



VK Annual Report 2022: key highlights

[VK Annual Report for FY 2022](#) provides a detailed overview of the company's financial and operating results, key product achievements and corporate changes over the past year. The topic of the annual report was the new positioning of the company: VK is a place to meet friends/music/talents/viewers/something new/ teams.

In 2022, VK heavily invested in its megabrand's development to ensure its recognition. For this purpose, the company created a unified communication strategy called 'The meeting point', which linked together all VK products and services.

In this blog, we highlight some of the key results of the past year. For more information, please, refer to our [2022 Annual Report](#).

Financial highlights

In 2022, VK demonstrated positive financial results. This was due to a growth in key audience metrics and online advertising formats, profitability growth in the EdTech and VK Tech segments, as well as the favourable effect of the asset restructuring and optimisation. As a result, VK's revenue rose by 19% YoY to RUB 97.8 bn. Adjusted EBITDA increased by 8.9% YoY to RUB 20 bn. EBITDA margin was 20.4%.

Social networks and content services

In 2022, the segment revenue grew by 22% to RUB 75.1 bn. The main drivers of the revenue growth were an increase in online advertising revenue due to the growing audience of VK projects and their engagement, increased technology efficiency and the launch of the new advertising platform, as well as stronger promotion of small- and medium-sized businesses.

In 2022, **VKontakte** kept strengthening its position as the industry leader in social networks. Thus, in Q4 2022, VKontakte's average monthly user base (MAU) in Russia increased by 9.6% YoY to a record-high 79.5 mn people. In 2022, VKontakte launched over 250 product and technological updates to increase user engagement, including Web 3.0 rollout, a global redesign of the social network interface, and an enhanced recommendation engine. Moreover, VKontakte made huge efforts to attract authors, improve the functioning of communities, monetization tools, and enhance the content quality.

Odnoklassniki (OK) finished Q4 2022 with the average Russia MAU of 36.6 mn. OK is the leader of the Russian internet in terms of user-to-user congratulations and private communications. Thus, last year users sent more than 31 bn virtual gifts, 2 bn postcards and over 2 bn stickers. In September, OK unveiled its new positioning: it has become a platform for communication based on shared interests, where each user can access a broad variety of topical content and establish new contacts.

In December 2022, the number of apps on **VK Mini Apps** platform increased by 90% YoY and amounted to 75,380 apps. The platform's average monthly active audience grew by 8% YoY to 44.6 mn people in Q4 2022.

In 2022, users continued to actively use **VK Messenger** and **VK Calls**, services within VKontakte and separate mobile apps for communication. Thus, VK Messenger monthly audience in Q4 2022 amounted to 66.2 mn users, who exchanged 15 bn messages a day.

VK Clips is Russia's fastest-growing short vertical video service. In Q4 2022, average daily views increased by 127% YoY to 836 mn, the number of published clips skyrocketed by 346% YoY, while the number of content creators rose by 133%. In 2022, the service launched a separate VK Clips app and added an option to submit clips up to 3 minutes long at 60 FPS in full HD quality. VK Clips was the first vertical video service to launch Deepfake function.

The average daily views (not including VK Clips) on the **VK Video** platform, that integrates horizontal videos and broadcasts from the VK ecosystem, reached 1.96 bn per day in Q4 2022.

In Q4 2022, **VK Music**'s monthly audience reached 47 mn people, while daily audience was 14 million. Last year VK Music launched a new recommendation algorithm for playlists from listeners with similar tastes, and more than 100 entertainers gathered their personal playlists. Exclusive premieres from renowned

performance artists have been frequently featured on the service since October. Furthermore, in 2022, VK Music launched VK Records label and opened VK Stadium, its first concert space.

In September 2022, **Dzen** joined VK. The portal dzen.ru was also launched at the same time. Dzen formulated a new positioning, selected 'zoomers' and 'alphas' as its target audience, and attracted new authors who were well-liked by the young generation. The platform enhanced its recommendation system by implementing algorithms that simultaneously consider interactions with all the formats. As a result, Dzen's monthly audience was 70 mn users.

Email Mail.ru kept its position as the No.1 email service on the Russian internet with 50 mn monthly active users. Monthly audience of **Cloud Mail.ru**, one of the leading cloud-based B2C solutions on the Russian market, amounted to 22 mn people. In 2022, Mail.ru Email and Cloud created a unified virtual data repository. Files are automatically uploaded to the Cloud's attachment folder. Neural networks distribute incoming mails into folders. Last year Mail.ru also launched Kids' Mail. It is advertisement-free. Emails with unsuitable material for children get banned thanks to improved anti-spam algorithms.

EdTech

In 2022, the EdTech segment revenue grew by 4% to RUB 11 bn.

Throughout 2022, our online education platforms continued to increase their product matrix and expand their own customer base. By the end of 2022, Skillbox Holding Limited had 13.1 mn registered users, up by 28% YoY. The number of users on paid platforms increased by 49% YoY to 519,000.

Skillbox's 2022 priorities included going offline and creating a hybrid learning environment. Skillbox opened 7 offline schools throughout the country and established an offline career guidance hub in Moscow. Moreover, Skillbox emerged as a top provider of training in 2022, according to [Smart Ranking](#).

VK Tech

The VK Tech segment exhibited the strongest growth among all the segments. Its revenue rose by 83% to RUB 5.8 bn. A rise in communication service users and an increase in licence revenue were the main contributors into this growth.

VK Tech develops software licensing products and cloud services for large companies, medium and small businesses. The product portfolio of VK Tech is broken down into 4 categories: communication, interaction, productivity; cloud technology, development solutions and data handling solutions; financial management and operational management; automation of HR functions.

In a year, the number of businesses signed up to **VK WorkSpace** services tripled. In 2022, the **VK Cloud** platform kept on enjoying rapid growth as well. Public cloud platform revenue doubled and that of private cloud-based projects grew by 37%.

New business lines

In 2022, revenue of the New business lines segment amounted to RUB 6.3 bn.

As of the end of 2022, the daily audience of **Marusia voice assistant** grew by more than 1.5 times. Deep integration with VK ecosystem products is one of the main growth drivers. For instance, Marusia voice assistant is built in **VK Capsula** smart speaker. Last year the VK smart devices business showed significant supply growth, extended sales channels, established supply chains, and accomplished targets for launching new features and products. In 2022, the average time users spent with VK Capsulas increased to 18 hours per month, while the audience of VK smart device users grew by more than 2.5 times. In December, VK expanded its line of smart speakers in the lower pricing segment with the launch of the VK Capsula Neo.

RuStore, an official Android app store which VK develops in collaboration with the biggest Russian IT companies with assistance from the Ministry for Digital Technology, Communication and Mass Media of the Russian Federation, was launched in May 2022. RuStore became the fastest-growing app store in Russia with 7 mn users per month by the end of the year. RuStore had 3,700 applications from 2,500 developers as of the end of December.

VK Play is a platform for game lovers, developers and content creators, with over 12 mn registered users, and a MAU of over 11 mn users by the end of 2022.

Youla, a geolocation-based classifieds platform, kept up its smooth integration with VKontakte. For the first time since its launch, the classified achieved positive adjusted EBITDA in Q3 2022.

In 2022, the **VK Pay** payment service, based on a single payment window and e-wallets, was integrated into all VK products and more than 365 mn payments were made using it. At the same time, the number of authorisations through **VK ID** surged by 159% over the course of the year due to the growing use of ecosystem products and an increase in the number of external partners.

Corporate changes

In 2022, VK restructured its assets portfolio. In particular, the company completed the sale of MY.GAMES. VK continues to develop its own local gaming services under the VK Play brand.

Furthermore, VK exited from the O2O Holding. The company closed the deal to purchase Dzen content platform and News service. Concurrently, the company sold its 100% stake in Delivery Club.

ESG

In 2022, VK continued its development in accordance with the principles of sustainable development. The company remains focused on improving user experience, conditions for employees and transparent rules for interaction with all stakeholders. It should be noted that in 2022 the company adopted an updated Charter of the Audit Committee, which was renamed the Audit, Risk, Compliance and Sustainable Development Committee; it is regularly involved in decision-making and steering VK's sustainable development. Then, in March 2023, VK adopted its Sustainable Development Policy. It describes the company's main ESG principles and approaches in the most comprehensive way.

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About VK

VK is Russia's largest technological company. VK products and services help millions of people with their daily online needs, with an audience of more than 90% of Russian-speaking internet users. VK projects enable communication, playing games, developing professional skills, listening to music, watching and filming videos, buying and selling goods and services, among other tasks. The company is also developing a range of products and services in business process digitalization, from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.