

@ mail.ru group

Quarterly presentation

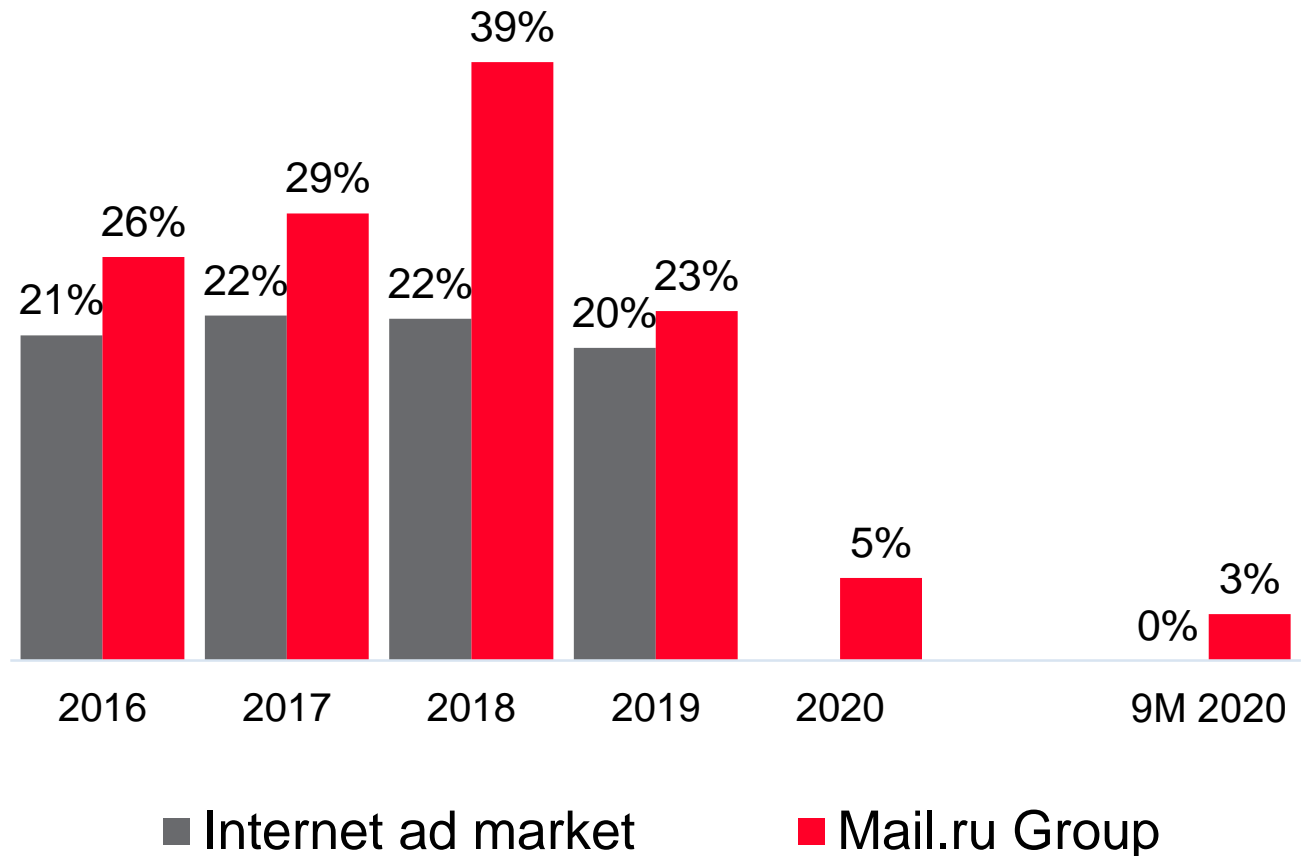
4Q 2020



Ad revenue growth outperformance continues

- In 2020 Mail.ru Group's online advertising revenue increased by **5.3% YoY** despite the adverse macro factors and tight competition
- Currently available data suggests that **we have outperformed the market in terms of ad growth for the 5th year in a row**
- Despite our active growth in recent years, our digital ad market share currently stands at ~16%, which suggests significant potential for further market share gains

MRG online advertising revenue growth vs Russian digital advertising market (% YoY)



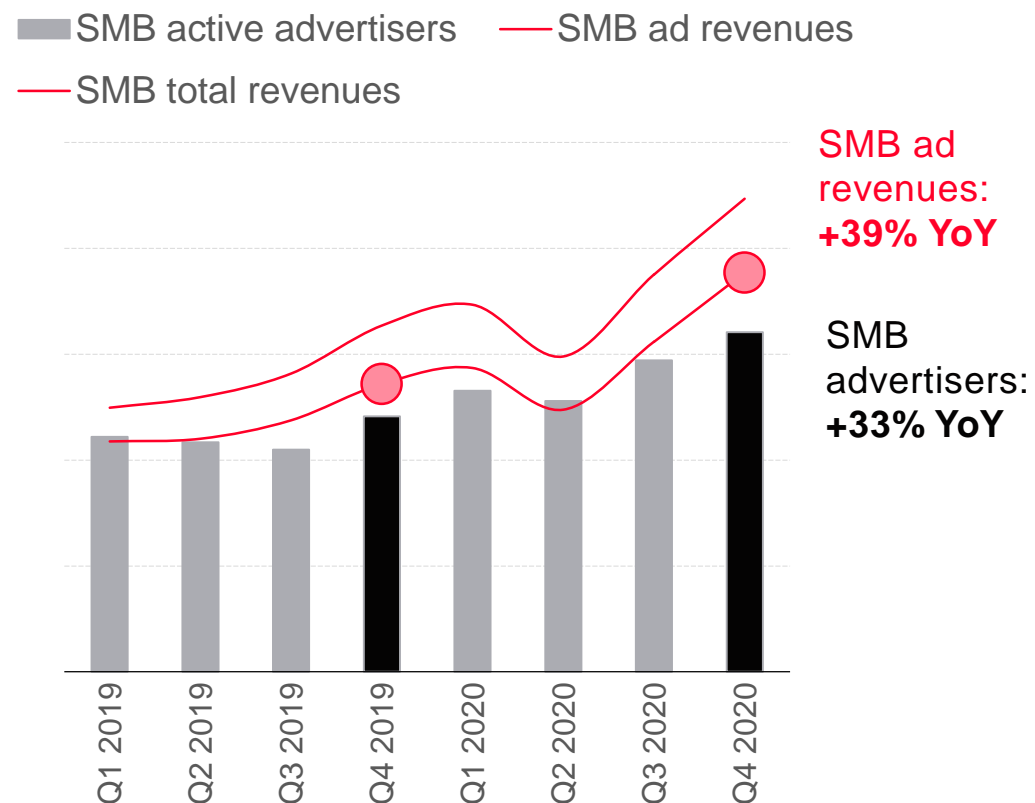
Advertising: assisting SMB with migration to online

- We are well positioned to help SMBs transition to online by ensuring continuous access to superior reach through easy to manage ads and social mechanics, as well as increasing personalization
- Our SMB strategy is focused on offering our growing pool of customers the **full-suite of simple business tools** including **highly-efficient ad products**
- ~3mn SMBs have active pages in VK and OK. With <10% of them paying for ads, there is significant **potential for growth in paying customers**

Examples of recent launches for SMBs in VK and OK:

- **Web-site builder in a few clicks** on the basis of VK business pages. 300k+ web-sites have been created by SMBs since launch in November
- **Quick editor of ad settings in one window**
- **A cap on frequency of ad impressions** in VK, which eliminates the need to manually restart a campaign
- **Contextual targeting** using OK's advertising manager
- **Business page recommendations** in VK. 400k SMBs have at least one recommendation a month after the launch of the given feature

SMB active advertisers and revenues



Notes: (1) Advertisers in VK, OK, myTarget platforms with >RUB0 in spending during the month, averaged for a quarter. Calculated as a sum for platforms, may include crossings

(2) SBM ad revenues do not account for external demand of 3rd parties ad networks with unknown contribution from SMB. SBM total revenues include SMB classified revenues

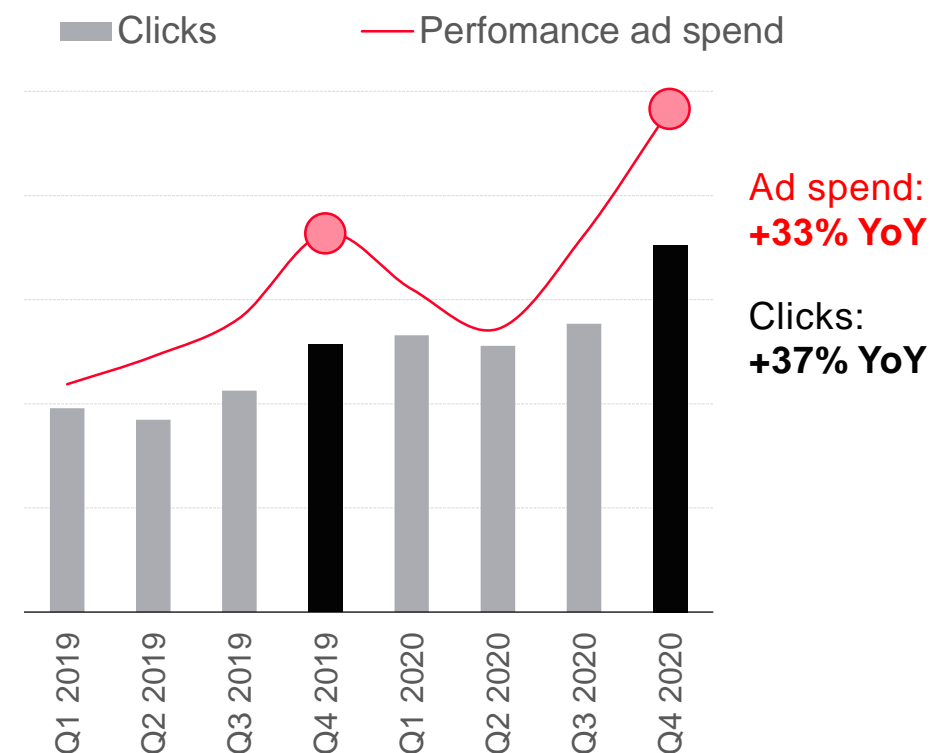
Advertising: focus on performance and video

- We expect **Performance ads and video ads** – our key focus products – **to continue to gain share in digital ad budgets**
- As we further improve ad optimization and measurement tools, we aim to gradually shift towards **end-to-end campaigns to drive ROI**, while reducing advertiser involvement in campaign management

Examples of recent launches:

- **Optimization via lower-funnel conversions** with 20+ web conversion events enabled as goals in VK automatic bid manager
- **Improved interface for mobile app advertisers** in myTarget with more insights to campaign planning & analysis, including KPI tracking across the funnel
- **Segmentation of Dynamic ad campaigns**, aimed to reduce customer acquisition costs and boost sales in a specific selected product category within a multi-category catalog
- **New ad formats with direct response** in audio ads in VK and OK
- **Exclusive data-driven in-store ads** across 30+ RU cities with transparent efficiency measurement approach (done in partnership with X5 Retail Group)

Performance ads - clicks and ad spend





VK: product enhancements drive solid growth



Some Q4 2020 highlights

- **VK revenue growth accelerated to 17.2% YoY in Q4** versus 12.9% in Q3, with 14.9% YoY growth for 2020
- VK maintains its leadership among domestic social networks, with an **MAU of 73.4mn (+4.5% YoY)** in Russia
- Monthly reach grew from **74.3%** in December 2019 to **77.1%** in December 2020
- People visiting VK **15 days per month on average**, with **47.7%** of Russian internet users visit VK **every day**
- Sticky factor, at **55.3%** it is the highest among social networks in Russia
- Mobile time spent: **36.8 minutes** per day as of December, including **60 minutes** per day for the 12–24 age group, with focus on further growth in time spent through rollout of new use cases, including in video, social commerce or through mini apps

220 Major updates in 2020	+67% VK Mini Apps MAU, YoY
+50% Delivered messages, YoY	+2x Mobile games audience, YoY

900mn

New record in daily video views

Key Russia user stats (Q4 2020, YoY)

+4.5% MAU	+2.2% DAU
---------------------	---------------------

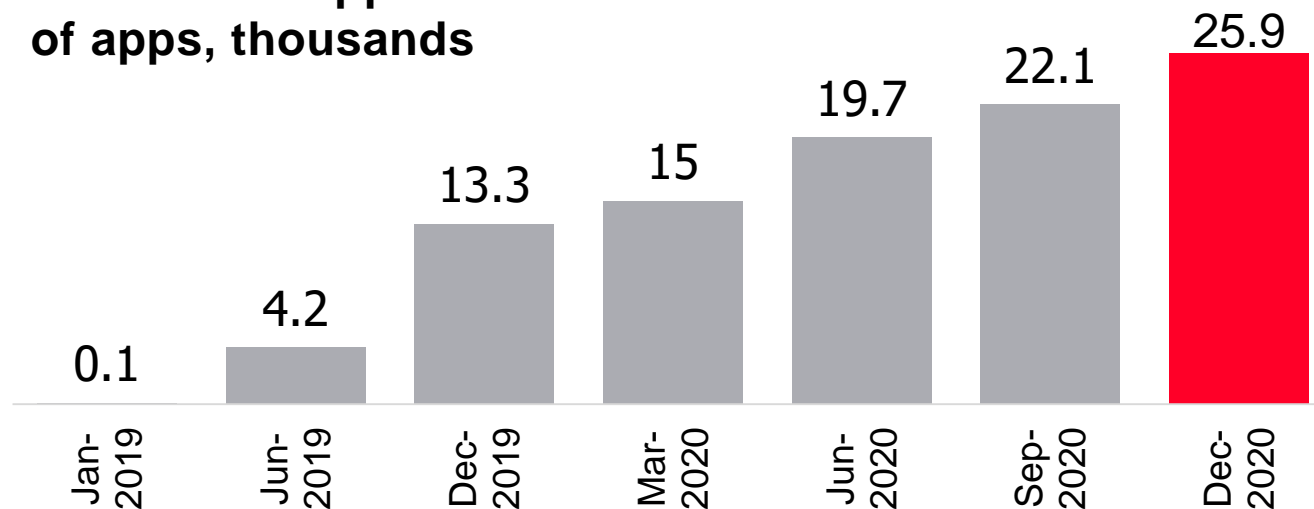
VK revenue:
+14.9% YoY to **RUB 25.4bn** in 2020

VK Mini Apps: platform continues to expand

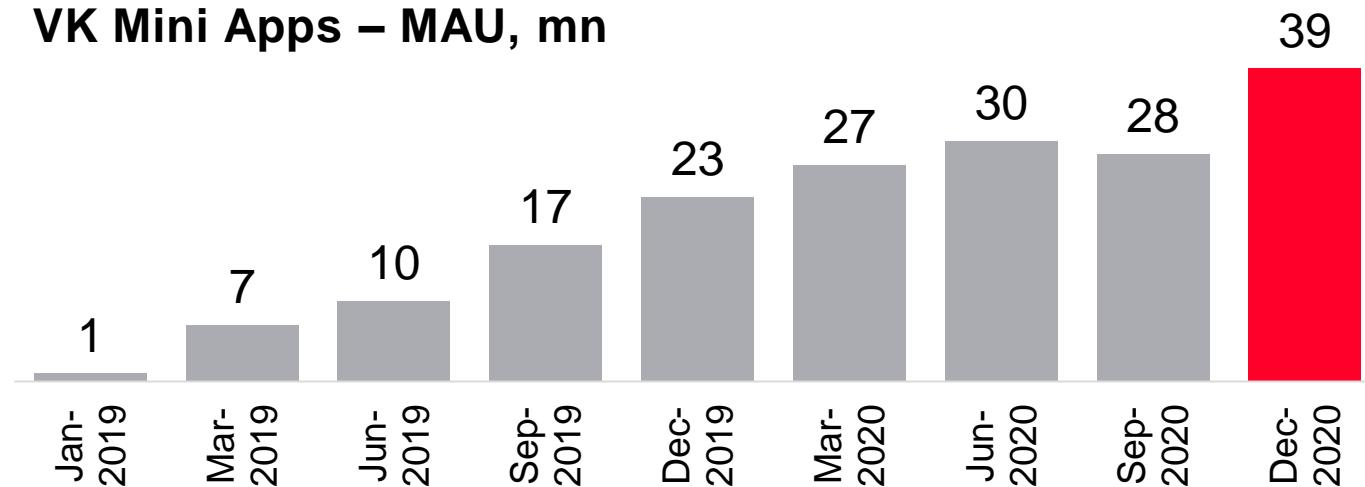


- MAU: **+67% YoY** in December to **39mn**, which means 53% penetration into VK's Russia MAU
- DAU: **+169% YoY** (to **5.4mn**)
- The number of services on the VK Mini Apps platform **almost doubled, approaching 26,000**
- **30 Mini Apps** had an MAU of **1mn+** in December, up from 12 Mini Apps in January

Active Mini Apps – Number of apps, thousands



VK Mini Apps – MAU, mn

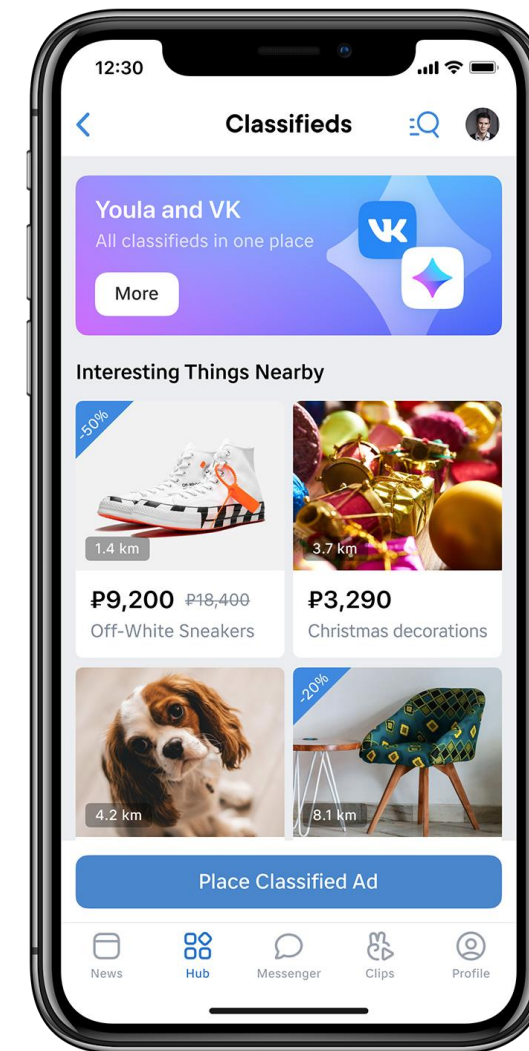
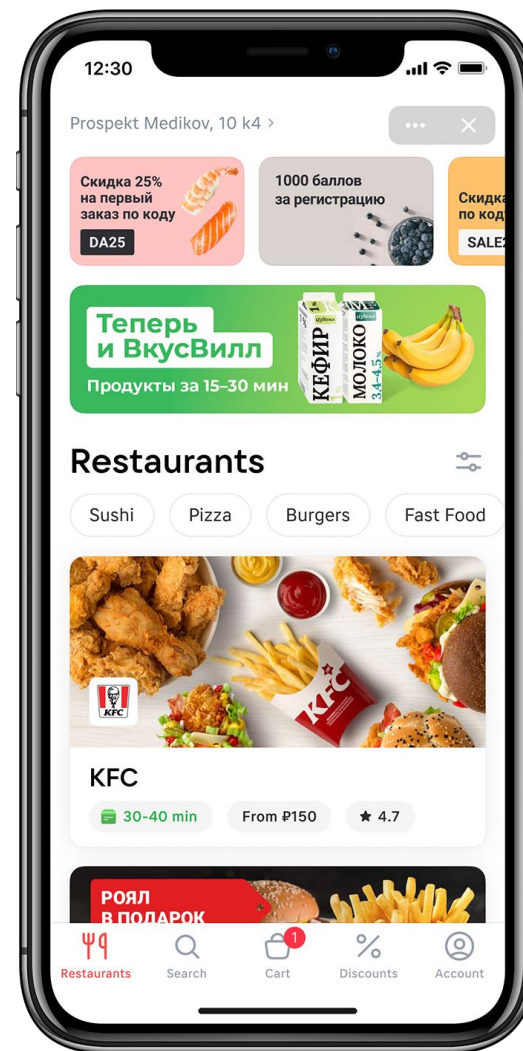




VK Mini Apps: ecosystem contribution



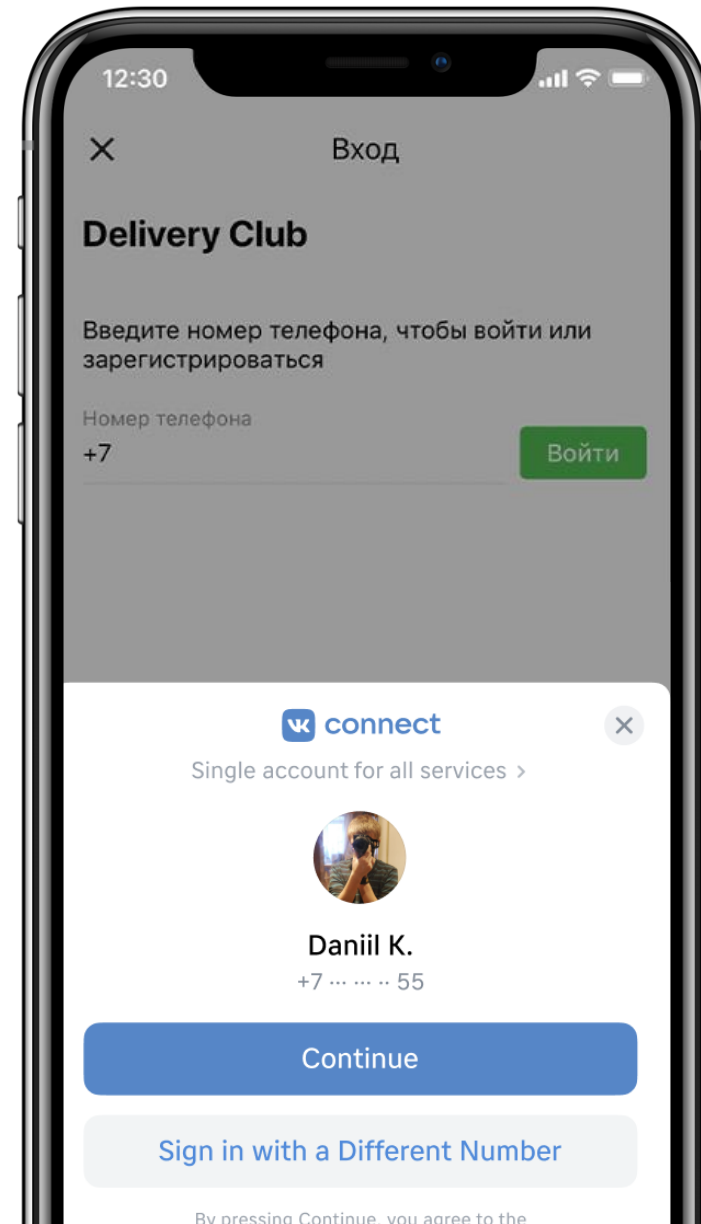
- VK Mini Apps platform has been **scaled to OK in December**, with Mini App developers now able to add their apps across the two social networks simultaneously, benefiting from additional traffic and revenue. **This is a new major step in the development of the Mail.ru Group product ecosystem**
- **VK Taxi** continued its rapid growth with **over 2mn** clients having used the mini app in 2020. VK Taxi continues to expand its unique social features, making it possible for users to create a list of favorite places, go to the same destination with friends from different locations, split the cost of rides, pay for them using VK Pay, etc
- The **VK Food** app, which was relaunched in July, accounted for **>10% of new DC customers in Q4**
- In December 2020 **VK Classifieds** was launched, allowing VK Groups to be integrated with Youla and sellers to simultaneously show offers on both, Youla and VK. Such cross-integration resulted in **Youla MAU rising 22% YoY to 33mn in December**



VK Connect: active roll out of single ID



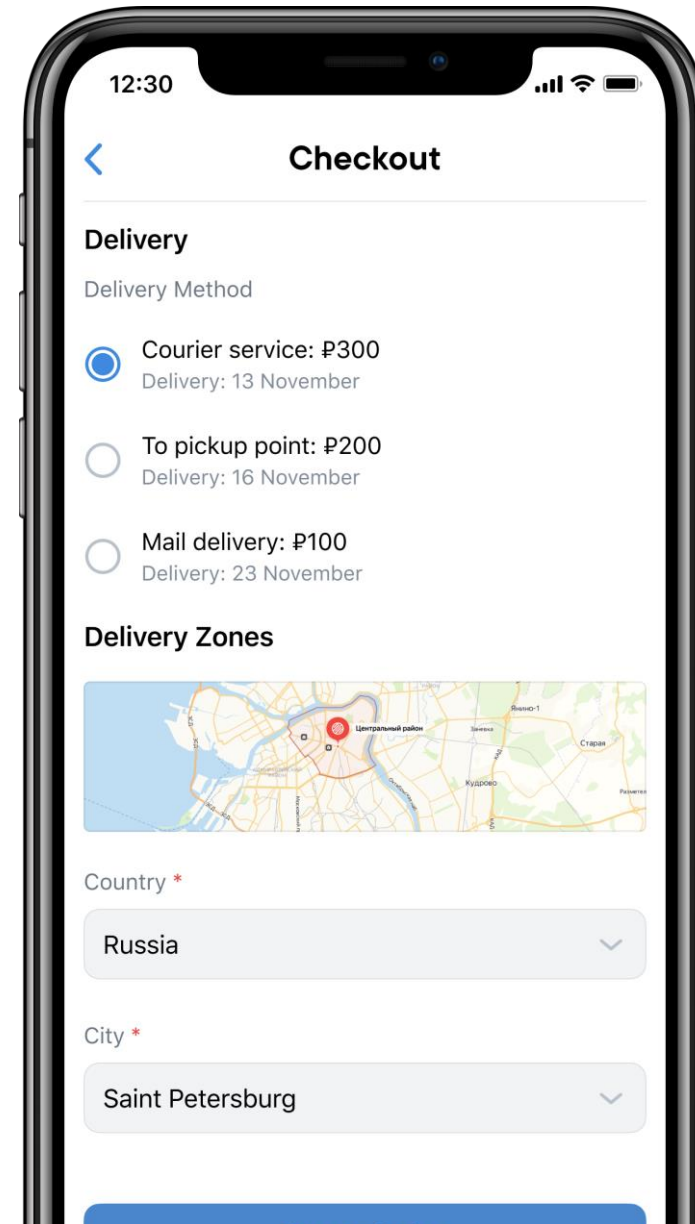
- **VK Connect**, the single sign-on platform for all Mail.ru Group products formed on the basis of VK, was **rolled out in June 2020**
- After logging into any service with VK Connect, users can access any other MRG product in just one tap, without having to enter login credentials
- Since its launch, **>17.3mn** people have used VK Connect for authentication (excluding authentication on vk.com), with average MoM growth of 70% in 2020
- **12 services**, including Delivery Club, Citymobil, LocalKitchen, Marusia, Atom, OK, VK Combo, BOOM our classifieds and email services have been at least partially **integrated with VK Connect**, with further rollout expected in 2021



VK: further steps in social commerce



- **Social commerce** is among the major focus areas, with the launch of **courier delivery on VK Store**, including delivery via VK Taxi in Q4
- A rising number of users make their **purchases entirely within VK**. B2C transactions completed through VK Store grew from 8% to 23% of total VK ecommerce GMV, including deals completed on merchant's websites
- As of 31 December 2020, the number of **VK Pay users exceeded 16mn** and the expanded our fintech offering now including **installment payment options**. These are available on VK as well as in the AliExpress Mini App and with partners outside VK



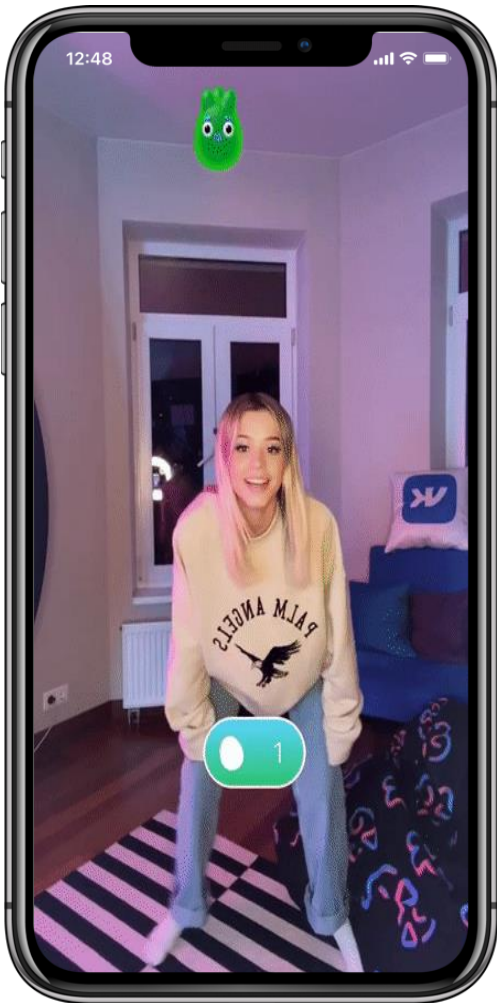
VK: enhancements in video offering



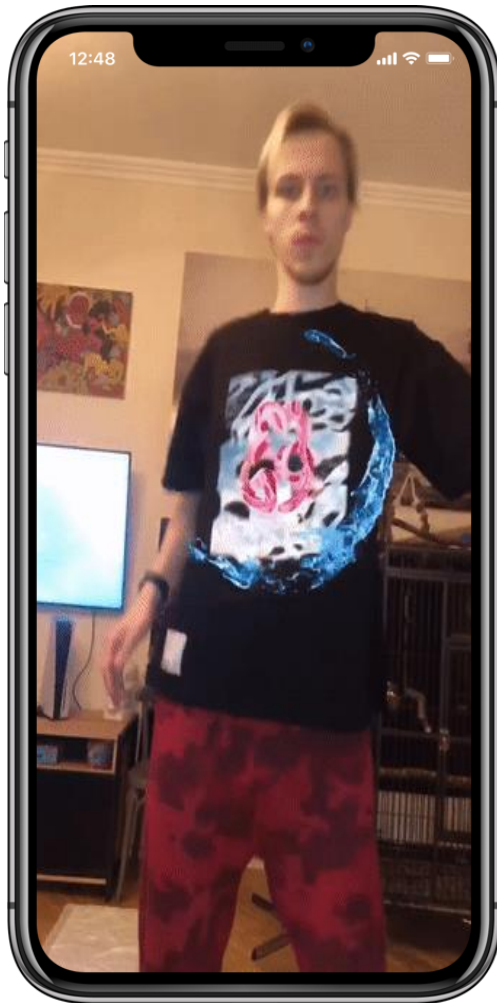
- VK Clips accumulated **~31bn views** within 6 months since its launch, with **3.5mn+ clips** having been published by **1.1mn content creators** and **75.6mn** people having watched clips as of the end of 2020
- The number of views per day reached a new peak of **230mn** in December, with DAU recently exceeding **16mn**
- **We will continue to invest in the platform in 2021**, including in PUGC and other exclusive content production
- We see **significant monetization potential** in Clips and are actively conducting experiments on CPM-based ad targeting, methods of sharing revenue with PUGC creators, and the ability to make purchases right inside Clips
- Overall in Q4, users uploaded **11%** more videos YoY to VK (excluding short videos), with the number of daily video views reaching a new record of **900mn** in December, while Livestream MAU stood at **45mn**



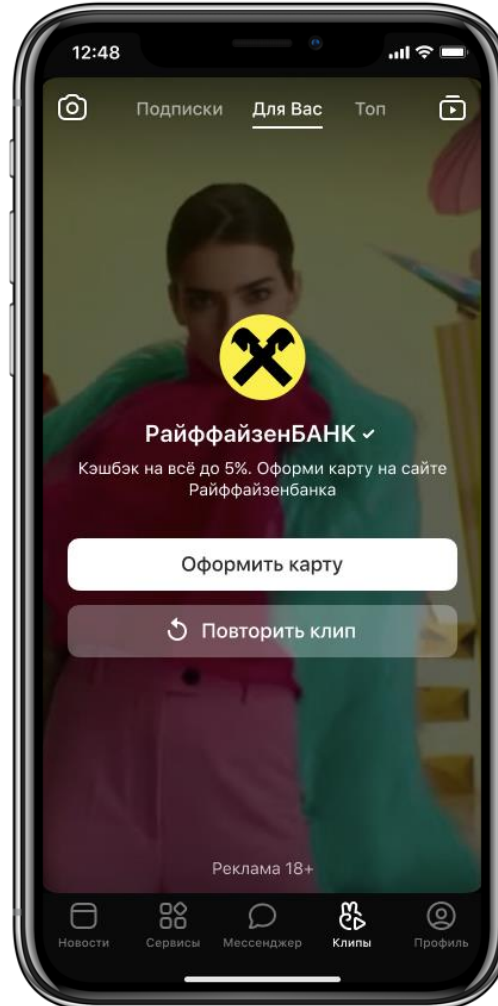
VK Clips development: AR platform and ads



AR Particle System



Digital Merch



Ad overlays



Action button



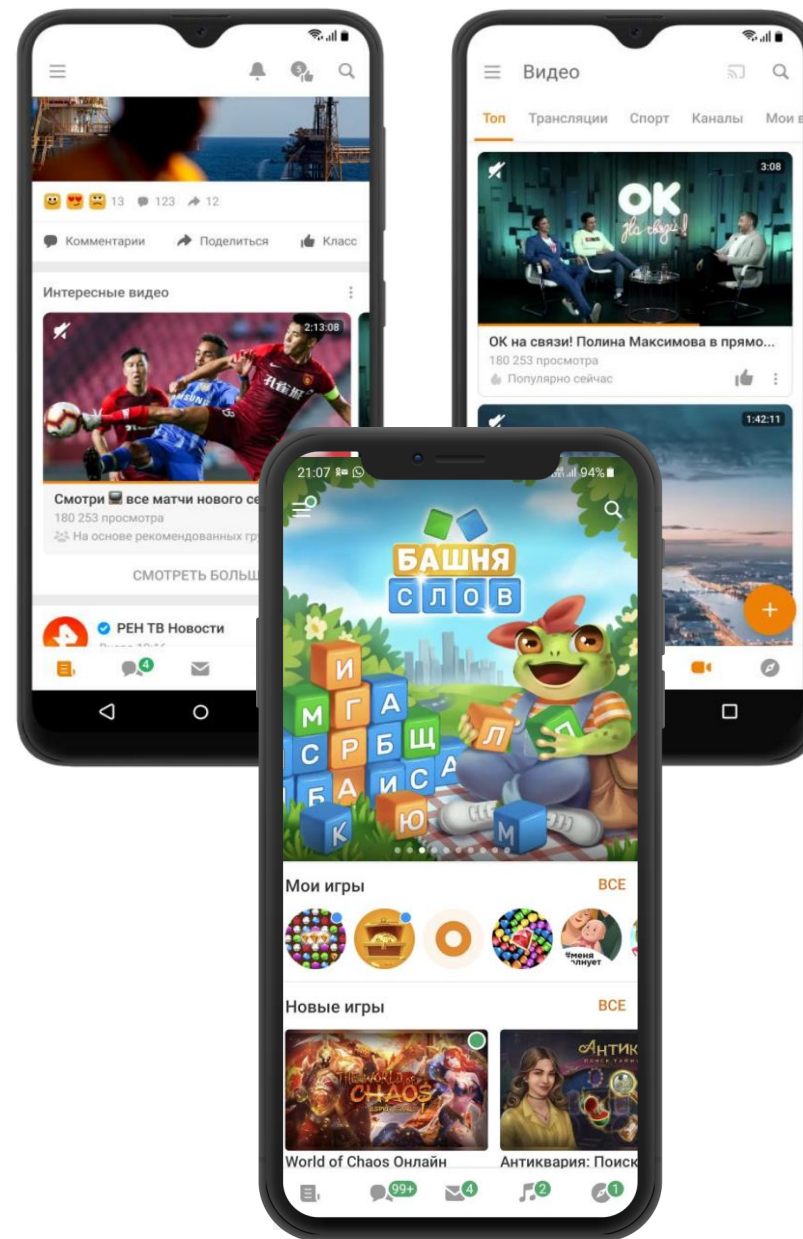
OK: unique social and entertainment platform



- Russia average MAU in Q4 stood at **40mn**, with mobile MAU at **34mn**
- Total number of unique mobile only users in Russia grew by **11% YoY** to **27mn** in December
- IVAS, including games, remain the main drivers of OK's revenue, with OK users having sent **52.8bn** virtual gifts (**+18% YoY**) and **6bn** postcards and stickers (**+67% YoY**) in 2020
- Daily views record on OK's video platform exceeded **1bn** in 2020, with views of live broadcasts **+50%** and video uploads **+19% YoY**

Last year OK games platform, including mobile games, reached new heights:

- Mobile games DAU rose by **24.3% YoY** in 2020, with related total time spent **+32.4% YoY**
- Total payments to mobile games developers reached **RUB 970mn** in 2020 (**+62% YoY**), with payments to all game developers at **RUB 3.3bn+**
- Payments to developers for advertising were **+60% YoY** in Q4



OK: product updates and ecom initiatives

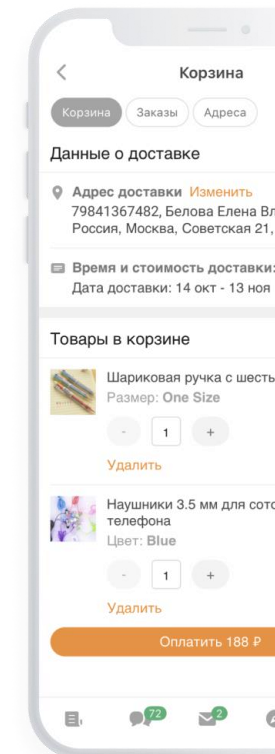
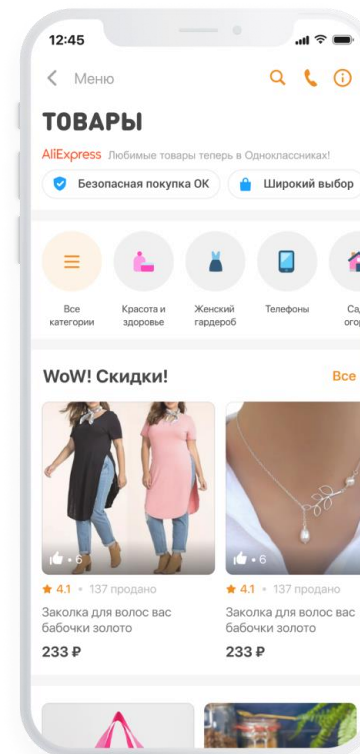


Active product updates in Q4:

- **Moments** photo and video stories format was launched in October, with MAU at **>11mn** in December
- **“Okno”** video chat based dating service was released in November
- **Marathons**, a service which allows to share photos related to particular topics, was rolled out in November

Social commerce updates:

- In Q4 OK and **AliExpress Russia** relaunched a **social marketplace**, which enables product demo not only in goods section, but inside newsfeed or while watching videos, with a personalized shopping feed
- Order tracking and support is now also available inside OK, with a **56% QoQ** increase in related ecommerce orders Q4
- In 2020 OK users published **>23mn** cards of their goods in the products showcase



~100mn

Goods are now available in OK through AER marketplace

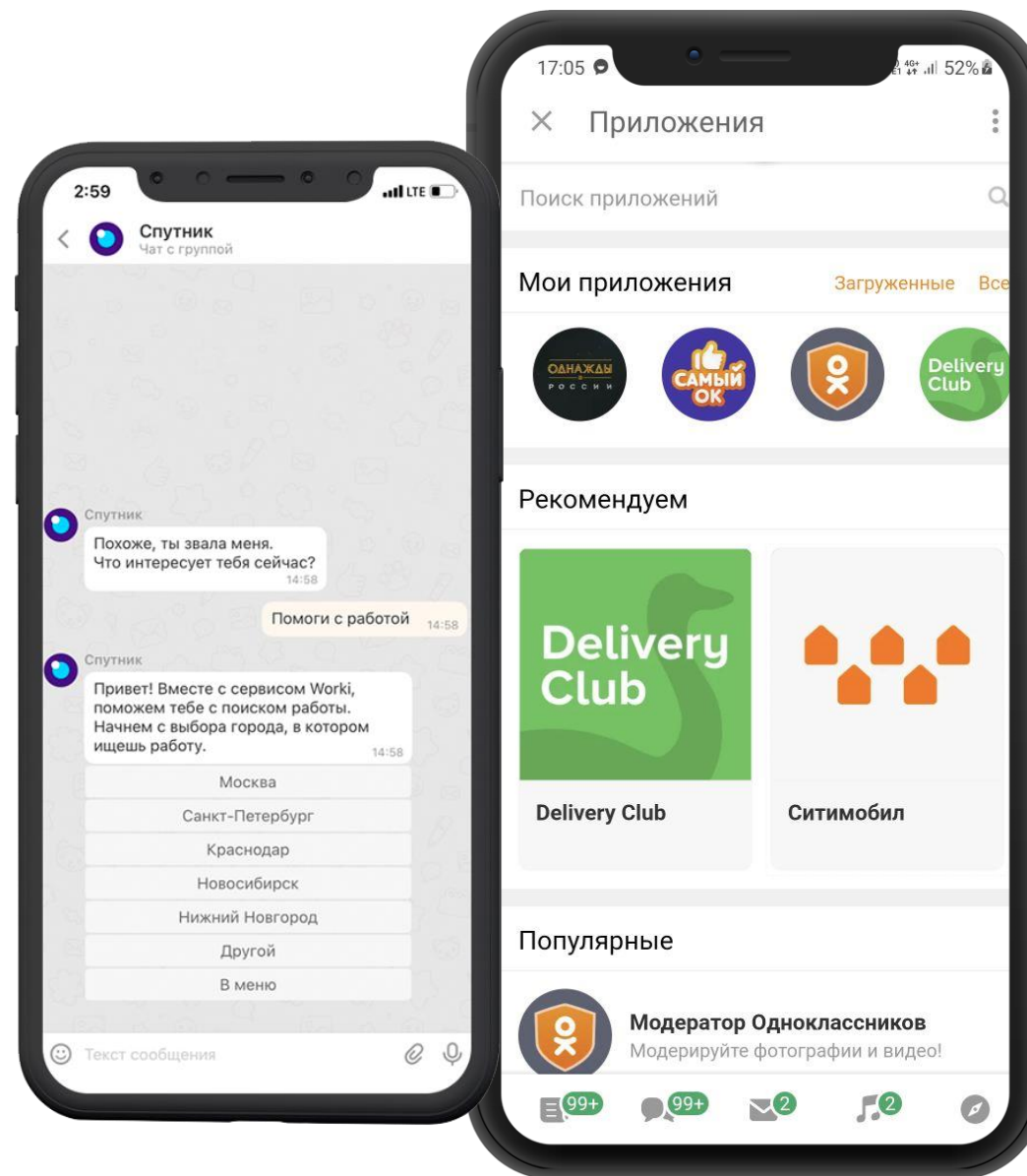
+56%

QoQ increase in related ecommerce orders Q4

OK: multiple completed cross-integrations

Ecosystem-related product launches continued in Q4:

- **VK Mini Apps** was rolled out on OK in December, with **Delivery Club** already available in OK as a Food mini app and **Citymobil** accessible as a Taxi mini app
- OK also integrated a service which provides vacancies and employers' contacts via a chat-bot by request, launched in collaboration with **Worki** jobs classified vertical of **Youla**
- In December together with **Boosty.to** OK launched a subscription service for exclusive content in OK groups and donation service for creators, with commission set at 5%



OK: SMB among the key ad revenue drivers



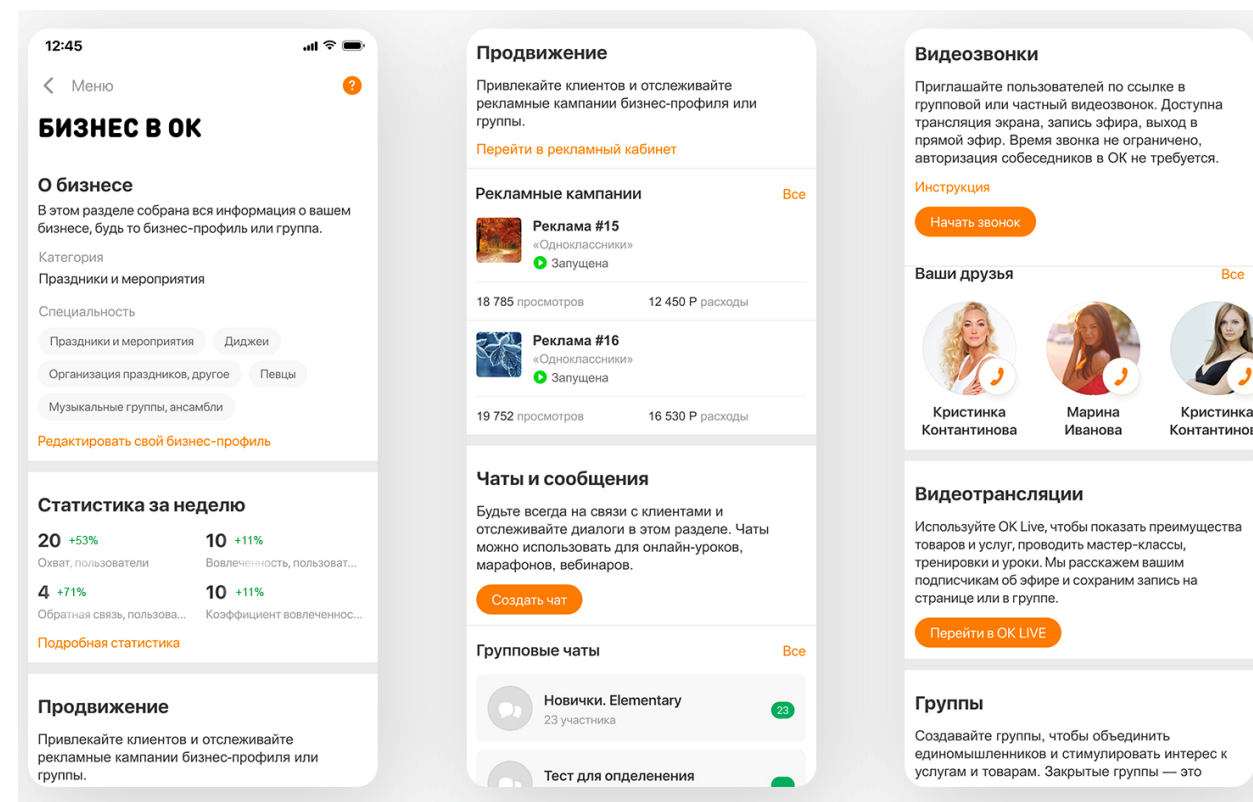
- The number of advertisers in OK was **+34.8%** in 2020
- OK continued to invest into SMB solutions, with the contextual targeting launch inside the OK Ads Manager (internal ad creation tool)
- **~1mn** users running businesses through their OK pages
- The number of SMB advertisers in the internal Ads manager was **+77% YoY** in Q4, with SMB revenue **doubling** YoY in 2020

~1mn

SMB pages on OK,
Q4 2020

+77%

The number of SMB
advertisers in the internal
Ads manager, YoY



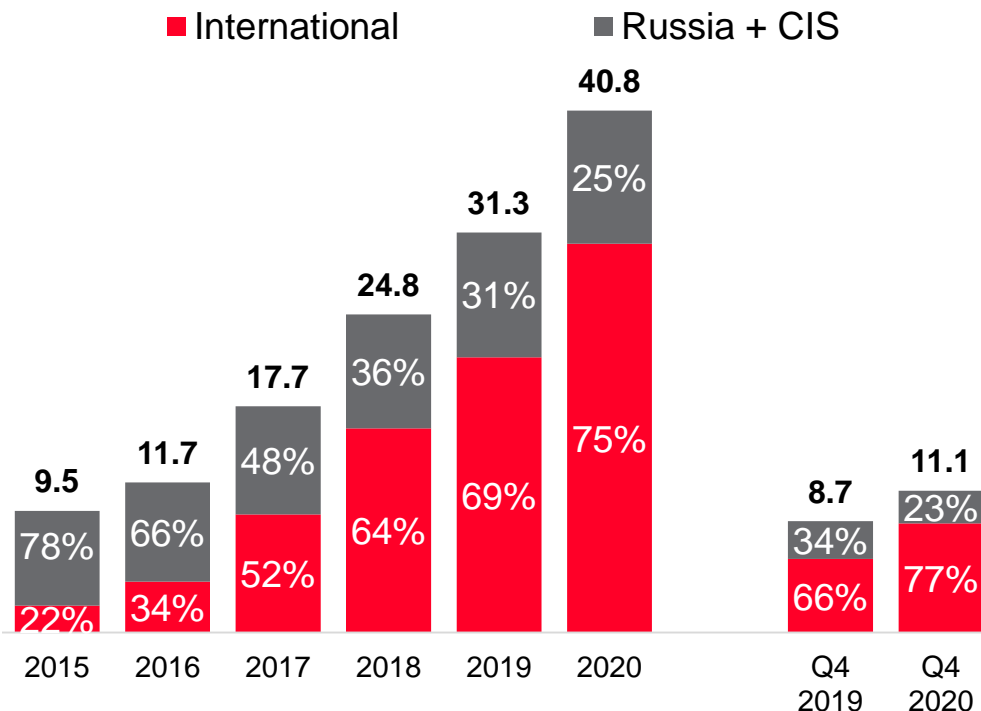


MY.GAMES: international revenue driver for the Group

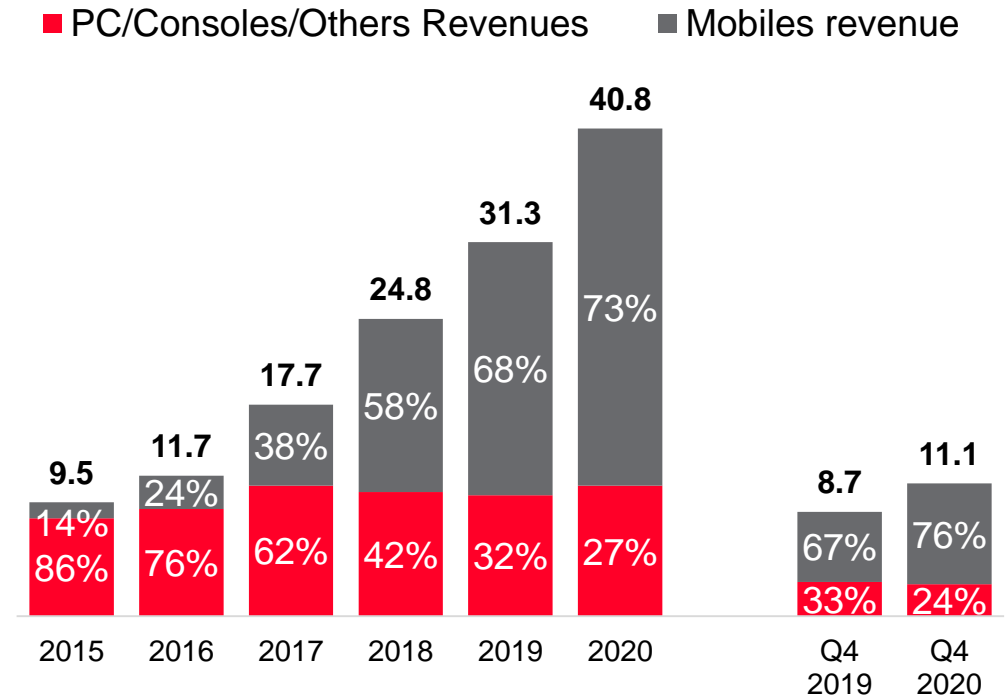


- MY.GAMES revenue rose by **27% YoY** in Q4 (to RUB **11.1mn**) and accounted for **34%** of the Group's revenues
- **International** (ex Russia + CIS) gaming revenue share in Q4 stood at **77%** (vs 76% in Q3 2020 and 66% in Q4 2019)
- **76%** of MY.GAMES revenues comes from **mobile** (vs 75% in Q3 2020 and 67% in Q4 2019)

International revenue exposure, in RUB bn



Revenue split by platform, in RUB bn



Source: Internal data



MY.GAMES: solid post-lockdown user trends

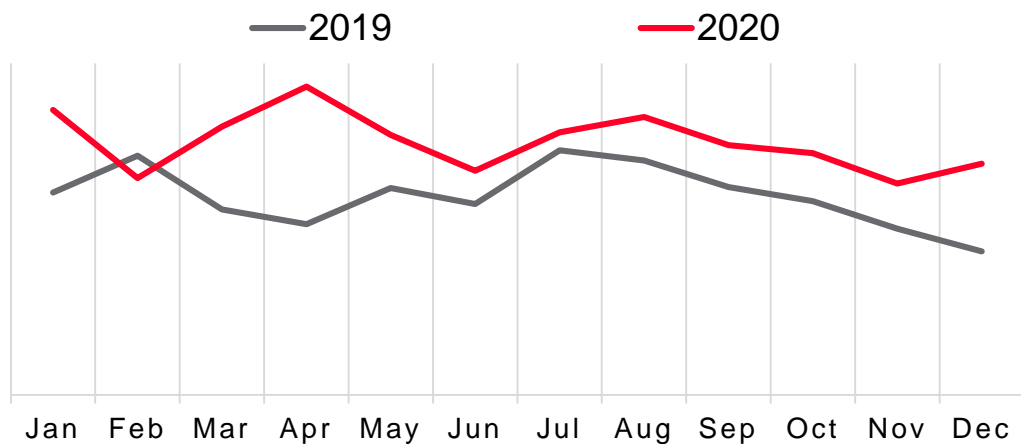


- Total number of **registered users** grew to **770mn** (+165mn in 2020), with average MAU at **21mn** in Q4 2020 (+8.8% YoY)
- Our **franchise titles (War Robots, Warface, Hustle Castle)** are the **top-3** revenue generators, with the newly acquired **Grand Hotel Mania** from Deus Craft entering into top-5
- We have **15+ games** in development pipeline (excl M&A), with potential to launch **1-2 PC/Console products** and **up to 4 mobile games** within the next 12 months

Top 10 revenue generating products in 2020

Title	Total revenue (RUBbn)	Installs (Total + growth in 2020)
War Robots	31.8 (2016-2020)	184 mn (+ 27 mn)
Warface franchise	31.8 (2012-2020)	109 mn (+ 26.9 mn)
Hustle Castle	18.6 (2017-2020)	65.3 mn (+13.2 mn)
Grand Hotel Mania	2 (2019-2020)	7.7 mn (starting from June 2020)
Left to Survive	4 (2018-2020)	30.2 mn (+10.6 mn)
Love Sick	2.5 (2019-2020)	25.7 mn (+19.2 mn)
Zero City	2.4 (2019-2020)	15.8 mn (+8.8 mn)
Tacticool	1.9 (2018-2020)	16.4 mn (+6.3 mn)
American Dad	1.4 (2019-2020)	7.6 mn (+ 4.3 mn)
Conqueror's Blade	1 (2018-2020)	2.7 mn (+1.1mn)

New registrations / installs in games 2019 vs 2020

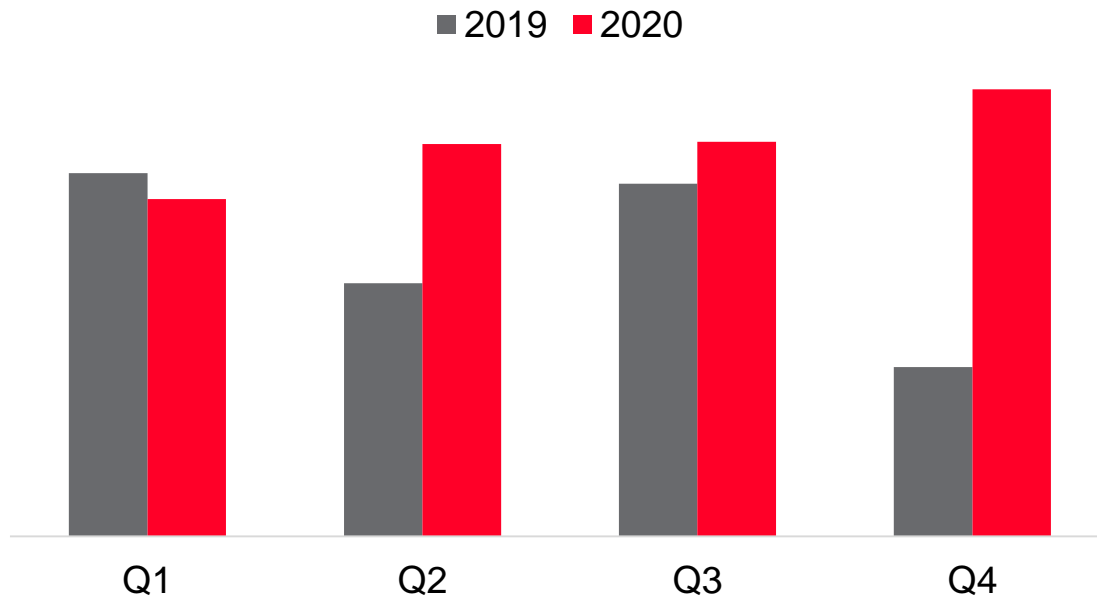


Source: Internal data

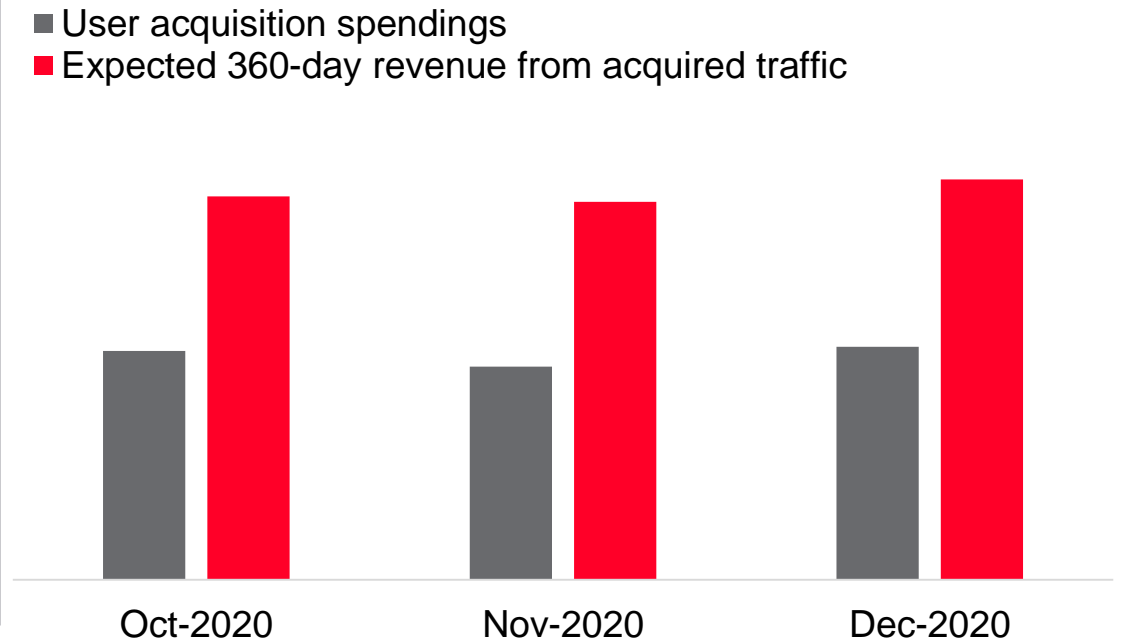
MY.GAMES: active marketing in Q4 2020

- Games EBITDA margin declined to 13% in Q4 due to active focus on retention of covid-acquired users through marketing investments into our top-performing mobile games and support of new titles (incl. Storyngton Hall, Rush Royale, Grand Hotel Mania)
- Despite the higher CAC experienced in Q4 given that it marks the peak season on the games market, we expect LTV from acquired customers to significantly exceed CAC
- Such marketing investments will also allow us to **build a solid foundation to realize our growth ambitions in 2021**, while contributing towards the goal to **double EBITDA by the end of 2022 versus 2018 level**

Marketing expenses 2020 vs 2019



UA spending vs expected revenue



Source: Internal data

MY.GAMES: broadening portfolio, mobile focus

- With **5 new in-house mobile games launches** and **two acquired mobile-focused studios in 2020**, mobile remains the top business driver for MY.GAMES
- War Robots released a new Remaster version while maintaining the leading product in terms of revenue generation. Grand Hotel Mania reached 7m downloads since the release in July 2020 and Hustle Castle reached 69m downloads in 3 years after release



War Robots
2014

Downloads:
184mn



Hustle Castle
2017

Downloads:
69mn



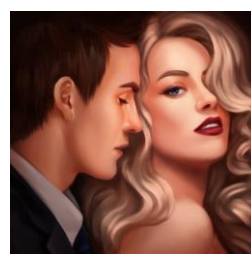
Left to Survive
2018

Downloads:
30mn



Zero City
2020

Downloads:
>15mn



Love Sick
2019

Downloads:
~25mn



Tacticool
2019

Downloads:
~2mn



American Dad!
2019

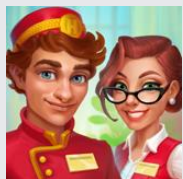
Downloads:
>7mn



Guild of Heroes
2015

Downloads:
>13mn

Latest Additions



Grand Hotel Mania
2020

The new game in time-management genre from Deus Craft studio, **launched in July 2020**, at **>7.7mn** installs



Storyngton Hall
2020

The new 3-In-A-Row game from BIT.GAMES studio, **launched in August 2020**, with **2mn** installs



Rush Royale
2020

The new tower defense game **launched in December 2020** and reached **738k** installs by the end of January 2021

MY.GAMES: latest PC and console highlights



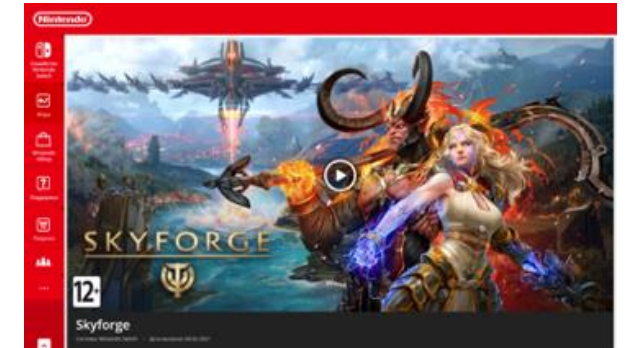
War Robots x Serious Sam crossover

- War Robots players competed against monsters from Serious Sam franchise universe during time-limited event. Players were able to participate in arena battles called “Serious Games”, compete in a series of quests with awards and prizes. **Event became the 3rd most successful in terms of revenue generation for MY.GAMES**



Warface updates

- Relaunch of Warface in Turkey was supported by massive PR-campaigns and ability to pay with local currency
- Warface launched a **cross-platform mode between Xbox and PlayStation**



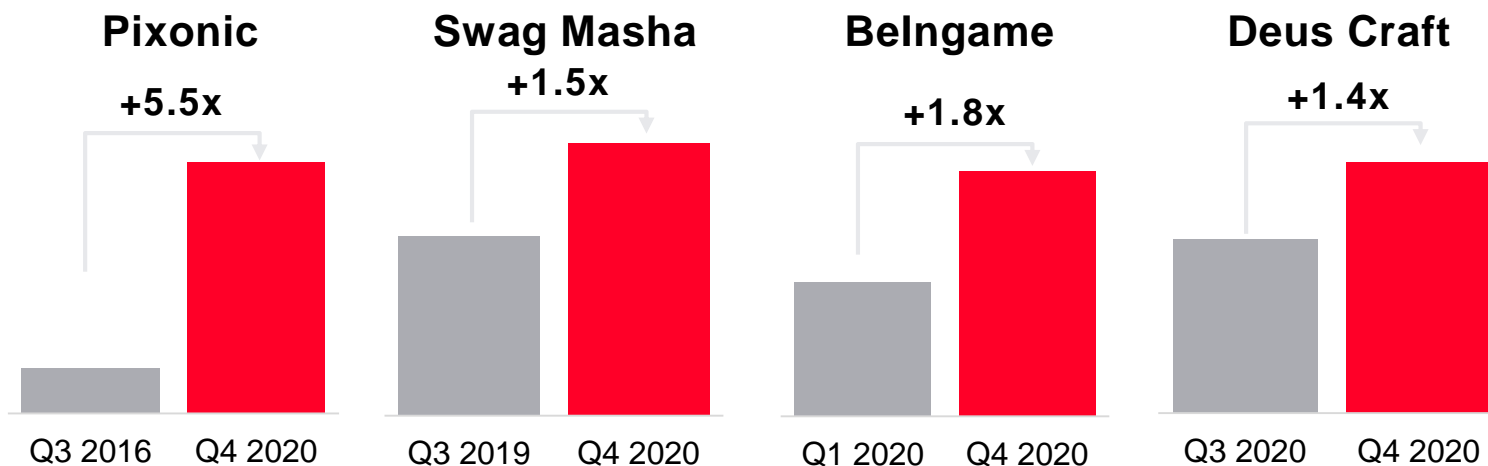
Skyforge on Nintendo Switch

- **Skyforge was launched on Nintendo Switch**, becoming the second title of MY.GAMES after Warface to be rolled onto this platform

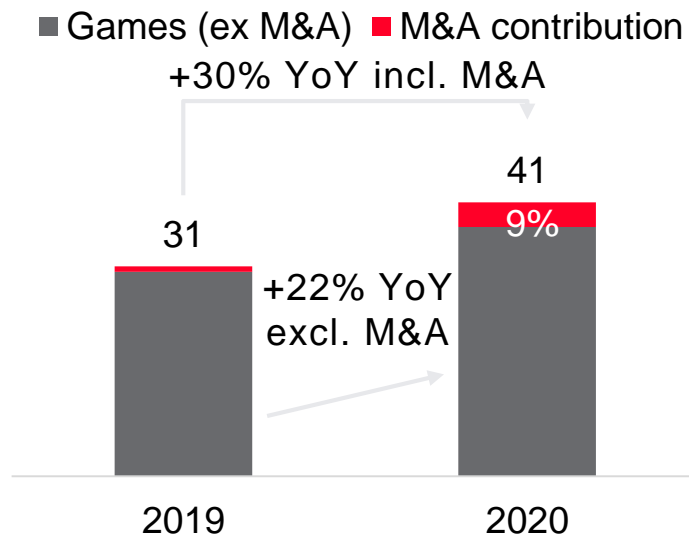
MY.GAMES: M&A activity

- Our M&A strategy is focused on product and studio acquisitions that can leverage synergies with the broader MY.GAMES ecosystem and significantly increase our business value. We take into account several **factors in our investment decisions**: size and skills of the target's team, quality of the project, game genre, monetization potential, current and future financial indicators (incl. EBITDA margin and cash flows), adequacy of the project's budget
- Beyond the **two consolidations (Belngame and Deus Craft)** completed in 2020, MY.GAMES invested into **12 new studios** with **35 studios in the MY.GAMES Venture Capital (MGVC)** portfolio in total and path to control in most cases
- Importantly, **MY.GAMES growth has been predominantly organic, with <10% annual contribution from new consolidations**, including in 2020

Acquired studios' revenue growth since consolidation (RUB mn)



Games revenue growth with and without M&A contribution*, RUB bn



Source: Internal data; * - M&A contribution is based on revenues from Belngame and Deus Craft pro-forma numbers

MY.GAMES Cloud was launched in late 3Q 2020 with access to high-end quality games from any PC via streaming technology



Key milestones:

- Beta launch in Russia in September 2020
- Up to 4K gameplay quality with 120fps frame rate
- >150 titles available during beta stage from top game publishers (Techland, Gaijin, Nacon, Funcon, Paradox Int.) with both free and paid (RUB 899/month) subscription
- 100,000 active users by the end of Q4

Plans for 2021:

- Rollout across the broader regions of Russia
- Accessibility with new platforms: iOS, Android, Smart TV and Web
- New titles and service subscriptions
- Integration with social media - VK (VK ID) and OK

DonationAlerts: activities with streamers

Donation Alerts is evolving from a donation service into an **all-in-one streamers' tool**



2020 results:

- Launched apps for streaming on the most popular platforms including Twitch, Youtube, VK
- Launch of an **advertising platform for streamers** with plans to enter international markets
- Made the voice-over of the donates with the voices of celebrities

Key milestones:

- +54% turnover growth in 2020, with an estimated **88% market share in Russia**
- +30% growth in the number of streamers in 2020 to **3mn+**
- **1mn+ transactions/month**

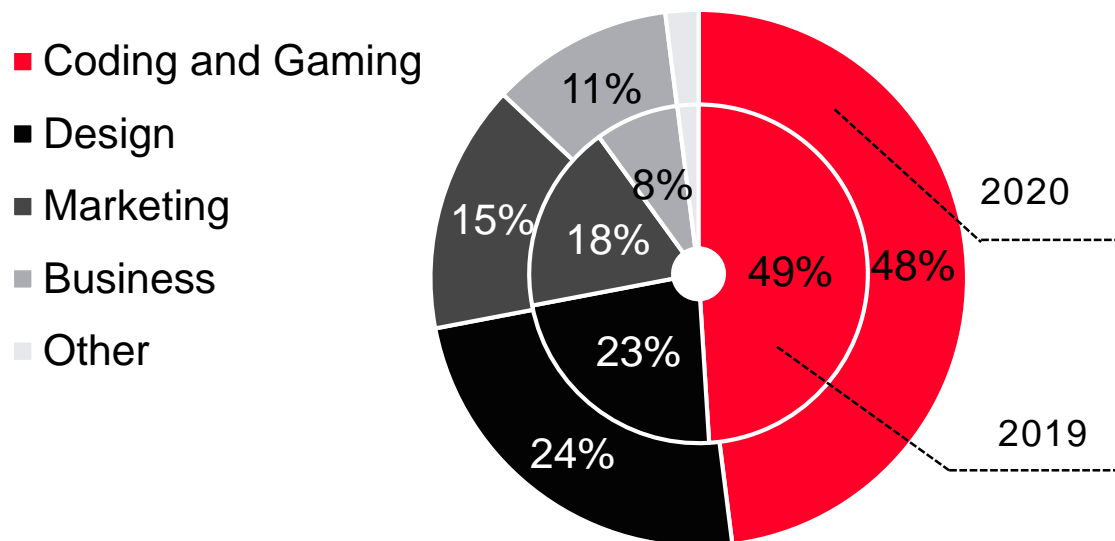


Online Education: spurred by growing demand for high-quality and convenient education

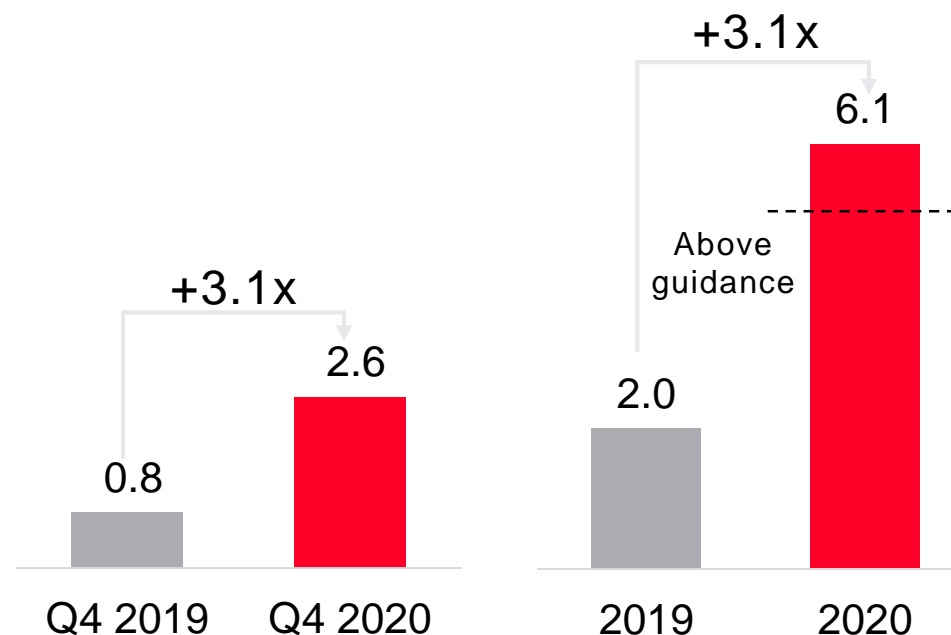


- Skillbox and GeekBrains are the leading services on the growing market of online education in the segment of additional education for adults
- Service is provided on own platforms (LMS), which allows to track different metrics and users' patterns
- Platforms offer an opportunity to expand a matrix of products based on proprietary high-quality content

Skillbox and GeekBrains are diversifying portfolio of courses



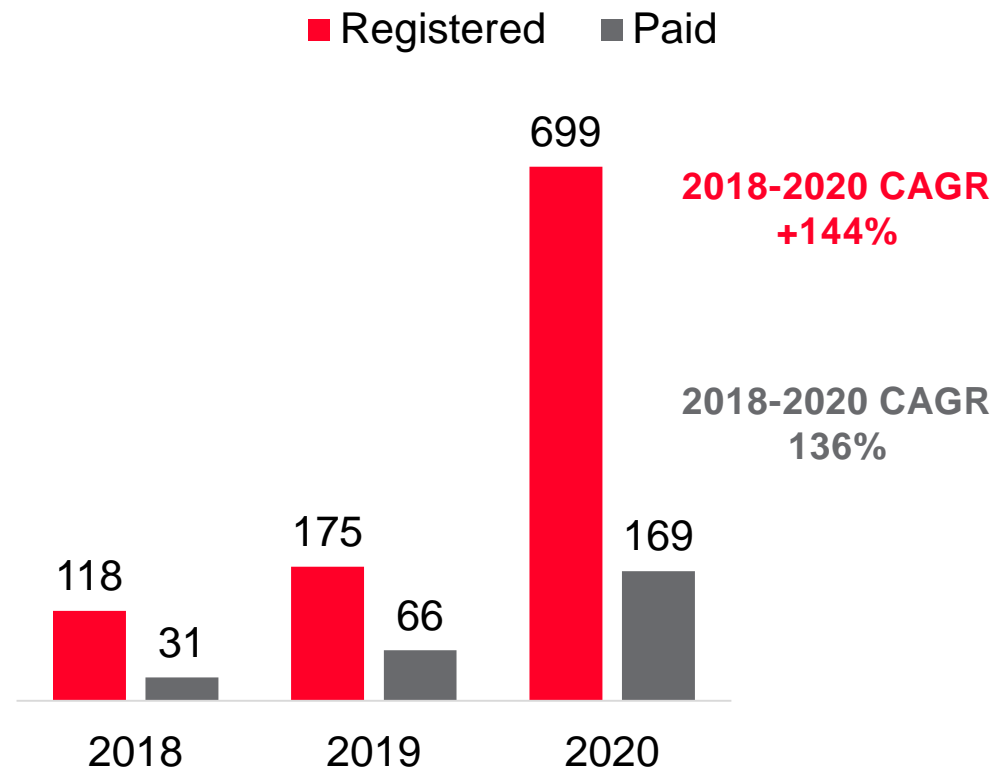
EdTech revenues, RUB bn



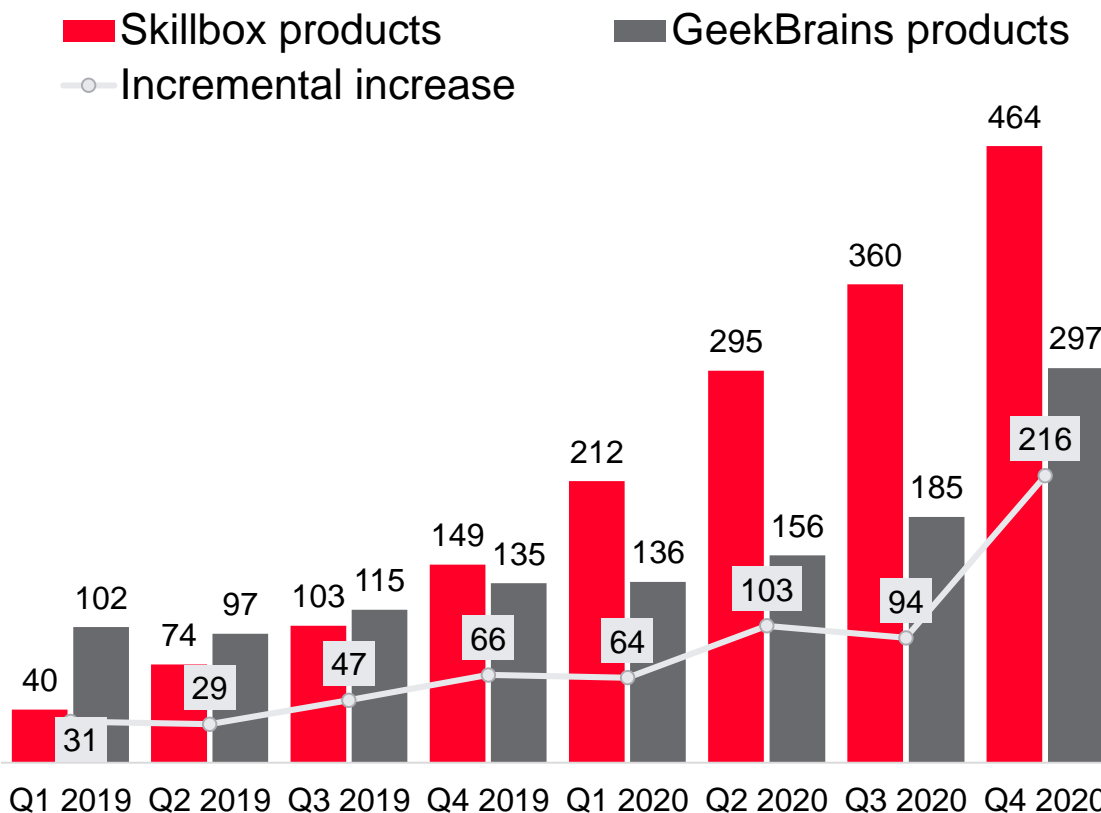


Online Education: rapid expansion of product matrix and customer base

Cumulative number of registered and paid students, thousands*



Growing number of courses and professions



Source: Internal data; * - Registered users have access to the platform (both with free of charge and paid access), cumulative paid students are all students who have paid for the service

Youla: steady growth in revenue and traffic



Revenues:

- 2020 revenue reached **RUB 3bn (+43% YoY)** - top of guided range
- Strong pipeline of Group's ecosystem integrations, as well as B2B focused developments is to drive further growth

EBITDA:

- EBITDA loss stood at **RUB 2.2bn in 2020**, with a sizable improvement in the loss ratio vs 2019 level

Generals & Services:

- Holds the **largest share of classified revenue** and is less cyclical
- Both segments **have been less impacted by COVID-19**

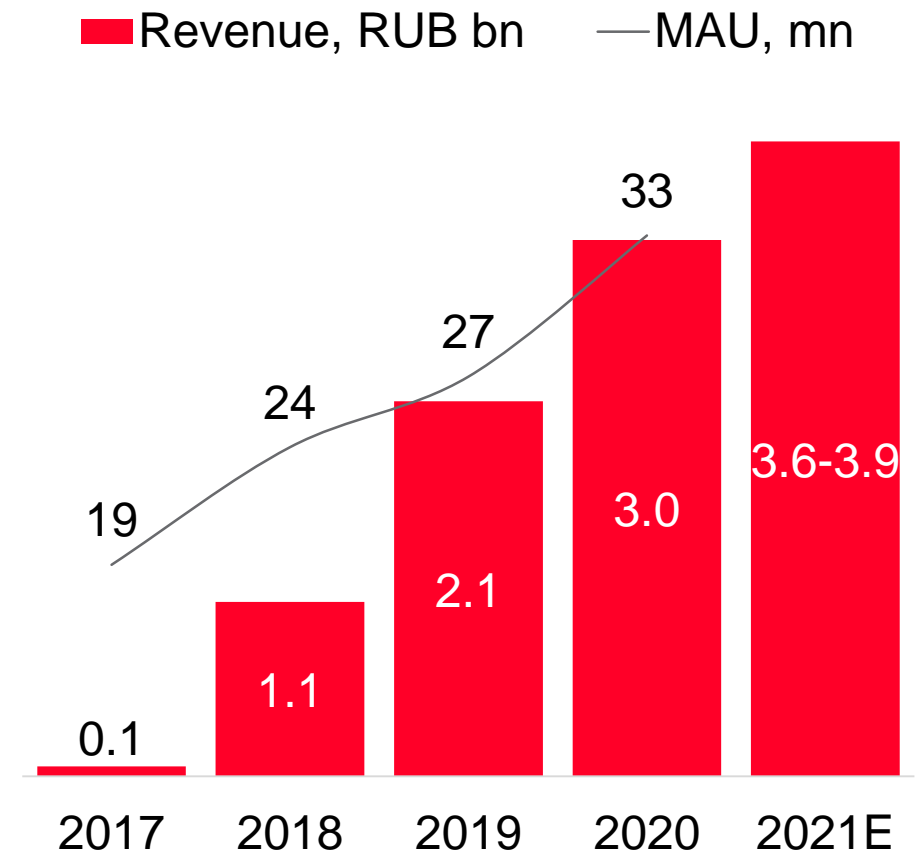
Real estate:

- Growing penetration in the regions, with initiatives in B2B to support growth
- Delivered revenue growth YoY

Jobs:

- **Focus remains on blue-collars**, with solid performance in 2020 despite the weak macro environment, fueled by further migration to online

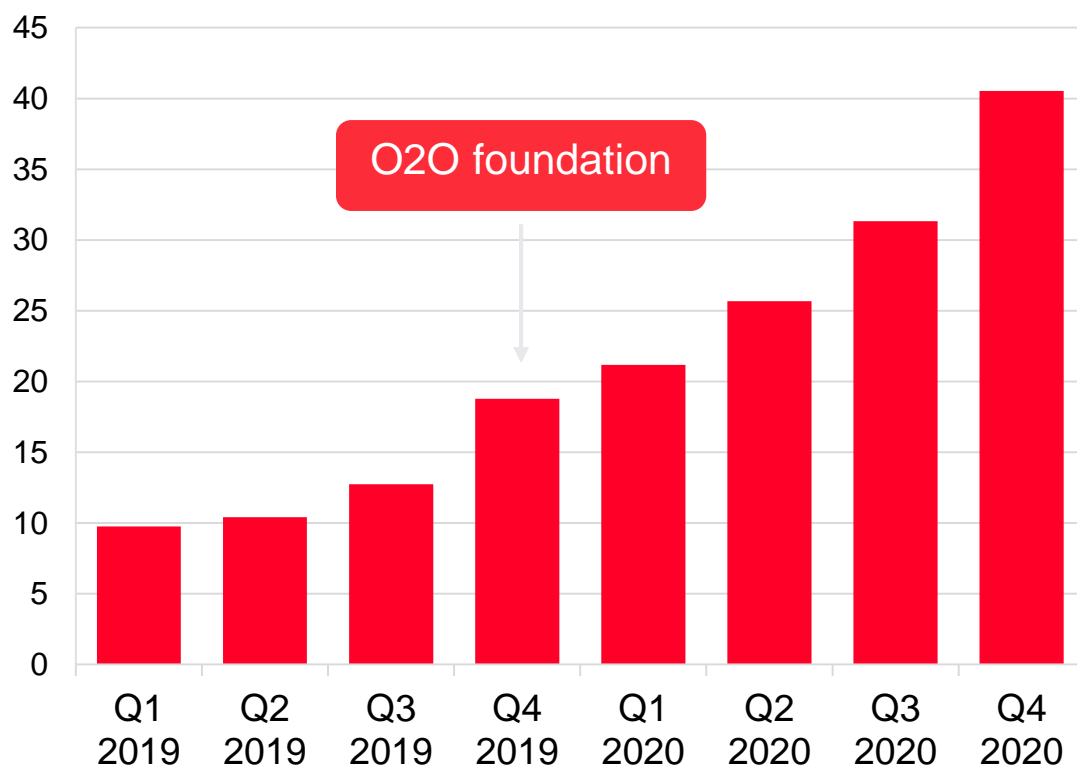
Youla revenue and traffic growth 2017-2021E





O2O JV has experienced rapid GMV expansion since its launch

O2O consolidated Gross Merchandise Value*, RUB bn



- O2O JV showed impressive GMV* growth on pro-forma basis during 2020 FY despite the pandemic and its adverse impacts, particularly on the mobility businesses, with **GMV above RUB 118bn in 2020**
- Consolidated businesses of O2O JV include Delivery Club, Citymobil, Foodplex, Youdrive, Local Kitchen and Samokat, with the latter two businesses consolidated in 2020
- Growth continued into the end of the year, with **GMV run-rate of RUB 170 bn as of December**

Source: Internal data; *- For commission businesses GMV is defined as gross turnover before deduction of discounts and VAT. For non-commission revenue GMV is defined as Revenue before deduction of discounts and VAT.

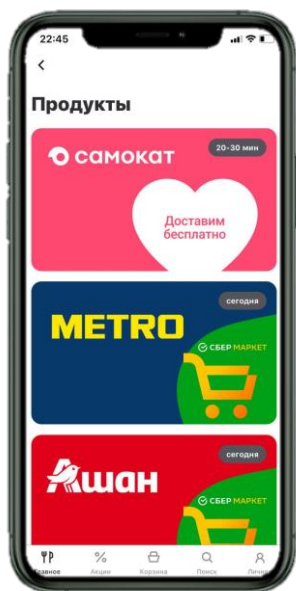


Delivery Club: Ongoing product innovations with major focus on tech stack

Jan-Oct



E-grocery roll-out



April



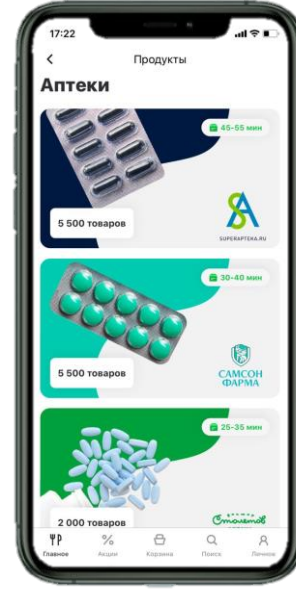
Take-away Launch



May



Pharma Launch with VseApteki



May



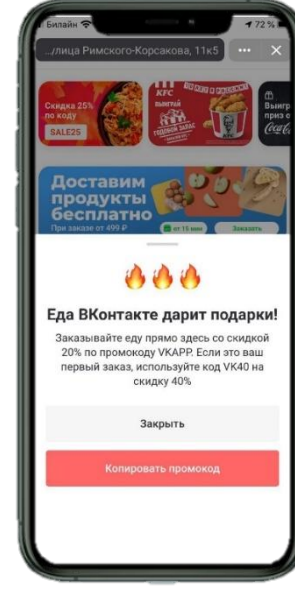
Big Zones With Citymobil



May



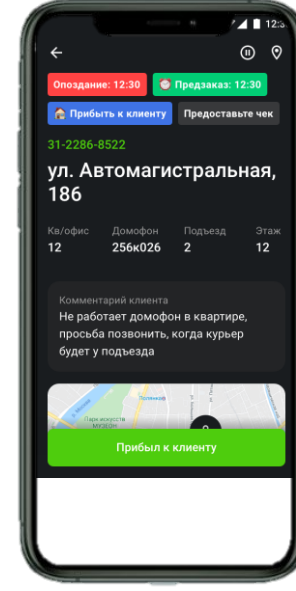
VK Food



May-June



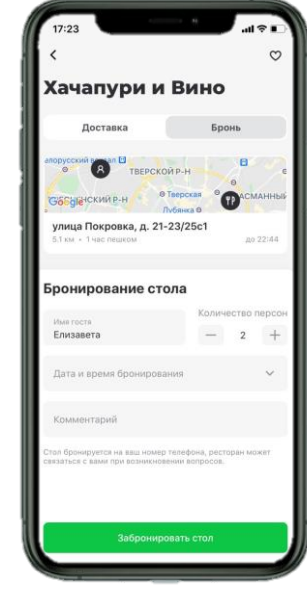
Rider App update



October



Table booking

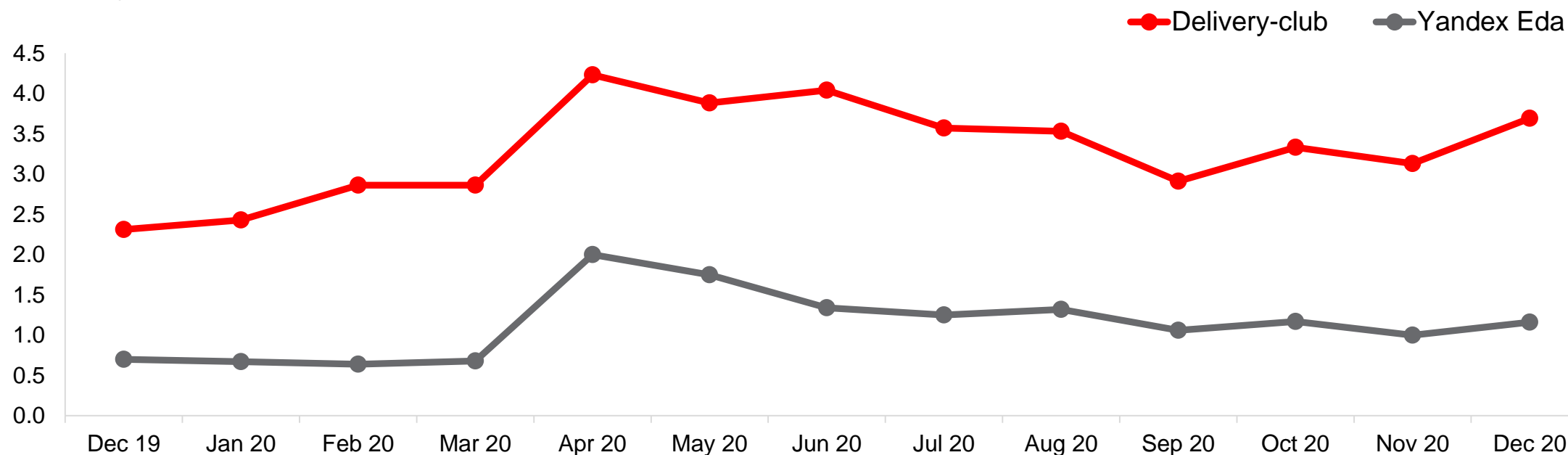




Delivery Club is the Ready-to-eat food delivery market leader in terms of users...

- COVID had a positive impact on the overall user base of the Russian food delivery market
- After the easing of lockdowns in Q2, user base stabilized at a slightly lower level, which was however above the pre-lockdown level, supported by increased penetration and solid retention of online food delivery services

Monthly active users, mobile apps, mn

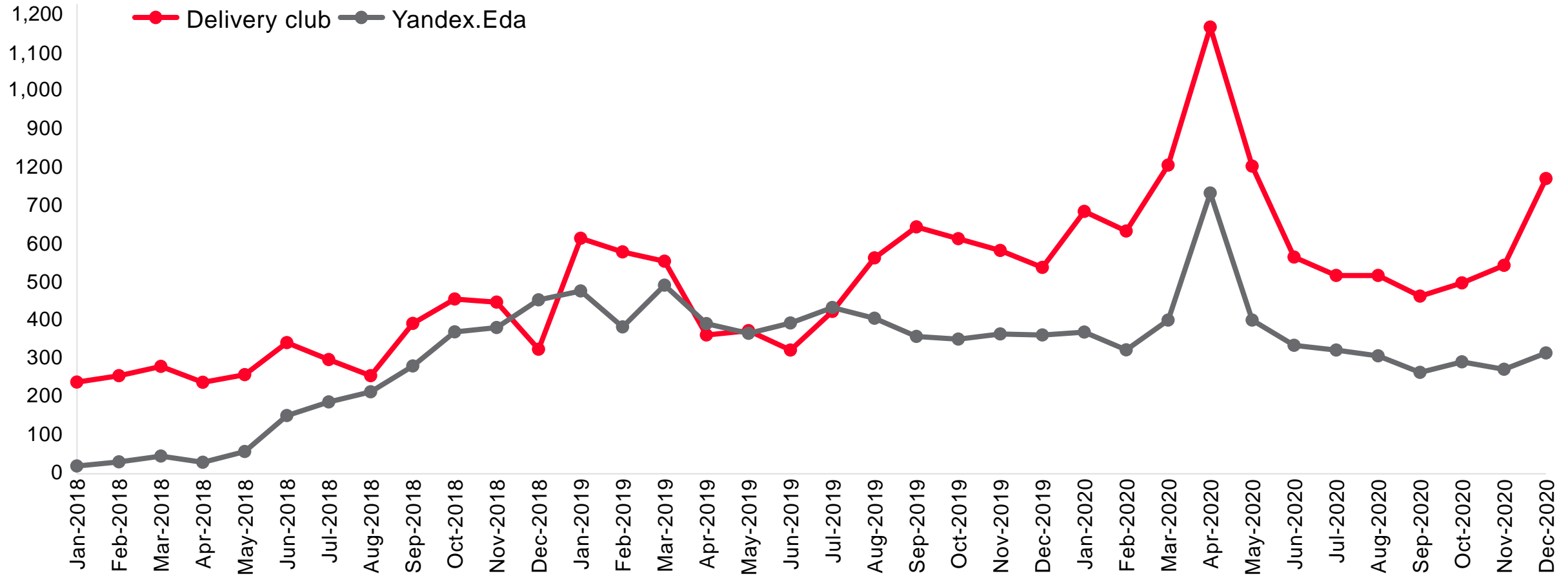




...and downloads



Downloads, iOS and Android combined, thousands

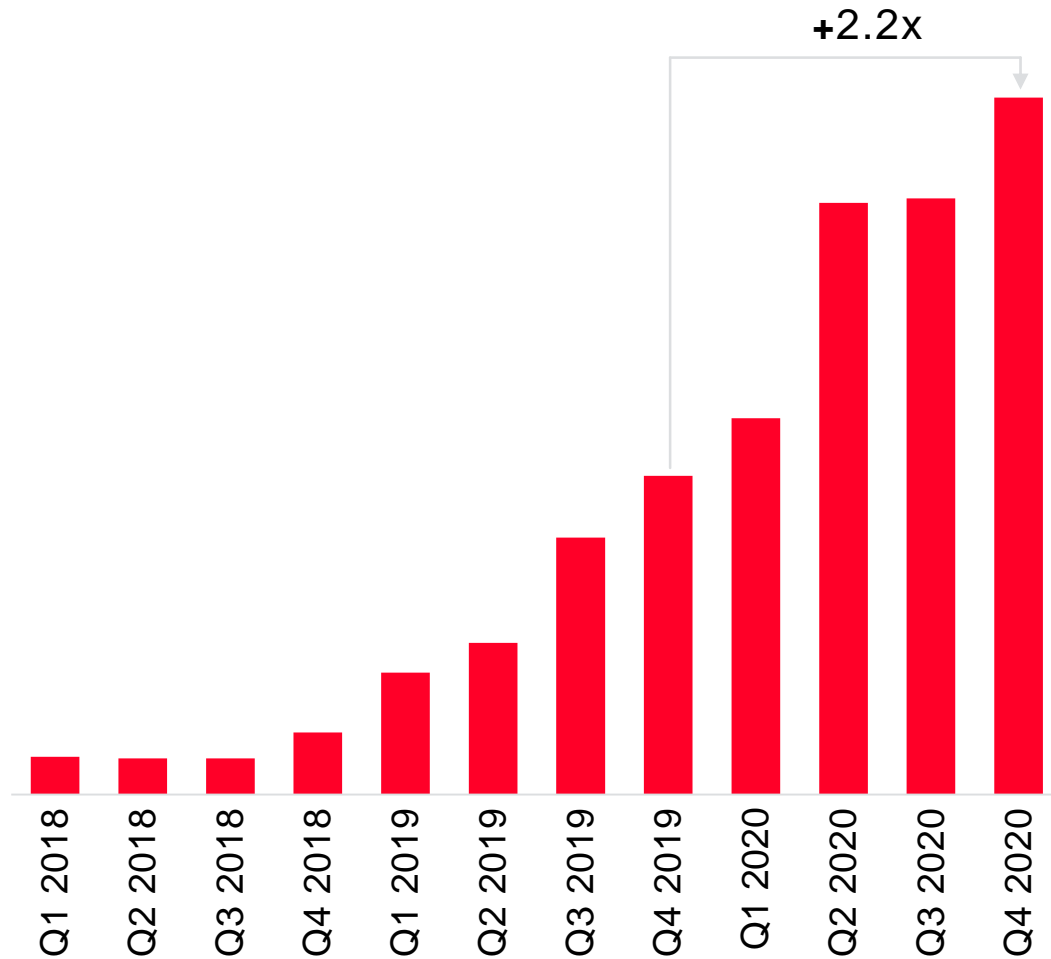


Source: AppAnnie

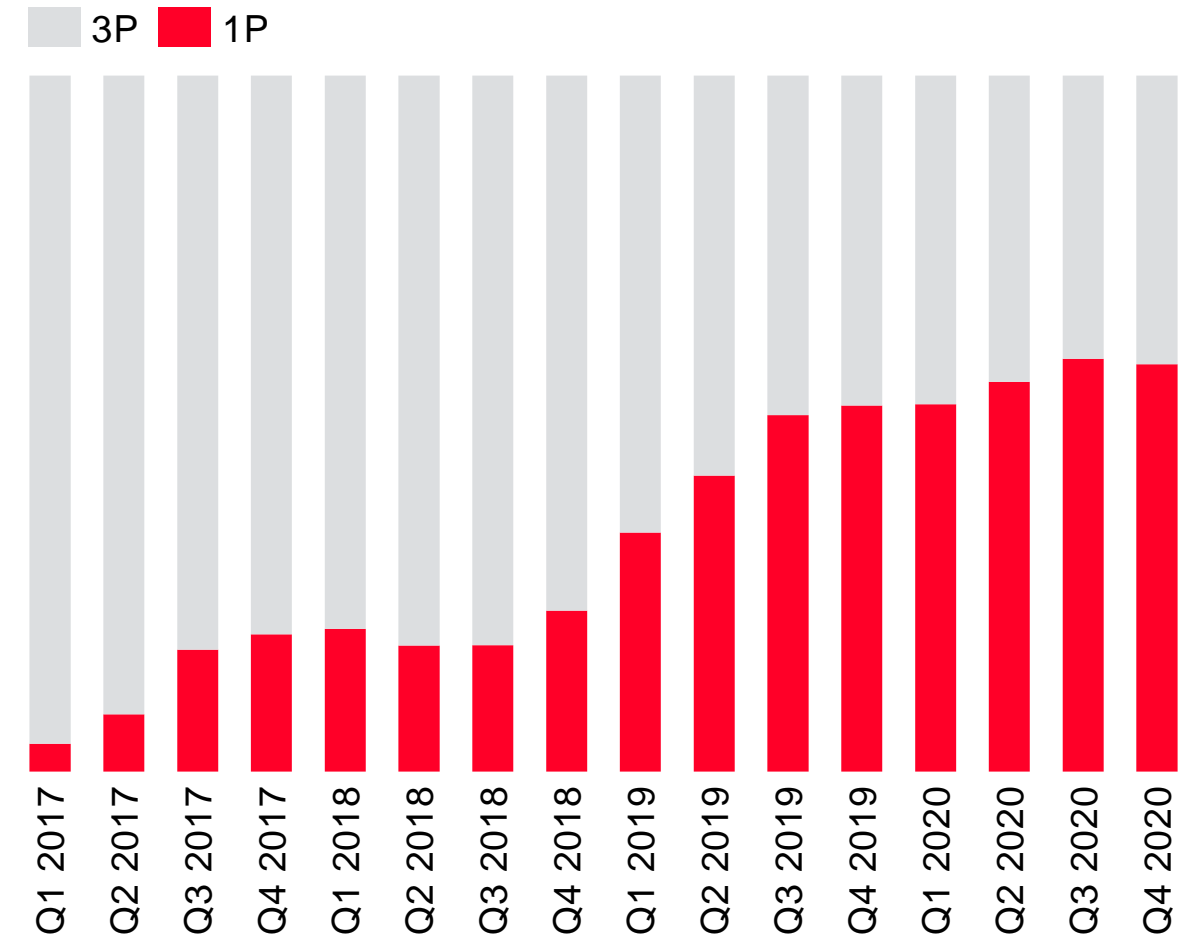


Delivery Club: strong growth in 1P orders with stabilized 1P share in total orders

1P orders



1P/3P orders split



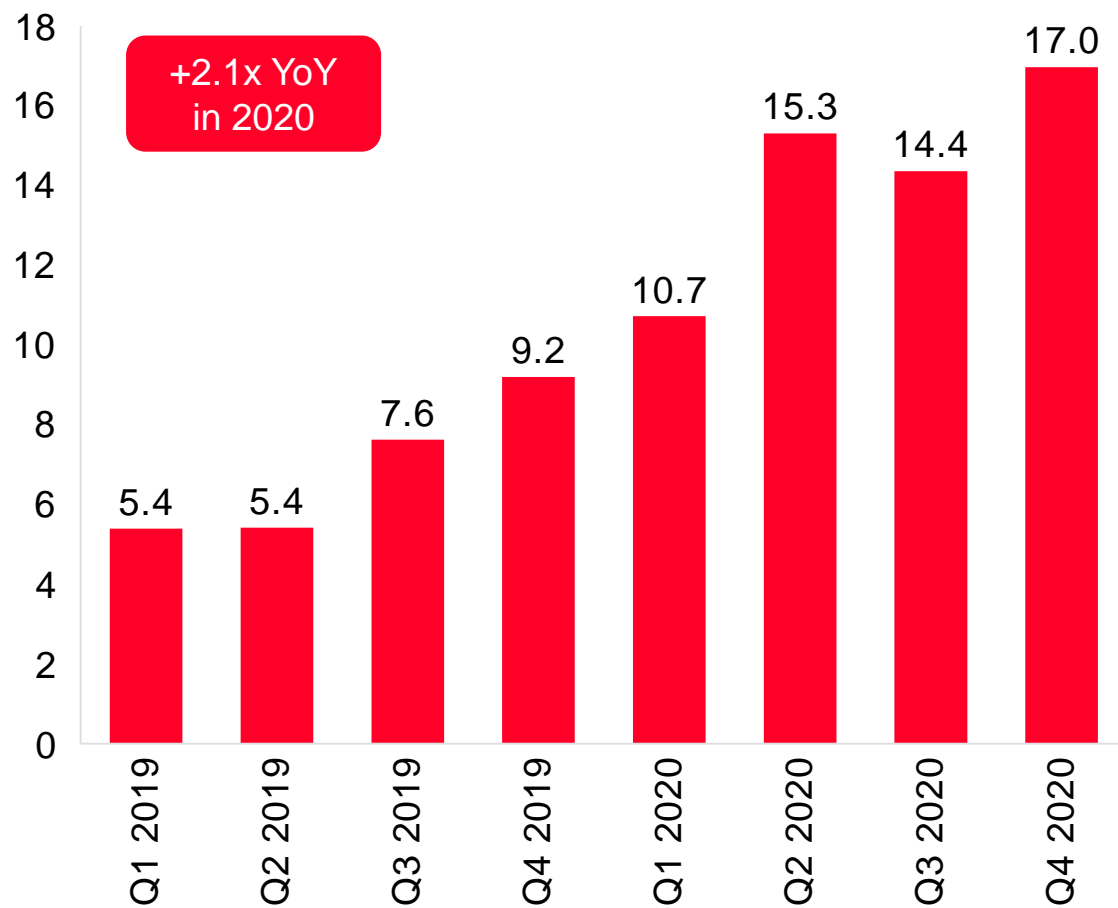
Source: AppAnnie



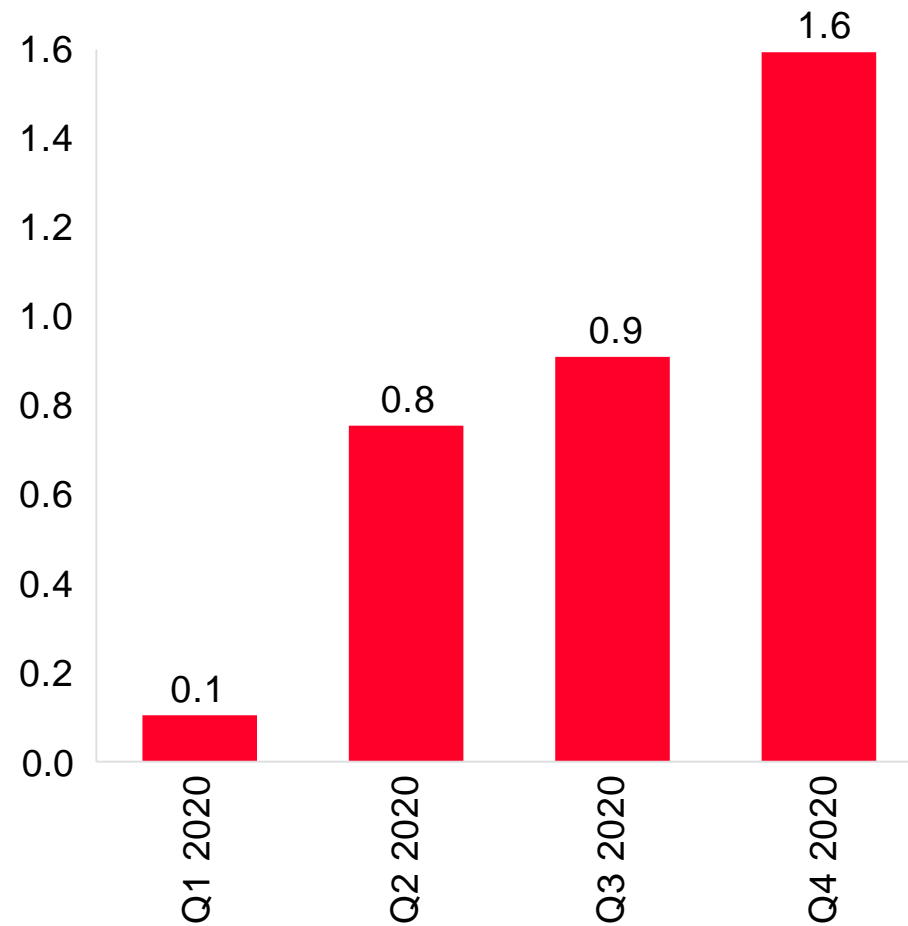
Delivery Club: rapid growth of orders both in Ready-to-Eat and E-grocery segments



RTE orders, mn

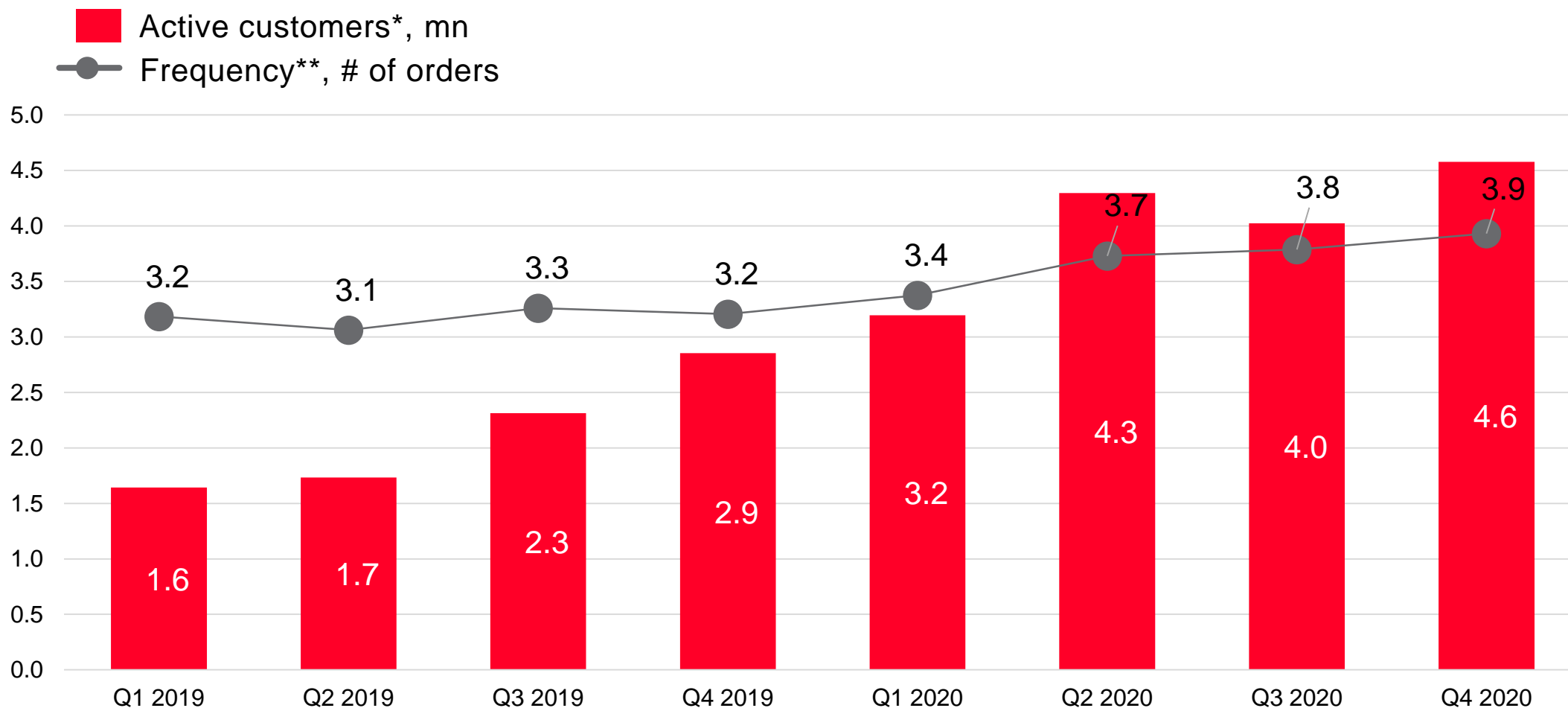


E-grocery orders, mn





Delivery Club: frequency and active customers



Source: Internal data

* Unique users made at least 1 order during the quarter

** Frequency is defined as total orders made during the quarter divided by active customers base in this quarter



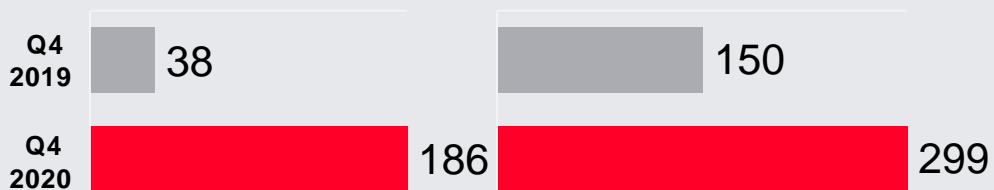
Delivery Club: continued growth of all the key metrics



Geographic reach

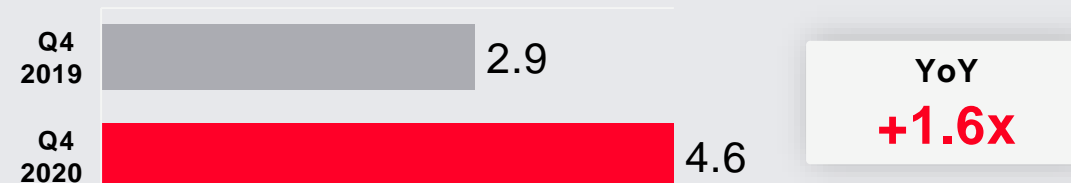
Cities of presence, 1P¹

Overall geographic coverage¹, 3P+1P



Active customers

DC active customers³, mn

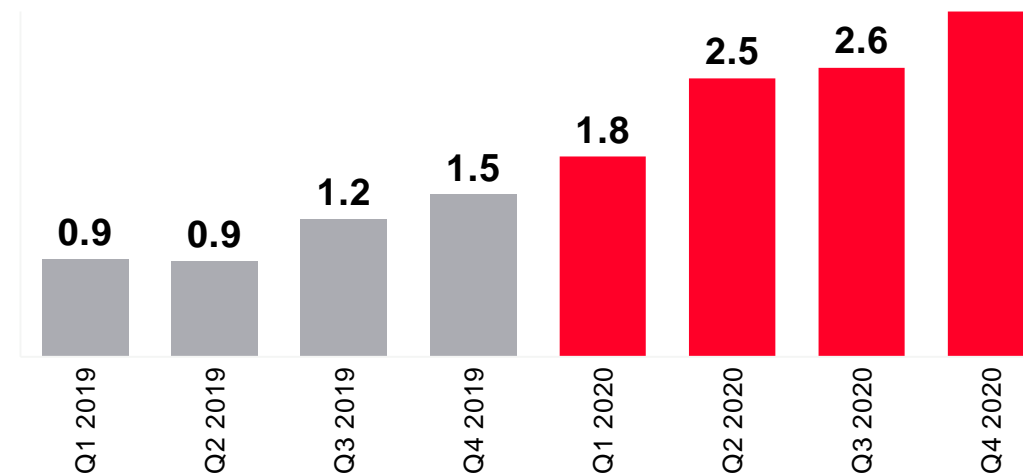


Vendors on the platform

Number of vendors², thousands



Revenue⁴, RUB bn



Source: Internal data

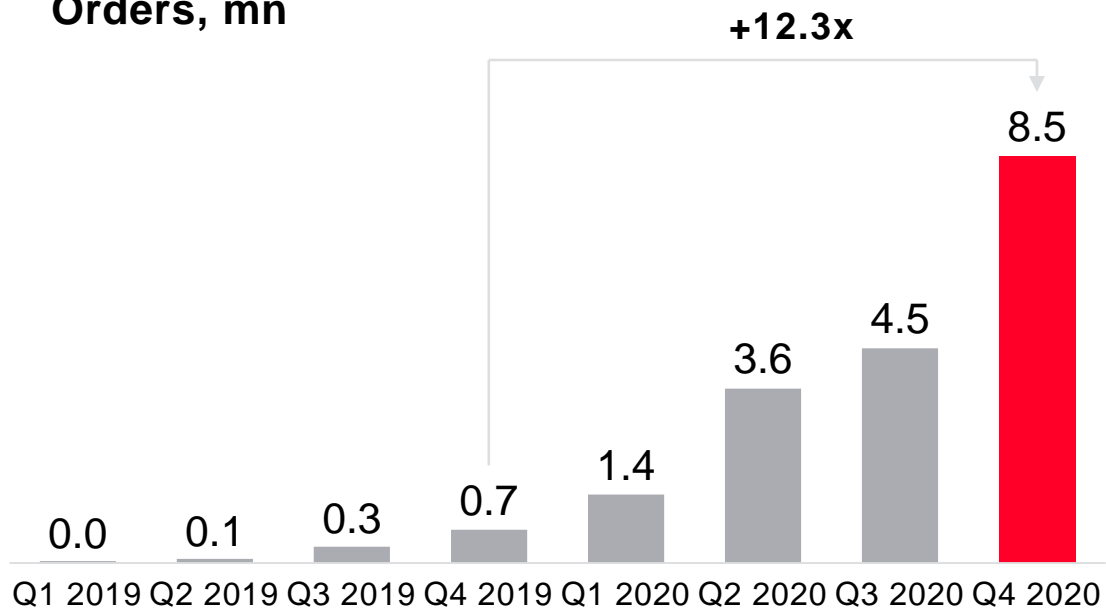
Notes: 1 – Including city-like districts; 2 – Partners available for taking orders during the last month of reporting period.; 3 – Users with at least 1 order during the period, 4 – gross revenue (before deduction of discounts to customers), based on management accounts

Samokat: express e-grocery and express growth

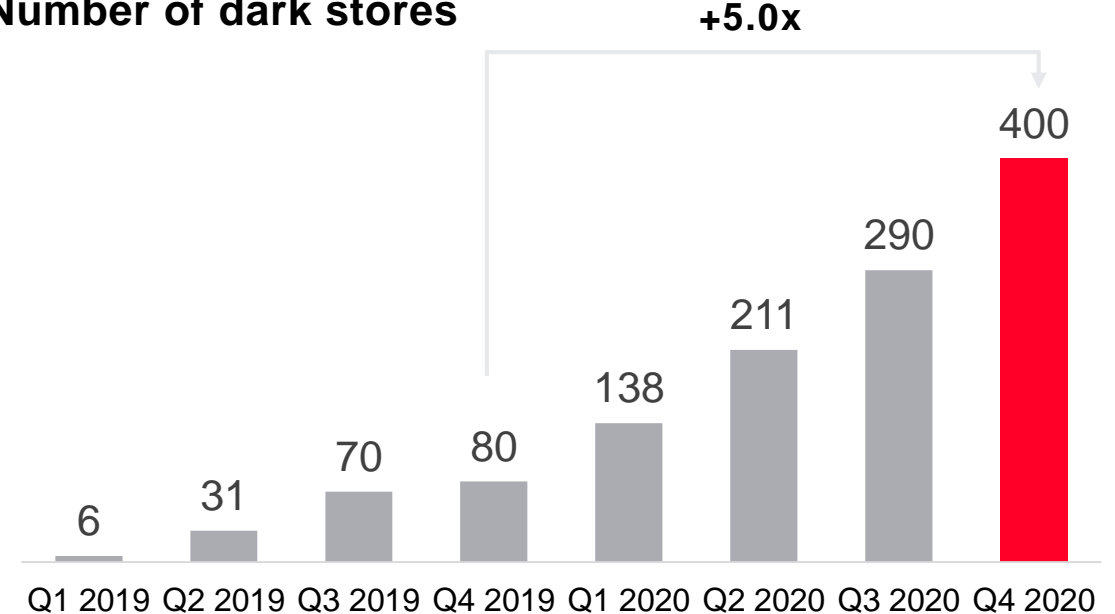


- O2O JV continues to integrate Samokat into the ecosystems of O2O JV, Sber and MRG by cooperating with Youdrive, Citymobil, AliExpress, SberDevices and SberLogistics, among other entities
- Samokat approached **8.5 mn orders in Q4** with **>100,000 in daily orders at peak** in December
- Samokat **revenue** grew **19x YoY** in Q4 to **RUB 4.3bn**, while the number of its dark stores reached **400** in December 2020
- In Q4 2020 Samokat continued its regional expansion in **Moscow, Saint-Petersburg, Kazan** and **Nizhny Novgorod**
- Samokat continues to expand the assortment of the **private label**, which has **more than 340 SKUs** and accounted for **>11%** of revenue in 2020

Orders, mn



Number of dark stores



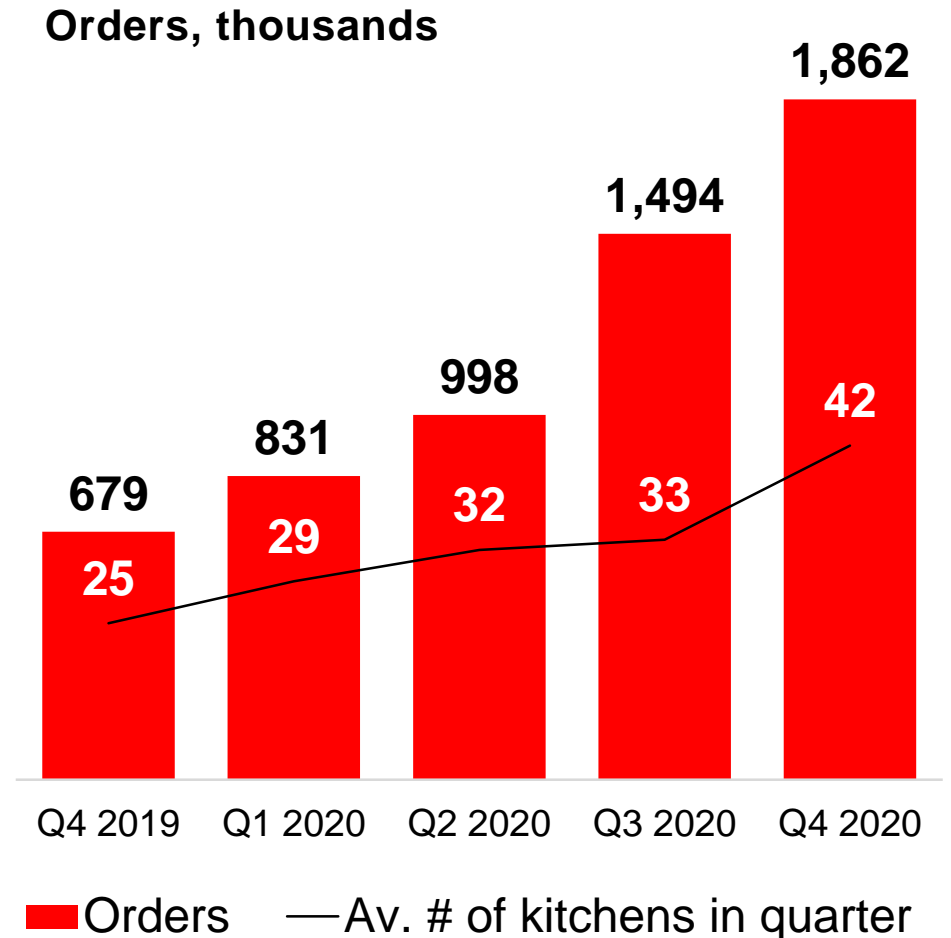
Source: Internal data



LocalKitchen: growth supported by new openings and higher intensity



- In Q4 2020 LocalKitchen continued its growth both organically and via new openings (+12 new kitchens in Moscow)
- In December 2020 LocalKitchen had **45 kitchens** across Moscow versus 29 in January 2020
- Revenue increased by **28% QoQ** and **2.9x YoY** in 4Q20 while **annual revenue run-rate reached RUB 3.9 bn in December 2020**
- **Orders grew by 25% QoQ** and **2.7x YoY** up to 1.9mn in Q4 2020
- Average daily orders per kitchen remained stable despite the large number of new kitchens opened in Q4 2020. Optimization of delivery bundling algorithms supported intensive growth in old kitchens and **daily orders at the top-performing kitchen hit a new record of ~1,000 ordersc**

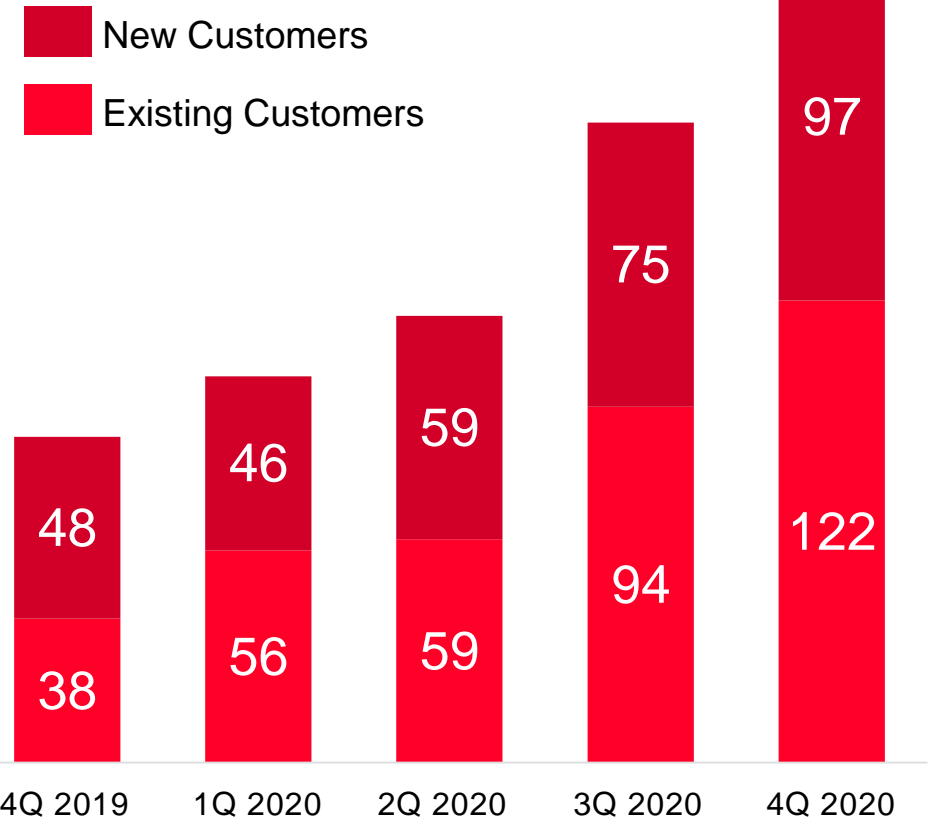




LocalKitchen: active growth of customer base with solid retention

- **Active*** customer base grew by 30% QoQ and ~2.5x YoY following the new kitchens openings, reaching the **139k unique monthly users in December**
- Providing high quality service to its clients Local Kitchen gets high **retention rate** in different cohorts of users
- A share of **existing customers** within a total active customer base in Q4 remained a **majority** creating a strong base for further growth

Active users, thousands





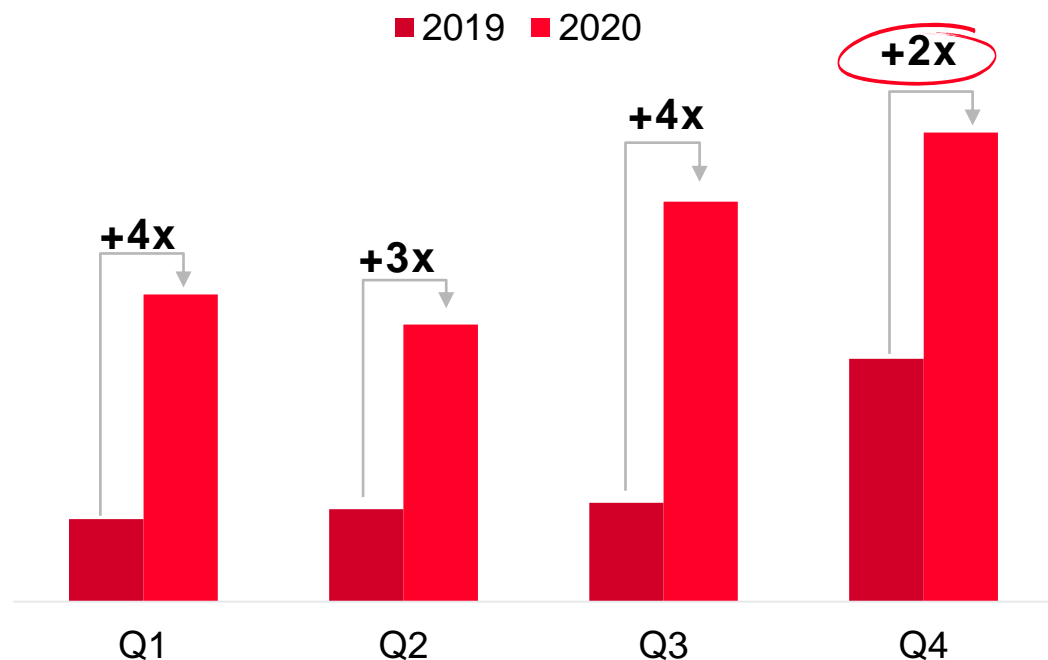
In 2020 Citymobil remained the fastest growing aggregator reaching 3x YoY growth in rides



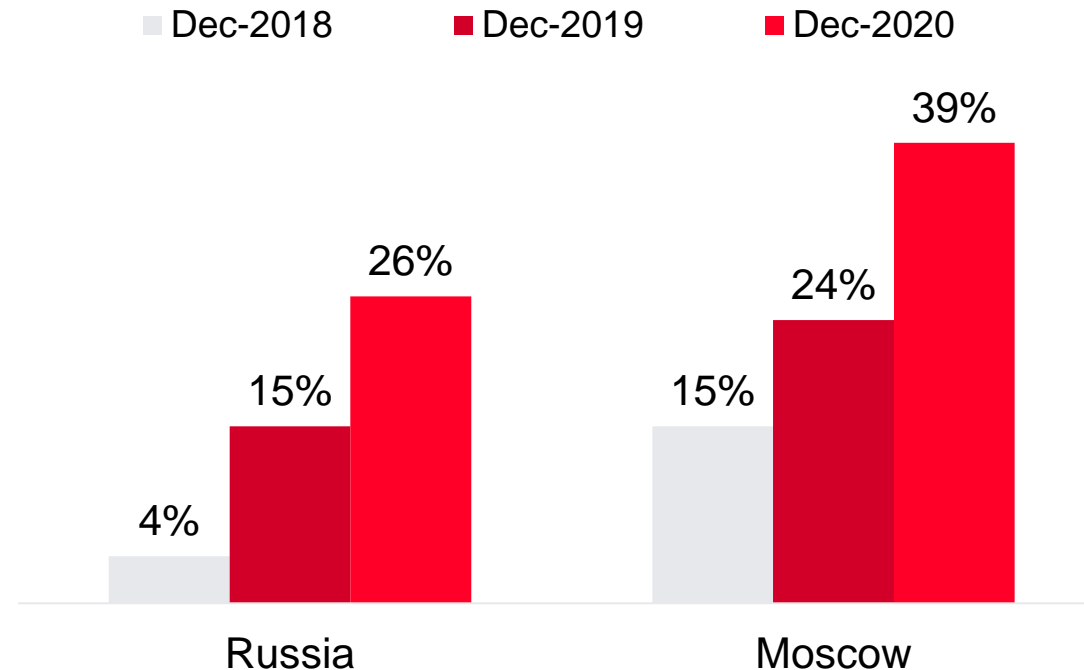
In Q4 Citymobil demonstrated **2x YoY** increase in rides ...

... remaining the fastest growing aggregator across all geographies of presence

Citymobil – quarterly rides, 2020 vs 2019

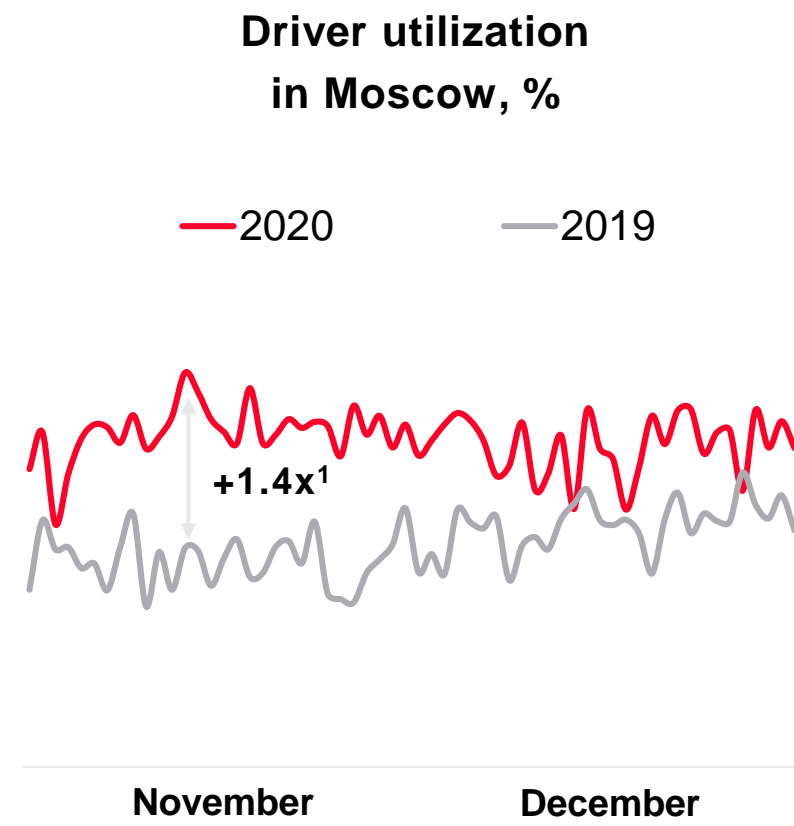
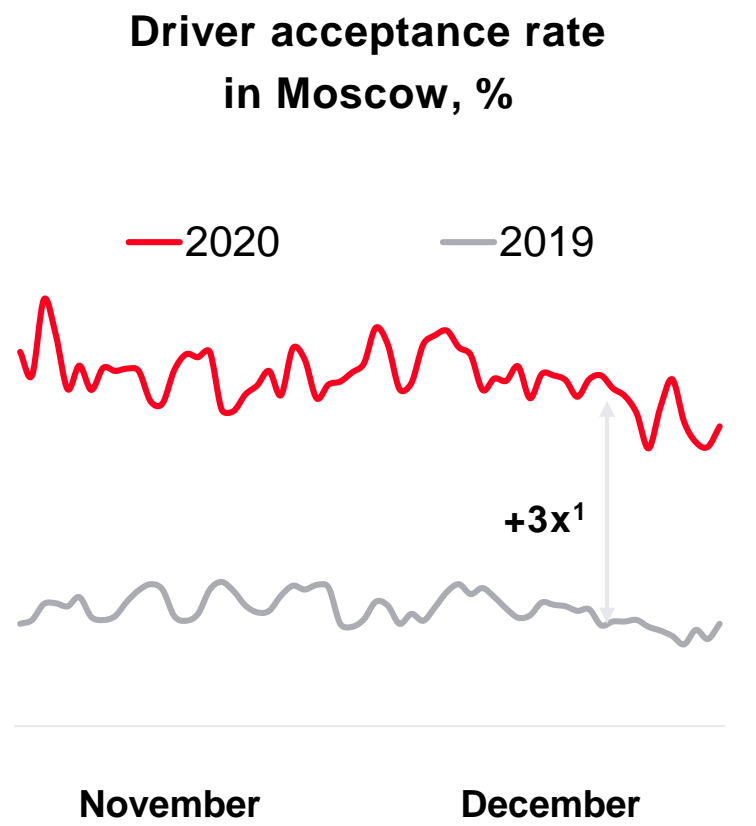
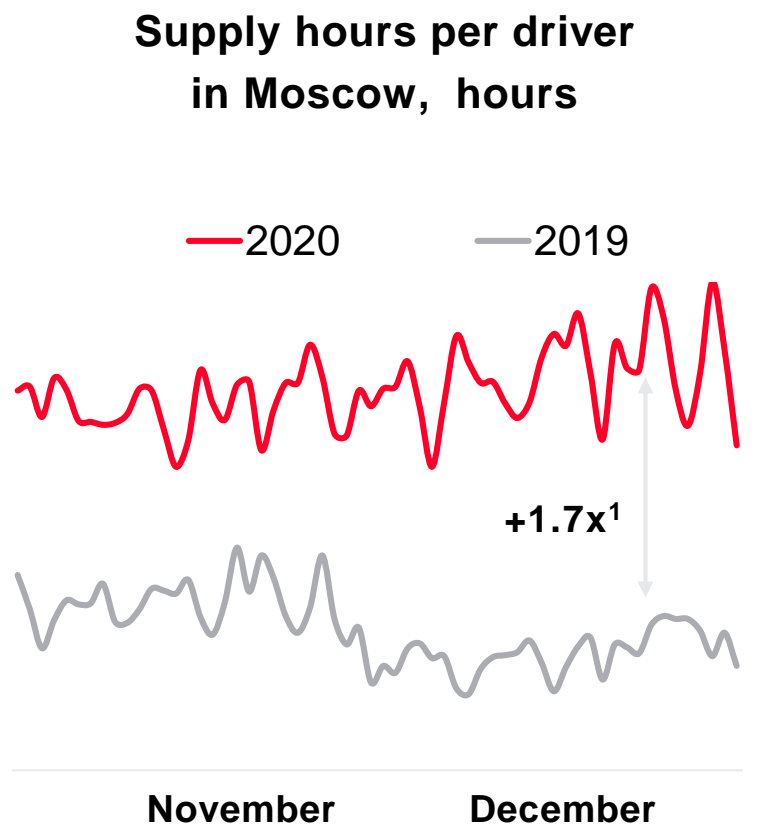


% of riders that use Citymobil¹





Major platform improvements and rising scale help drive an increase in marketplace efficiency



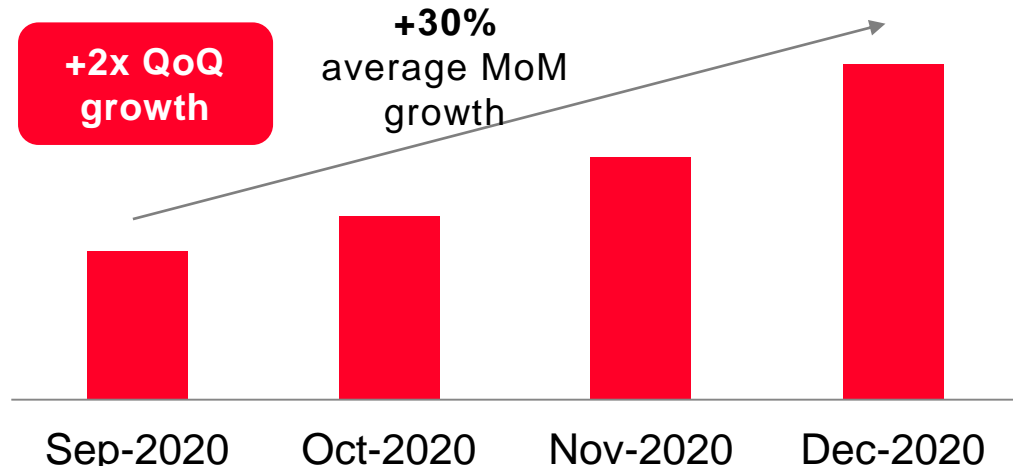


Urban mobility platform development continues

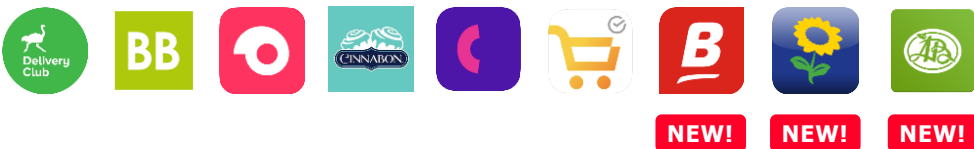


- Delivery business is demonstrating major growth

Citymobil delivery orders

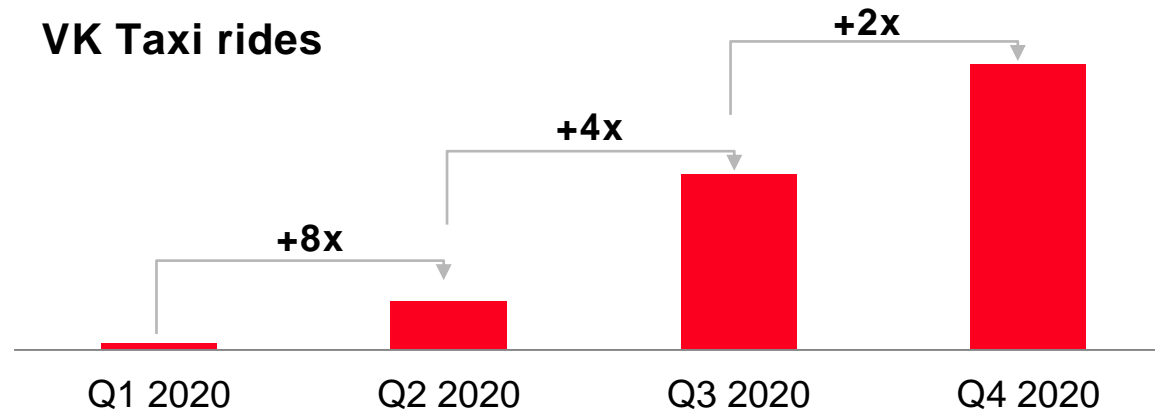


Citymobil delivery B2B clients (inexhaustive)¹

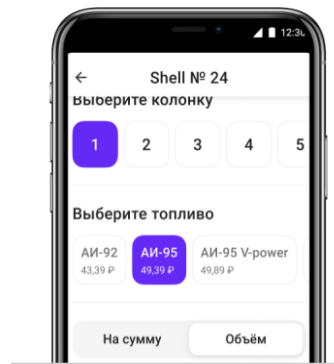


- In 2020 VK Taxi rapid expansion allowed a full-scale dual brand structure

VK Taxi rides



- Citymobil added fuel platform to driver app



- Launch in December
- Available in all cities of presence
- 1.5 mn litres since launch



AliExpress Russia: wide assortment and major audience

> 100mn
SKUs

> 150 thousand
sellers

29.1mn
MAU

8.8mn
DAU

> 130mn
Registered accounts

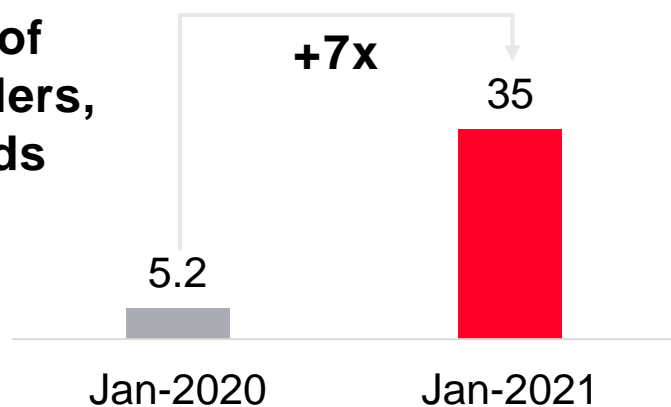
> 61mn
Active registered users
in 2020

> 25mn
People made purchases
in 2020

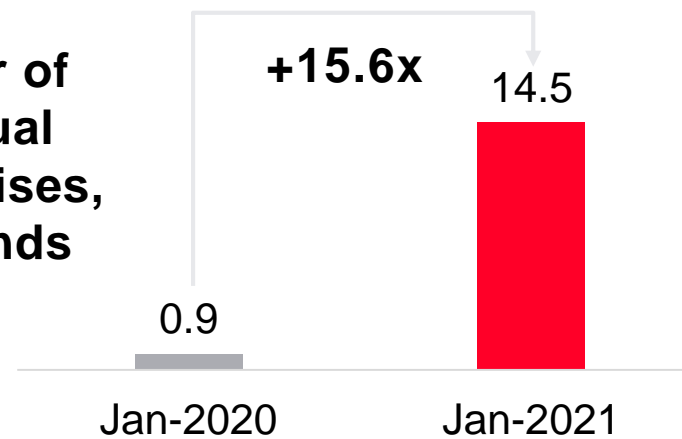


AliExpress Russia: local business generates 25% of GMV

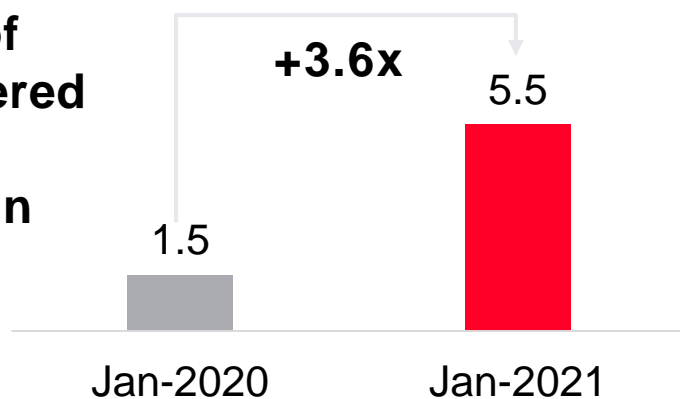
Number of local sellers, thousands



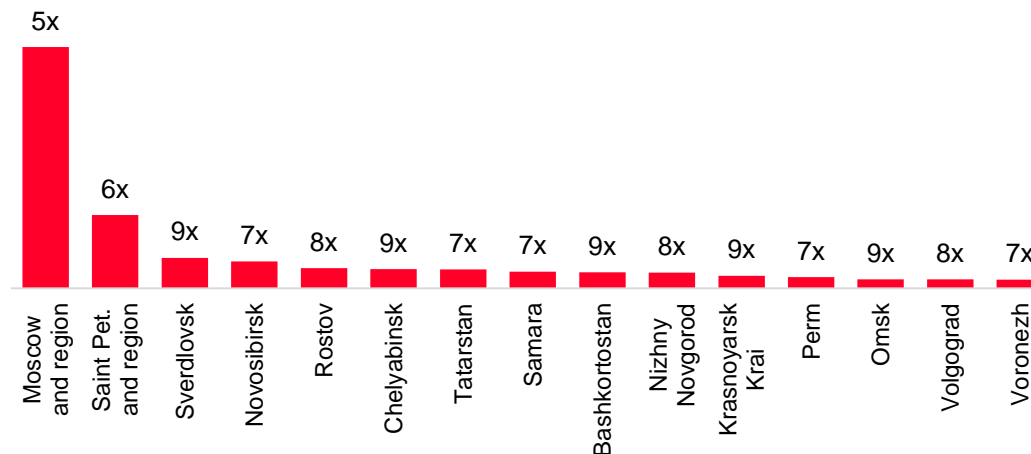
Number of individual enterprises, thousands



Number of SKUs offered by local sellers, mn



Rapid growth in the regions: number of sellers, YoY growth



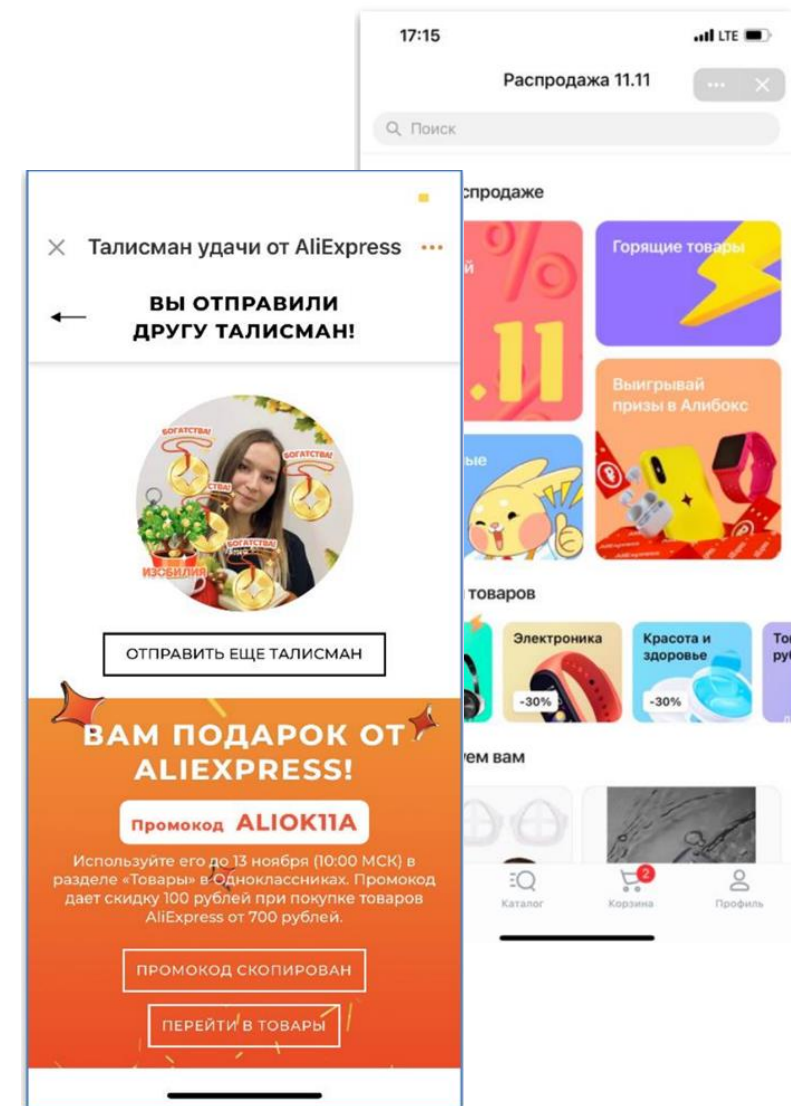
AliExpress Russia: ongoing transformation

Improvement in logistics:

- The network of available **pick-up points** (including parcel lockers) increased to **18,000**
- The number of **logistic partners** is expanding (incl Svyaznoy, KupiVip, SberLogistics)
- Cainiao logistic partner is actively investing into infrastructure: **+8** warehousing complexes, plans to install **2,000+** automated parcel lockers
- Improving quality of Russian Post delivery: number of undelivered parcels down from 10% to 4%, with an improved a system of data exchange with Cainiao
- Share of **AliExpress Plus express delivery** service (1-4-day local delivery, max 14-day China delivery) GMV increased to **38%** of total, with **56,500** connected sellers
- Overall, average delivery time of AER goods from China **dropped 2x since the end of 2019 to 15 days**, with delivery time inside Russia down to 4.5 days

Integrations with Mail.ru Group assets:

- The number of users of express delivery marketplace service of FMCG products (in partnership with **Samokat**) increased **7x QoQ in Q4**
- Updated integration with **OK** in Q4, drove **56% QoQ growth in related GMV in Q4**
- **Virtual store fronts** were launched with Mail.ru Group
- Integration with **Pulse** recommendation service was rolled out
- **Installment payments** via **VK Pay** were rolled out
- Overall, **>8mn people interacting with AER monthly through OK and VK**, with **>1mn new buyers coming from AER apps inside VK, OK and KOL in 2020**

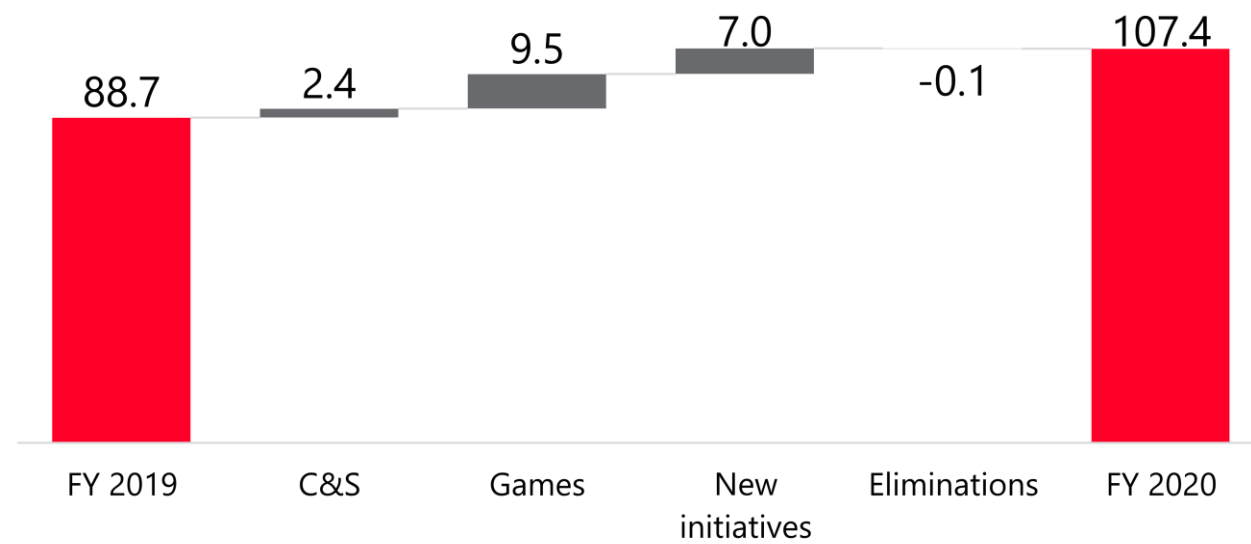
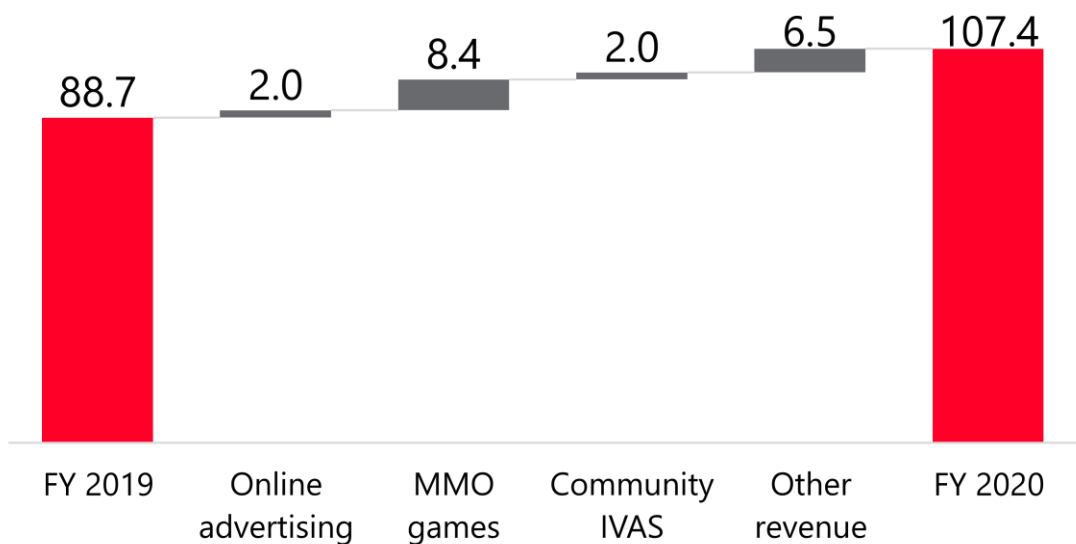
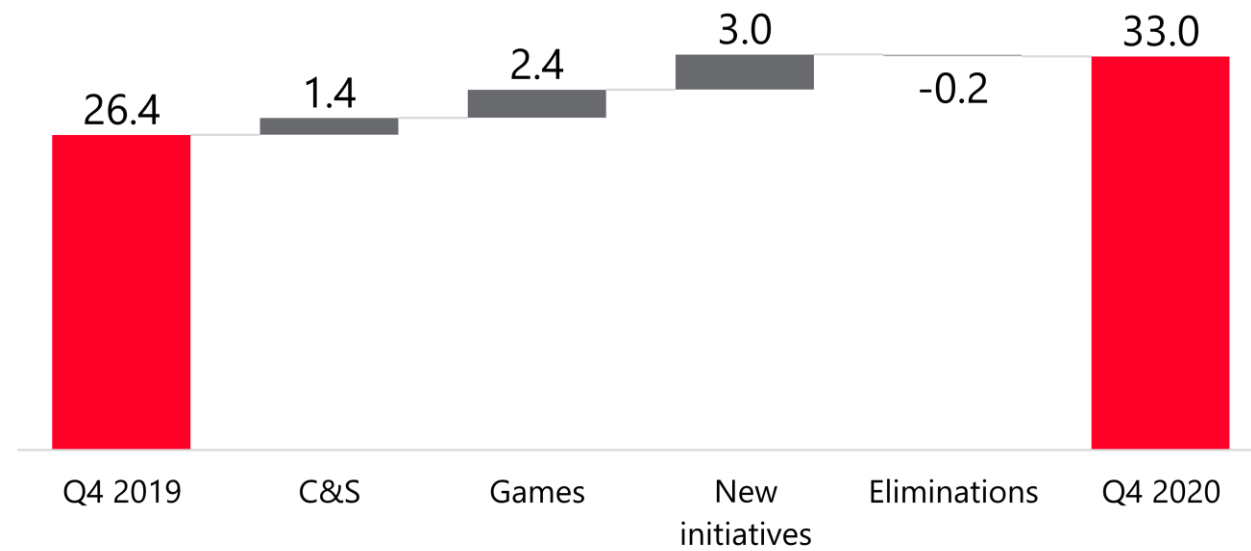
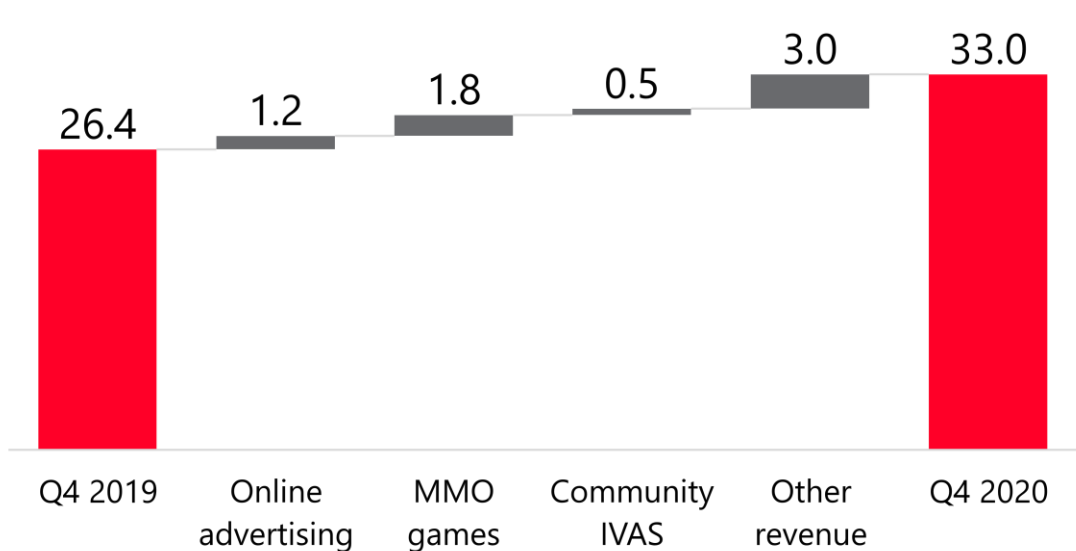




Financial & segmental highlights



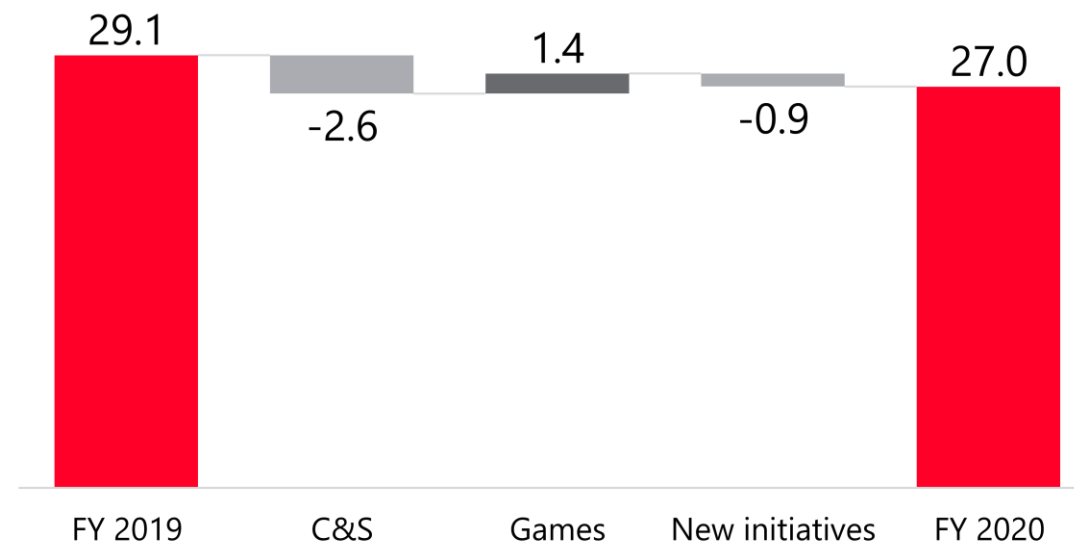
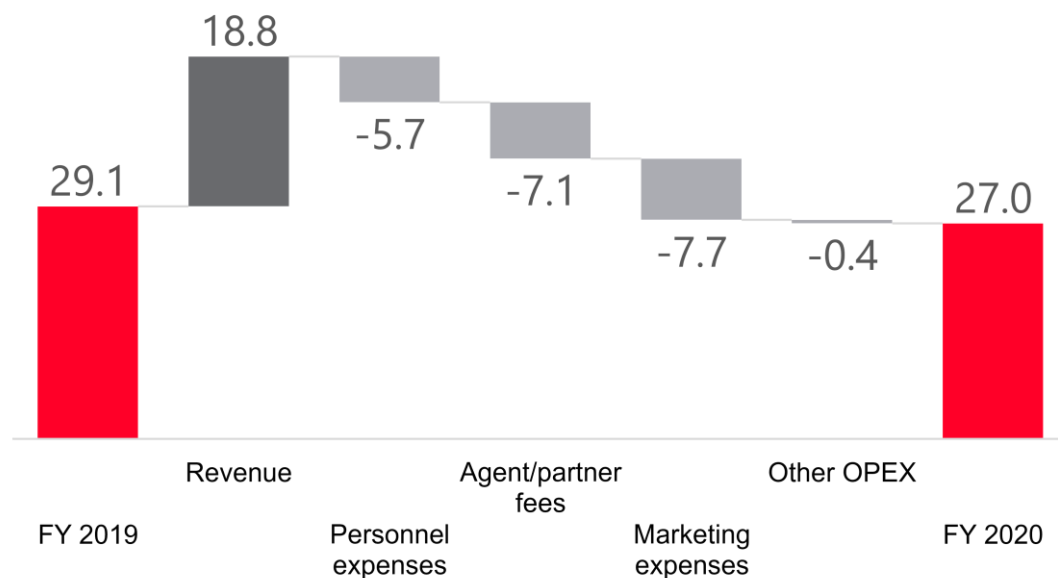
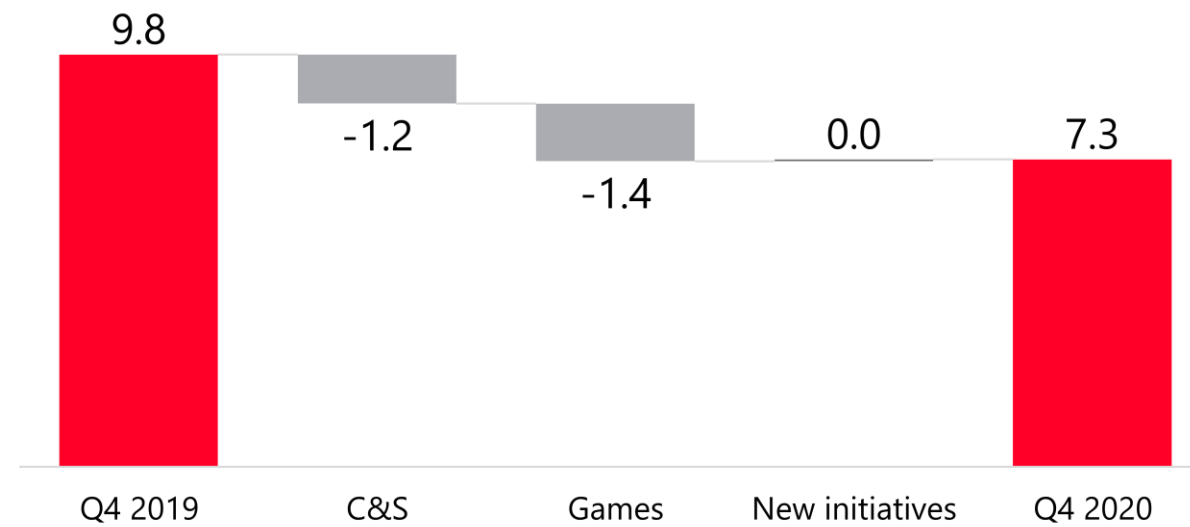
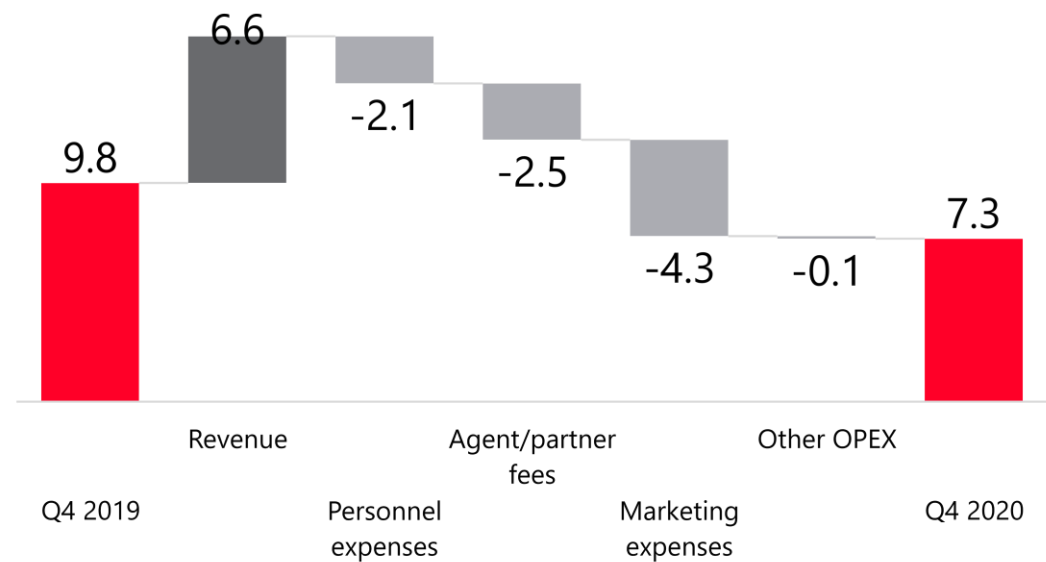
Revenue dynamics, RUB bn



Source: Internal data



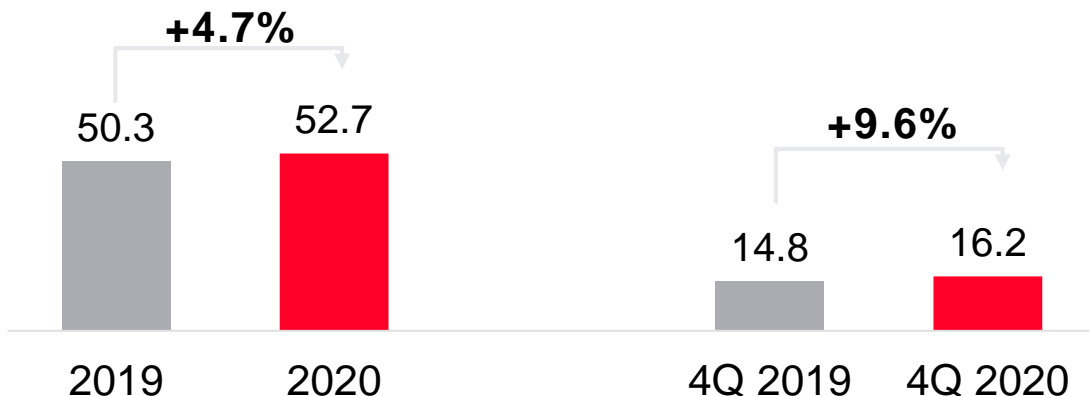
EBITDA dynamics, RUB bn



Source: Internal data

Communications and Social segment performance review

Communications and Social Revenue, RUB bn



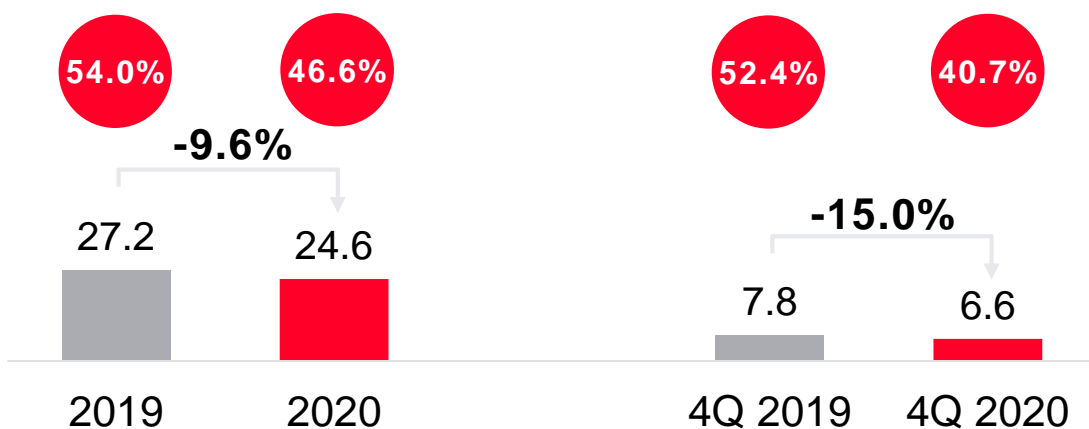
Revenue growth drivers in Q4 2020:

- Continued growth in the key engagement metrics, particularly within the VK social network
- Recovery of the ad market, with online advertising accounting for ~65% of segment's revenues

EBITDA margin pressure in Q4 2020 was due to:

- Investments into **new initiatives** (including VK Clips, VK/OK social commerce platform, Group audio/video calls, unified video platform, music among others)
- Investments into **major ecosystem-related investments**
- This drove an increase in personnel expenses and marketing expenses as well as agent/partner fees
- Most of the above initiatives are not yet being monetized, while they serve to accelerate growth and strengthen the Group's positioning in the coming years

Communications and Social EBITDA, RUB bn



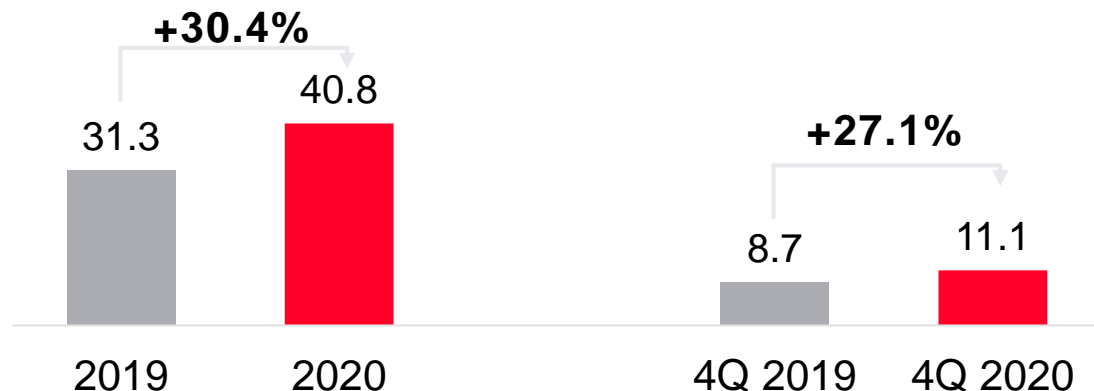
● EBITDA Margin, %

Source: Internal data

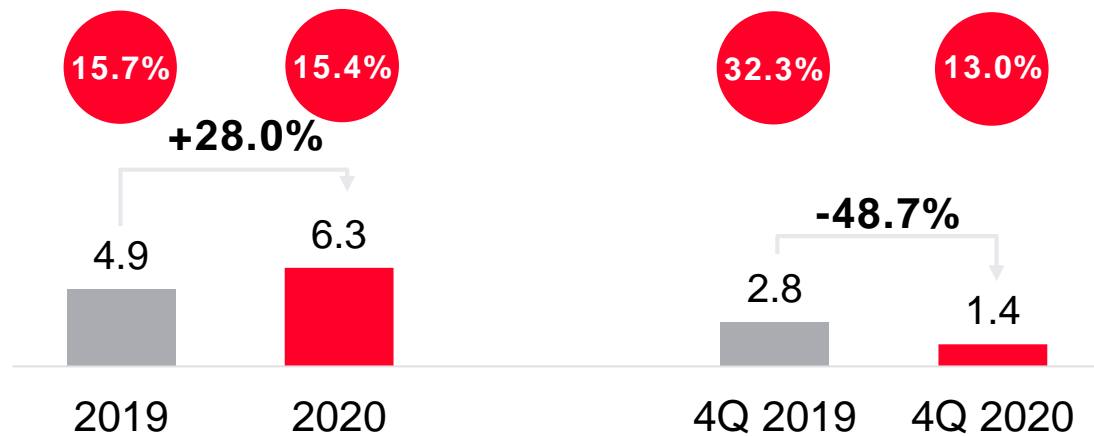
Notes: Segment includes: Social networks (VK, OK and My World), email, instant messaging, search, portal (main page and media projects) and music services (UMA). It earns revenues from advertising, commissions from application developers based on the respective applications' revenue, user payments for virtual gifts, stickers and music subscriptions

Games segment performance review

Games Revenue, RUB bn



Games EBITDA, RUB bn



● EBITDA Margin, %

Revenue growth drivers in Q4 2020:

- Consolidation of Deus Craft studio in October, with Grand Hotel Mania being top-5 revenue generating title for MY.GAMES
- Solid performance of recent releases (Storyngton Hall) and older titles such as War Robots, Love Sick, Tacticool
- RUB weakness, as 77% of MY.GAMES revenues were international as of Q4
- Solid engagement given partial lockdowns globally

EBITDA margin pressure in Q4 2020 was due to:

- Active focus on retention of covid-acquired users through marketing investments into our top-performing mobile games and support of new titles (incl. Storyngton Hall, Rush Royale, Grand Hotel Mania)

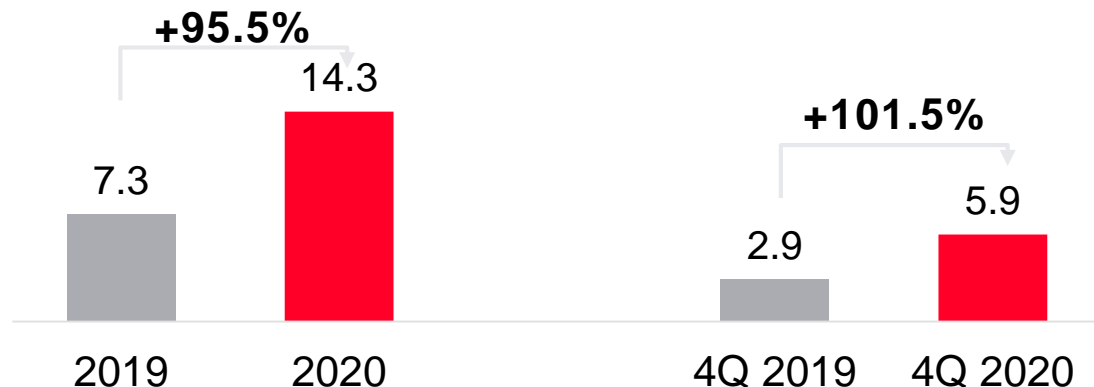
Source: Internal data

Notes: The Games segment contains online gaming services, incl 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 sale of virtual in-game items to users (f2p) or sale of digital copies of the games (b2p), royalties for games and gaming solutions licensed to third-party online game operators, in-game advertising and revenues from streaming services and gaming platform services



New Initiatives segment performance review

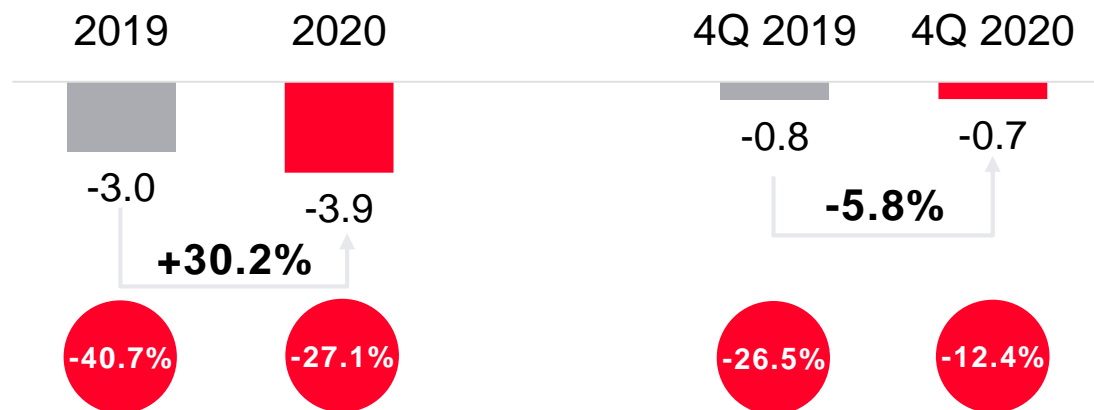
New Initiatives Revenue, RUB bn



Revenue growth drivers in Q4 2020:

- Online Education (largest contributor to the New Initiatives) revenues were up 3.1x YoY
- Youla delivered 43% YoY revenue growth in Q4 to RUB 1bn, driven by B2B sales and overall traffic growth, triggered by the rising collaboration with VK
- Continuing progress in Pulse, B2B, including Cloud and other new initiatives

New Initiatives EBITDA, RUB bn



EBITDA loss remained largely flat YoY in Q4, with the balance of:

- Incremental spending in Youla and MRG Tech Lab
- Positive contribution from Online Education and improvement from B2B initiatives

Source: Internal data

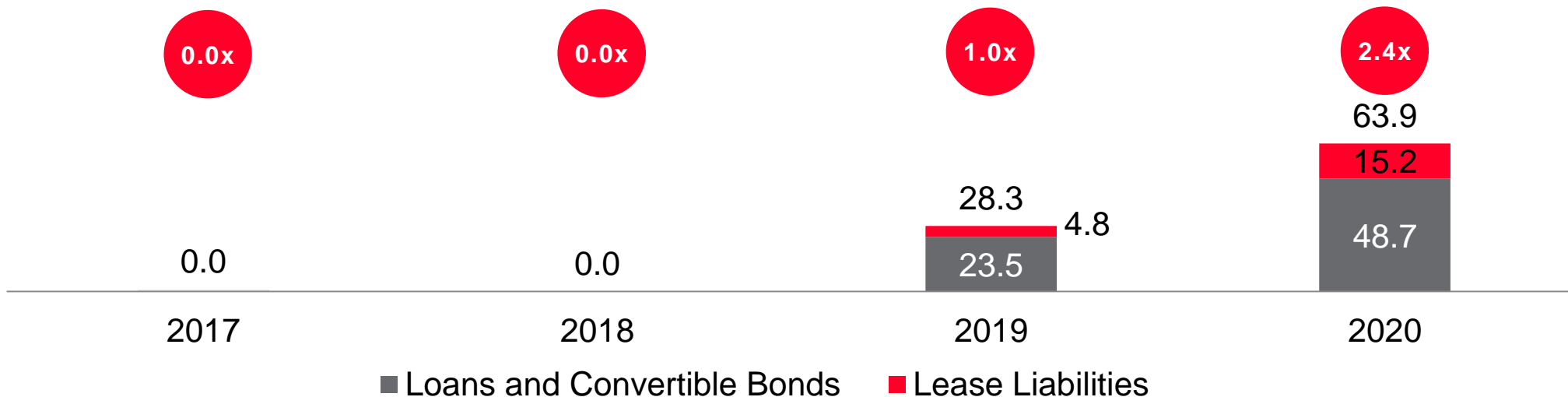
● EBITDA Margin, %

Notes: The New initiatives reportable segment represents separate operating segments aggregated in one reportable segment for its similar nature of newly acquired or newly launched and dynamically developing businesses. This segment primarily consists of the Youla classifieds earning substantially all revenues from advertising and listing fees, EdTech, B2B new projects including cloud as well as MRG Tech Lab initiatives, along with other services, which are considered insignificant by the CODM for the purposes of performance review and resource allocation

Leverage

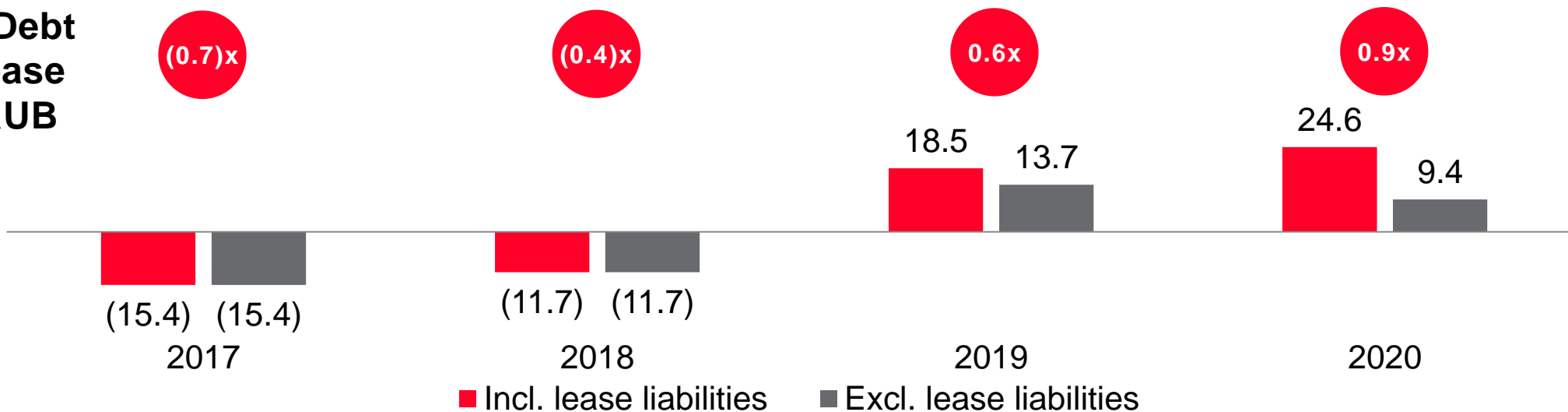
Gross Debt, RUB bn

Gross Debt incl. lease liabilities / LTM EBITDA



Net (Cash) Debt including lease liabilities, RUB bn

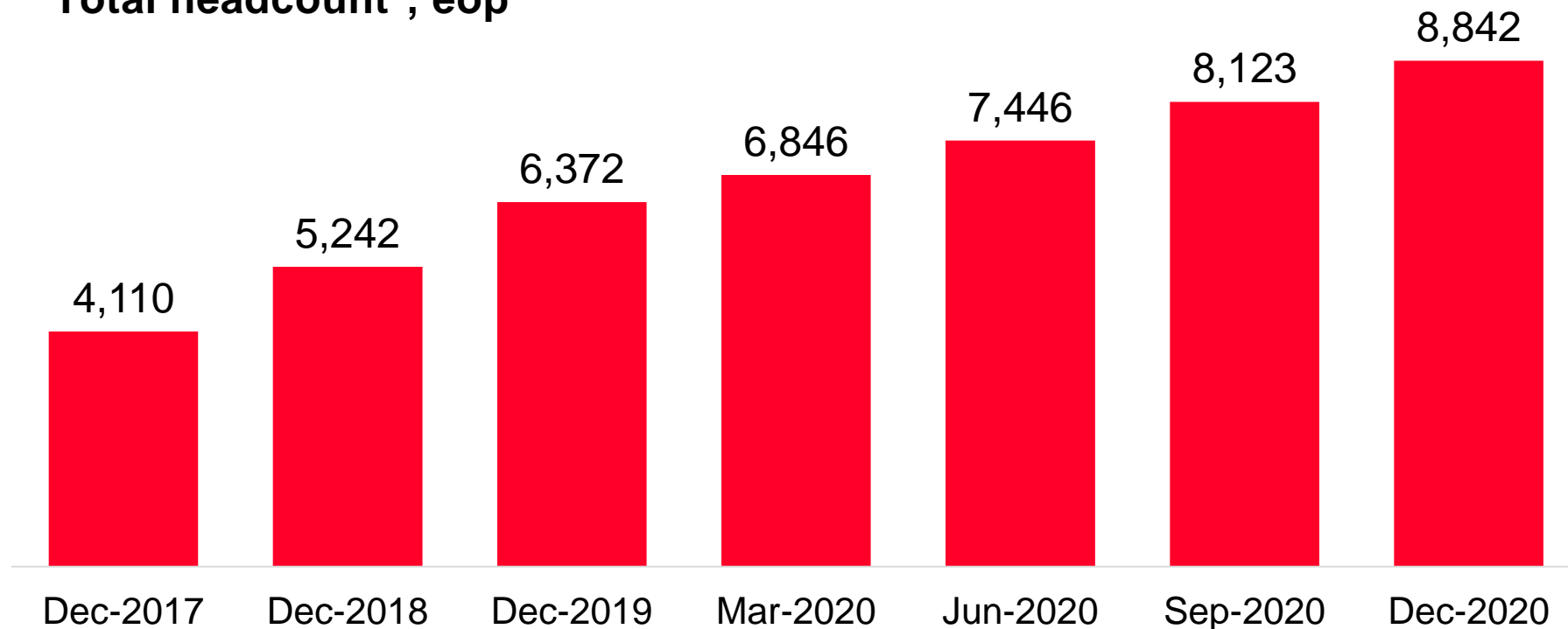
Net Debt incl. lease liabilities / LTM EBITDA



Headcount

- In 2020 MRG headcount expanded by ~40%, as we invested into multiple new products and services as well as further development and rollout of our ecosystem elements
- Hiring within our online education assets, VK and Games were among main drivers of the Group's headcount growth

Total headcount*, eop



Guidance for 2021

Group revenue

18-21% revenue growth (~RUB127-130bn)

Group EBITDA

Improvement in margin YoY

Games

Double-digit organic revenue growth

Youla

~RUB 3.6-3.9bn in revenues with a progress towards break-even (anticipated in 2022)

Online Education

Revenue at RUB 8-9bn, +ve EBITDA margin

Delivery Club

Solid double-digit growth and further improvement in unit economics

Citymobil

Significant improvement in unit economics

For further information please contact:
E-mail: ir@corp.mail.ru



This presentation has been prepared by Mail.ru Group Limited (the “Company”) and comprises the written materials for a presentation to syndicate research analysts or certain institutional investors.

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “will”, “may”, “should” and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements appear in a number of places in this presentation and may include statements regarding: strategies, outlook and growth prospects; future plans, expectations, projections and potential for future growth; plans or intentions relating to acquisitions; future revenues and performance; liquidity, capital resources and capital expenditures; economic outlook and industry trends; the impact of regulatory initiatives; competitive strengths and weaknesses; and the strengths of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management’s examination of historical operating trends, data contained in Company records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and you are cautioned not to place any undue influence on any forward-looking statement. No one undertakes to publicly update or revise any such forward-looking statement.

Investment in the GDRs may involve substantial risk. References to future returns are not promises or even estimates of actual returns an investor may achieve. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. The information herein reflects the Company’s judgement of the prevailing conditions as of this date, all of which are subject to change. Past performance or experience does not necessarily give a guide for the future. Neither the delivery of this presentation nor any further discussions with any recipient shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This presentation does not constitute or form a part of, and should not be construed as, an offer or invitation to subscribe for or purchase any securities of the Company and neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

The Company’s shares and GDRs have not been and will not be registered under the U.S. Securities Act of 1933, as amended. Securities may not be offered or sold in the United States absent registration under that Act or an available exemption from it, and the Company does not intend to make a public offer of any securities in the United States

Within the member states of the European Economic Area (the “EEA”) this presentation is only addressed to and directed at persons who are “qualified investors” (“Qualified Investors”) within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this presentation is being distributed only to, and is directed only at (i) Qualified Investors who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (ii) persons to whom it may otherwise lawfully be communicated (all such persons in this paragraph collectively being referred to as “Relevant Persons”). This presentation must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this presentation relates is available only to Relevant Persons or will be engaged in only with Relevant Persons.

The information and opinions contained in this presentation are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information or opinions contained in this presentation or their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this presentation by the Company and no liability is accepted by us for the accuracy or completeness of any such information or opinions.

The information in this presentation is being circulated on a confidential basis, and is neither to be disclosed to any other person, nor copied or reproduced, in any form, in whole or in part without the Company’s prior consent.

By accepting delivery of this presentation you agree to be bound by the foregoing terms and acknowledge that you will be solely responsible for your own assessment of the market, the market position of the Company and the GDRs and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.



@ mail.ru group