accounted associates	(24,186)	(305)
Loss on remeasurement of financial instruments	291	414
Net foreign exchange gain	(8,620)	(7)
Cash settled and equity settled share-based payments	1,991	711
Other non-cash items	406	25
Change in operating assets and liabilities		
(Increase)/decrease in accounts receivable	(1,876)	134
Increase in prepaid expenses and advances to suppliers	(2,562)	(971)
Increase in inventories and other assets	(3,202)	(1,202)
Increase in accounts payable and accrued expense	7,390	2,587
(Increase)/decrease in other non-current assets	(26)	208
(Decrease)/increase in deferred revenue and customer advances	(2,269)	1,535
Increase in financial assets at fair value through profit or loss	(558)	(3,724)
Operating cash flows before interest and income taxes	13,157	18,376
Interest received	767	36
Interest paid	(4,175)	(2,347)
Income tax paid	(1,204)	(2,234)
Net cash provided by operating activities	8,545	13,831
Cash flows from investing activities		
Cash paid for property and equipment	(8,119)	(7,331)
Cash paid for intangible assets	(5,806)	(4,057)
Dividends received from equity accounted associates	-	883
Loans issued	(8,280)	(15,962)
Loans collected	175	139
Cash paid for acquisitions of subsidiaries, net of cash acquired	10,627	(1,762)
Cash outflow from sale of subsidiary	(1,577)	-
Cash paid for investments in equity accounted associates and joint ventures	(2,600)	(4,717)
Net cash used in investing activities	(15,580)	(32,807)
Cash flows from financing activities		
Payment of lease liabilities	(3,520)	(2,714)
Loans received	25,255	-
Loans repaid	(20,968)	(1,960)
Proceeds from bonds issued	-	15,000
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	(85)	(215)
Net cash provided by / (used in) financing activities	682	10,746
Net decrease in cash and cash equivalents	(6,353)	(8,230)
Effect of exchange differences on cash balances	(1,063)	(247)
Change in expected credit loss allowance on restricted cash	(1,382)	-
Change in cash related to asset held for sale	(251)	-
Cash and cash equivalents at the beginning of the period	23,737	39,297
Cash and cash equivalents at the end of the period	14,688	30,820