



Press Release

November 21, 2024

VK IPJSC (MOEX: VKCO, hereinafter referred to as "VK", or "the Company") releases operating results and segment information for Q3 and 9M 2024.

VK HIGHLIGHTS FOR Q3 AND 9M 2024

VK key financial results for 9M 2024

+21%

YoY

Revenue growth

+19%

YoY

Online advertising revenue growth

+27%

YoY

Online advertising revenue growth in the SME segment

+60%

YoY

VK Tech revenue growth

VK revenue for 9M 2024 increased by 21% YoY to RUB 109.6 bn.

- The main contributor to the growth was online advertising revenue, which increased by 19% YoY to RUB 65.9 bn.
- Revenue from online advertising in the small and medium enterprises (SME) segment increased by 27% YoY. Revenue from video advertising on VK platforms doubled.
- VK's non-advertising revenue grew by 25% YoY to RUB 43.8 bn.
- VK Tech remains the company's fastest growing segment, with a 60% YoY increase in its revenues for 9M 2024.

VK's Q3 2024 revenue grew by 19% YoY to RUB 39.4 bn.

VK key audience indicators for Q3 2024¹

76 mn

DAU

4.3 bn

Minutes per day, time spent

>95%

Monthly audience reach within the Russian internet segment

VK is the leader in terms of internet audience indicators in Russia:

- On average, a VK user engages with two of the company's products daily².
- In Q3 2024, the average daily audience (DAU) of VK services reached 76 mn users. The time spent indicator averaged 4.3 bn minutes per day.
- VK is actively working on the quality of interaction with users, ensuring stable growth of engagement and increasing audience loyalty, driving the continued growth of its consumer loyalty Net Promoter Score (NPS).

¹ Source: Mediascope, Q3 2024, Russia 0+, age 12+, desktop and mobile devices. Since January 1, 2024, Mediascope has been using a modified algorithm for tracking website user activity, which has affected VK's audience and time spent metrics, as well as all web resources in the Russian internet segment.

² Source: calculated based on Mediascope Cross Web data, September 2024, Russia 0+, age 12+, desktop and mobile devices.

Key performance indicators of VK video services for Q3 2024



2.6 bn

+48.5% YoY

VK Video, views
(excluding VK Clips)



2.5 bn

+2.6x YoY

VK Clips, views



30 mn

+20x YoY

VK Video, downloads

The development of the VK Video platform was a key focus for VK in Q3 2024. The company invested in product development of the service, increasing user engagement, implementing advanced technologies, creating exclusive content, and working with creators and bloggers.

Working with creators and bloggers:

- VK launched a new monetization program for VK Video creators;
- VK Video introduced a new tool for short vertical video creators. Users can link short clips to long videos and vice versa;
- More than 14,000 new creators started publishing videos on VK Video since the beginning of the year. One out of every two authors used the support program to switch from other platforms or create a channel from scratch.

Creating and promoting exclusive content:

- About 3,000 exclusive content videos were released on the VK Video platform;
- VK Video was the first in Russia to launch interactive content with famous bloggers;
- The platform premiered new season of the show "Kstati" ("By the Way"), comedy roast show "Bolshaya Prozharka" ("The Big Roast"), educational action show "Na Grani" ("On the Edge"), and documentary project "Subkultura" ("Subcultures") with Sergey Minaev;
- Annual VK Video Super Cup football tournament was launched;
- VK Video users exclusively watched the new cup format of the Media Football League live.

Product updates and increased awareness:

- VK Video introduced new features and a redesign of the service: an updated subscription section, the "Watch Later" section, and notification settings;
- The VK Video app became available for the iPad as well as Android tablet users;
- A large-scale national advertising campaign and an image campaign for VK Video's children's content were implemented.

Implementing advanced technologies and developing infrastructure:

- VK created the largest video content library in Russia by combining the content from VK Video, Dzen, and OK.Video platforms in a single storage of its own design – one-cloud. Its volume exceeded 1.5 EB, or more than 1.5 bn GB;
- VK expanded its CDN content delivery network due to the growth of VK Video. More than 150 CDN nodes with the company's cache servers now cover all Russia's federal districts, as well as CIS countries;
- VK Video implemented new AI algorithms for automatic speech recognition and subtitle generation in videos, shows, clips, and other content.
- VK Video, VKontakte, and OK became the first Russian services to have support for the new AV1 video codec.

In Q3 2024, VK Video became the second most popular video platform in Russia, according to Mediascope³. According to a study by VCIOM (Russian Public Opinion Research Center), 59% of users in the Russian internet segment actively used VK Video daily. Russians most often used the VK Video app to watch videos on their smartphones⁴.

³ Source: Mediascope Cross Web data, Russia 0+, age 12+, desktop and mobile devices. Data excluding SmartTV, Q3 2024.

⁴ Source: [research](#) conducted by VCIOM (Russian Public Opinion Research Center) from September 20 to 24, 2024. 2,000 Russians aged 14 and over took part in the survey.

FINANCIAL RESULTS OF OPERATING SEGMENTS FOR 9M 2024

Segment performance for 9M 2024

| RUB bn, unless otherwise stated | Social platforms and media content | EdTech | VK Tech | Ecosystem services and other business lines | Elimination of intragroup transactions and non-allocated costs | Group |
|------------------------------------|--|--------------|--------------|--|--|--------------|
| Revenue | 72.4 | 12.9 | 7.7 | 17.5 | (0.8) | 109.6 |
| <i>YoY</i> | <i>22.1%</i> | <i>15.4%</i> | <i>60.1%</i> | <i>14.5%</i> | – | <i>21.4%</i> |


- In 9M 2024, revenue of VK's key segment, Social platforms and media content, increased by 22.1% YoY to RUB 72.4 bn.
 - VKontakte social network revenue increased by 27% in 9M 2024. The average daily audience (DAU) of VKontakte in Russia in 9M 2024 increased by 3.4 mn, or by 6% YoY, reaching 56.9 mn users. The average monthly audience (MAU) of VKontakte in Russia increased by 4.6 mn, or by 6% YoY, to 88.3 mn users⁵.
 - The segment's revenue growth was driven by a 107% YoY increase in average daily views of VK Clips to 1.96 bn and a 31% YoY increase in average daily views of VK Video to 2.5 bn in 9M 2024, as well as a 27% YoY increase in the VK Music subscriber base as of the end of Q3 2024.
- In 9M 2024, the EdTech segment reported revenue growth of 15.4% YoY to RUB 12.9 bn. The growth was driven by demand for courses on the Skillbox holding and Uchi.ru educational platforms, as well as by the consolidation of online platforms Uchi.ru and Tetrika.
- In 9M 2024, the VK Tech segment reported revenue growth of 60.1% YoY to RUB 7.7 bn. The cloud services of the VK Cloud platform and the VK WorkSpace communication solutions were the main growth drivers of the segment's growth.
- In 9M 2024, revenue of the Ecosystem services and other business lines segment increased by 14.5% to RUB 17.5 bn, partly due to a 10% YoY growth in revenue from Mail.ru Email and Cloud Mail, as well as the impact of the acquisition of the YCLIENTS platform in December 2023. The segment also includes the VK Play gaming platform, the RuStore application store, and smart devices.


⁵Source: internal company data unless otherwise stated.

SOCIAL PLATFORMS AND MEDIA CONTENT SEGMENT

Audience performance of key segment assets in Q3 2024, Russia

 **88.1 mn**
+3.1 mn (+4% YoY)
 VKontakte, MAU

 **36 mn**
+500,000 (+1,5% YoY)
 Odnoklassniki, MAU

 **29 mn**
stable
 Dzen, DAU

Social platforms and media content segment performance

| RUB bn, unless otherwise stated | 9M 2024 | 9M 2023 | YoY |
|------------------------------------|-------------|-------------|--------------|
| Revenue | 72.4 | 59.3 | 22.1% |

Main projects: VKontakte, Odnoklassniki, Dzen, VK Music, VK Clips, VK Video, VK Messenger

In 9M 2024, revenue of the Social platforms and media content segment increased by 22.1% YoY and reached RUB 72.4 bn. Rising online advertising revenues were the main driver of the revenue growth. Meanwhile, the revenue growth of its largest asset, the VKontakte social network, reached 27% YoY.

- In Q3 2024, the average **VKontakte** monthly audience in Russia grew by 3.1 mn, or by 4% YoY, to 88.1 mn users. The average daily audience in Russia grew by 2.6 mn, or by 5% YoY, to 56.5 mn users in Q3 2024. In Q3 2024, VKontakte showed an average monthly reach of 87% of the Russian internet audience, with the daily reach amounting to 54% of the Russian internet audience⁶.

In Q3 2024, VKontakte updated its in-app navigation and footer design. Now users can pin sections based on machine learning, according to their personal priorities and interests.

In Q3 2024, the social network became the first platform where a new collaboration platform between creators and advertisers, VK AdBlogger, is available. The platform helps companies attract new clients and increase brand awareness, and assists creators in monetizing communities and receiving advertising requests from large companies.

- In Q3 2024, the average monthly audience of **Odnoklassniki (OK)** in Russia increased by 500,000 users, or by 1.5% YoY, to 36 mn users. The social network's audience continued to show high levels of activity on the platform – users sent 7.8 bn virtual gifts, 222 mn postcards, and 395 mn stickers in Q3 2024.

OK continued to support creators and develop the platform's content. In Q3 2024, six original OK shows were released on the social network.

OK developed a comfortable environment for its users. The privacy system for posting was updated. Messaging requests from non-friends were moved to a separate section, and a setting was added that prohibits non-friends or anyone within the social network to add a user to group chats. OK added a feature to refuse virtual gifts or to limit the circle of givers.

- In Q3 2024, the average daily audience of **Dzen** in Russia amounted to 29 mn users⁷. Dzen updated its corporate style, introducing a new logo and interface colors. An update was released with hundreds of new themed channels and a possibility to subscribe to them.
- In Q3 2024, the average daily views of **VK Video** (excluding VK Clips) reached 2.6 bn, up by 48.5% YoY. Since its official launch in September 2023, users have installed the VK Video app on mobile devices and Android TVs more than 30 mn times. At the end of Q3 2024, the total time viewers spent watching VK Video increased by 265% YoY. Viewers of the Smart TV app spent the most time watching of an average of 205 minutes per day.

⁶ Source: Mediascope, Q3 2024, Russia 0+, age 12+, desktop and mobile devices.

⁷ Audience of dzen.ru and mobile applications. Source: Mediascope, Q3 2024, Russia 0+, age 12+, desktop and mobile devices.

VK Video launched a new monetization program for bloggers and content creators. The new monetization program works on a revenue share model: original content creators will receive 50-80% of the platform's revenue from ad impressions on their videos.

VK Video updated the design of the app and the web version. The "Continue Watching" feed has been moved to the main screen, and users can now add videos to the "Watch Later" list and manage notifications. The "Subscriptions" section has been redesigned to make it easier to find videos from favorite creators.

- In Q3 2024, average daily views of **VK Clips** increased 2.6-fold YoY to 2.5 bn. Time spent increased 4.2-fold, partly due to audience growth, an improved recommendation system, and product updates. The number of published clips increased 2.8-fold YoY, while the number of content creators rose by 47%. In Q3 2024, the platform introduced advertising promotion of clips. VK Clips now has a "Link Clip" button – creators can link short clips to long videos and vice versa, which allows them to create teasers for the main content and promote it further. Clip editor on Android was improved.
- In Q3 2024, the average monthly global audience of **VK Music** amounted to 42 mn people, with 38 mn users in Russia. Subscriber base growth at the end of Q3 2024 reached 27% YoY. VK Music continued to work on product improvements. A separate "Radio" tab was added to the VKontakte music section. A student subscription became available for college students and distance learning students.
- In Q3 2024, the average monthly global audience of **VK Dating** increased by 0.9 mn, or by 32% YoY, to 3.8 mn users, while the service's revenue for the same period grew by 66%. In Q3 2024, VK Dating continued to develop the preferences section, adding new popular profile compilations.
- In Q3 2024, the average monthly audience of **VK Messenger** in Russia increased by 7.8 mn, or by 12% YoY, to 73.6 mn users. At the end of Q3 2024, the standalone VK Messenger app was installed 48.7 mn times. In Q3 2024, VKontakte introduced a major redesign of the VK Messenger's web version, including chat folders, transcription of video messages, and thematic chat design. The speed of interaction with the service for users increased by 30% due to the transition to a new code base.

EDTECH SEGMENT

EdTech segment performance

| RUB bn, unless otherwise stated | 9M 2024 | 9M 2023 | YoY |
|------------------------------------|-------------|-------------|--------------|
| Revenue | 12.9 | 11.1 | 15.4% |

Main projects: Skillbox, Geekbrains, Skillfactory, Skillbox English, Lerna, Uchi.ru, Tetrika

In 9M 2024, revenue in the EdTech segment increased by 15.4% YoY, reaching RUB 12.9 bn, due to steady demand for courses of the Skillbox educational holding and Uchi.ru, as well as the consolidation of Uchi.ru and Tetrika.

- In 9M 2024, the sales of the **Skillbox** holding's educational products amounted to 132,000, including 42,000 sold in Q3 2024. In September 2024, the first group of the Skillbox Digital College began training in secondary vocational education programs. At the end of September, the total number of the College's students reached 385.
- In Q3 2024, the average monthly audience of **Uchi.ru** was 2.1 mn people. From October 2023 to September 2024, 13.8 mn students, 6.7 mn parents, and 821,000 teachers were active on Uchi.ru services. In the same period, the number of paying students increased by 5% YoY to 1 mn. Uchi.ru school-level educational content was included in the list of electronic educational resources of the Russian Ministry of Enlightenment.
- In Q3 2024, the sales in the tutoring segment of **Tetrika and Uchi.Doma** increased by 67% YoY to RUB 706 mn, the average check grew by 46% to RUB 38,900. The platform had 5,200 active teachers, representing a 62% YoY increase.

VK TECH SEGMENT

VK Tech segment performance

| RUB bn, unless otherwise stated | 9M 2024 | 9M 2023 | YoY |
|------------------------------------|------------|------------|--------------|
| Revenue | 7.7 | 4.8 | 60.1% |

Main projects: VK Cloud, VK WorkSpace communication services

In 9M 2024, **VK Tech's** revenue increased by 60.1% YoY, reaching RUB 7.7 bn. The key drivers of the revenue growth were the cloud services of **VK Cloud** platform with a 70.4% YoY growth and **VK WorkSpace** communication solutions with a 117.5% YoY revenue growth.

- In Q3 2024, the VK Cloud platform received a certificate from Russia's Federal Service for Technical and Export Control confirming its compliance with information security requirements.
- VK Data Platform, a universal platform for comprehensive work with large volumes of data, neural networks, and AI, was launched.
- VK WorkSpace launched a tool for fast and seamless transfer of companies' data from third-party services: cloud storage, email, calendar, and others. An online board and note service for teams were launched. An API was launched for backing up email, calendar, and online storage data.
- New features were added to the VK WorkSpace messenger, including the possibility to create and arrange folders, archive and pin chats, and manage notifications.

ECOSYSTEM SERVICES AND OTHER BUSINESS LINES SEGMENT

Ecosystem services and other business lines segment performance

| RUB bn, unless otherwise stated | 9M 2024 | 9M 2023 | YoY |
|------------------------------------|-------------|-------------|--------------|
| Revenue | 17.5 | 15.3 | 14.5% |

Main projects: Mail.ru Email, Cloud Mail, VK Capsula, VK Play, RuStore, VK Pay

In 9M 2024, revenue in the Ecosystem services and other business lines segment increased by 14.5% YoY to RUB 17.5 bn, partly due to a 10% YoY increase in revenue from Mail.ru Email and Cloud Mail and the impact of the acquisition of the YCLIENTS platform in December 2023. The segment also includes the RuStore app store and the VK Play gaming platform.

- In Q3 2024, the average monthly audience of **Mail.ru Email** in Russia amounted to 49 mn users, while the average daily audience was 16.2 mn⁸. In Q3 2024, Mail underwent a large-scale update: technological changes in products and visual style were a response to a new stage of development and demands of a young audience. Notes Mail now has a function for transferring data from the Notion service for managing projects and notes, and a new feature based on generative AI was introduced, which can generate a brief based on the notes swiftly.
- In Q3 2024, the average monthly audience of **Cloud Mail** in Russia amounted to 20.7 mn users, while the average daily audience was 2.5 mn⁹. In Q3 2024, revenue growth from the sale of Mail Space, a single subscription to Mail and Cloud, reached 55% YoY. Users uploaded 8.1 bn files to the Cloud, up by 8% YoY. A PDF editor was introduced into Cloud Mail, as well as new scenarios for AI-based stories generation.

The Mail team launched a new VK Tutoria educational platform and a beta version of the VK Board service, where users have access to the functionality of transferring and storing data from the foreign collaboration platform Miro.

⁸ Source: Mediascope, Q3 2024, Russia 0+, age 12+, desktop and mobile devices.

⁹ Source: Mediascope, Q3 2024, Russia 0+, age 12+, desktop and mobile devices.

- At the end of Q3 2024, **VK Play** had 47.4 mn registered accounts. In Q3 2024, the average monthly global audience of the project was 12.2 mn users, including 10.3 mn users in Russia. VK Play provided users with an access to more than 3,000 games in the form of activation keys in foreign services of a partner publisher. Topping up a Steam wallet with a minimum commission became available. In September, VK Play Live broadcast the Blitz Point 2 League final for Tanks Blitz with a record number of online viewers amounting to 78,000, and 53,000 subscribers to the channel per day.
- At the end of Q3 2024, the number of installations of the **RuStore** application store exceeded 80 mn¹⁰. RuStore continued to actively develop its catalog: by the end of Q3 2024, more than 45,000 apps and games were available to users. In September, a new section named "Kiosk" was launched with a showcase of digital goods for in-game purchases with a possibility to top up the balance. In 9M 2024, the number of applications from foreign developers to publish their apps in RuStore quadrupled YoY. The store published its first apps from Japan, South Korea, and Morocco. In July, RuStore opened registration for foreign individuals, which was previously available only for legal entities.
- In Q3 2024, users collectively spent 25% more time using the **Marusia** voice assistant in VK services than in Q3 2023, while total time spent using Marusia in VK Capsula devices increased by 26% YoY.

VK KEY CORPORATE DEVELOPMENTS IN Q3 2024

- VK IPJSC has set the date of commencement for the submission of applications for mandatory conversion of VK Company Limited Global Depositary Receipts issued in accordance with Regulation S (ISIN US5603172082) and Rule 144A (ISIN US5603171092) for September 25, 2024.

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Disclaimer

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Investing in securities may be restricted by applicable law, and therefore the investor should carefully and independently study the possibilities of investing in the company's shares, applicable restrictions, and tax consequences.

About VK

VK is one of the largest technology companies in Russia by user numbers. Its products help millions of people with their day-to-day needs online. More than 95% of the Russian internet audience use VK services, which enable people to keep in touch, play video games, master new skills, listen to music, watch and create video content, discover and buy goods and services, and fulfill wide range of other needs. The company provides a number of solutions for digitizing business processes, from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.

Since January 1, 2024, Mediascope has been using an adjusted algorithm for tracking user activity on websites, which has had an impact on VK audience metrics and time spent, as well as on all web-resources on the Russian internet segment.

¹⁰ Since the product's launch in May 2022.