



Mail.ru Group

Building the leading internet eco-system

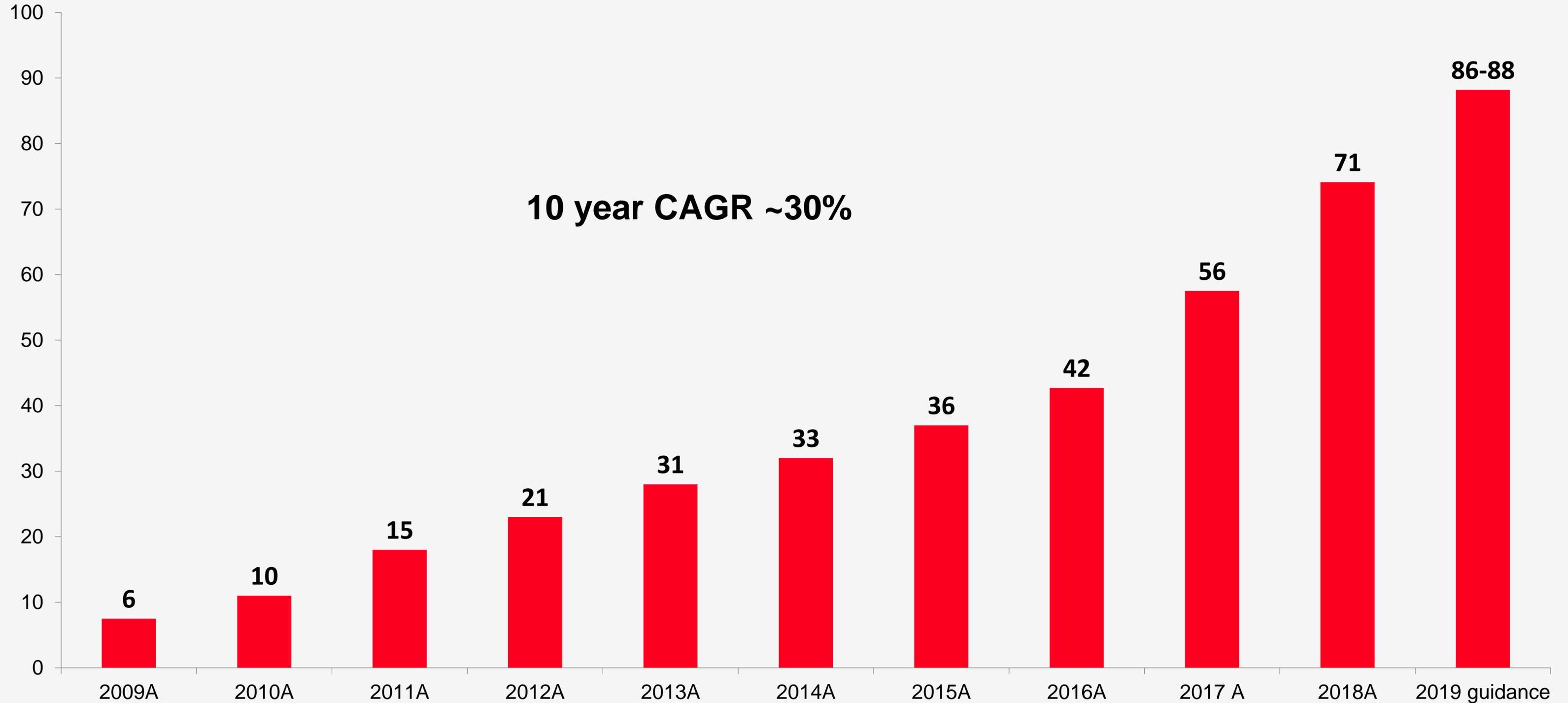
Executive Summary:

1. We are excited by the local Internet market opportunity:

- a) **Largest internet market in Europe**, with ~147mn people living in Russia and >75% Internet penetration for those aged 16+
- b) **Cheapest data globally**: with Russia ranked 4th cheapest globally for mobile data, at RUB37.9/Gb vs RUB195.5 global avg and with Russia being cheapest globally in terms of pricing of unlimited data at RUB613 vs RUB2791.8 global average
- c) **Room for advertising growth**: Despite mild 2.3% GDP growth in 2018, overall advertising market expanded by 12% as remains underpenetrated, at 0.5% share of GDP vs 1% in the US or 0.6% in China and with \$21 in spend per capita vs \$233 in the US or \$37 in China
- d) **Ongoing shift to digital advertising**: with Internet having surpassed TV for the first time in 2018 in terms of share in advertising wallet (RUB203bn vs RUB187bn) with **43% share of online**. Furthermore, social networks have been gaining share vs other digital channels as reflected by MRG's 38% advertising growth in 2018 vs 22% growth for the market. **MRG accounts for ~16% of advertising wallet**, which means further growth potential compared with ~20% share of FB in the US

2. We are the largest domestic Internet company in terms of reach at 95% local Internet audience coverage monthly given our 100% ownership of #1/#2 local social networks, #1 mapping service, portal etc

Mail has grown revenues 10x over 10 years

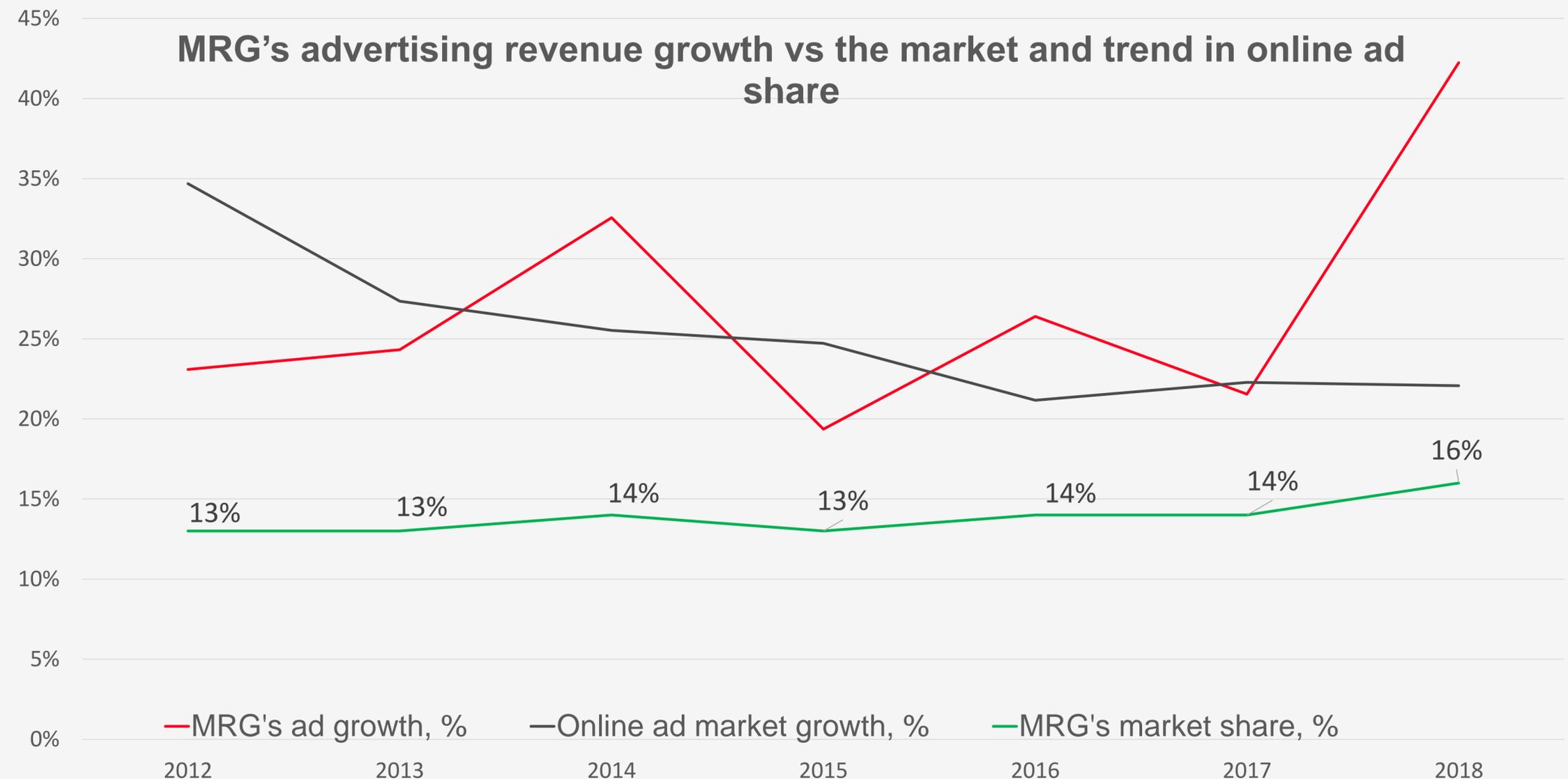


Source: Internal data. Guidance is provided on ex ESF, ex Pandao and ex DC basis (management accounts, pro-forma and hence demonstrates purely organic growth)

Advertising market – room for further market share gains for MRG

MRG has been growing its advertising revenues faster than overall market, having **gained 3p.p of market share since 2015**. We believe in further shift in advertising budgets from offline to online as well as from other channels to social within online, and hence see further room for market share gains for MRG from current **~16% of digital market**

As a comparison, Facebook held 19.6% US digital ad market in 2018, up from 17.1% in 2016. Google's share declined from 40.8% to 37.2% during the period



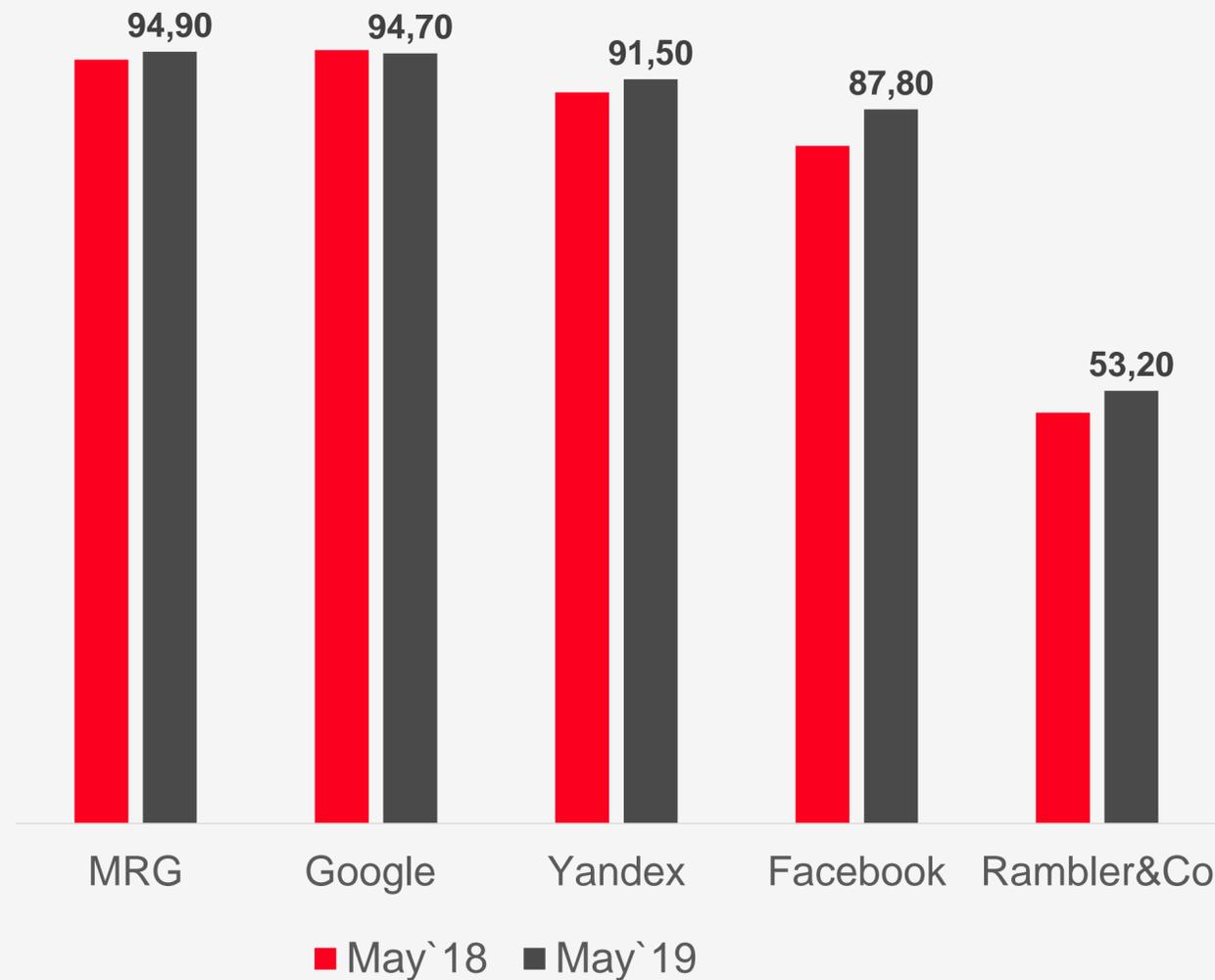
We are the largest Russian Internet company by reach



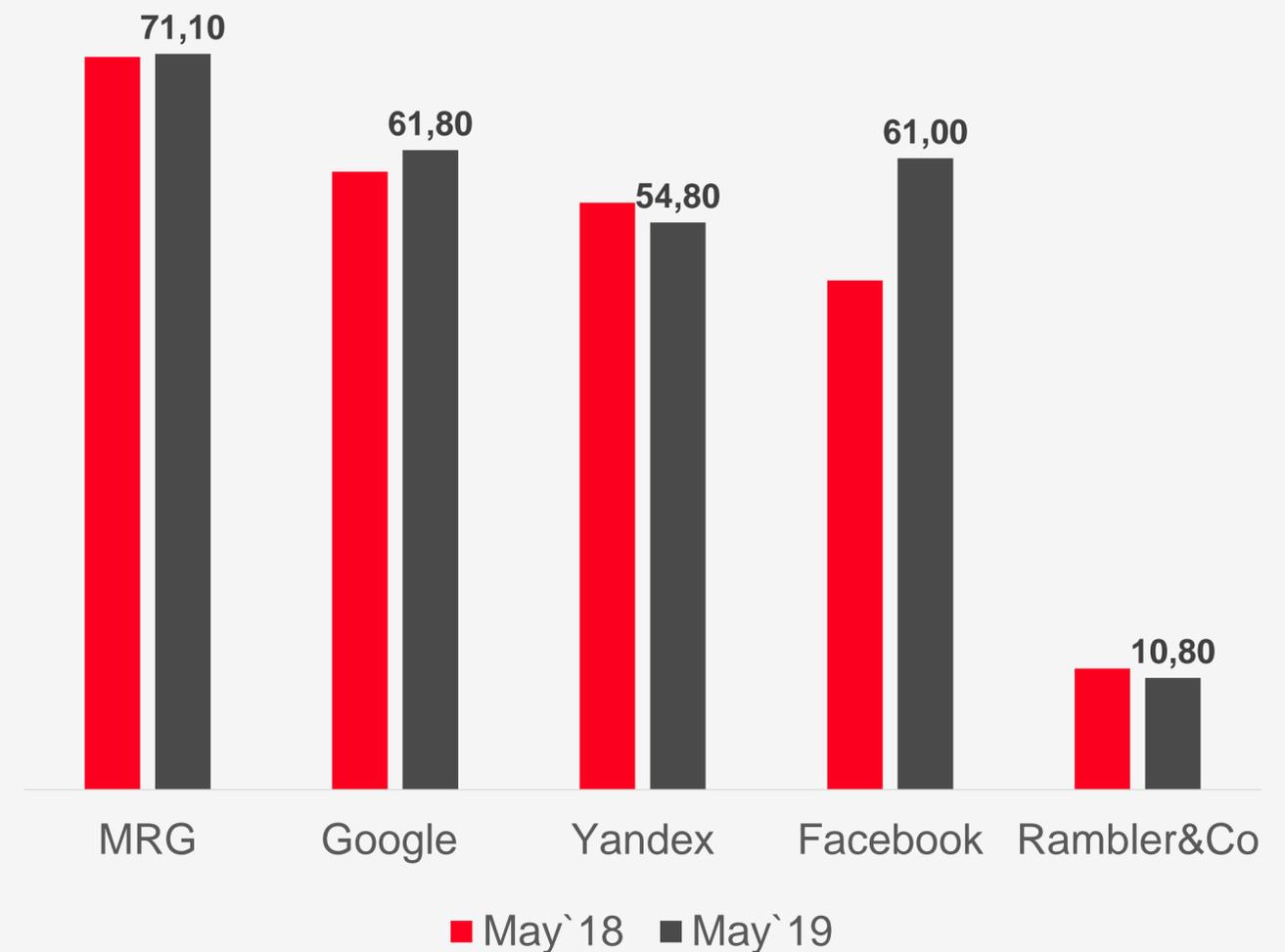
MRG reaches **95% of domestic Internet users monthly** with a broader gap with competition in terms of **daily reach**, where we are at **>71%**

MRG boosted monthly reach by 1.1p.p. YoY in May, with a 0.3p.p gain in daily reach

MAU share (Total)



DAU share (Total)



MRG started from email & portal but has now become a leading social, gaming, & O2O company in Russia



Communication

Social

Gaming & eSports

E-commerce

Current status



#1 E-mail service in RU

Ahead of Gmail in Russia



#1 social network in RU



#2 social network in RU

Ahead of Facebook, Instagram and Twitter in Russia



#1 PC game in RU



Successful mobile games developer

... and many other leading titles



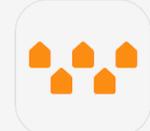
We diversified into eSports and made it intl by partnering with Modern Pick



#1 restaurant food delivery service in RU (developing in partnership with Sberbank)



Leading mobile classified in RU (100% owned by MRG)



Fastest growing ride-hailing service in RU (developing in partnership with Sberbank)



Emerging cross-border e-commerce player (developing in partnership with Alibaba, MegaFon & RDIF)

Main milestones

Email and portal launched

1998-2001

Expanded into social

2007

Expanded into gaming & now also eSports

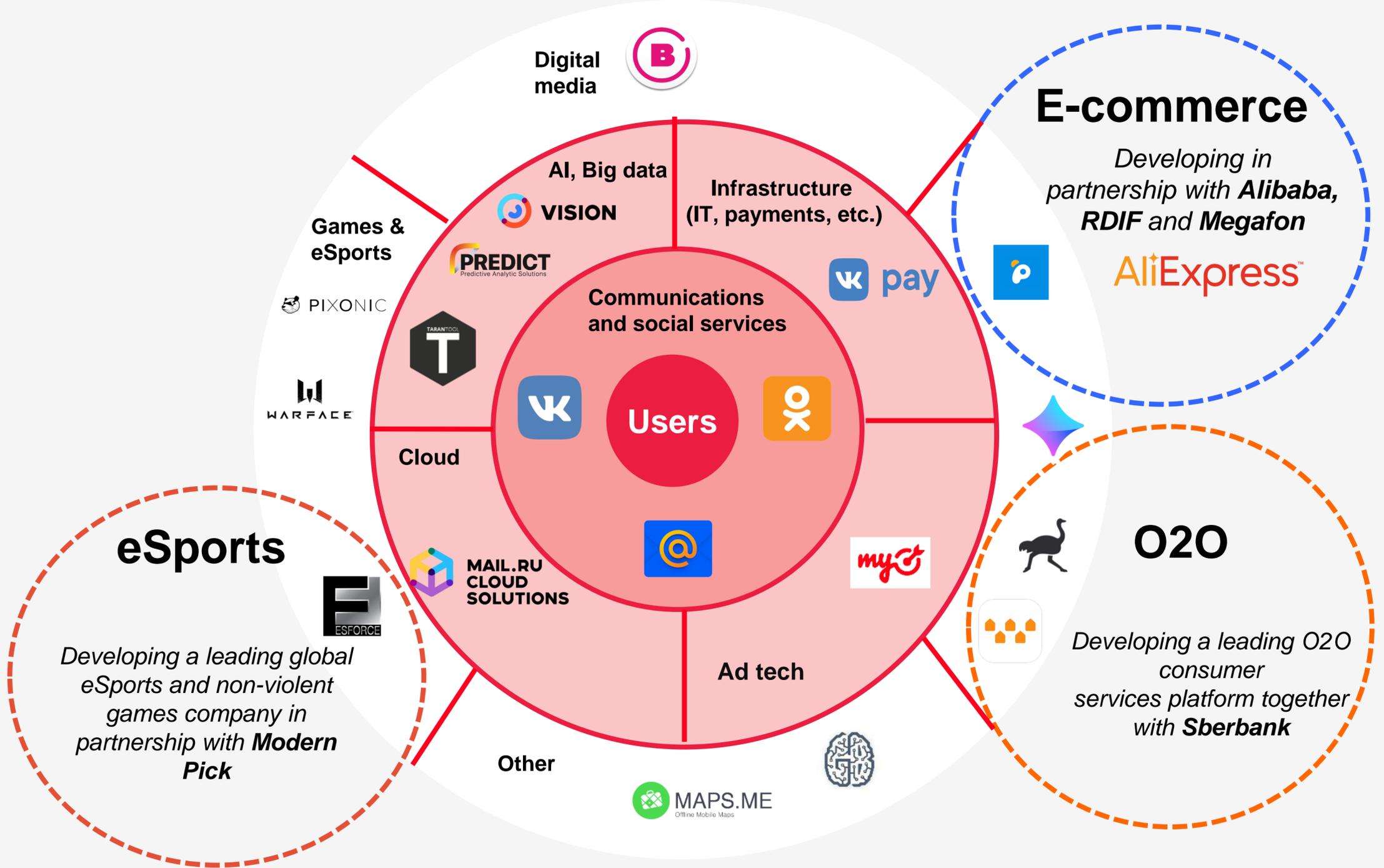
2008

Expanded into O2O and e-commerce

2016-now

Source: Management estimates, public sources including Mediascope data for 0+ for web for OK

MRG is building an eco-system powered by ~100M users and developing partnerships to strengthen across verticals and lead digital transformation of Russia



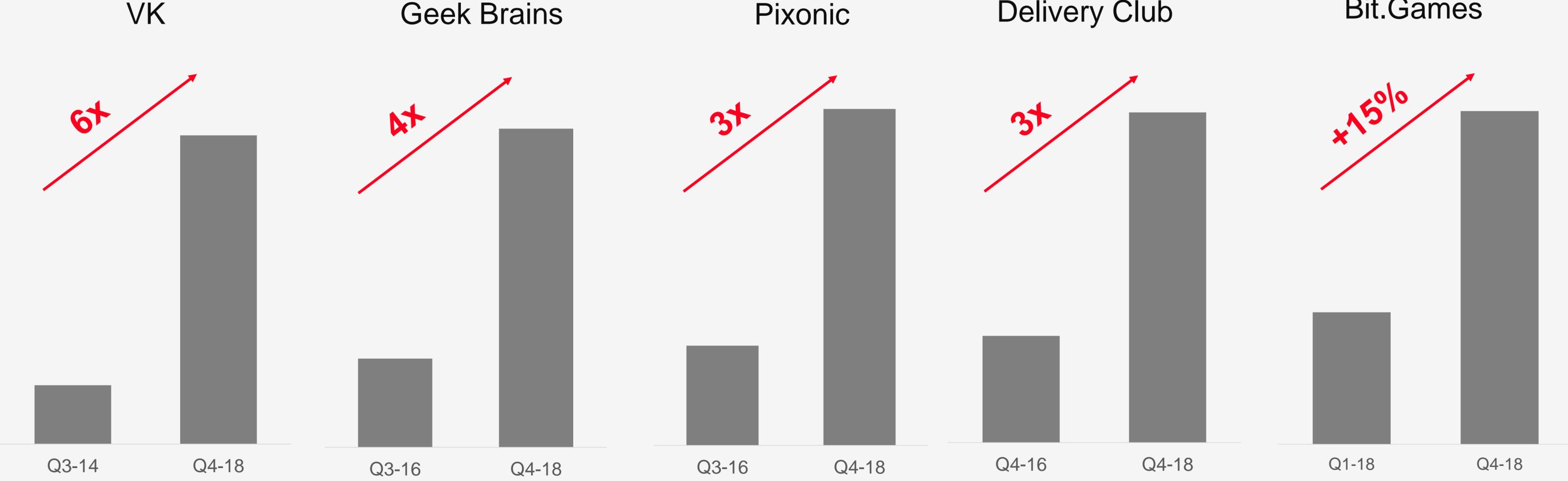
Source: Internal data

Solid M&A track record



Yes, we have done a number of M&A in recent history, but with **solid execution post deal closure** in terms of consistently delivered elevated revenue growth

Revenue growth since the acquisition



Source: Internal data

Focus initiatives

Results for MRG

Plans

Benchmark

oCPM

(launched in 2018)

- Amounted to **~9%** of total ad sales through MyTarget in June, **up from 1.6% in June 2018**
- Technological improvements resulted in avg **CPM improvement** in June for both, OK and VK
- Introduce for events – broaden sale across all categories / types of clients

- Facebook ads delivery and bidding optimization has proven to work well across a wide range of audiences and industries
- Facebook's revenue growth is driven mainly by ARPU: DAU in 2018 grew 10% YoY, whereas ad revenue surged 38%

Contextual targeting

(launched in 2018)

- Done based on search queries on MRG platforms (Youla, VK, OK, etc), desktop+in-app
- Clients can edit lists, there is retargeting data expiry now with target reach measurement)
- Amounted to **>4.5% of ad revenues** in MyTarget in June, **up from 2% in June 2018**, with growth accelerating further in July post major platform update
- Add new data sources, further improve targeting through enhancement of underlying advertising technology
- Context advertising has set Amazon's ad business on a path to rapid growth: from \$3bn in 2016 to ~\$10bn in 2018
- According to eMarketer, Amazon is now the #3 digital ad platform in the US with a market share expected to grow from 4.1% in 2018 up to 7.0% in 2020

Focus initiatives

SME targeting

Performance retail

Results for MRG

- Number of clients with <RUB50k budgets in MyTarget grew by >50% YoY in June
- **CPM continues to improve**, with hyperlocal targeting ad share at >6% of advertising sales in MyTarget in June, up from 4.3% in June 2018

- Our focus remains on moving offline retail trade-marketing budgets to online
- We are expanding partnerships with retailers around online targeting
- “Cashback” product has been launched when MRG users (within VK, OK etc) can earn discounts/bonus points on partner products by scanning receipts. Involves usage of our QR code tech

Plans

- Adding new data sources = further improving targeting through better advertising technology
- Continued focus on broadening SME advertiser base

- Work on promoting demand for given technology
- Broader rollout of direct cashbacks in VK and OK

Benchmark

- Facebook has ~5m advertisers, the majority of which are small and medium sized businesses, VK has ~110k advertisers

- Total trade-marketing capacity stood at RUB500bn in 2018. Even small share of this market may bring billions of additional revenue to MRG

Advertising network development in focus

MRG Advertising network

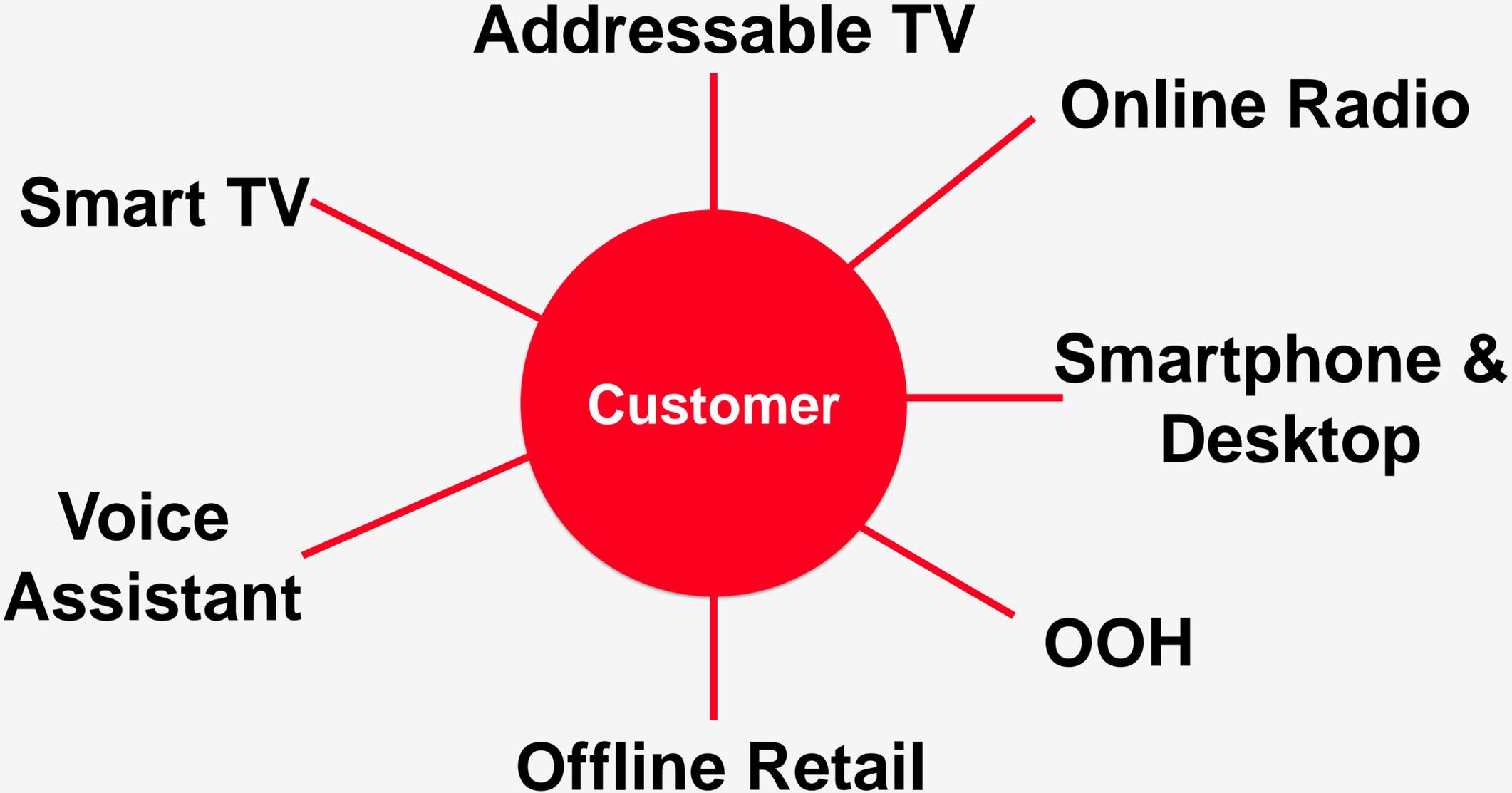
<15% Share of network revenue in total advertising revenue in June

2x Ad network revenue increase YoY in 2018

+50% Increase in the number of ad network's partners YoY in 1H19 (desktop+mobile), with significant room for additional upside

- In 2H19 we plan to further improve quality of traffic on partner websites, with benchmarking vs global standards in terms of viewability, anti-fraud, etc, which is expected to further support related revenues
- Yandex Ad Network and Google Network account for ~23% and ~17% respectively, which provides for further growth potential

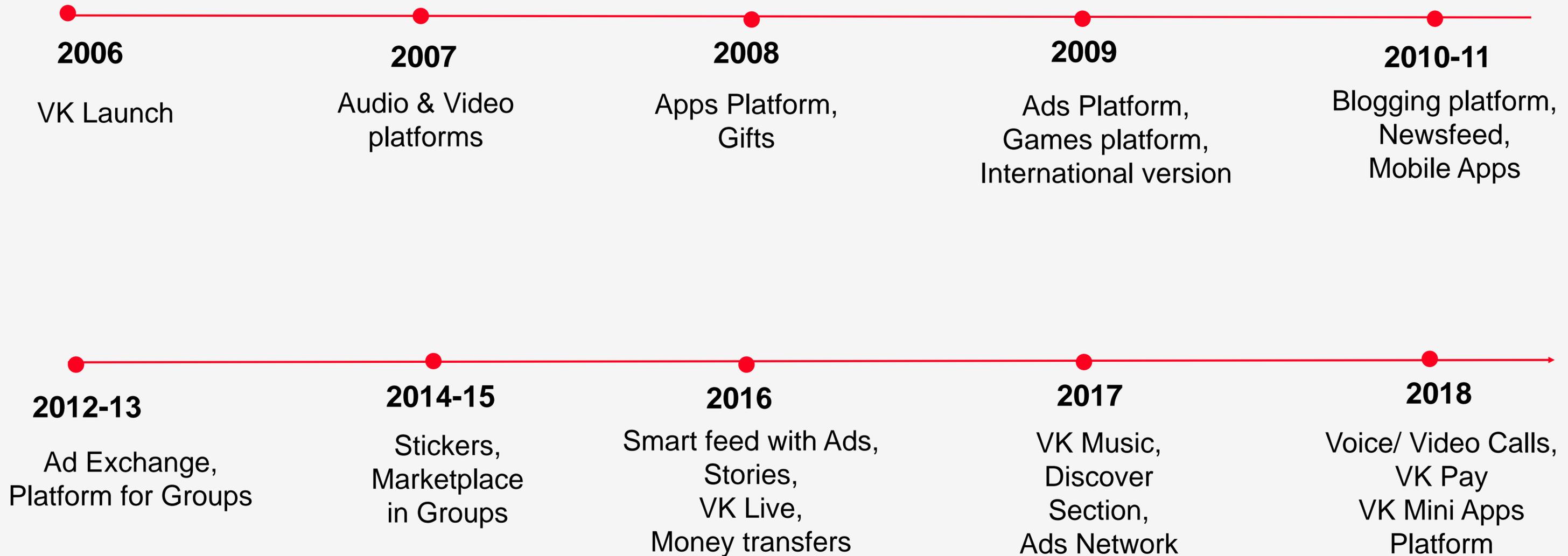
Advertising strategy - focus on building omnichannel reach tools





VK – the largest communication platform in Russia and CIS

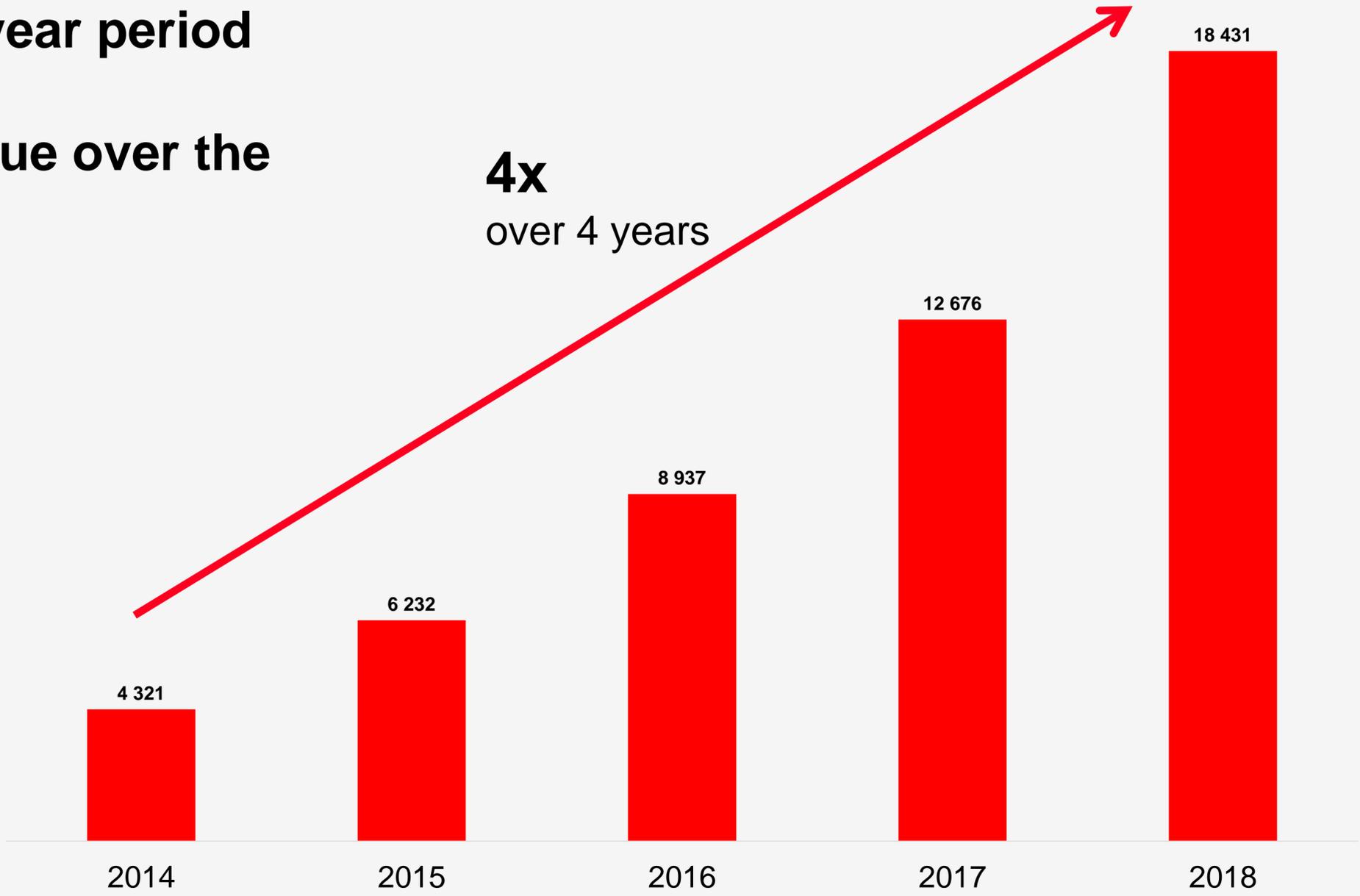
VK is focused on ongoing development of new functionality, which will be actively used by its major and already highly engaged audience



VK – growth continues

VK revenue grew 4x over a 4-year period

We expect to double VK revenue over the next 3-4 years



VK revenue, M RUB

Source: Internal data. For 2014, 2015 and 2016 revenue is presented under IAS 18 standard, for 2017 and 2018 - under IFRS 15.

VK / User engagement growth

Q2'19, YoY

+59%

Stories Viewed

+54%

Comments Posted
(on iOS and Android)

+51%

Video Viewed

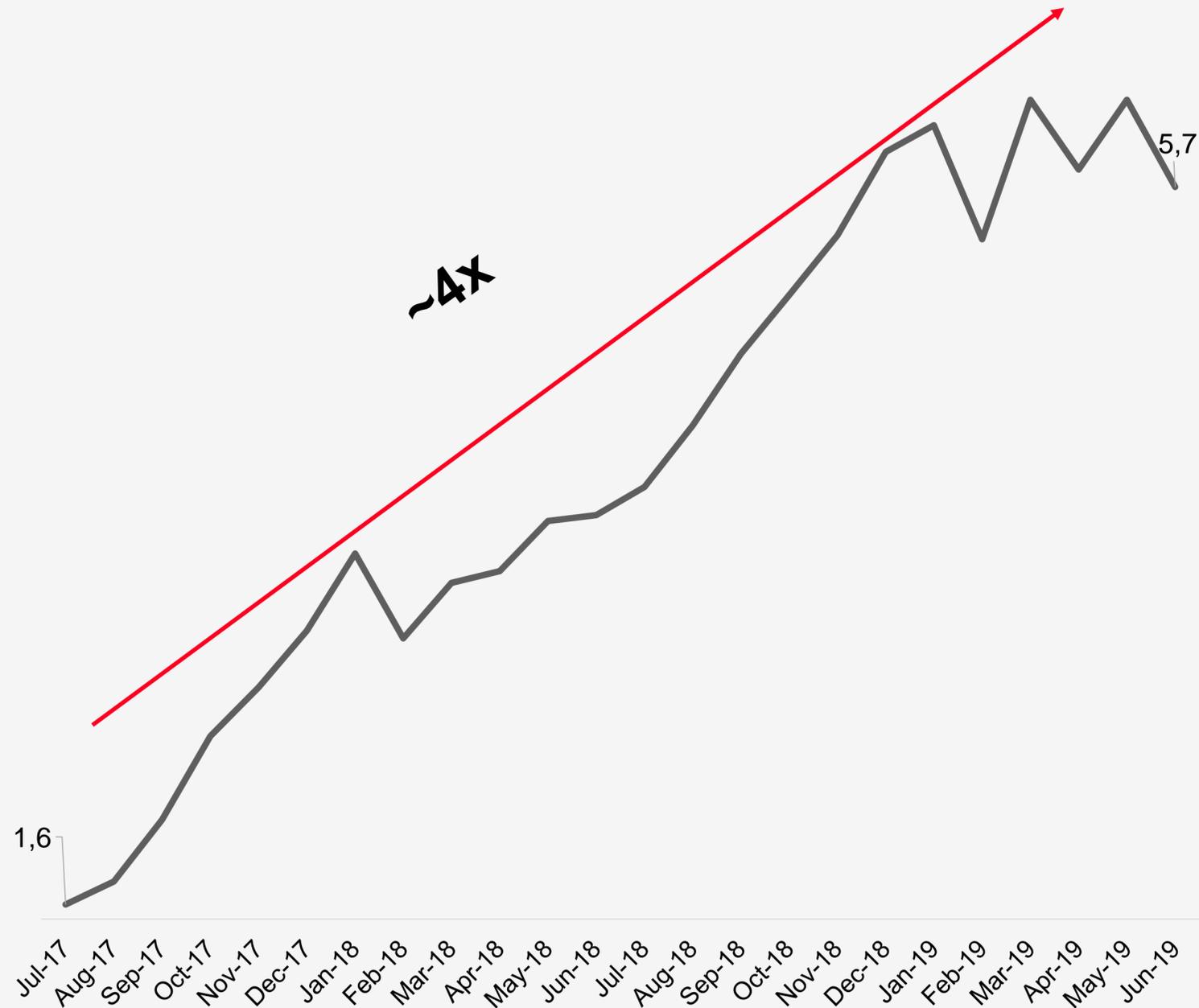
+53%

Messages Delivered

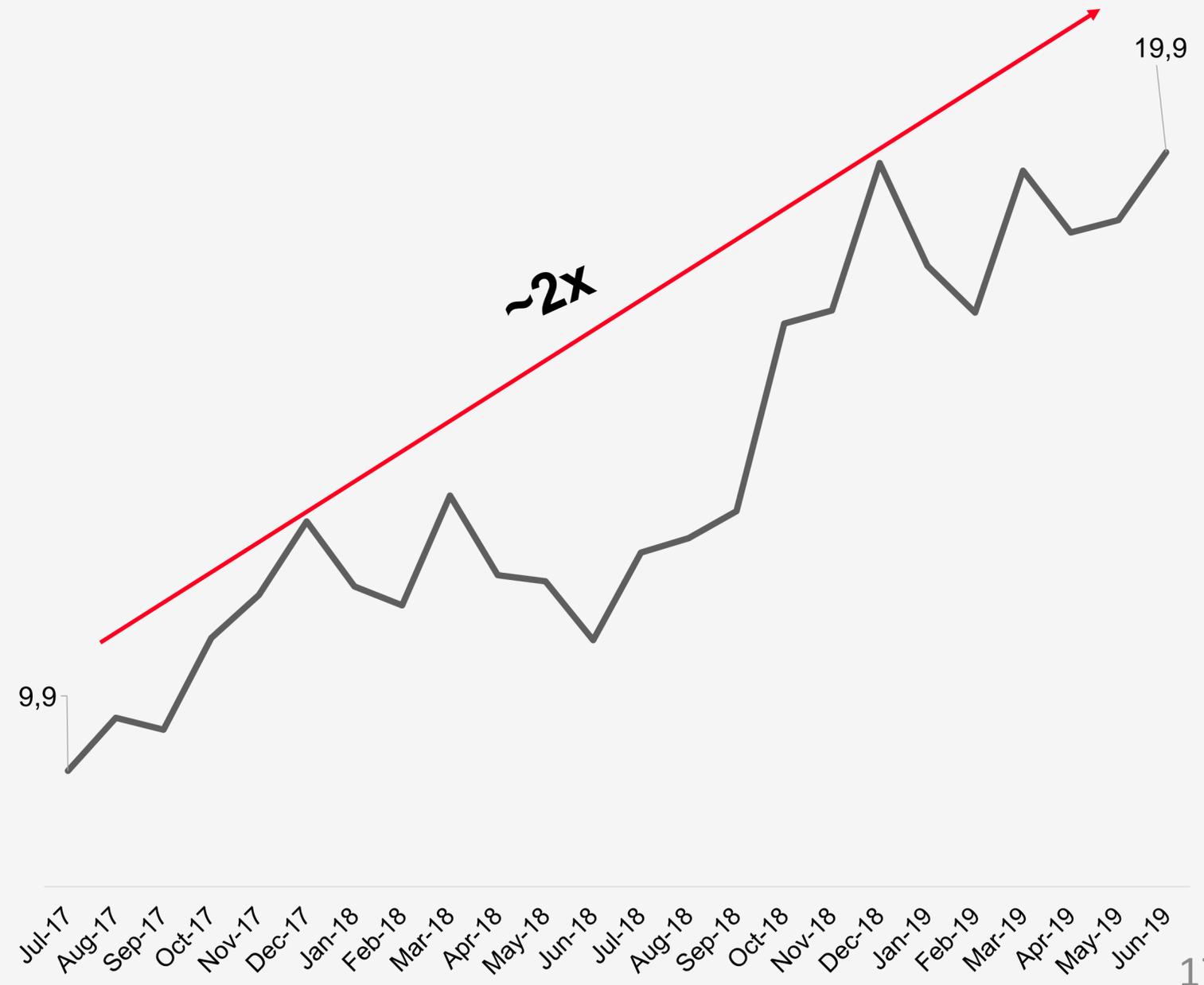
User engagement growth increases total time spent

VK is actively developing **video products**:
stories and video have grown – 4x and 2x respectively @mail.ru group

Stories, #B views



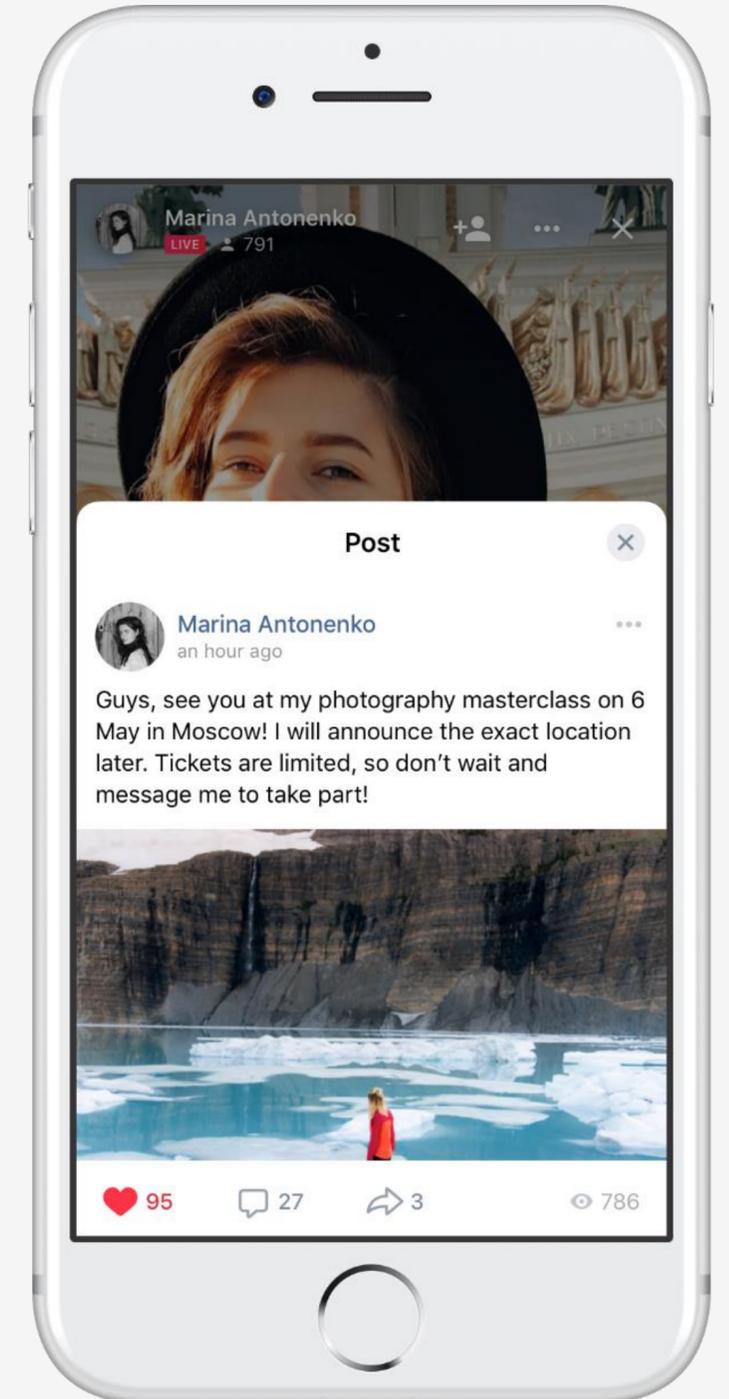
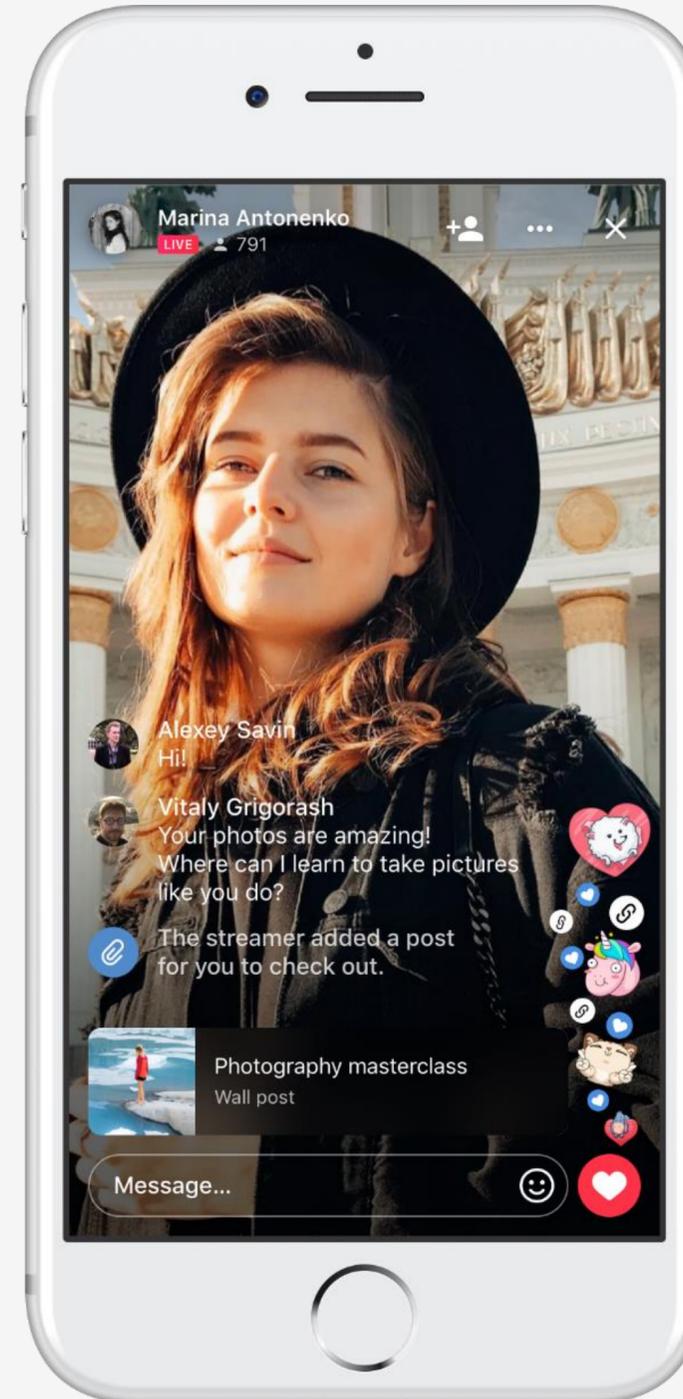
Video, #B views



Source: Internal data

Multiple initiatives around live streams and video

- VK launched public tests of the **updated video section** on iOS and Android. Users can now benefit from personalized recommendations, collections of popular videos and other new features
- Updated **mobile live streaming service** now allows to add links to products, polls and posts, which viewers can open while watching.
- Live streamers can use these links to **promote products and services more effectively** while making their streams **more interactive**



VK users are highly engaged with communities

- VK continues to improve usability around communities. It now offers an **activity log**, which lists activities that might be interesting to community managers (post deletion, request approvals or setting changes)
- VK launched a new **community menu**: managers can choose a name and upload a cover photo for each link they add to the menu. Links can be set up to provide **quick access to important content**: discounted products, payment post, delivery terms etc.

Number of monthly unique users communicating with communities

22M

+37% YoY

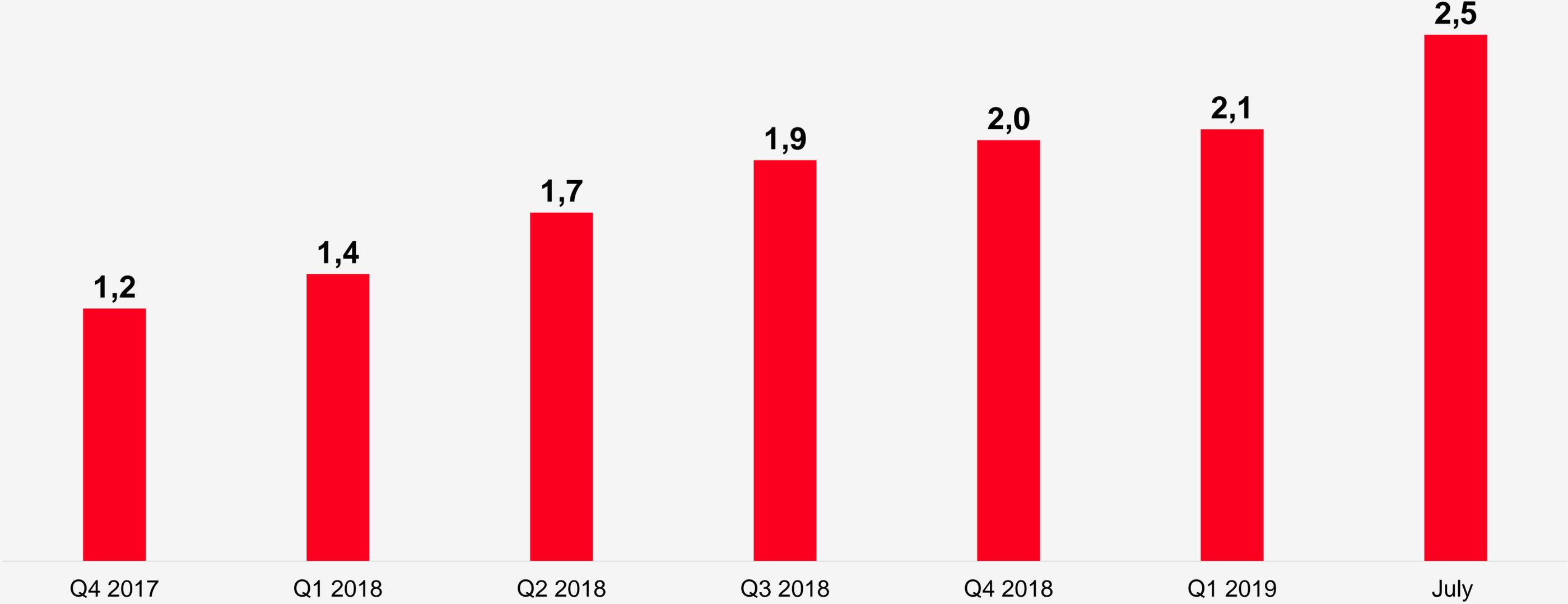
Number of messages sent to communities monthly

1.7B

2.6x YoY

Music – expansion continues

Music subscriptions and trials* grew ~2x YoY



* Based on aggregate numbers of VK, OK, UMA and excludes inactivated telco bundles

VK strategy – key focus areas

- **Content platform**

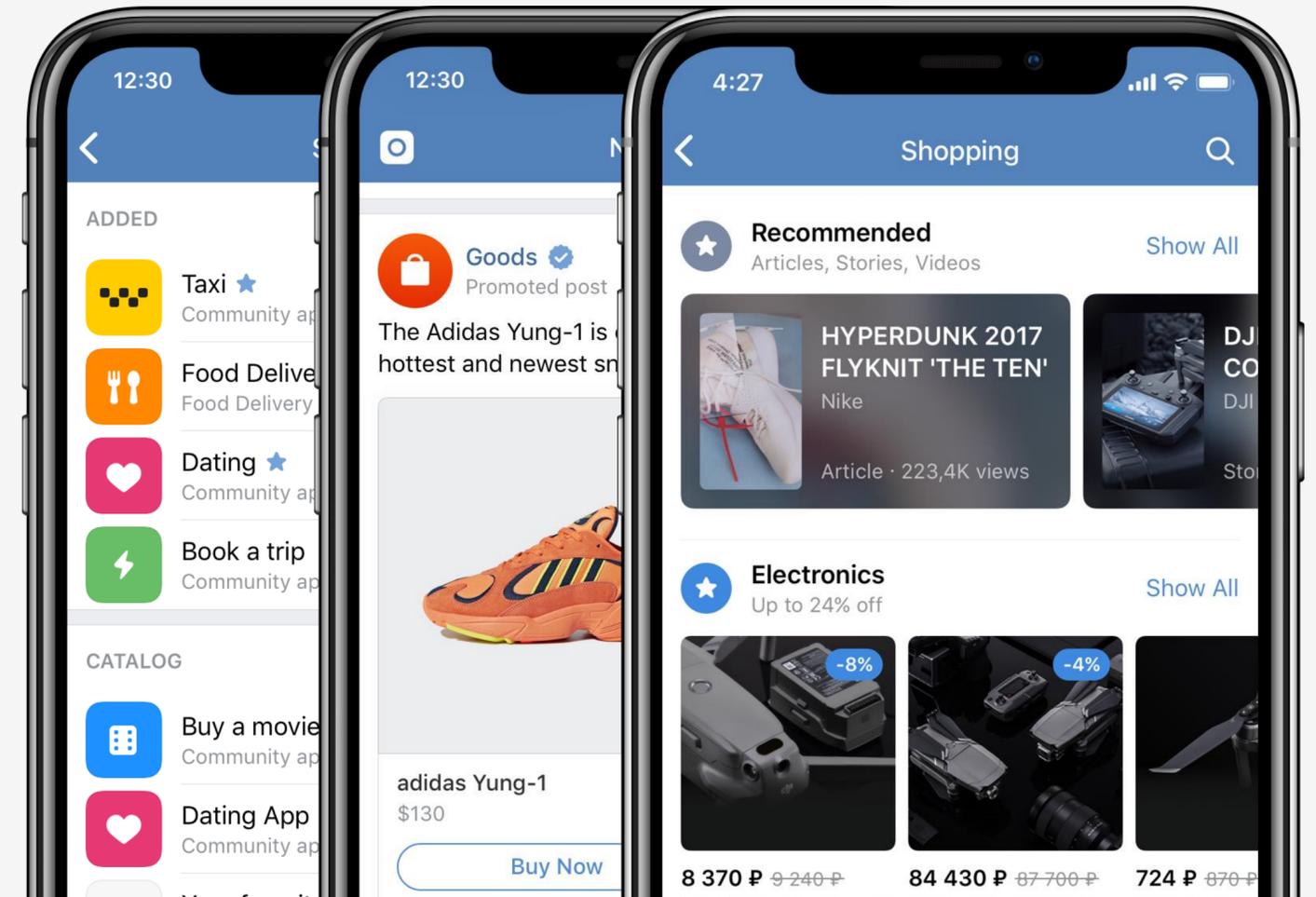
Further development of content recommendations, stories and music products

- **Social commerce and SMEs**

Development of shopping center, product distribution, integration with groups and payment products

- **VK Mini Apps**

Launch of further products and services natively embedded into VK mobile app and desktop, base for ecommerce





OK — unique social and entertainment platform

In OK people are showing their real life with real emotions



Presents

x3.9

In presents sent YoY as of 2Q19 (**to 9.9bn**), up from **2x growth** seen as of 1Q19



Stickers

x23

In stickers sent YoY as of 2Q19 (**to 356.8mn**), which marked an **acceleration from 14x** seen in 1Q19



Reactions

x3.7

In postcards sent YoY as of 2Q19 (**to 422.8mn**), also up from **2x growth** seen as of 1Q

OK users mostly communicate with close relatives/friends and actively express emotions using unique variety of services: presents, stickers, postcards, marks, reactions and others. Growth across all the key engagement matrix has accelerated as of 2Q19, which marks overall **strength in engagement of OK**

Games – growth continues

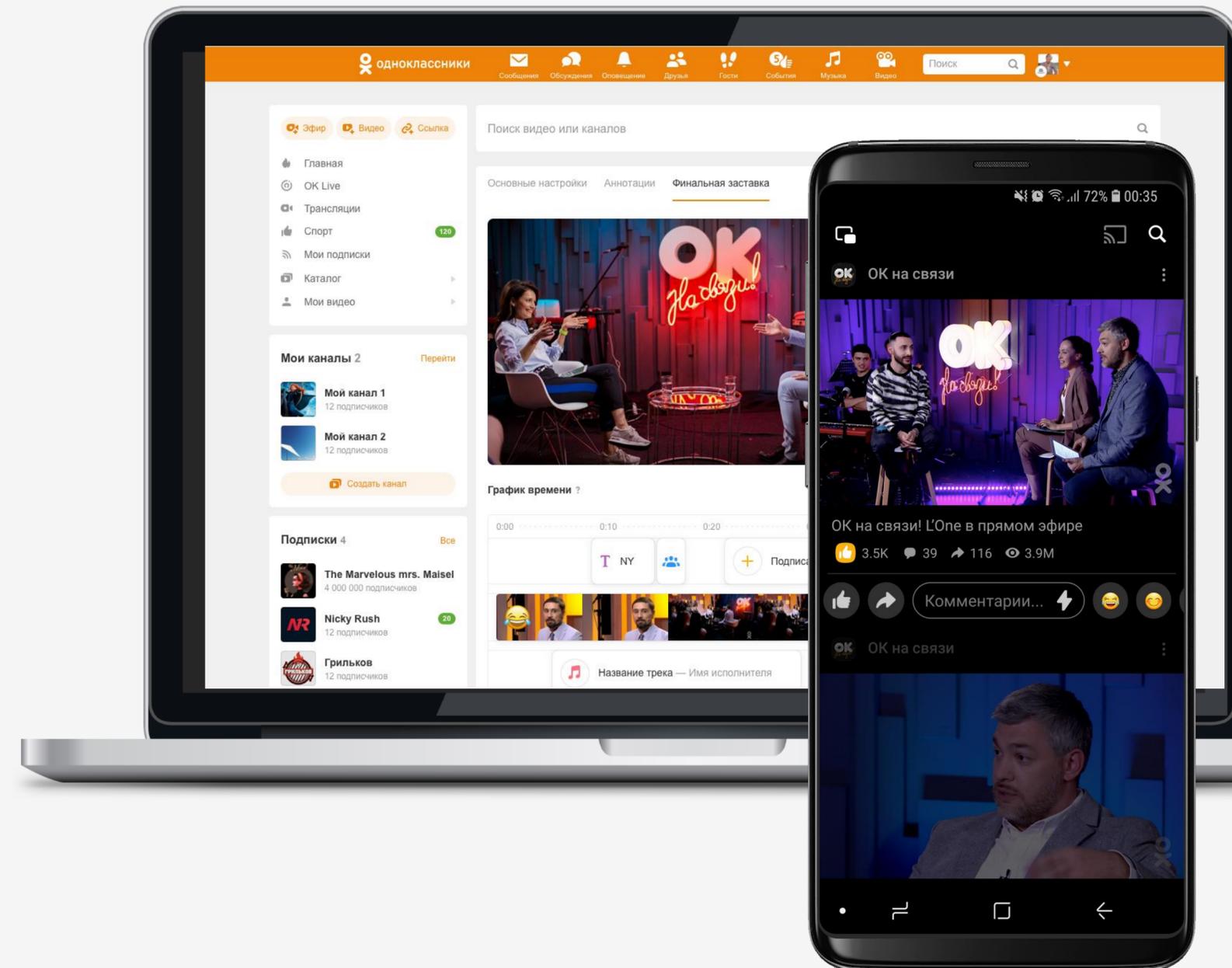
x2

Growth in payout
to mobile games
developers in 5
months

- OK made RUB200mn payout to developers of mobile games in the first 5 months of 2019
- OK saw x2.25 YoY increase in audience playing mobile games
- OK saw 2.5x in payout to developers with ad monetization
- Overall, >40% of OK DAU plays games, with >25% of OK revenues coming from related monetization

OK video – major growth area

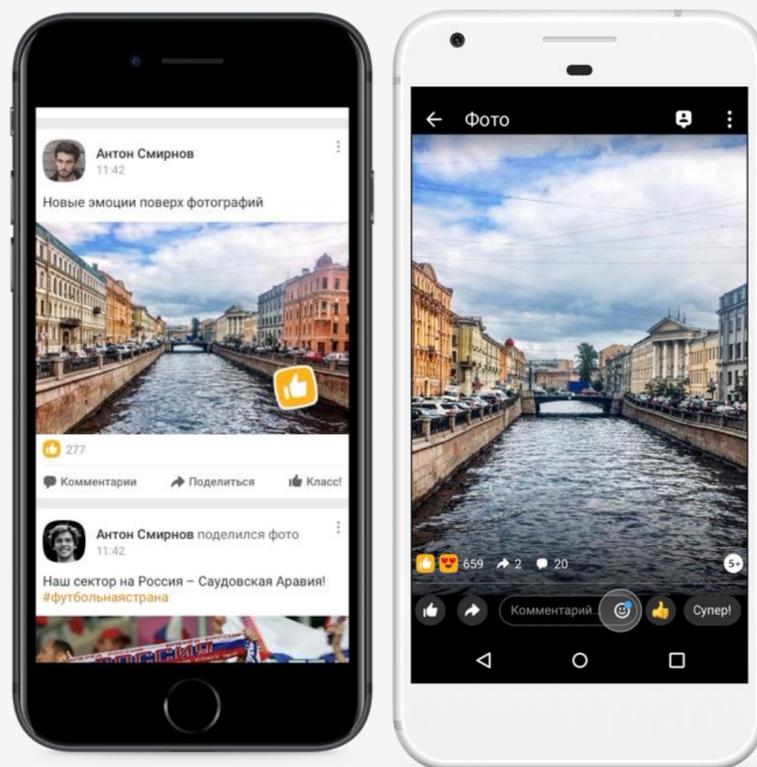
- OK offers **”Creative studio”**, a platform for all video content creators, which supports interactive mechanics (e.g. polls, quizzes, clickable descriptions and texts), which can be added to the video content
- There is an updated video storefront with anonymous access and search options
- OK offers a **smart Videos Feed** in mobile apps with an auto-play feature, which allows to view video playlists either AI-generated or related to certain Channels or Groups results +10% views
- In May **OK Video was ranked as the 1st for video content quantity in RuNet** by Brand Analytics
- OK has **~870mn daily video views daily** and **130mn streams**, being the **largest local video platform on the Russian market.**



OK strategy – key focus areas



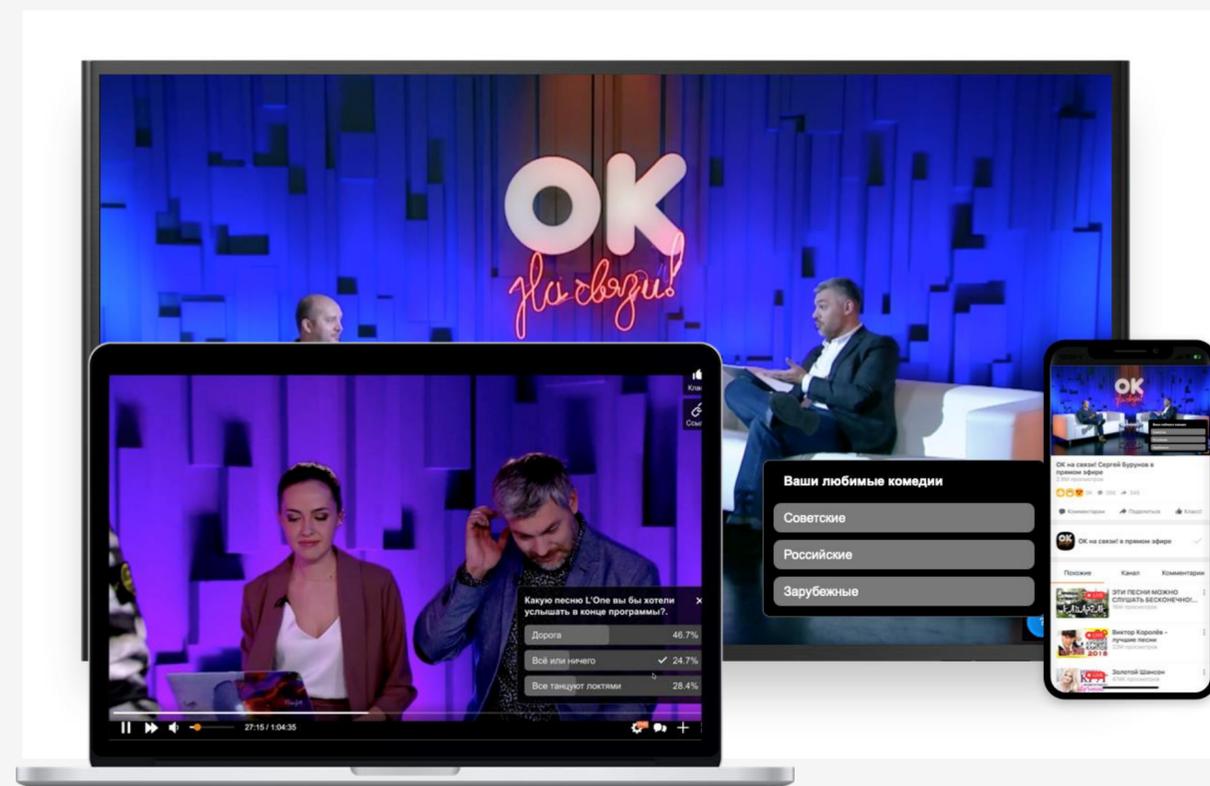
Emotions exchange



Continue to boost user engagement with new tools, fast feedback, paywall reduction



Video platform



New video smart technologies and showcase, “Creative studio” for video creators and professionals, first digital TV



Games



Community development for game, acquisition of new mobile games

Games - focused on global expansion

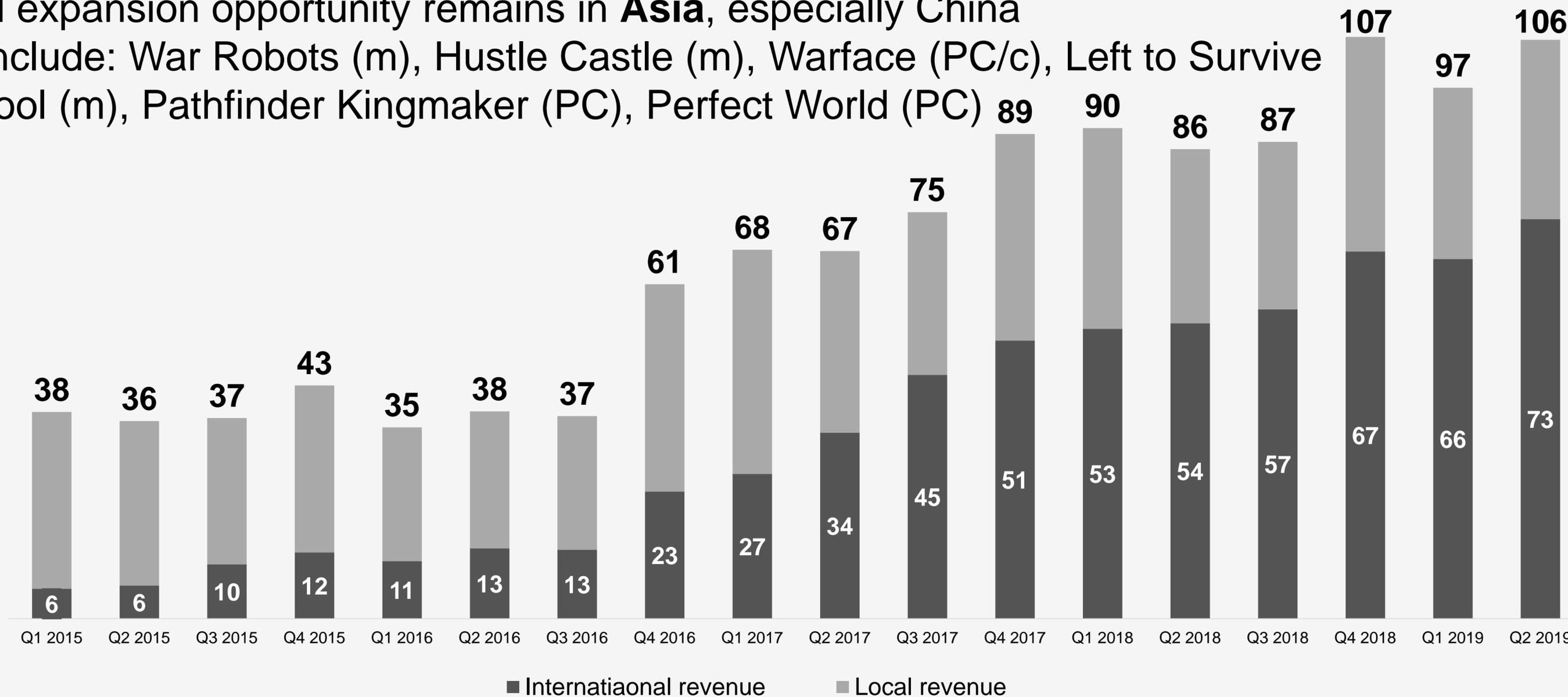
- Global games market is 80x+ times bigger than Russian and hence focus of MRG is to develop new and adopt existing titles for global audience
- Target is to draw **80% of gaming revenues from abroad by the end of 2022**
- Target is to **double reported EBITDA within 4 years**

●
\$1.7B
Russian
games market

\$137.9B
Global
games market

International gaming revenue increased 1.3x YoY in 2Q

- MRG international gaming revenue in Q2 2019 reached 69% of total MRG gaming revenue and >20% of MRG total group revenue
- USA, Germany and Japan are our largest non-Russian markets
- Largest intl expansion opportunity remains in Asia, especially China
- Top titles include: War Robots (m), Hustle Castle (m), Warface (PC/c), Left to Survive (m), Tacticool (m), Pathfinder Kingmaker (PC), Perfect World (PC)



MRG gaming revenue, USD M

Source: Internal data. M = mobile, C = console. Adjusted impact from Panzerdog and Swag Masha

Games Business Overview

10

regionals offices (RU, NA, EU)

1500

in-house employees

16

years of gaming experience

512 mln

registrations* in games

25 mln

MAU in games

5 mln

DAU in games

13 / 18

studios
in-house / MRGV

64 / 20

games in live operation
in-house / MRGV

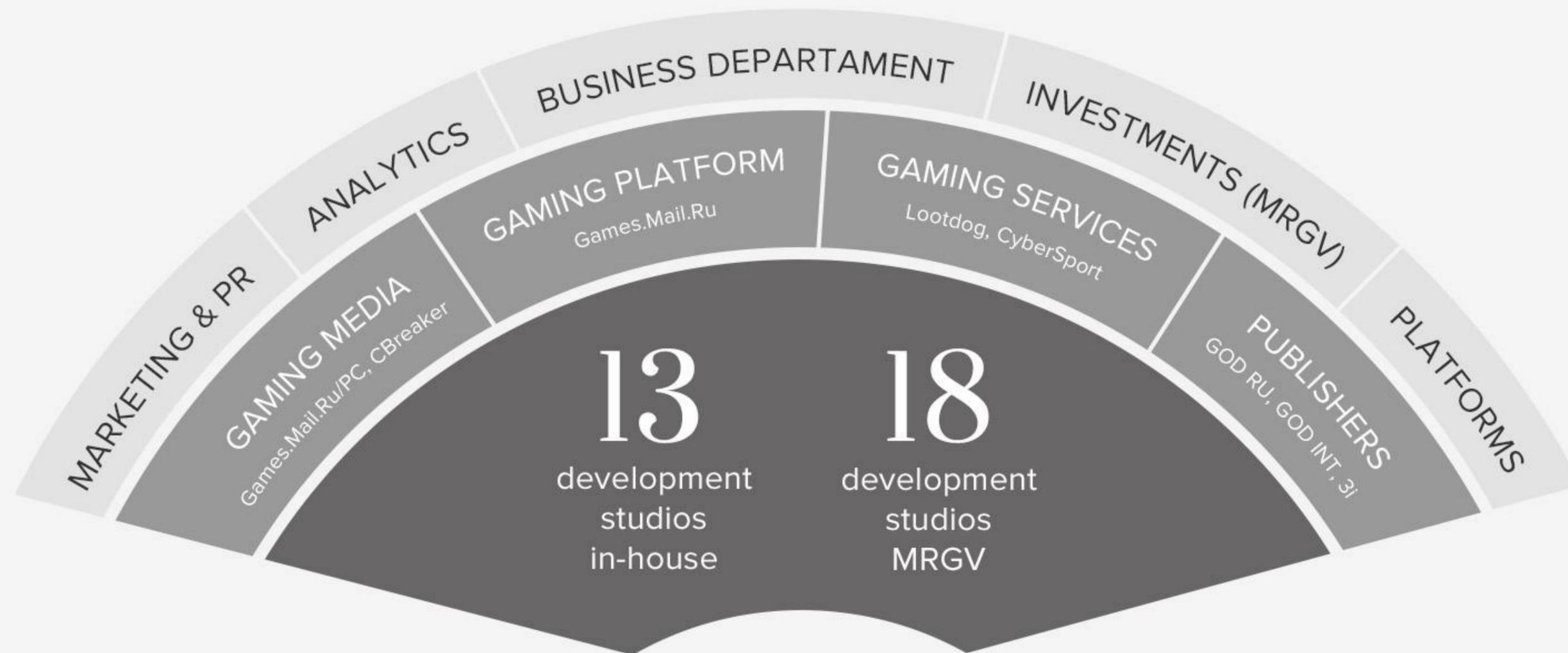
10 / 15

games in development
in-house / MRGV

* Since 2010

Source: Internal data

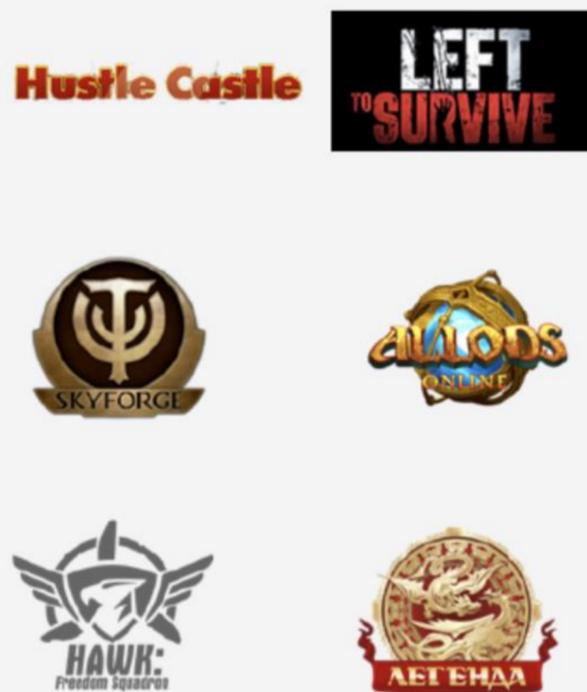
Ecosystem of Gaming Business



Games Business 360° Strategy

Developing

72 titles launched*



10 titles in development

Licensing

55 titles launched



2 titles in pipeline

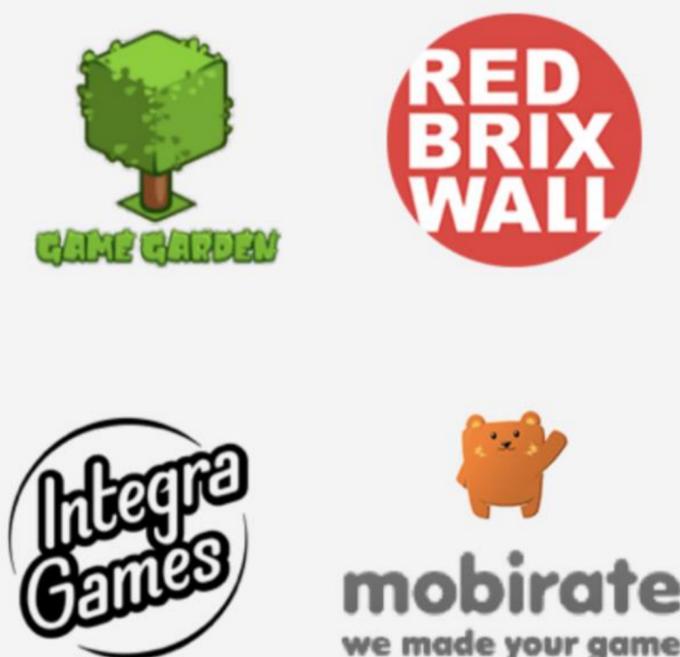
Acquiring

4 studios



Investing

18 studios in portfolio



27 studios in investigation

* Since 2014

New Releases of 2019 H2

MRGV



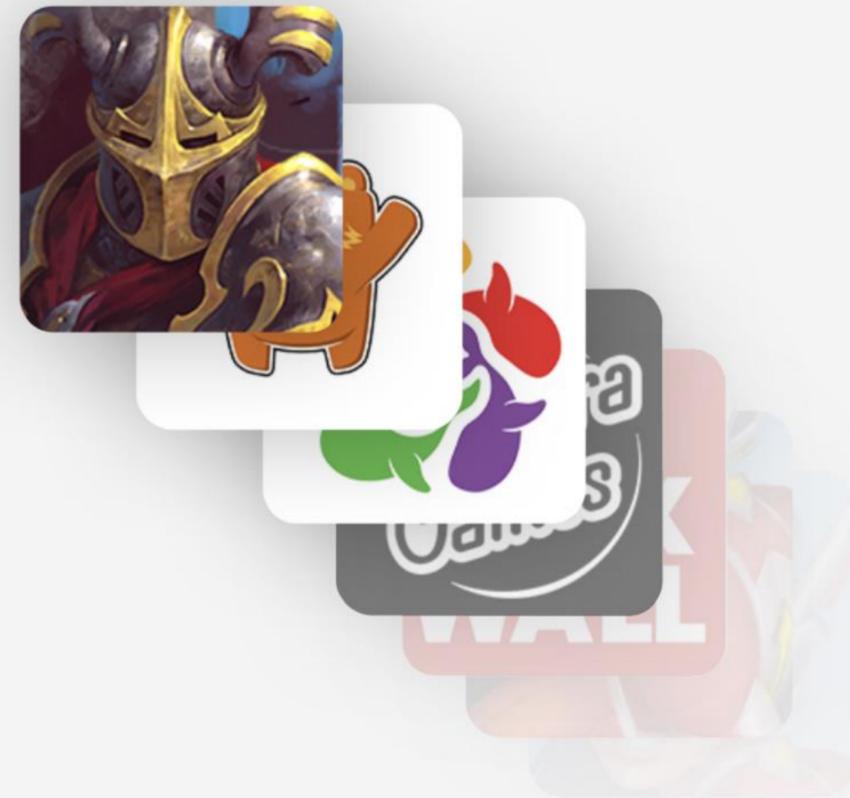
Lost Ark



WF mobile 1



WF mobile 2



AfterMath



American Dad



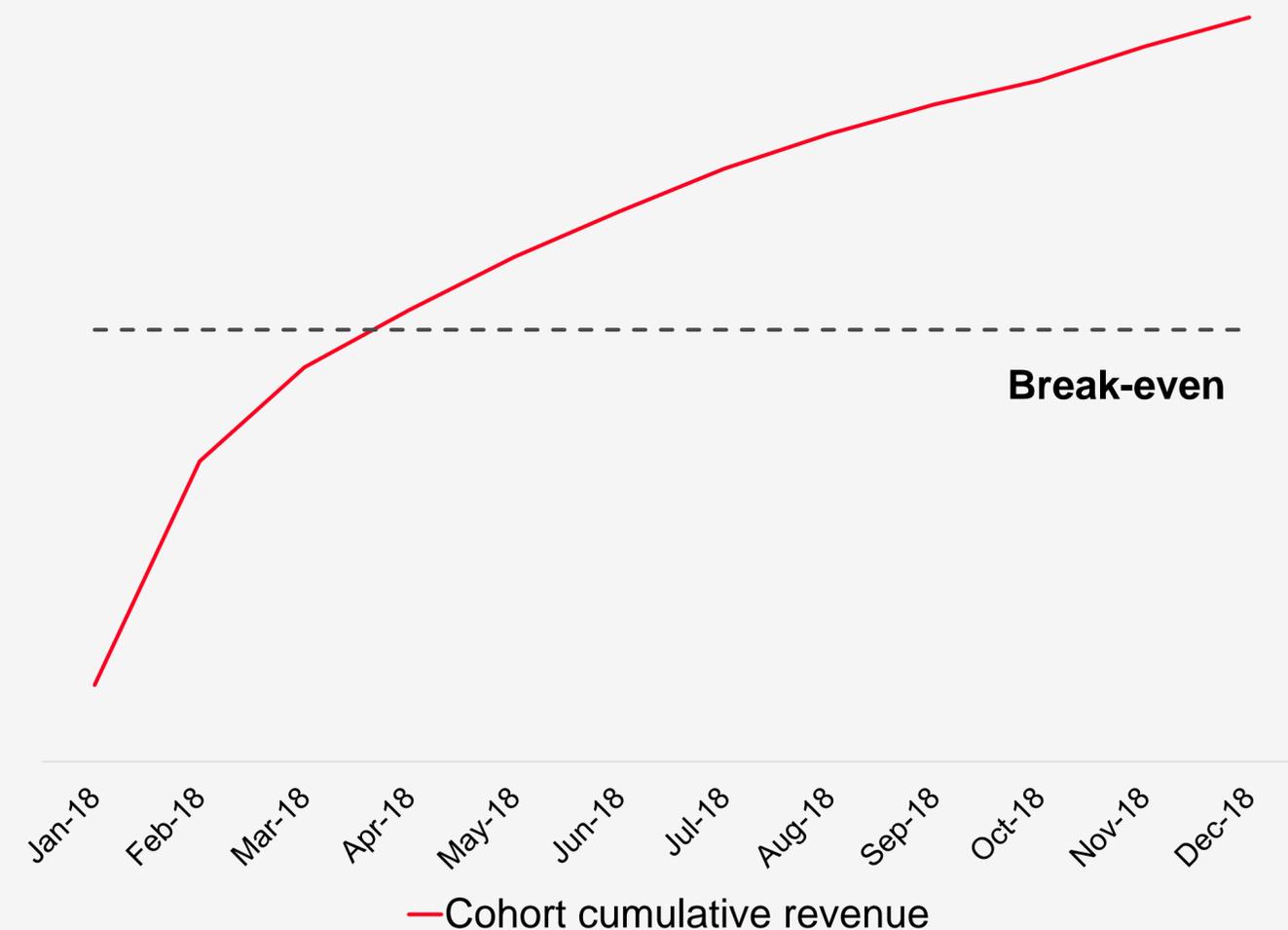
to be announced soon

Launch plan should contain at least **2 PC&consoles and 4 mobile hits** per year to guarantee achievement of financial expectations.

Hustle castle case study – turning investments into EBITDA

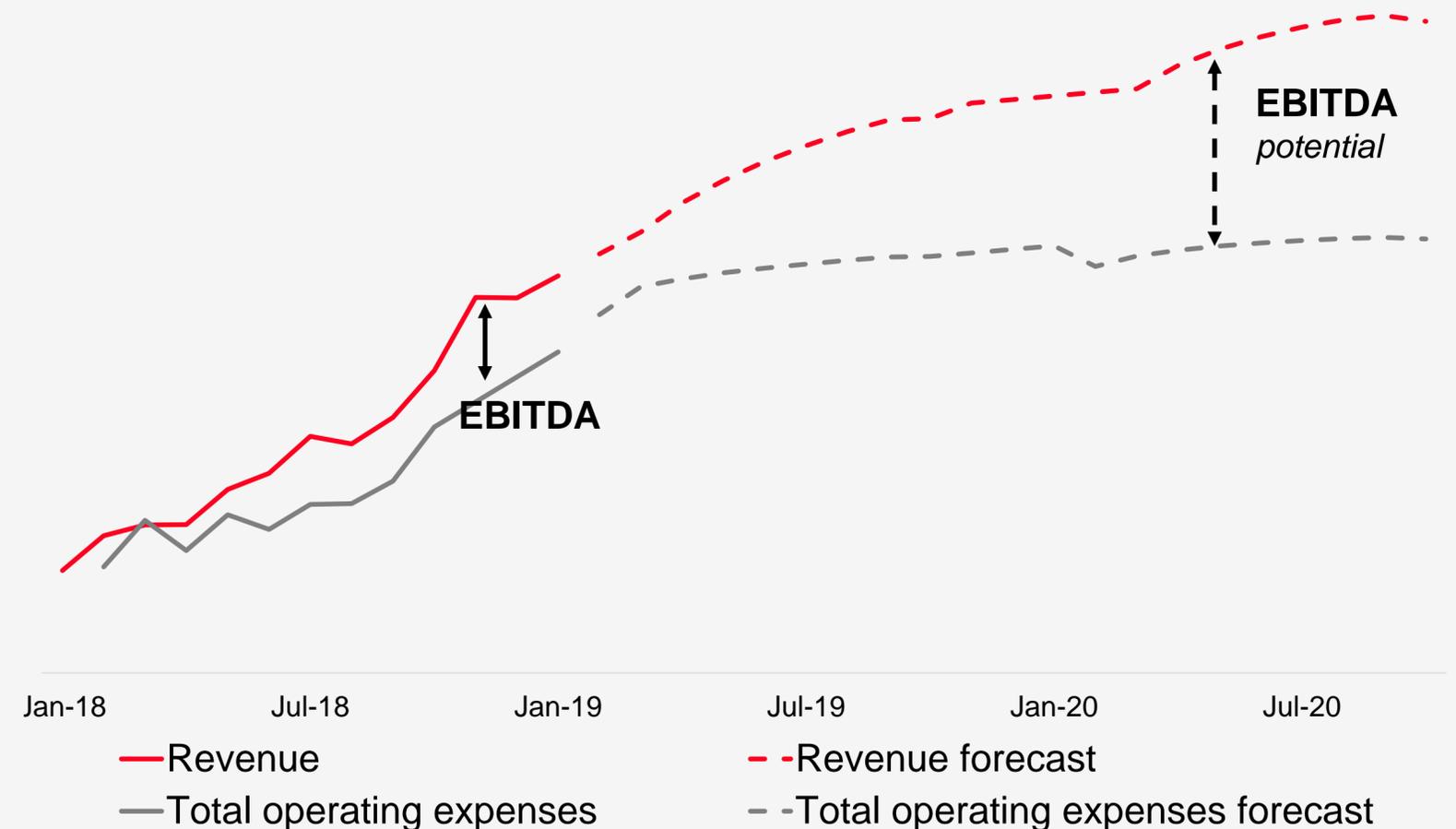
Revenue cohorts

- Reaching marketing break-even in 4 months of cohorts living in the game
- 12m revenue ~ 1.5x marketing investments



Potential

- 20% margin during the 2nd year of operation
- Forecasted growth of EBITDA in future periods due to dramatic revenue growth and accumulation of loyal core audience
- Opportunity to grow EBITDA in the moment with help of marketing optimization



ESforce - #1 eSports Co in Russia/CIS – going intl



ESF eco-system covers >85% of eSports audience across CIS. It offers:

- **Virtus.pro** (the most established esports teams across CIS)
 - One of the oldest eSports teams (founded in 2003)
 - The leading Dota 2 roster in the world (consistently in top-10), with
 - Promising Counter-Strike: Global Offensive roster
 - ~\$0.7mn in prize money YTD, top-10 globally. 110mn audience reach annually, 400+ prizes
- **Cybersport.ru** (largest themed news website in Russia/CIS)
 - News portal focused on eSports in Russia/CIS
 - >100k in DAU, 1.5mn MAU, 15k player base
- **RUHUB** (largest content creation studio in Russia/CIS)
 - Broadcasting and video production studio, with 114mn users, 11 websites, 50 channels and >130 social networking groups, with >2mn subscribers
 - 10 000+ hours of streams/year. Top-10 in views globally on Twitch in 1H19
 - 260m unique views on YouTube
- **Epicenter** (organizer of largest esports tournaments across Russia/CIS)
 - Organizer of tournaments incl Majors in Moscow and St Petersburg featuring the world's strongest esports teams. Epicenter XL was the most viewed commercial Dota 2 tournament of 2018*
- **Yota Arena** (major eSports tournament venue)
 - ~5,000 sqm, 116 seats in game zone, >1000 in audience capacity

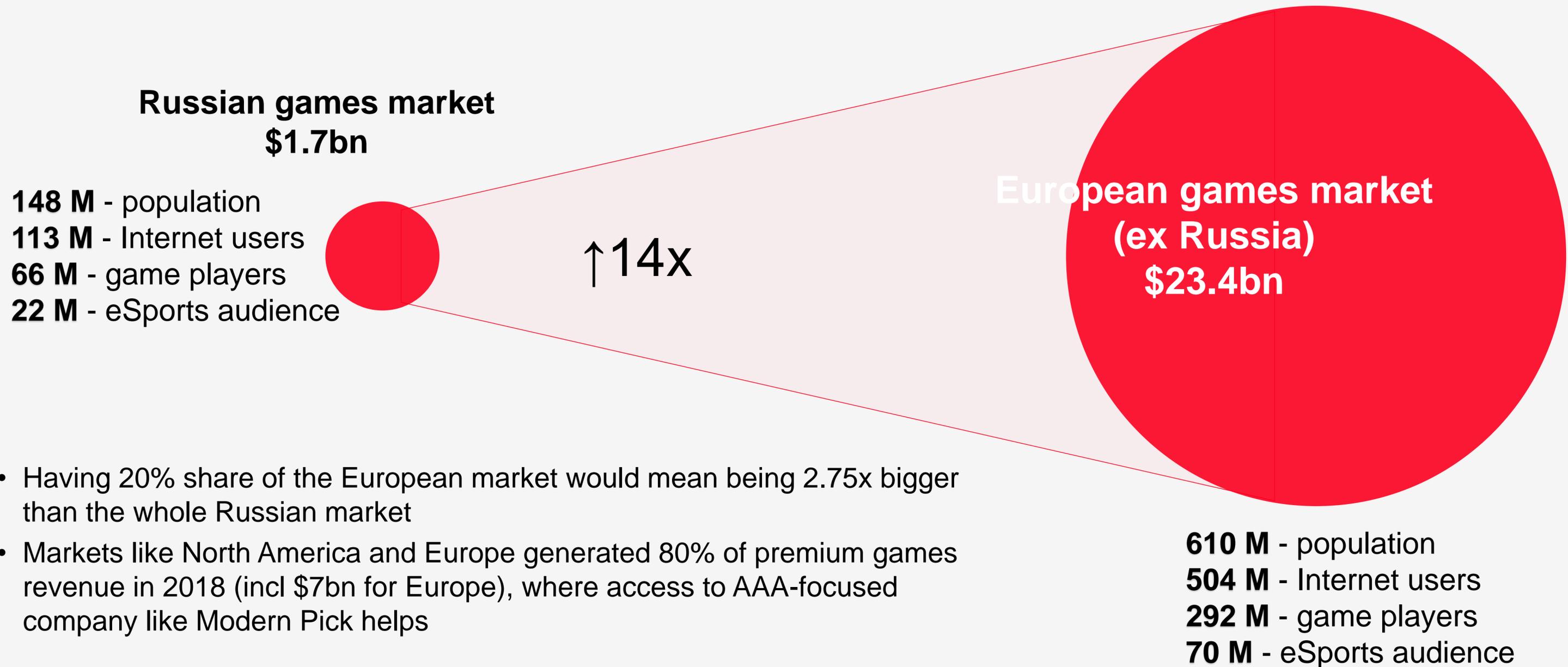


Partnership with Modern Pick allows to scale ESF internationally, with focus on Europe and non-violence game genres and allows for broader synergies with our Games business

Modern Pick partnership expands our eSports reach



Overall, expansion to the European eSports and gaming market – offers a broad range of growth opportunities. European market (ex Russia/CIS) is 14x bigger (in \$) and has 4.4x more players



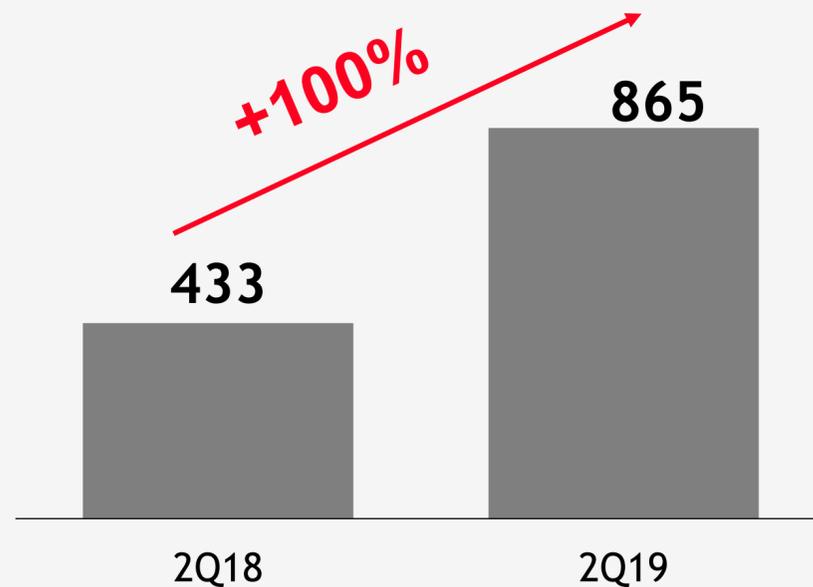
MRG is developing a market leading O2O services platform, including via partnership with Sberbank

These are high growth and high frequency businesses with a potential to achieve a high margin

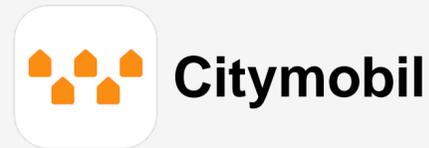


Largest Russian online food delivery business

Revenue (RUB m)

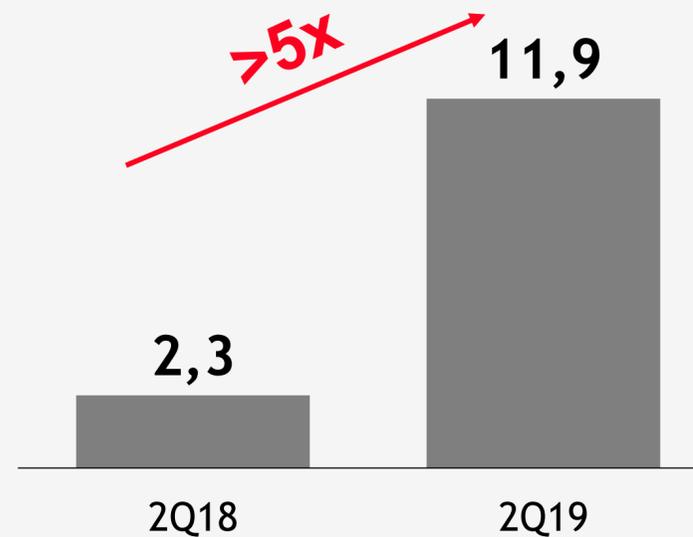


Delivery Club's revenue growth accelerated to above 100% in 2019 and business remains on track to double in 2019. MRG contributed 100% stake in DC to JV with Sberbank where we hold 50%

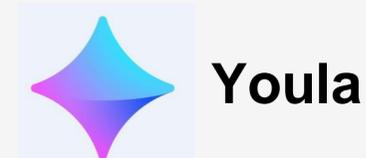


Fast-growing ride-hailing service

Number of quarterly rides (m)

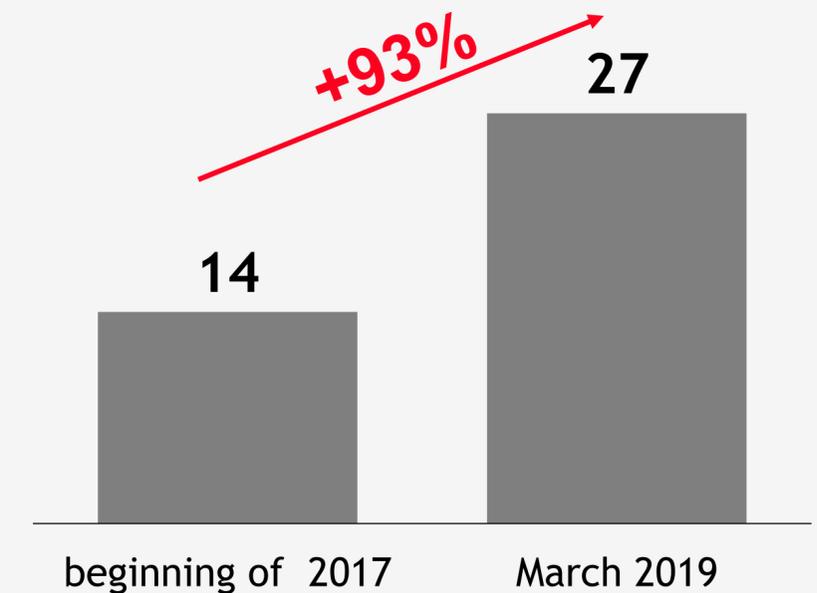


CM's # of rides has grown 16x times in 2018 becoming No2 player in Moscow. Quarterly ride growth remains solid YTD with CM embarking on regional expansion. MRG's stake is being contributed to O2O partnership with Sberbank



Leading mobile location based marketplace

MAU: web + app (m)



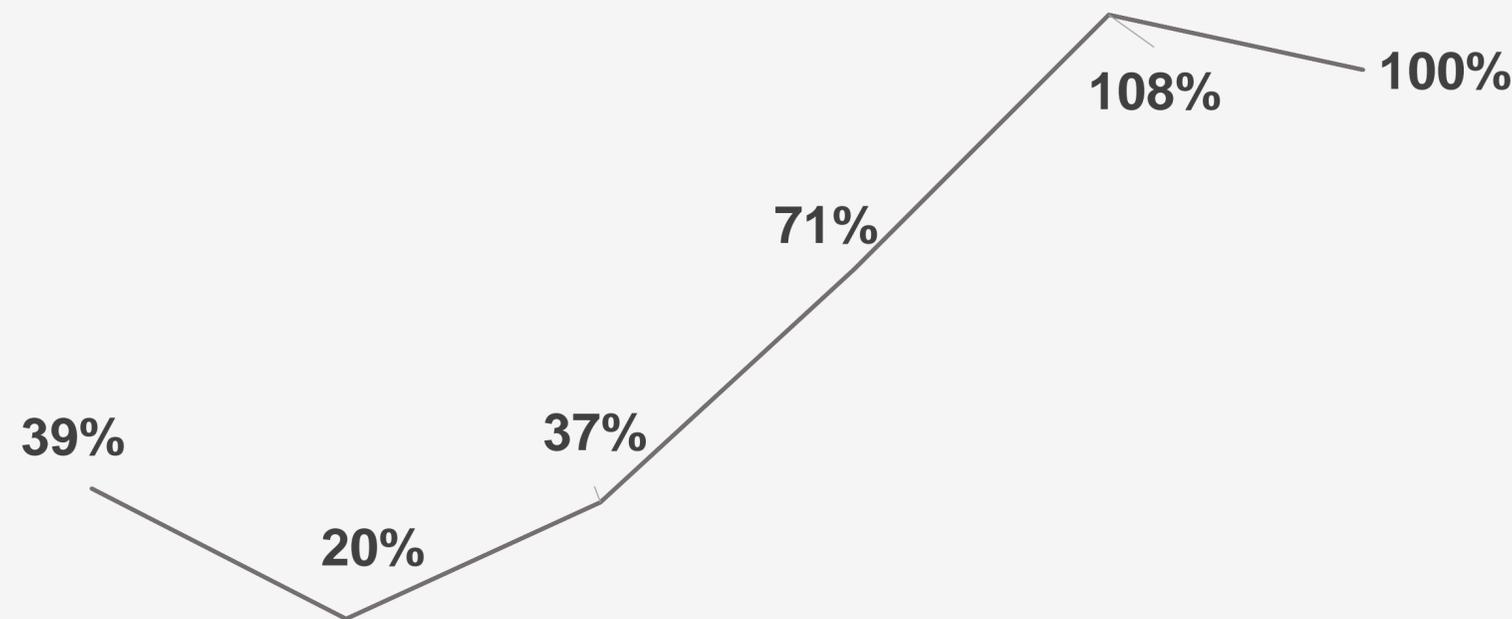
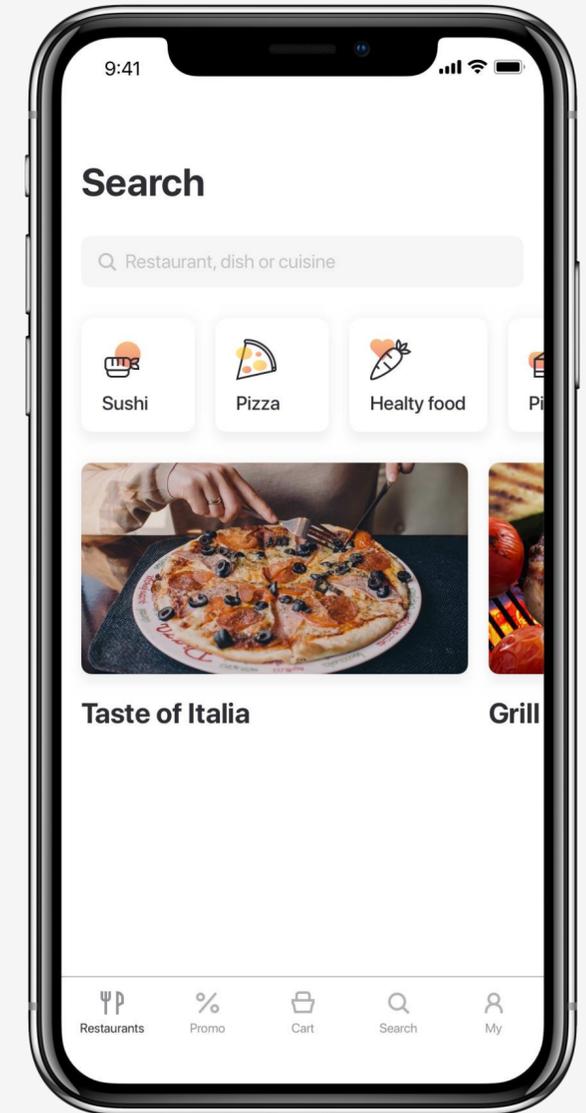
Youla became market leader in mobile classifieds just 3 years since foundation with +93% MAU growth since Jan 2017



Delivery Club Russia's Food delivery leader



- DC is a leading Russian restaurant food delivery company, which was acquired by MRG at the end of 2016 and now part of O2O partnership with Sberbank
- Own delivery was launched in early 2016. Now offered in **18 cities** and accounting for **>40% of orders**, up **4.2x YoY in 2Q**. Courier fleet is to be used for last mile delivery of e-commerce verticals in the future
- In 2018 DC signed partnerships with 3 major QSRs: McDonald's, KFC and BK
- DC works with **>10,500 restaurants in 120+ cities**
- Partnership with Sberbank provides O2O business incl DC with up to **\$800mn in additional development capital**, with **post-money valuation of up to \$1.7bn**



DC continues to deliver ~100% YoY revenue growth

YoY growth, %

Source: Internal data Q1-18 Q2-18 Q3-18 Q4-18 Q1-19 Q2-19

DC holds partnerships with top-3 QSR chains in Russia

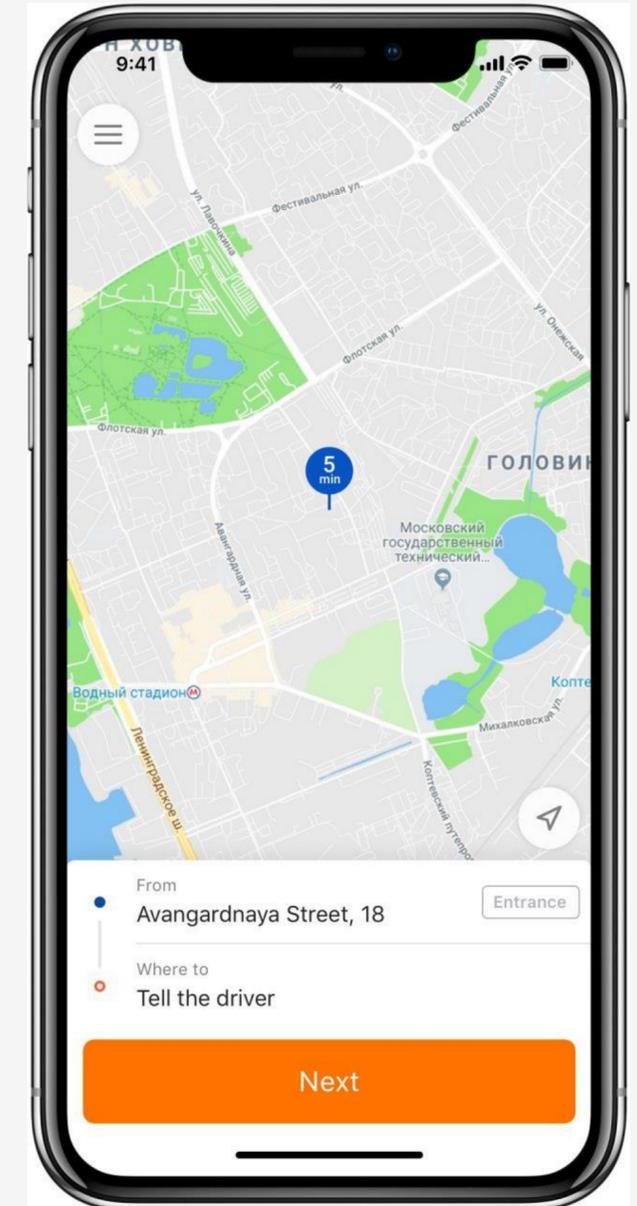
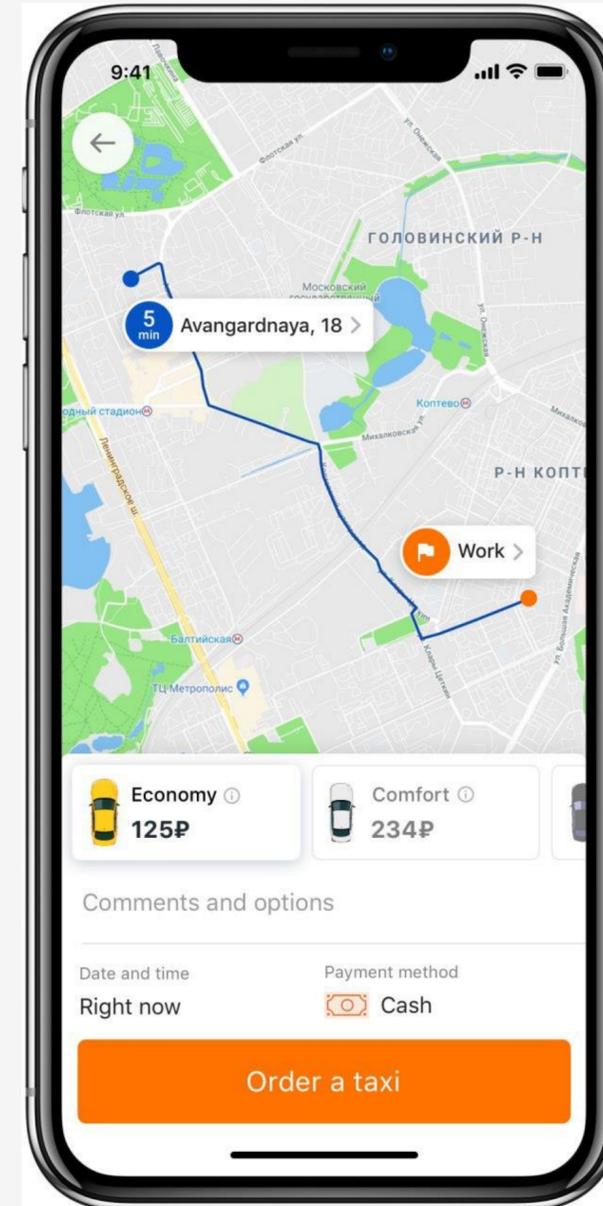




Citymobil – part of O2O partnership with Sberbank



- In 2018 the Co received investments from MRG in exchange for a minority stake
- Within 6 months it became #2 player in the most competitive Moscow market with the help of MRG's strong marketing support and expertise, access to MRG Big Data, assistance from internal AI/ML team and other proprietary technologies
- Reached >20% share of Moscow market by December 2018 vs 14% as of 1H 2018
- Rides grew 5x YoY as of 2Q19, following 16x increase in 2018
- Entered Smara, Togliatti in 1H with broader regional rollout planned for 2H19
- Stake in Citymobil is being transferred to the O2O JV with Sberbank in order to maximize growth and regional expansion as well as extract maximum synergies from food delivery given the combination with DC. MRG holds 50% stake in the JV

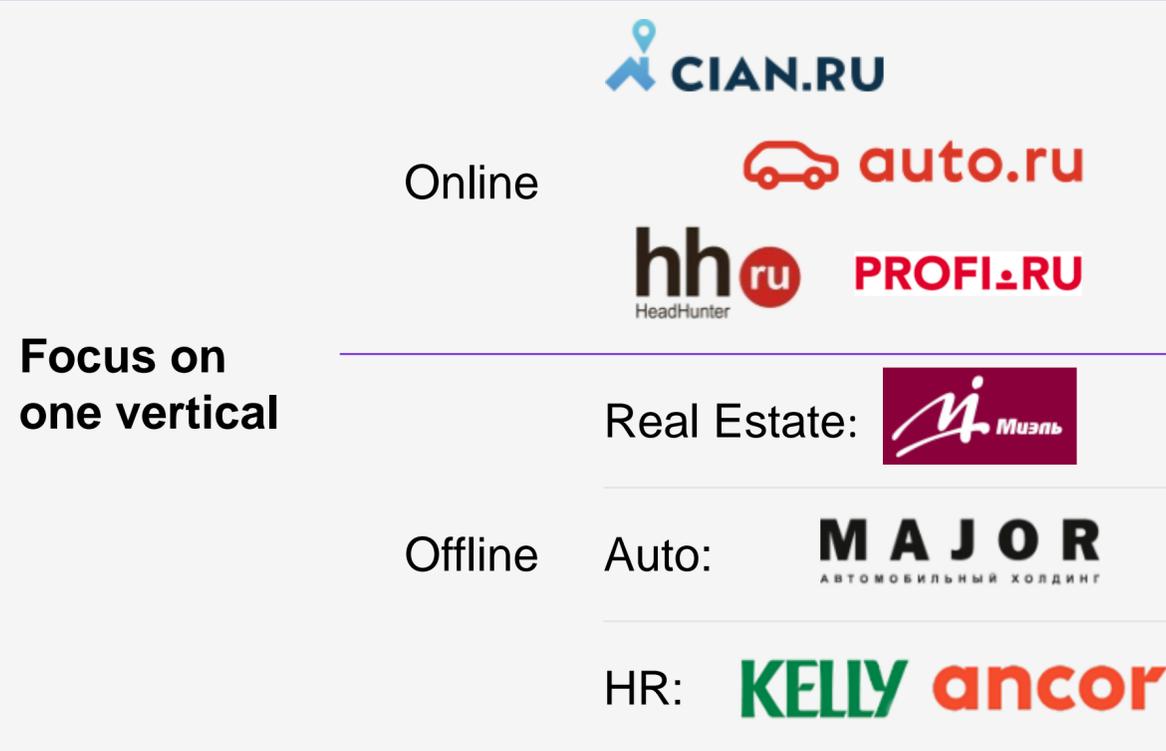




Youla

Leading multi-vertical online-classified business

Competitive landscape

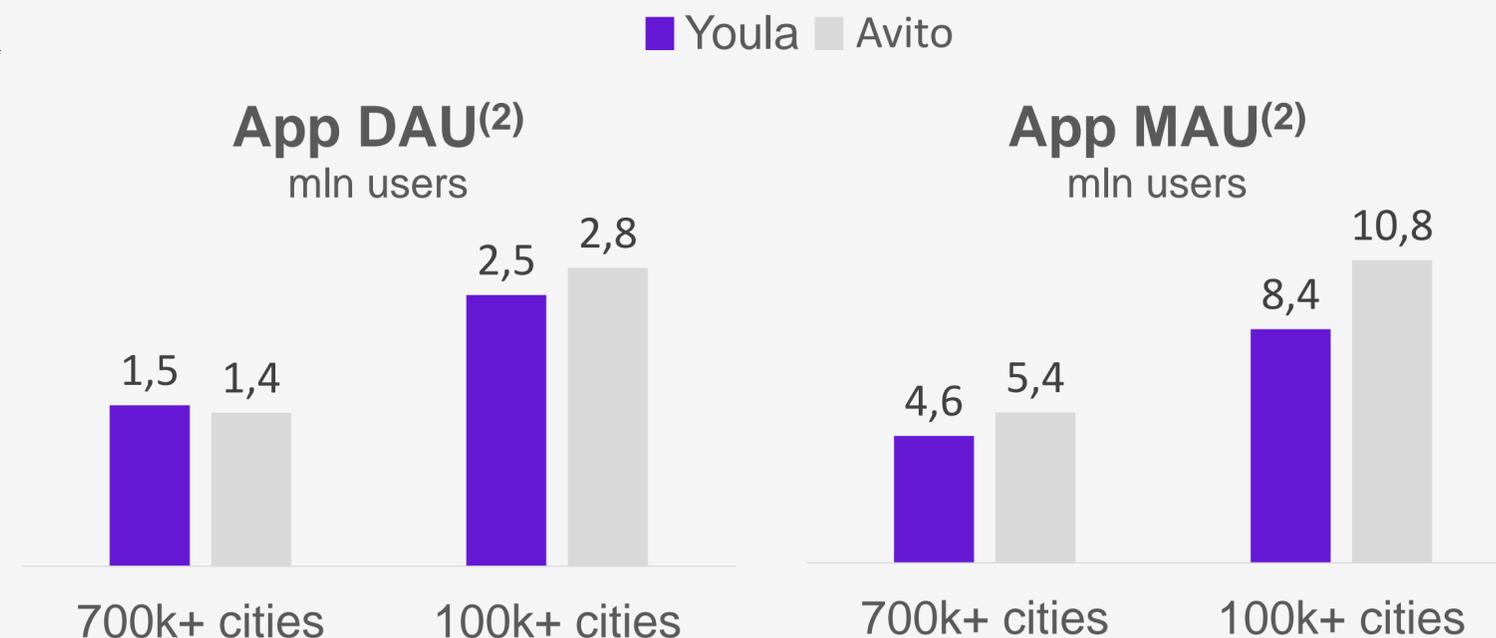


Multi-vertical platform



Comparison with the closest competitor

(the World's #2 most visited classified⁽¹⁾)



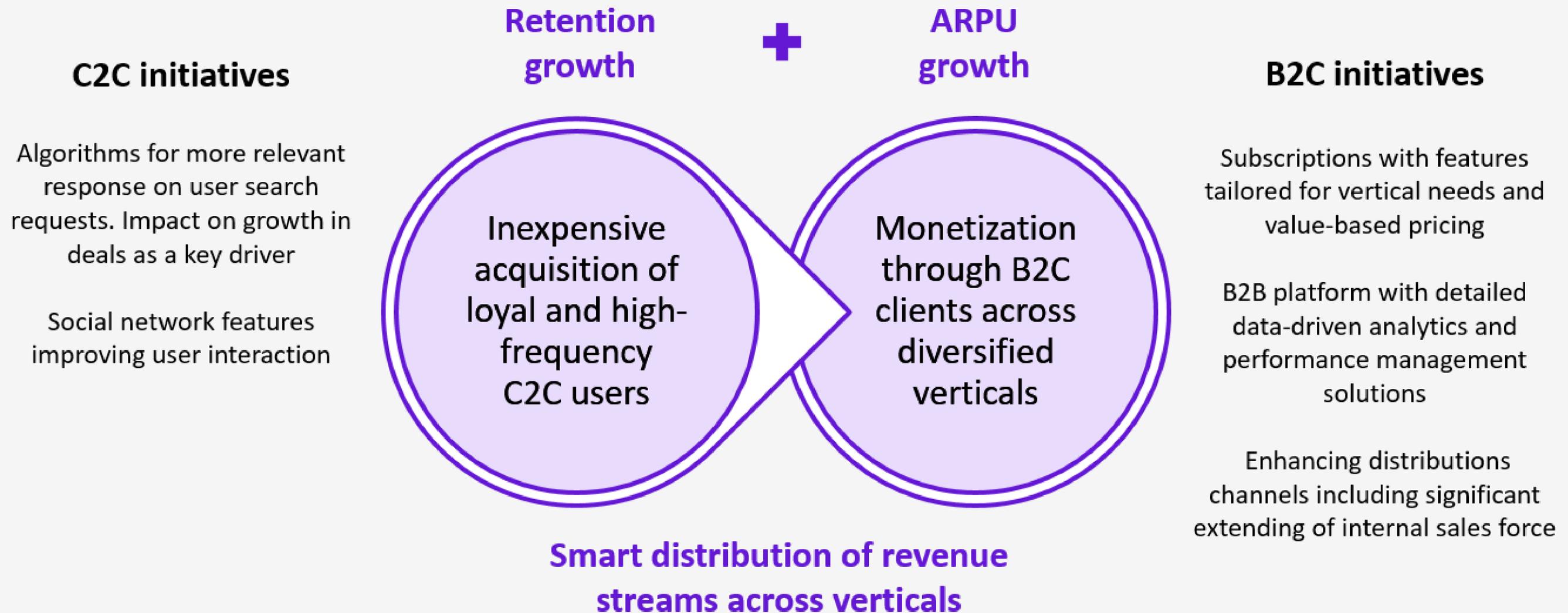
	youla	Avito
AppStore app rating ⁽³⁾	4.8	3.7
GooglePlay app rating ⁽³⁾	4.7	4.5

Sources: 1) 2018 Classified Intelligence Report by AIM Group
 2) Mediascope, cities with population of 700k+ and 100k+; average over Q1'19
 3) Youla analysis as of 2Q'19 based App stores ratings



Youla

Exploiting advantages of the horizontal model





Youla

Rapidly growing classified in Russia

- Launched at the end of 2015, Youla reached 27m users in MAU by Mar'19
- First monetization tests started at the end of 2017 and in 2018 revenue surpassed RUB 1bn with a target to reach around RUB 2bn in revenues in 2019
- Q1 2019 revenue was up 2.7x Y-o-Y to RUB 384m. Growth continued in Q2 2019 with revenue reaching RUB 455mn (+1.9x Y-o-Y)

27m users

Mar'19 MAU

**~2x growth
over 2 years**

RUB 1bn+

in Revenue over the 1st year
of monetization or
just 3 years after launch

50%+

EBITDA margin potential
with high conversion to FCF

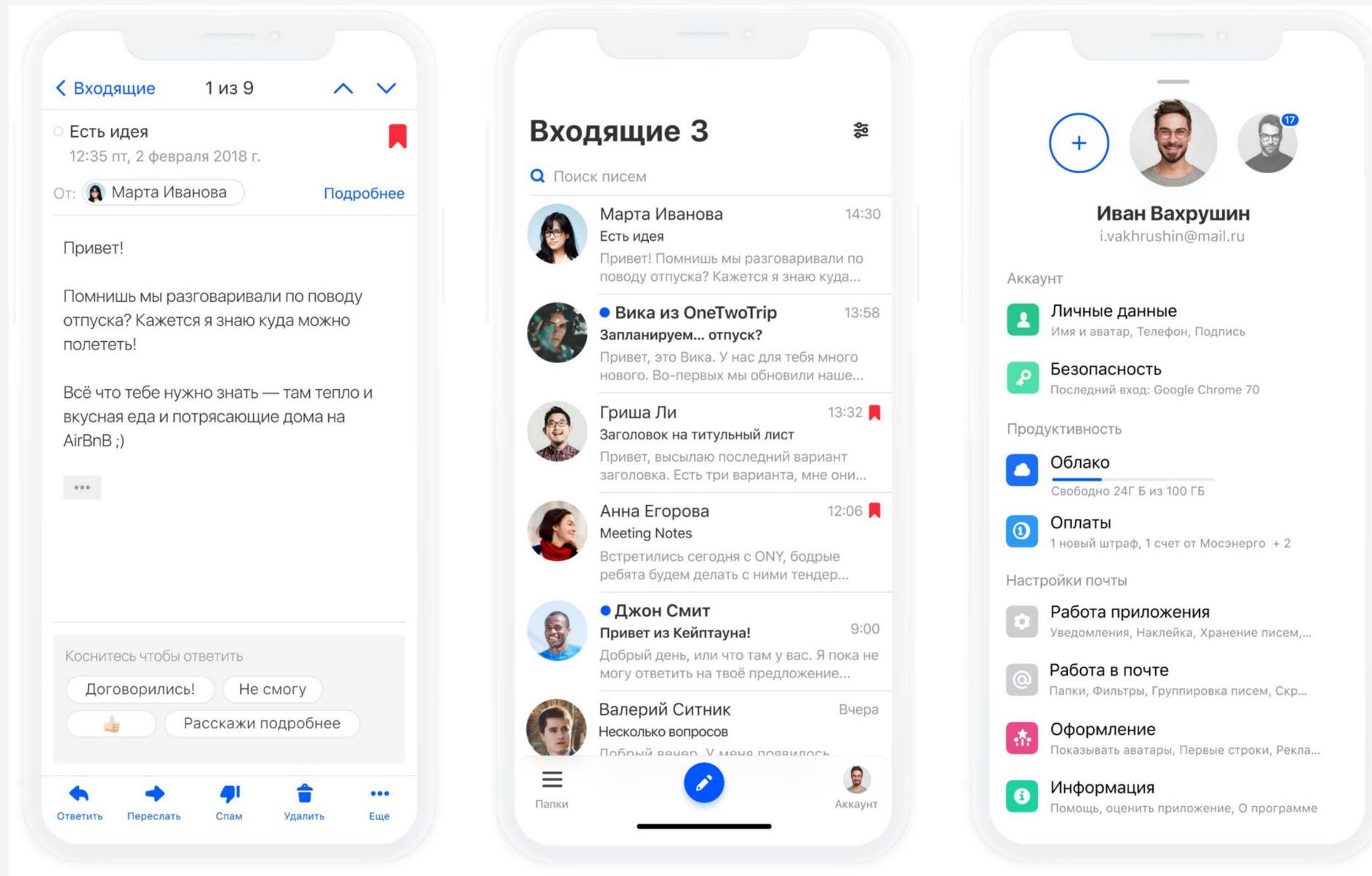
Email

Mail.ru – email service

- **#1 email service in Russia**, with ~27mn MAU (Desktop + Mobile, April) vs ~19mn for Gmail or ~17mn for Yandex Mail. DAU was +7% YoY in April to 12.2mn incl +39% for mobile (to 6.54mn)
- **~103M active accounts**

Strategy centered around key modern user requirements:

- Transactional messages categorization + pay button inside the message + order grouping by order ID
- More value-added services incl C2C money transfers, mobile top ups, payment of fines/gas debt, behavior based recommendations around subscriptions, smart cards for emails with event information with options to add to calendar or search for address. Testing “call a taxi” option
- Rising focus on data privacy and efficient access through ongoing shift away from passwords towards rotating sms login (launched as optional across 20% of users), enabled security checkup for all web users
- Completely redesigned Android and IOS applications as of the end of 1H
- Updated “Octavius” web interface to match new “while & clean” app style



Big Data and ML

Leading solutions implemented within MRG as well as accessible for 3rd parties



Predictive analytics solutions for business

Sophisticated predictive models, recommendations systems, segmentation and personalization tools based on MRG Big Data and proprietary technologies



Cloud solutions for business

Emerging player building cloud infrastructure and data storage as well as Big Data as a service, Backup as a service and GPU-based computing in the cloud for RU market



Data base management solution

Proprietary in-memory Data Base management solution with performance benchmarks* beating global analogs. Originally developed for internal MRG needs (used in 60%+ MRG products)



Face and objects recognition solution

Technology focused on recognition of any objects, faces, scenes within photo/video stream using AI and ML as well as documents stream recognition

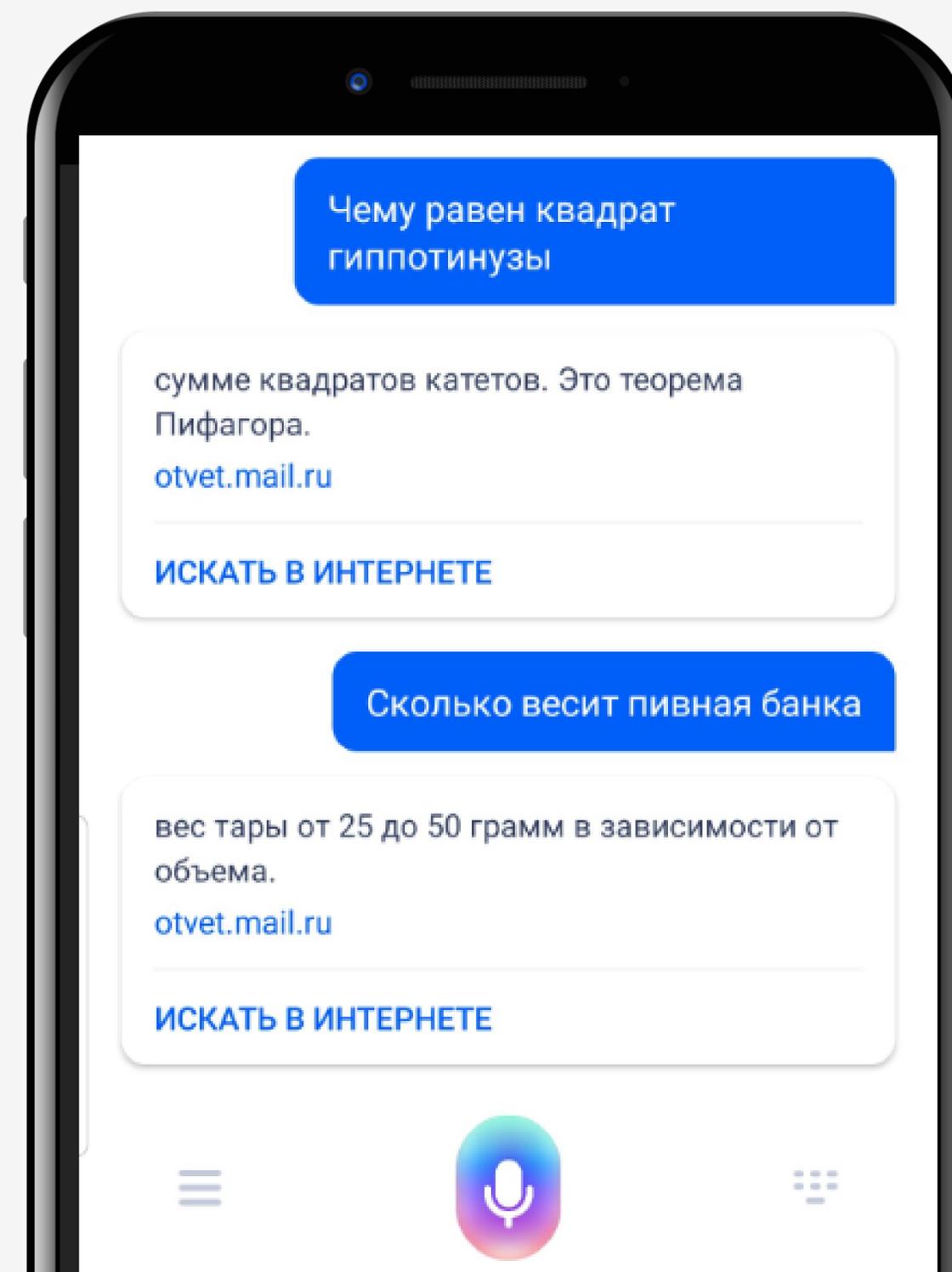
MCS - International recognition achieved

- MCS became a certified member of Cloud Native Computing Foundation (CNCF) and is now the only Russian holder of Certified Kubernetes – Hosted certification
- Expanded the range of PaaS services
- Entered the Enterprise market of storage for business analytics and log management



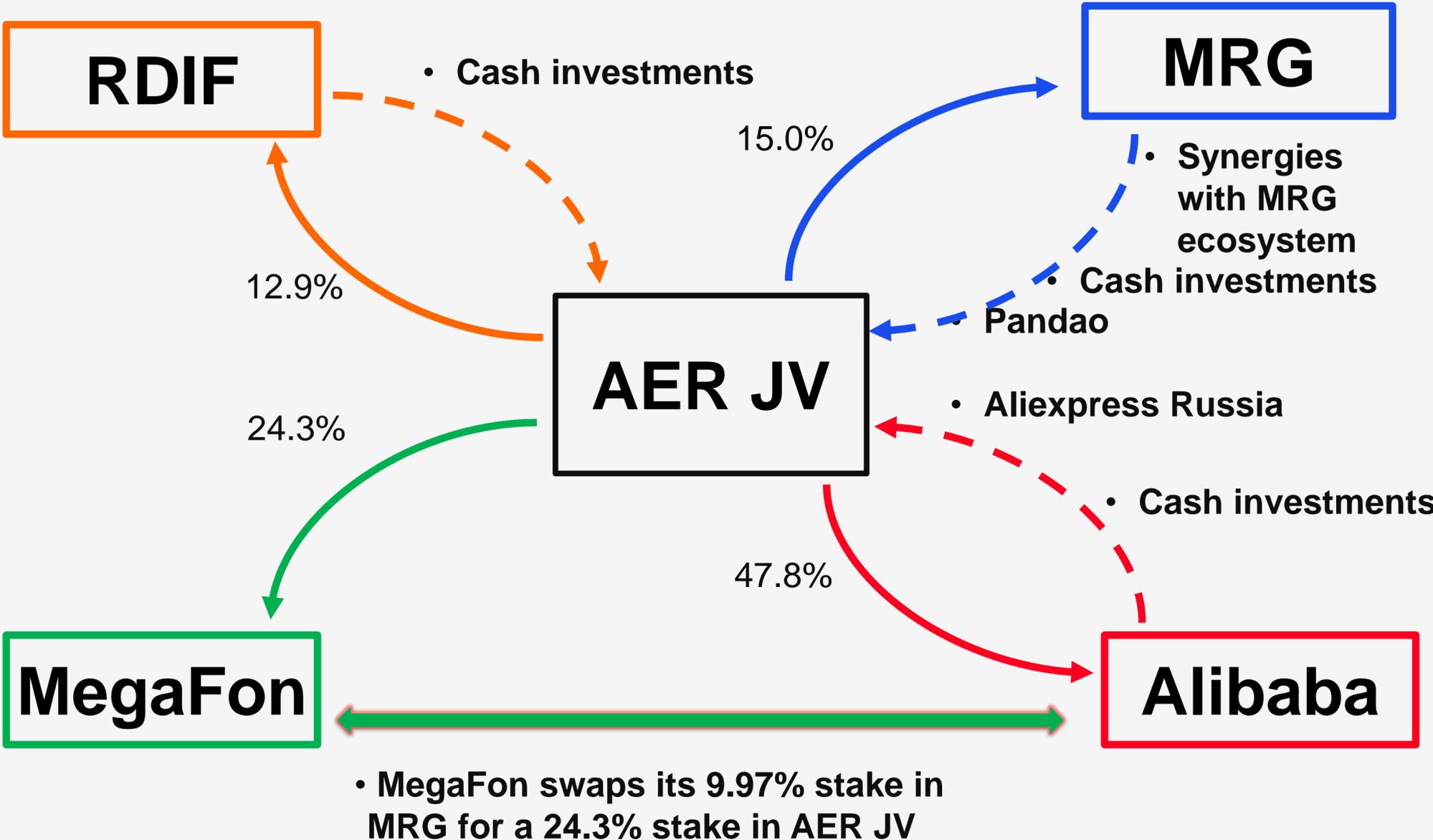
MRG Tech Lab & Marusia

- We are putting more resources behind our initiatives in **new technologies** especially in areas of AI, speech and visual recognition, including implementation of those for voice powered features and products
- For this we created **MRG Tech Lab**, which includes teams from various units inside the Group.
- This year we don't expect these projects to have any material revenues and MRG Tech Lab will have a cost of between RUB1-1.5bn (included into FY 2019 EBITDA guidance)
- First major results of MRG Tech Lab was the launch of **Marusia virtual voice Assistant** (~\$2mn development cost)
- During beta test period VA Marusia can search for information (answer questions, show current weather, find movie tickets etc), help with routine tasks (calculate, turn on your music, find tickets or create simple reminders) and socialize with user (make toasts or jokes, make small-talk, play games and entertain kids with fairytales and riddles)
- **Marusia is expected to be synergetic with MRG assets.** Unique level of access to existing services will provide it with access to the largest content source across Russian web (unique integration with social networks VK & OK (with largest number of paying music subscribers), functional services (ordering food (Delivery Club), mobility services (CityMobil (taxi)) and other features



AER JV deal creates a strong leader in Russian e-commerce

All definitive agreements have been signed. Dmitry Sergeev, MRG Deputy CEO, has been nominated as Co-CEO of AER, which is expected to launch operations in the coming months



N1 e-commerce business in Russia

Source: Internal data, based on economic rights with RDIF call option exercised

E-commerce experience to be integrated in the key activities inside social platforms

- **Integrate shopping experience in the social context** by involving users into engaging mechanics
- **Promote social shopping** as a lifestyle enhancing experience
- **Make influencers and communities our partners** and give them tools to engage users in shopping by content creation
- **Establish entry points 2-3 clicks from anywhere** inside the social networks
- **Make user journey as native as possible** and minimize friction in the shopping process
- **Use social data, content interaction data, user social graph and ad reaction data to enrich user profile**
- **Provide integrations for merchants** and cover all businesses on the social platforms with easy-to-use tools to **increase their sales**
- **Final stage of development and ongoing tests of AER Mini App within VK platform**

Q2 & H1 2019 revenue and profitability update

Revenue growth accelerated in 2Q, including in Advertising as well as MMO Games

EBITDA margin stood at 36% for the Group in 2Q, showing a marked improvement QoQ

Q2 and H1 2019 Revenue and profitability review

RUB MN	Q2 2018 actual	Q2 2019 actual	Y-o-Y growth, %	H1 2018 actual	H1 2019 actual	Y-o-Y growth, %
Revenue	16,313	20,046	22.9%	32,240	39,464	22.4%
Online advertising	6,870	8,417	22.5%	13,359	16,244	21.6%
MMO games	5,325	6,858	28.8%	10,445	13,289	27.2%
Community IVAS	3,626	3,898	7.5%	7,520	8,099	7.7%
Other revenue	491	873	77.7%	916	1,832	100.0%
EBITDA	5,938	7,220	21.6%	11,977	12,747	6.4%
<i>EBITDA margin, %</i>	36.4%	36.0%	-0.4%	37.1%	32.3%	-4.8%
Net profit	1,885	3,240	71.8%	5,350	6,118	14.4%
<i>Net profit margin, %</i>	11.6%	16.2%	4.6%	16.6%	15.5%	-1.1%
Capex	-1,159	-1,326	14.4%	-2,605	-3,079	18.2%
<i>% of revenue</i>	-7.1%	-6.6%	0.5%	-8.1%	-7.8%	0.3%

Note 1: Pandao, ESForce and Delivery Club are excluded from all numbers on a pro-forma basis

Note 2: Net profit includes the impairment of Skyforge in the amount of RUB 630M in Q2 2019 and impairment of Armored Warfare in the amount of RUB 1,694m in Q2 2018

Note 3: H1 2019 actual results include one-off VAT charge of RUB 295mn recorded in other operating expenses (above EBITDA) in Q1

Q2 2019 operating segments performance

Q2 2019 operating segments performance					
RUB MM	Communications and Social	Games	New initiatives	Eliminations	Group
Segment revenue					
External revenue	11,598	7,487	960		20,405
Intersegment revenue	58	57	1	(116)	
Total segment revenue	11,656	7,544	961	(116)	20,045
<i>Y-o-Y growth</i>	<i>13.0%</i>	<i>33.7%</i>	<i>147.0%</i>	<i>198.9%</i>	<i>22.9%</i>
Total operating expenses*	5,349	6,125	1,467	(165)	12,825
Segment EBITDA	6,307	1,419	(506)		7,220
<i>EBITDA margin</i>	<i>54.1%</i>	<i>18.8%</i>	<i>-52.7%</i>		<i>36.0%</i>
Net profit					3,240
<i>Net profitability</i>					<i>16.2%</i>

Note 1: Pandao, ESforce and Delivery Club are excluded from all numbers on a pro-forma basis

Note 2: Total operating expenses include Group corporate expenses allocated to the respective segment

Source: Internal data

H1 2019 operating segments performance

H1 2019 operating segments performance					
RUB MM	Communications and Social	Games	New initiatives	Eliminations	Group
Segment revenue					
External revenue	23,103	14,427	1,933		39,463
Intersegmental revenue	68	77	1	(146)	
Total segment revenue	23,171	14,504	1,934	(146)	39,464
<i>Y-o-Y growth</i>	<i>12.3%</i>	<i>31.9%</i>	<i>172.6%</i>	<i>54.3%</i>	<i>22.4%</i>
Total operating expenses*	10,339	13,333	3,191	(146)	26,716
Segment EBITDA	12,832	1,171	(1,256)	0	12,747
<i>EBITDA margin</i>	<i>55.4%</i>	<i>8.1%</i>	<i>-64.9%</i>		<i>32.3%</i>
Net profit					6,117
<i>Net profitability</i>					<i>15.5%</i>

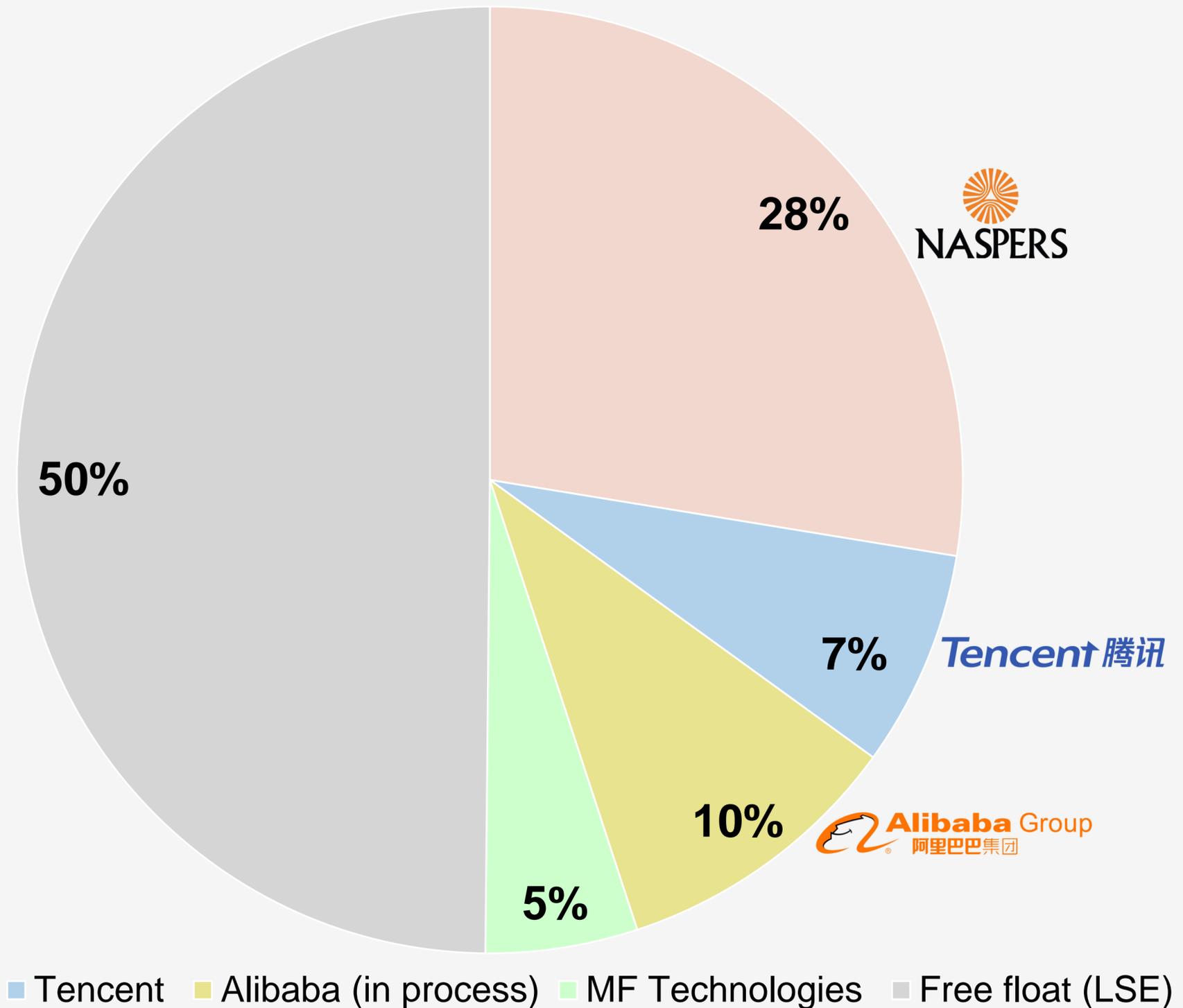
Note 1: Pandao, ESforce and Delivery Club are excluded from all numbers on a pro-forma basis

Note 2: Total operating expenses include Group corporate expenses allocated to the respective segment

Source: Internal data

MRG is backed by leading global internet companies

- Mail.ru is the largest internet business in Russia with c.50% of Mail.ru GDRs listed on LSE
- Blue-chip shareholder base includes Naspers, Tencent and Alibaba (in process)



Mail.ru shareholder structure

	 NASPERS	 МЕГАФОН	 Tencent 腾讯	MFT	Freefloat
Economic	27.6%	10%	7.4%	5.2%	49.8%
Voting	12.2%	4.4%	3.3%	58%	22.1%

↑

MF shares to move to
AliBaba on closing of JV

↑

USM/MF votes (~54%) within MFT have
been delegated to CEO of Mail.ru Group
(Russia)

For further information please contact:

Tatiana Volochkovich

Mail.Ru Group, Director of Investor Relations

Office: +7-495-7250-6357 x 3434

Mobile: +7 905 594 6604

E-mail: ir@corp.mail.ru / t.volochkovich@corp.mail.ru



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