

# VK Consolidated Annual Report 2023



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# General information





# VK in brief

[2-1], [2-6]

VK is the biggest Russian technology company in terms of user base. VK digital products help dozens of millions of users go on with their daily chores online: communication, education, entertainment, and personal growth. VK creates tools that help entrepreneurs develop and promote businesses on social networks and content platforms.



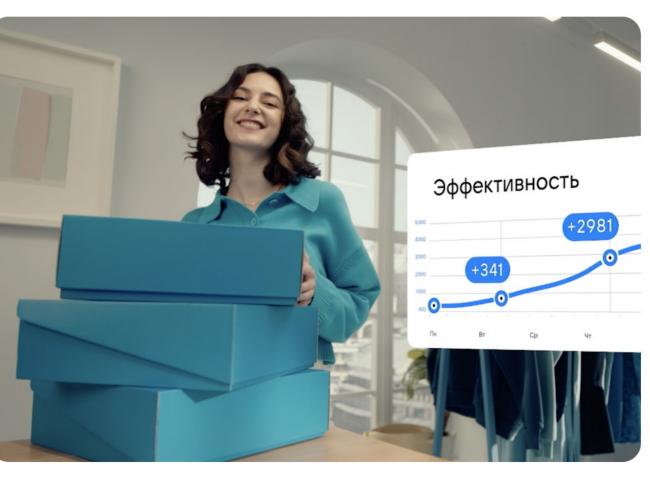


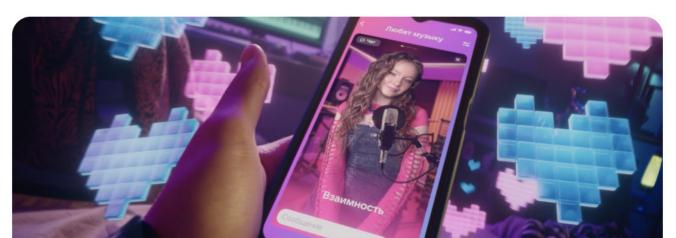
### 器 Team

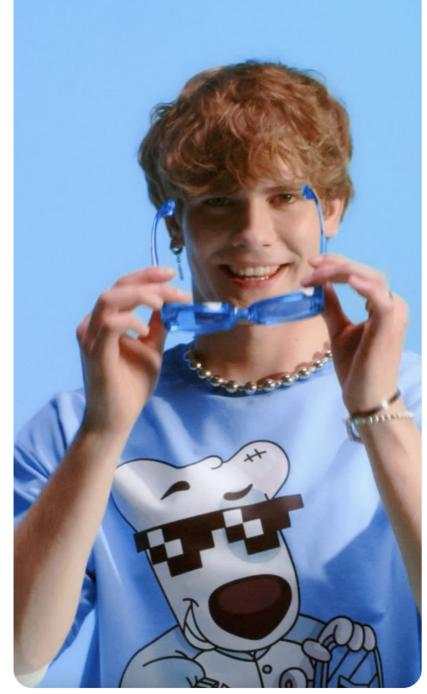
15,000 people<sup>1</sup> work at VK to create a welcoming and secure online environment for millions of people. The company recruits top talent and provides them with the chance to realise their potential in an amicable and safe atmosphere while working as a team to develop popular digital products and services.



VK's mission is to develop the best digital services possible that go above and beyond what users anticipate and evoke strong feelings.

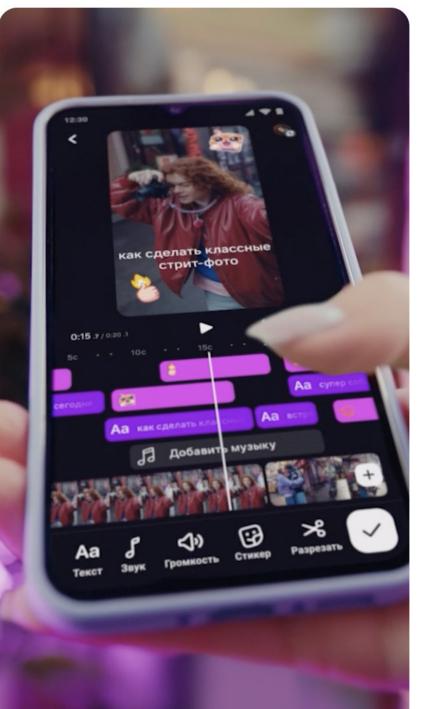


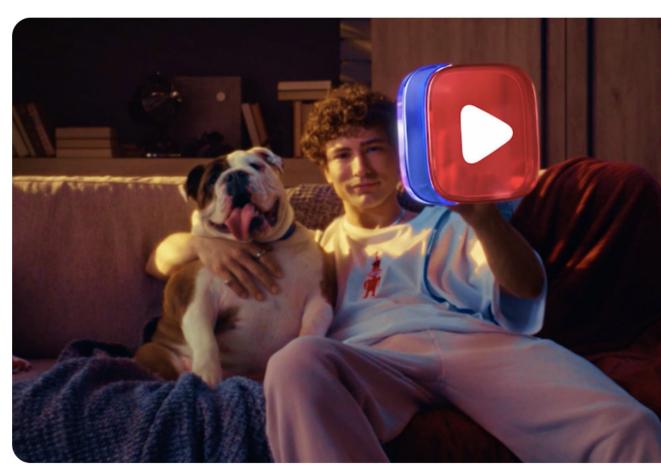


















# Key highlights of 2023

VK's operational highlights

76<sup>mn</sup> +13% YoY average daily audience

VK's financial highlights

RUB 133<sup>bn</sup> +36% YoY

revenue

VK's team growth

15,000<sub>+32% YoY</sub> employees

RUB 80<sup>bn</sup> +40% YoY online advertising revenue

3.4<sup>bn</sup>

minutes per day,

time spent<sup>1</sup>

63<sup>%</sup> +10 p.p. YoY

share of IT specialists and product developers

VK's ESG highlights VK's ESG highlights

RUB - bn

donated by VK Dobro users over the decade of the platform operation >150

ESG projects implemented

1 Time spent means average time users spend on VK's services.

5

>95%

average monthly audience reach within the Russian internet segment

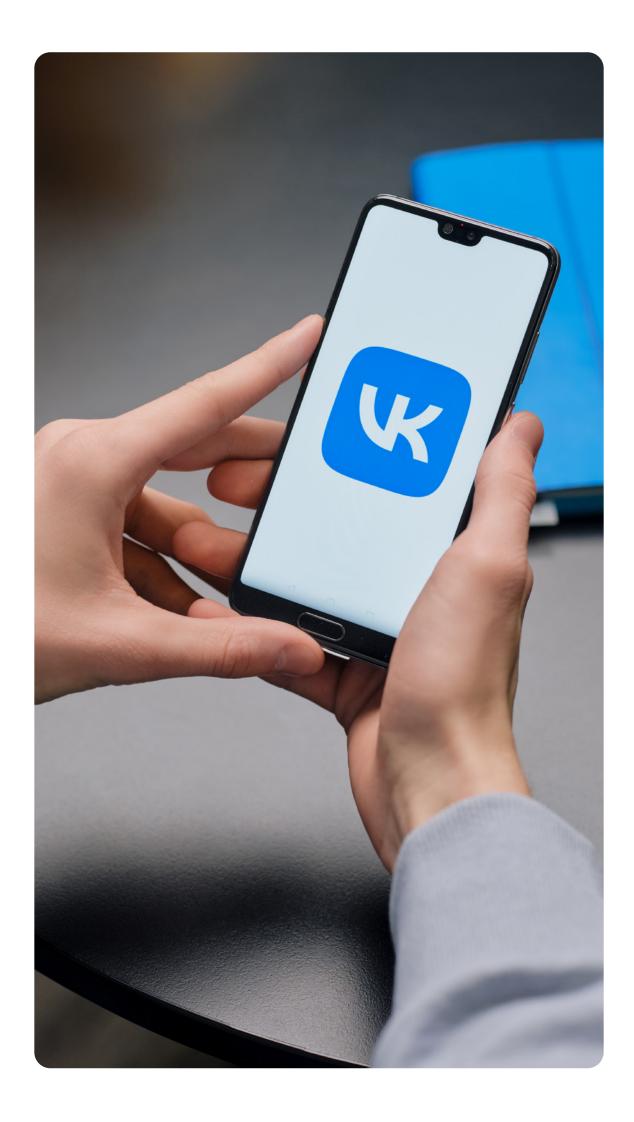
RUB 53<sup>bn</sup> +30% YoY

non-advertising revenue

+2 new offices opened in 2023 offices in 6 cities



of electric power saved in 2023







## Key corporate developments of 2023

### **17** February

### **UCHI.RU**

VK consolidated 100% of Uchi.ru, the largest online platform for schoolchildren.

### 15 March

### K

VK adopted the Sustainable Development Policy, integrating the Company's ESG principles.

### 30 March



VK announced the signing of binding documents to consolidate a 100% stake in Digital Education, the developer of Sferum.

### 28 June

K

VK acquired 100% of the shares of Zinger CJSC, which owns long-term lease rights to the Singer House in St Petersburg.

### 6 July

K

VK opened a new office in the Bashir Rameev IT Park in Kazan.

31 July



VK approved the VK Supplier Code of Conduct as a set of principles of business conduct mandatory for all counterparties.

6

### 28 August

### тетрика.

VK announced the signing of a deal to increase its stake in the Tetrika online school to over 90% and plans to merge the Tetrika and Uchi.Doma services.

### 26 September

### K

VK completed the registration of its public holding parent company VK Company Limited as VK International Public Joint-Stock Company (VK IPJSC) in Russia.

### **19 October**

Mail.Ru Finance LLC, a subsidiary of VK, completed the placement of ZO25 series replacement bonds.

### 20 October



VK ordinary shares began trading on the Moscow Exchange under the ticker VKCO.

### 31 October

### K

VK acquired a 25% stake in Tochka JSC, that owns 100% of Tochka Bank, Russia's largest bank for small businesses.

### 8 December



VK opened an office in Belarus.

### 20 December

### K

VK announced the acquisition of a 100% stake in YCLIENTS Group, Russia's largest online appointment booking and business automation platform in the service sector.



# Key product updates of 2023

### January

### •••]•

 VK Music launched Podcasts section providing access to entertainment and scientific shows.

### February

w vkontakte ×o

- VKontakte rolled out a new account for payments to content creators.
- VK Play released the first major exclusive globally acclaimed Atomic Heart.

### March

### 8

- VK announced the exclusive release of new episodes of What Happened Next? on VK Video.
- OK launched the entertainment show OKed People.

### April



 VK Tech launched VK Cloud localised cloud platform in Kazakhstan.

### May



- VK launched VK Video Originals exclusive content line-up including such shows as LAB, By the Way, Session, and What Are We Doing, Where Are We Going?.
- Mail.ru Email unveiled new Notes service.

### June

### n

- VK launched OnePass, offering its users new tools for quick and convenient authentication without a password.
- RuStore entered the international IT market and enabled monetisation for foreign developers.

### July

### O

• VK introduced VK Dating standalone mobile app.

### August



- Skillbox launched Academica, an educational platform offering courses from universities and industry partners.
- Dzen updated its main page and launched a new monetisation system for content creators.

### September



- VK Music launched a section with audiobooks.
- OK released a major update of its newsfeed.
- VK announced the full-scale launch of VK Video standalone app.
- VK Tech introduced a unified partner programme for businesses.

### October



- VK Play released the VK Play Live app for Android TV.
- OK updated the Hobbies service.

### November

### **%**

 OK launched a neural network limiting unwanted encounters.

### December



 Skillbox announced plans to open Russia's first online college.

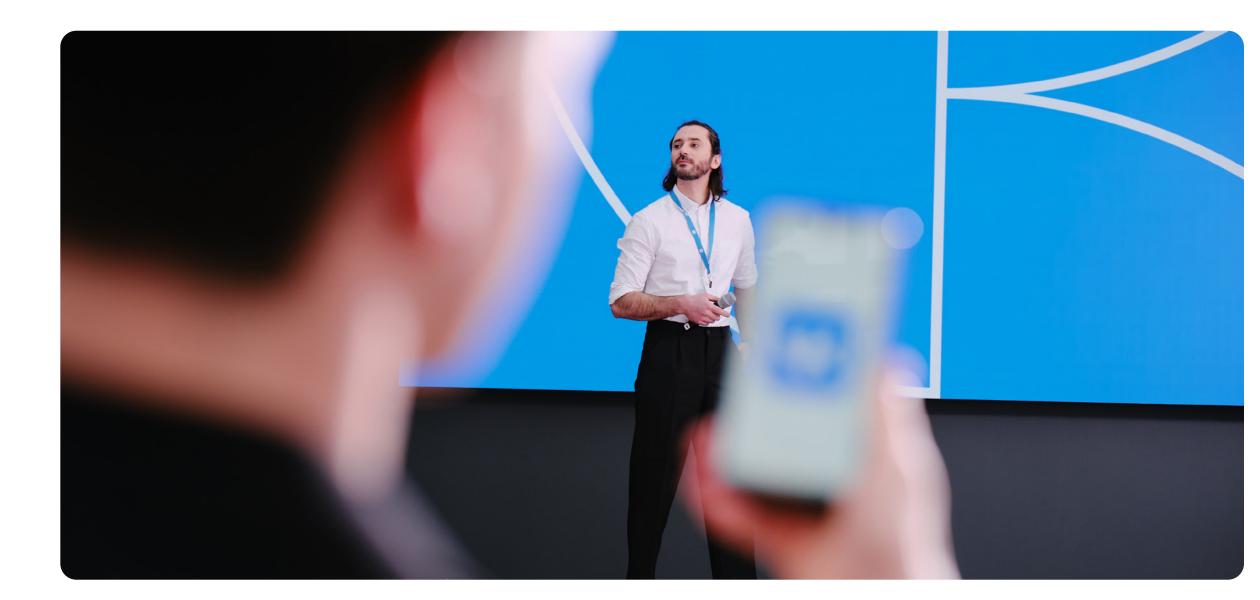




# VK business model and areas for development

VK develops the following segments: Social platforms and media content, Educational technologies (EdTech), Technologies for business (VK Tech), Ecosystem services and other business lines.

VK focuses on creating and developing digital services that help meet users' day-to-day needs. For business clients, VK develops products and services to digitalise business processes, ranging from online promotion to cloud services.





### Social platforms and media content

The segment combines services and products designed to develop social networks, create and manage content. The segment includes VKontakte and OK social networks, Dzen content platform, VK Clips and VK Video entertainment services, VK Music and VK Dating services and VK Messenger project.

VK is focused on improving the quality of recommendation technologies and product functionality, as well as creating and promoting exclusive content on its platforms.

### 

### **VK Tech**

The segment includes licensed software products and cloud services that cover key business needs ranging from large companies to medium and small enterprises in various sectors of the economy. The product portfolio is structured in four areas: communication and interaction; cloud technology, delelopment and data management solutions; financial and operational management; productivity and automation of HR functions.

VK will continue to develop B2B solutions which will allow any business to achieve its goals ranging from internet promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.



### EdTech

The segment includes online platforms that offer educational courses and programmes, such as GeekBrains, Skillbox, Skillfactory, Uchi.ru, and Tetrika.

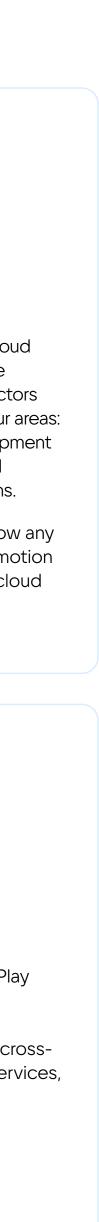
VK is strengthening its position in the field of children's education, as well as in the secondary and continuing professional education fields through the acquisition and in-house development of up-to-date products and solutions.



### Ecosystem services and other business lines

The segment include Mail.ru Email, Cloud Mail.ru, and products that VK launched in 2022 and continues to actively develop, namely RuStore app store and VK Play gaming platform. The segment also includes smart devices. The segment is in anactive investment phase.

VK invests in strengthening its ecosystem, developing crosscutting technologies to enhance synergy among key services, and creating and advancing new products.





# Results overview







# VKontakte is Russia's Nº 1 social network

VKontakte is a multipurpose platform for communication, creativity and business.

In 2023, VKontakte released more than 200 product and technology updates: the recommendation newsfeed was upgraded, new functions were added for videos and photos, and monetisation tools were simplified, including upgrades to the partner programme and the author's personal account.

**87.7**<sup>mn</sup> monthly users in Russia in Q4 2023

In VKontakte, it is possible to share content in all available formats

🗹 Texts	8 Clips
🖸 Videos	O Photos
<b>ot</b> Stories	🞜 Music
E Articles	

56.1<sup>mn</sup> daily users in Russia in Q4 2023

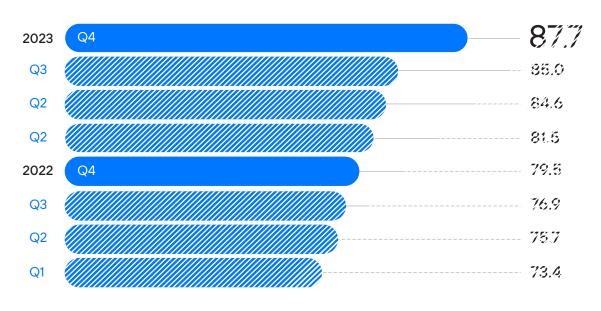
1.2<sup>bn</sup> views of VK Clips per day in Q4 2023 11



In 2023, VKontakte continued to solidify its leadership among Russian social networks. In Q4 2023, its average daily audience in Russia grew by 10% YoY and reached 56.1 mn users, with the average monthly audience adding 10% YoY to reach 87.7 mn users. VKontakte is visited monthly by 87% of the Russian internet audience, with 54% of users visiting the platform every day<sup>1</sup>.

+10<sup>%</sup> VKontakte's daily audience growth in Russia in Q4 2023

### Average monthly audience of VKontakte in Russia, mn people



+10%

Each month, the platform is used by 104.5<sup>1</sup> mn people from In 2023, the number of stories published by users all around the world. They view more than ten billion posts grew by 17% driven by the expansion of functionality per day. Advertising and user fees (IVAS<sup>2</sup>) are the main and recommendations. drivers of monetisation for VKontakte.

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### VKontakte feed and recommendations

VKontakte continued focusing on the ability to use the social network to earn money. The company rolled In 2023, the number of views on VKontakte feeds increased by 7% YoY as a result of better out a new personal account for payments for content recommendations and interaction with content creators. creators to directly receive money they earn using monetisation tools. To support self-employed content creators, VKontakte was paying them an increased fee for six months to compensate for the self-employment tax.

The company improved the VKontakte feed ranking with a focus on content consumption. The social network updated the For You recommendation newsfeed. The feed is based on machine learning algorithms that In May 2023, VKontakte updated its partner programme determine areas of interest for a specific user and analyse for communities, placing a strong emphasis on content to make sure it is relevant, up-to-date, trending, the support for engaging and evolving communities. and visually appealing. The feed got more engaging Content creators now receive expert advice on how and exciting formats of content. to create and promote content.

In 2023, the revenue of communities utilising VKontakte's VKontakte presented new tools to create and edit photos and posts. The service's improved photo editor now official monetisation mechanisms, including video offers more filters, and an updated photo and album monetisation, partner programme, VK Donut and other section contains new opportunities for uploading photos. tools, amounted to RUB 5.5 bn. The post editor had its design upgraded to prioritise fast In 2023, authors relying on VK Donut saw their content publishing.

104.5<sup>mn</sup> monthly users globally in Q4 2023

1 Source: Mediascope, Q4 2023, Russia 0+, age 12+, desktop and mobile devices.

2 Internet value-added services.

### Working with VKontakte authors

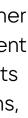
revenue grow by 98% YoY to more than RUB 813 mn. During the year, users were 56% more likely to resort to financial support for communities using VK Donut.



### Promoting exclusive content

In 2023, VKontakte was actively establishing partner ties with bloggers and supporting exclusive content on VK Video, with 1,500 unique shows and projects such as By the Way, TOP, Session, Crazy Inventions, and Heads & Heads.

C For more details, see the VK Video section.

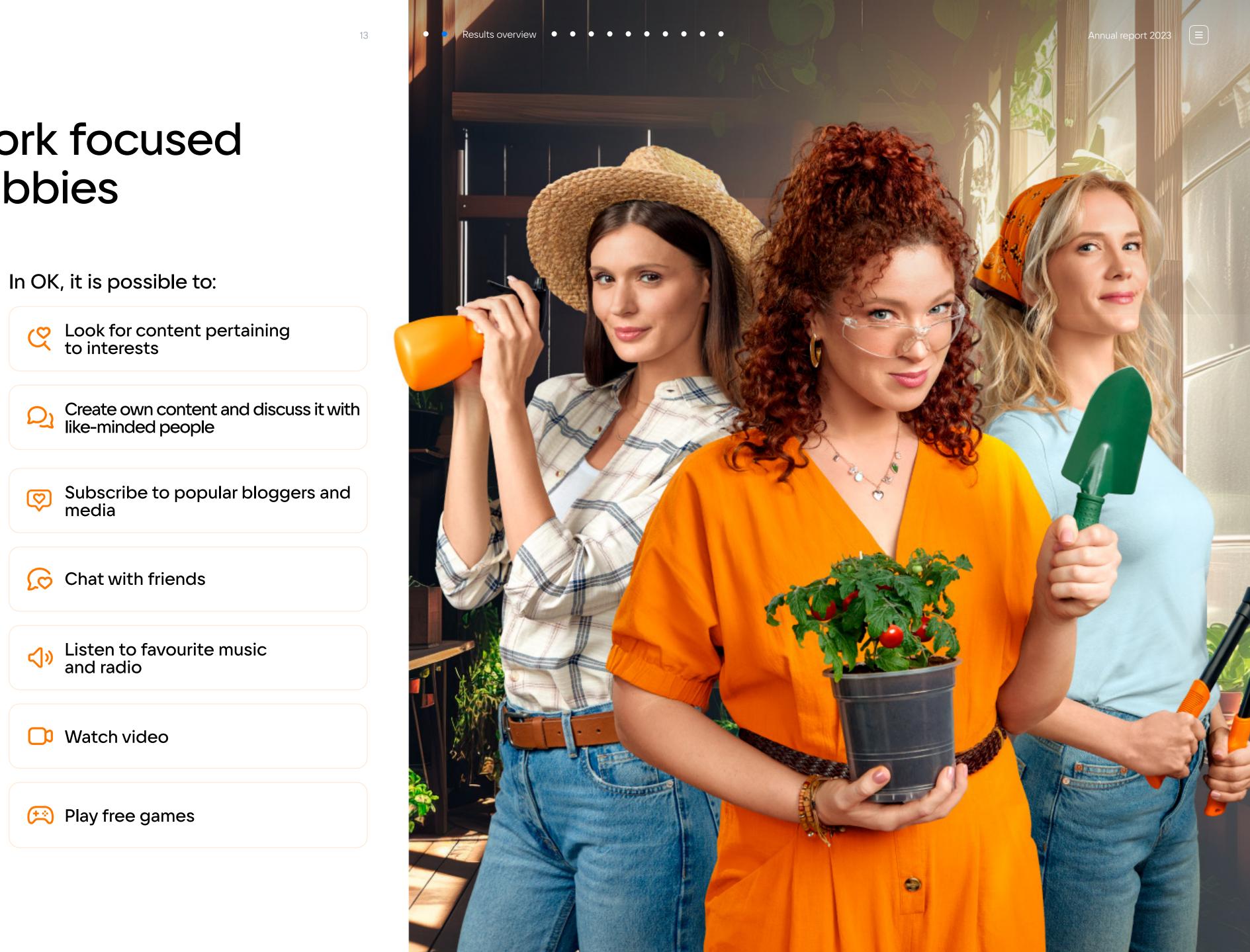


# OK is a social network focused on interests and hobbies

OK introduced an updated newsfeed and changed its algorithms to emphasise user-generated and unique content, enhanced the Hobbies service to add greater functionality, and launched entertainment shows dedicated to hobbies.

OK prioritised improving the environment for comfortable communication among users. The social network scrapped ratings under photos, updated privacy settings to enable users to make their content inaccessible by those not added to their friends list, restricted receipt of gifts from unknown user accounts, and trained the neural network to mitigate cyberstalking.

35<sup>mn</sup> monthly users in Russia in Q4 2023





OK is one of the leading social and content platforms in Russia, where users find interesting content on their hobbies and discuss it with like-minded people, communicate with friends and family, listen to music, play games and watch videos.

In Q4 2023, the average monthly audience of OK in Russia was 35 mn users.

### OK user activity

During 2023, OK users sent 42 bn gifts, 2.4 bn postcards, and almost two billion stickers.

42<sup>bn</sup>

virtual gifts sent by OK users in 2023

### Hobbies service in OK

OK introduced a major update for the Hobbies service, which emerged as a fully-fledged service. In addition to finding content related to their interests, users can also share relevant posts, ask questions, and connect with other fans in the new Q&A section and check out expert materials in the Knowledge Base section. OK improved navigation within the service, added new filters, and updated the content catalogue. Searching for posts about hobbies is now faster and more convenient.

### Content platform

3<sup>x rise</sup>

in revenue for OK content creators in 2023 vs 2022

OK continued to enhance its content and relations with hobby-related content creators. The platform engaged hundreds of new active bloggers, with their total number tripling during the year. The number of new groups with quality content in OK reached 95,000, increasing by 35% YoY. In 2023, the total revenue of OK's content creators from monetisation programmes tripled compared to 2022. This was driven among other things by more groups that offered content monetisation options: their number in 2023 increased by 86%. The top five monetisable content categories included cooking, travel, DIY content, education, and books. OK launched a project for bloggers to help showcase ideas for their own unique shows on the platform.

OK started developing original shows dedicated to the most popular hobbies. In 2023, the platform released 129 episodes of 13 entertainment shows on travel, pets, cooking, outdoor activities, and psychology. The number of views of OK's original shows exceeded 800 mn. Users viewing the shows delivered an increase in the total video watch time, time spent in newsfeed, and time spent on the platform in general.



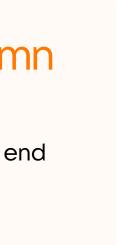
**13** original shows

129

show episodes released on the platform in 2023 >800

show views as of the end of 2023





## Dzen is a content platform that enables users to keep track of how the world is changing

Dzen offers opportunities to explore current trends, learn the latest news or read reviews of products and services. Publications by experts will help take a deeper dive and follow the newest releases across a range of formats.

In 2023, Dzen rolled out over 100 product updates.

### Main page relaunch and essential changes to the product

The platform updated the dzen.ru main page: user content is shown in the content feed as a showcase grouped by format. Following the dzen.ru main page update, the clickthroughs to the content on mobile devices grew by 20%, while the selective consumption of content in the video player accounted for 36%.

Now there is a Subscriptions section, the video player supports AirPlay and Chromecast, and videos can be played in the background. Dzen launched automatic captioning in videos and enabled users to delete their video viewing history.

Dzen launched a new monetisation system, with contributors now getting paid for the time users spend viewing their content. Monetisation proceeds can now be cashed out using the VK Pay service. VK also integrated the Pulse recommendation engine into Dzen, which increased the potentional audience of authors. Dzen opened up the opportunity for authors and businesses to promote their content on the platform. The new Promo in Dzen tool works on the basis of VK Ads technologies.

### More content authors and exclusive shows

The number of content pieces generated in 2023 rose by 40%. The text format was the most popular one among the contributors. In 2023, Dzen users spent 60% of the time reading texts while the remaining time was dedicated to watching videos.

>100 product updates

for users and authors

**32.3**<sup>mn</sup>

daily users in Russia in Q4 2023<sup>2</sup>

1 Дзен — Dzen.

Dzen was focused on developing exclusive content, and the platform released 15 new shows featuring popular bloggers and celebrities, from favourite game reviews to a creative lab music project. Overall, Dzen released more than 170 episodes.

exclusive shows by celebrities and popular bloggers

>170 show episodes

# Собилование и Будь в теме. Будь в Дзене

**36H** 

Бьюти Лаб 🔮 17К подлисчиков

Что носить этой

от модных экспертов

Тренды стиля и макияжа

A 425 D 120 A

весной?



# VK Video is Russian largest video service

VK Video integrates horizontal videos and broadcasts from the VK platforms, including videos from VKontakte and OK social networks. An extensive library of professional content and UGC<sup>1</sup> content is available to viewers on the platform. The VK Video is monetised through advertisement in videos and live broadcasts. In Q4 2023, the average global daily views of VK Video reached 2.3 bn, increasing by 18% YoY.

In September 2023, there was a full-scale launch of the VK Video mobile app. Since the official launch, the app was installed on mobile devices and Android TV 4.8 mn times. In December 2023, the total time the viewers spent watching VK Video increased by 38% YoY. Viewers of the Smart TV app had the longest viewing time of 125 minutes per day on average.

In 2023, VK Video released 1,500 exclusive shows and projects, including 95 new blogger shows and 25 original platformbased projects, such as late-night shows By the Way and TOP, a psychology and music Session show, an edutainment Crazy Inventions show, and a travel Heads & Heads show. VK Video launched a number of new technological solutions and optimised internal architecture of the app.

# $2.3^{\text{bn}}$

average global daily views of VK Video in Q4 2023

There are new navigation features, namely personalised recommendation feed, themed playlists, an advanced search tool, and a Trends section, as well as an improved functionality of the VK Video player.

VK Video became one of the key platforms for incorporating native ads into content: by the end of the year, native integrations in blogger materials and in the own shows exceeded one billion rubles since the launch of the standalone application in September 2023.





### VK Clips is the most popular Russian platform for short vertical videos

VK Clips daily audience exceeds 30.5 mn<sup>1</sup> viewers. The service is available as part of the VKontakte social network, and also as a standalone creator-focused app. VK Clips are monetised through targeted advertising between videos and native integration of brands.

In Q4 2023, average daily views of VK Clips increased by 47% YoY, to 1.2 bn. The time spent in VK Clips in Q4 2023 was up by 123% YoY, mainly driven by a new recommendation system.

**1.2**<sup>bn</sup>

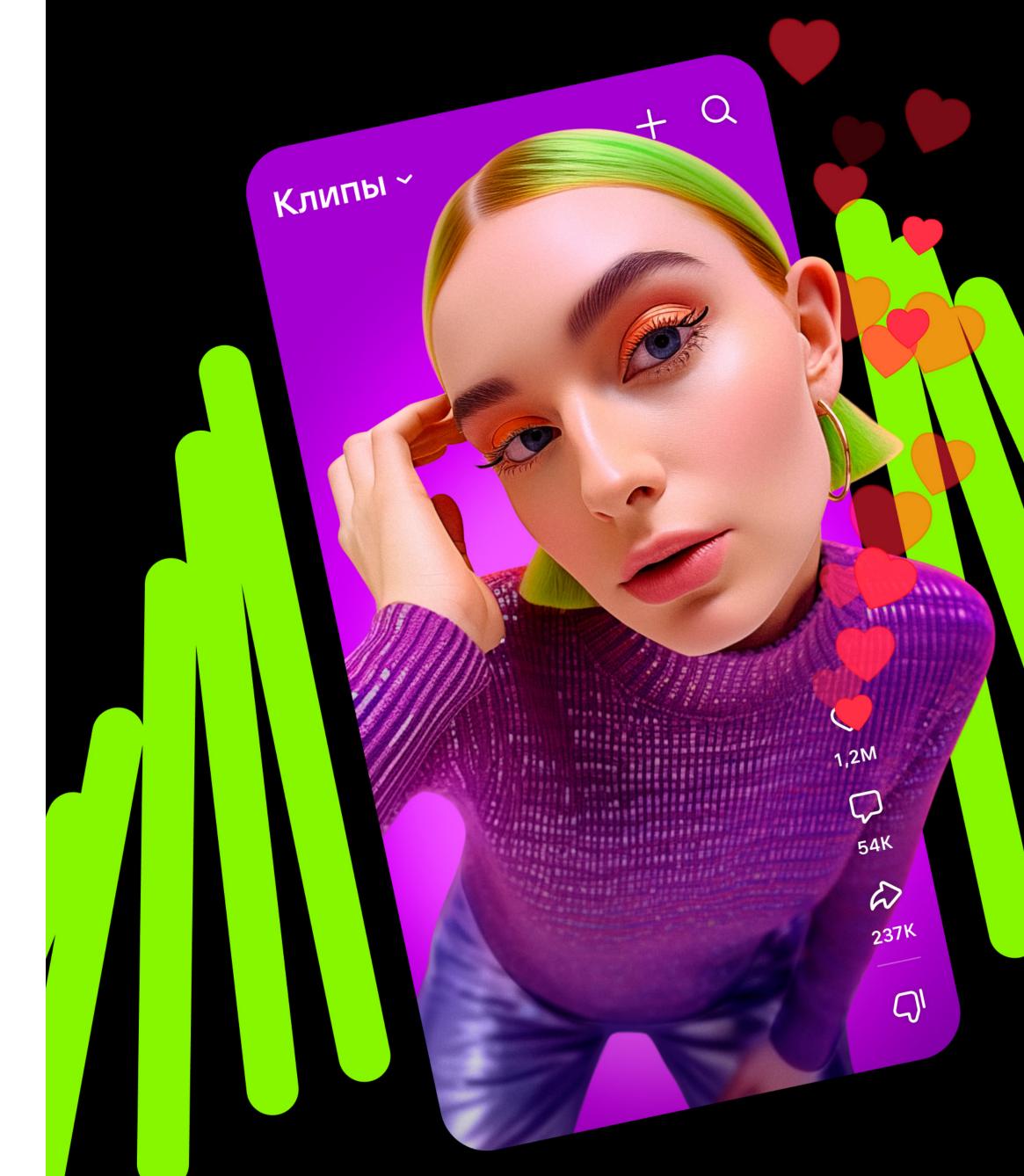
average global daily views of VK Clips in Q4 2023

In Q4 2023, the number of published clips increased by 73% YoY, while the number of content creators was up by 59%.

VK Clips continued to develope tools for creators. Users can now upload clips in the VKontakte mobile app and download videos in any quality. VK Clips also introduced a new video editor, with adaptive colour correction, an option to add photos to videos, sound effects, editorial playlists, and audios extractable from videos. Templates are now available to the VK Clips audience, i.e. users can offer their video layouts for other users to make music videos easily.

Since 2023, all the OK app users have a section with VK Clips.

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# VK Music is a popular Russian music service

VK Music offers a huge library of musical records and audio content, including podcasts, audiobooks and radio programmes. The service is available both in the standalone VK Music app and in VKontakte. The service revenue is generated through selling subscriptions and running audio ads for those using VK Music free of charge.

In Q4 2023, the average global monthly audience of VK Music amounted to 43 mn people, with 39 mn based in Russia. In December 2023, the global subscriber base expanded by 44% YoY.

VK Music ventured into non-musical content: it launched the Books and Shows section comprising lots of podcasts and audiobooks and the Radio section offering access to Russia's major federal radio broadcasting stations.

The service was expanding into the CIS countries, with local VK Music charts now available to users from Armenia, Kazakhstan, Uzbekistan, Azerbaijan, and the Rupublic of Belarus.



### **39**<sup>mn</sup> monthly users in Russia in Q4 2023

VK Music launched ways of quickly discovering music that are new to the Russian market. The service makes regular effort to improve its recommendations and search function, and, among other things, it added searching by lyrics. VK Music introduced a duo subscription plan.

VK Music makes a special focus on collaboration with performers. It launched Trampoline, a programme to support young musicians. Since June 2023, all performers can use a mobile version of Studio to access all the listening statistics.

The VK Records label offered extensive promotion to Russian musicians, with over 200 performers collaborating and with more than two thousand tracks in its catalogue.



VK Музыка *ТРАМПЛИН* 

# ЖДАЛИ НОВУЮ ЗВЕЗДУ?

ELMAN X МИША ХОРЕВ «НЕ ОШИБАЮТСЯ»



### **VK Dating**

VK Dating is a dating service with smart algorithms that match people based on shared interests. The service works as a standalone VK Dating app, which saw a full-scale launch in Q3 2023, and as part of VKontakte. The service is monetised through premium subscriptions and specialised additional features.

In Q4 2023, the VK Dating average monthly audience reached 2.95 mn users, which is a 26% YoY rise, while the service revenue for the same period grew 3.7 times.

2.95<sup>mn</sup> monthly users in Q4 2023

In 2023, VK Dating tripled the number of interests in user profiles to 133. Matched interests are now highlighted when viewing the profile and in chats created after matches. Such prompts help users find what to talk about and get to know each other better. Algorithms prioritise profile recommendations based on the shared interests: the more users have in common, the higher the profile is on the feed. Following the innovations, the number of messages per match in 2023 grew by 15.2% YoY.



# **VK Знакомства** быстрее, чем сойдутся звёзды



### w mini apps

VK Mini Apps is an open mini-applications platform. The platform is monetised through advertising within mini apps and through user payments.

85<sup>%</sup>

growth in advertising revenue from the platform's mini apps in 2023

In Q4 2023, the platform's average monthly audience grew by 5% YoY to 46.8 mn people. In 2023, advertising revenue from the platform's mini apps rose by 85% YoY.

The number of mobile games built on the VK Mini Apps technology platform is also increasing. By the end of 2023, the VKontakte games catalogue expanded by 54% YoY, and the revenue from in-game purchases on mobile devices increased by 39% YoY.

Services under the VKontakte Health umbrella are showing strong growth. In Q4 2023, the average monthly audience of Steps reached 8.2 mn people, increasing by 11% YoY.

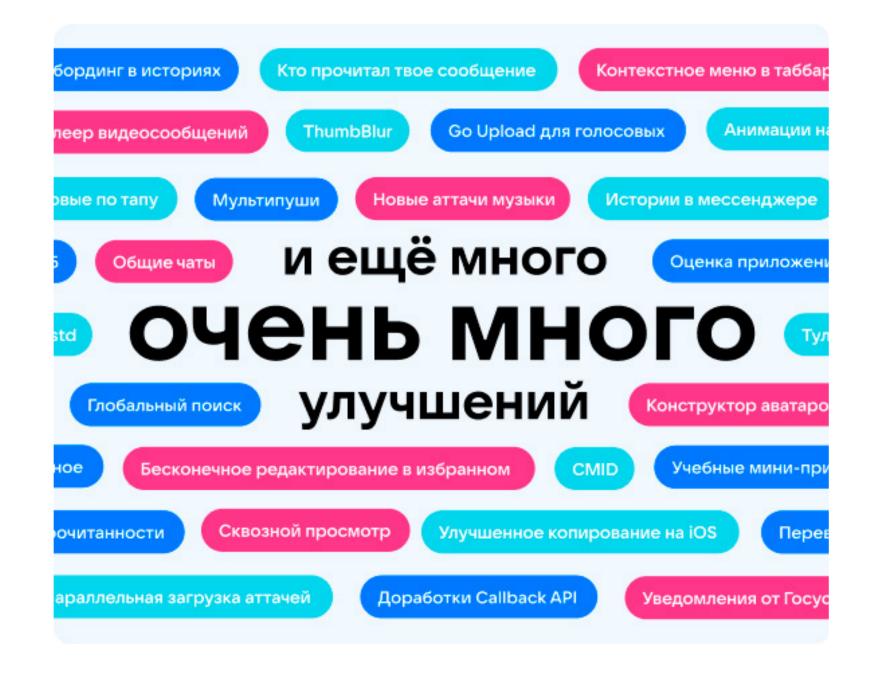
In autumn 2023, the platform launched VKontakte's first acceleration programme, which processed over 320 applications from developer-entrepreneurs. Such projects contribute to the platform technology-based community expansion: more than 11,000 developers took part in VK Mini Apps' IT events in 2023.



### **VK Messenger**

VK Messenger is a service within VKontakte and a standalone app for communication.

- In Q4 2023, the average monthly audience of VK Messenger amounted to 66.56 mn users. Since the launch of the standalone VK Messenger app in May 2022, the number of its installations reached 25.6 mn as of the end of 2023.
- VK Messenger introduced a desktop app for Windows, macOS, and Linux and a web-based version web.vk.me.
- The service rolled out an advanced QUIC-powered data transfer solution and accelerated message delivery and content sharing.
- VK Messenger started offering new-generation chat bots granting clients seamless native access to companies' services.
- VK Messenger now offers the services of the VK Mini Apps open platform for shared use.
- The service launched animated reactions to messages and an option to transcribe video messages.
- VK Messenger introduced a feature to add participants to chats using their telephone numbers. The app now has new formats of video messaging and dynamic chat backgrounds adaptable to the app theme, namely the light or the dark one.



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Sferum is an information and communication service for learning purposes and for interaction of teachers, students, and their parents in a shared and well-protected educational space. In Sferum learning profile in VK Messenger users can communicate in chats, make online calls, arrange online classes and parent-teacher conferences, make live streams, create communities, share learning materials, run polls and operate information channels.

66.56<sup>mn</sup> monthly users in Q4 2023

Nearly 3<sup>×</sup> growth in Sferum's audience in 2023

>20<sup>mn</sup> Sferum's users in 2023

- In 2023, the number of the project's users exceeded 20 mn. The number of teachers registered with Sferum grew 2.5 times in 2023 to over two million, and the number of students doubled and reached 10.8 mn.
- Sferum got integrated with the system of electronic class registers and academic diaries across 74 regions of Russia. Over 1.5 mn users linked their accounts in the system with their Sferum learning profiles in VK Messenger.
- In January 2024, the Sferum learning profile was updated with an Awards section to be used by teachers to encourage students and recognise their learning achievements, as well as those in sports and extra-curriculum activities.
- Sferum users can now use the video call transcription feature to promptly get texts with the content of teacher meetings or parent-teacher conferences. The developers also added highlighting important messages to the most recent version, to make sure that the users do see the needed and relevant information in the learning-related correspondence.

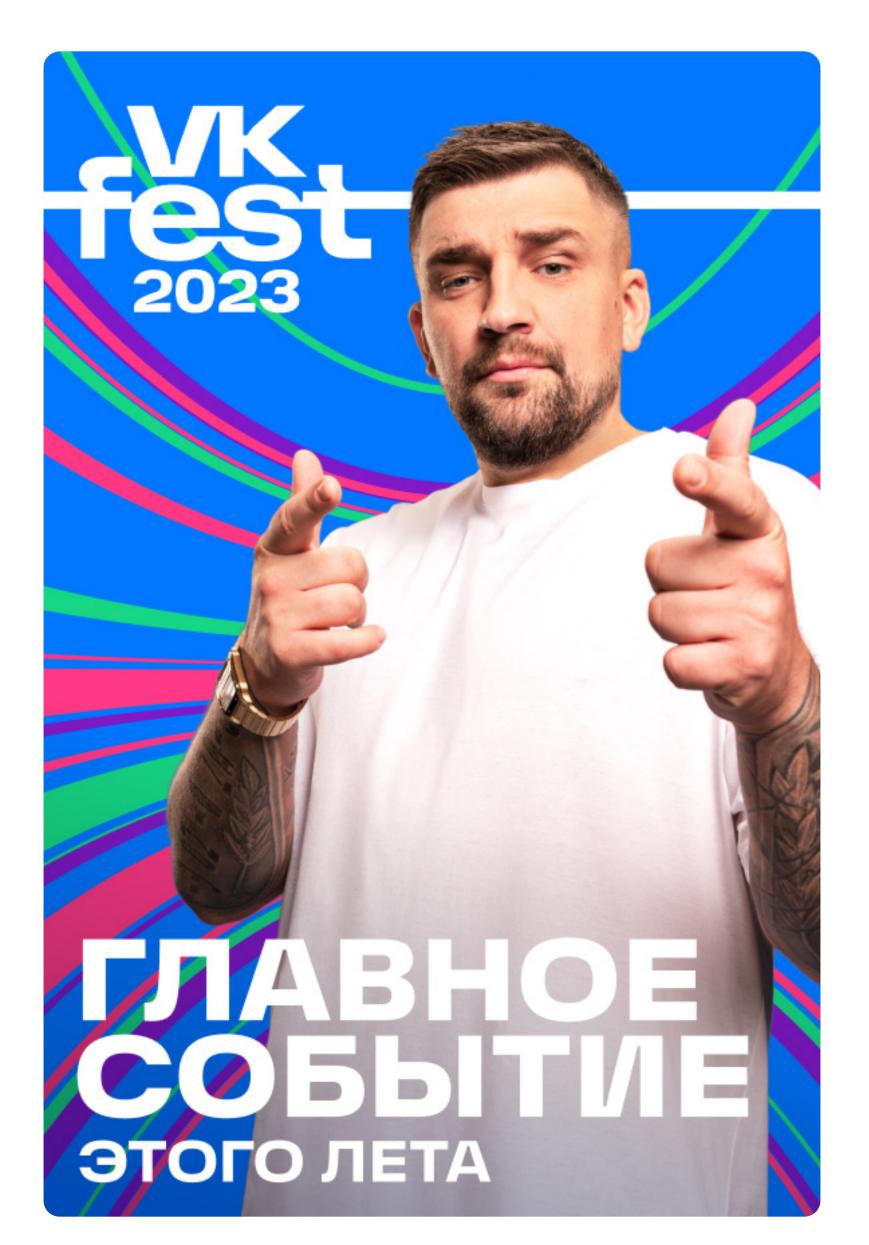


### **VK Fest 2023**

VK Fest is Russia's biggest music and entertainment festival. It brings together VK, popular bloggers and performers, hundreds of various activities and hundreds of thousands of visitors.

In 2023, it was for the first time that VK Fest took place in five cities, namely Vladivostok, Novosibirsk, St. Petersburg, Sochi, and Moscow:

- Overall, the festival lasted for 66 hours. Within a month, VK Fest was attended by a record-high 200,000 people, while its online broadcasting enjoyed 87.5 mn views.
- The festival hosted 175 performers and musical bands, forming top names from VK Music charts, as well as 350 bloggers, with 80 celebrities performing on dedicated blogger stages.
- 400 themed open-air zones with exciting activities were arranged in all the host cities. Visitors had a chance to attend dozens of edutainment outlets, including those of Znanie.Lectoriy, with 100 speakers and thousands of lecture, discussion, and interview attendees, and 15 mn views of materials broadcast online.
- VK Fest was covered in more than 7,200 mass media publications, and it earned more than 154,000 social media mentions<sup>1</sup>.
- Attendees could take part in a charity event run by VK Dobro, following which VK Fest donated RUB 2.5 mn to charity organisations. The festival featured separate waste collection, cup sharing, and other environmental initiatives. There was a first-ever hand language stream for the hearing-impaired, which enjoyed 2 mn views. For more details, see Sections Charity Services, Inclusion and Awareness Projects on Reducing the Environmental Footprint.



### Offline events and venues

In 2023, VKontakte hosted a series of events covering diverse themes. The largest ones included:

- VKontakte Fandom Fest, which took place for the first time at the Main Stage venue in Moscow. Pop culture fans had the opportunity to meet musical bands from South Korea, artists and cosplayers from Japan, and teams that had filmed much-loved movies and TV shows. The festival hosted more than 100 celebrities and was attended by ten thousand people, with its stream viewed four million times.
- A large youth festival, Teen City Day, timed with the City Day celebrations in St Petersburg. The event featured DJ sets, dancing sessions and a 1990-s/2000-s style rave party for the festival guests. The festival saw 6.500 visitors.
- Content Day and VK Clips Awards.

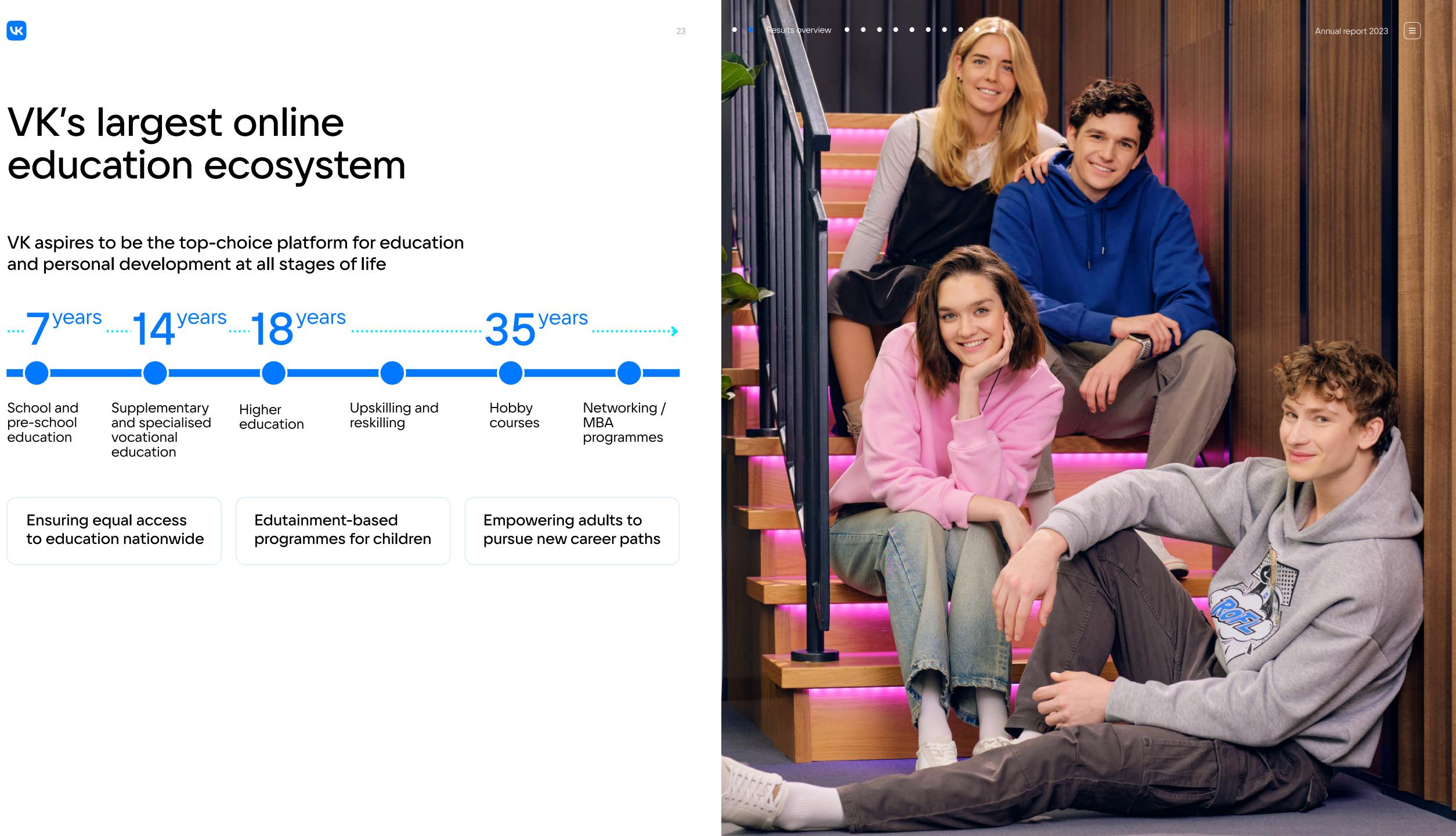
VK Music regularly takes part in hallmark offline events and is integrated into Moscow's leading concert venues, such as VK Gipsy, VK Stadium and VK Music Summer Stage. In 2023, 930,000 people came to 420 concerts at those venues. In 2023, VK opened several new flagship VK Stores in Moscow and in Sochi's

Sirius. VK Stores are designed as a convergence point of fashion, technology, and entertainment, where visitors can buy VK-branded merchandise, ranging from smart speakers to hoodies, have a good time and gain first-hand brand experience.

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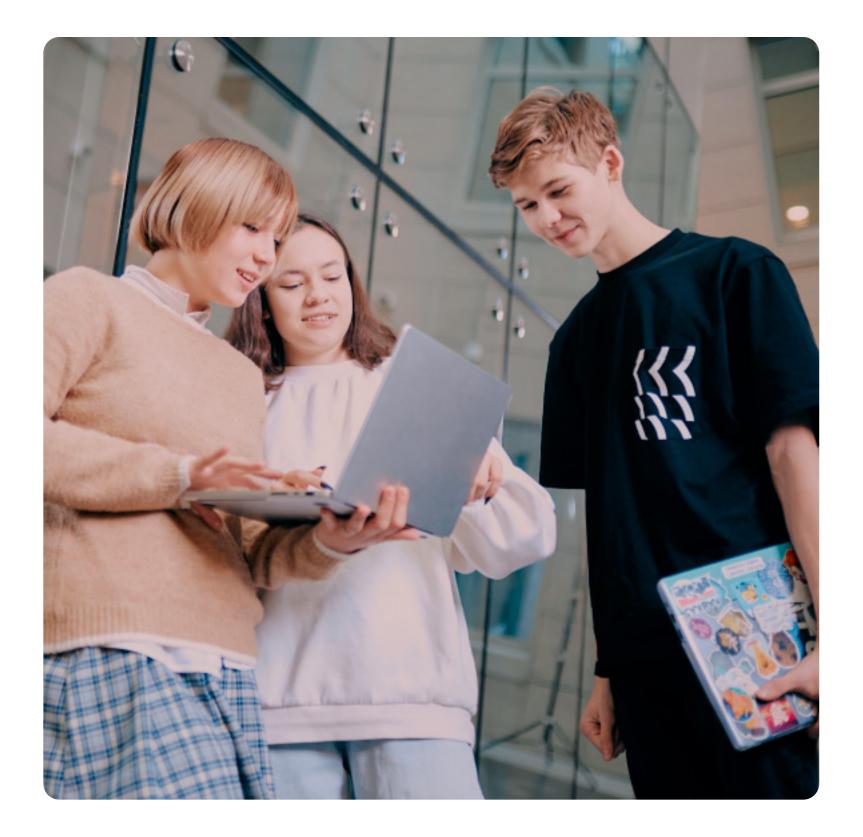




### Children's education

In 2023, VK consolidated the largest educational platform Uchi.ru and the online tutoring school Tetrika, securing a leading standing in the self-learning and tutoring segments. VK's platforms are able to provide children with new knowledge and skill across different formats and levels of education, while also enabling them to pursue further learning and advancement within the VK ecosystem.

VK invested in efficient integration of assets, strengthening its IT infrastructure and enhancing security to ensure a long-term growth of its educational business.



### **UCHI.RU**

Uchi.ru is a group of companies that operates an online self-leaning platform of the same name for students of grades 1–11. The group also comprises the educational portal Uchi.Otvety, a network of offline programming, maths, and English language clubs, and the YaKlass educational website.

In 2023, the mobile application of Uchi.ru saw a 3x increase in revenue, driven by the addition of new courses, functional enhancements, and the implementation of a new user retention system. These updates resulted in a 22% growth in the number of unique paying users.

Uchi.ru implements nationwide educational initiatives. It hosted ten olympiads with over eight million participating schoolchildren. The platform ran its debut regional ethnography quizzes, engaging 1.3 mn students. As part of the Code of the Future federal programme run by the Ministry of Digital Development, Communications and Mass Media, over six thousand students registered on the platform to access free programming courses.

# 14.5<sup>mn</sup>

active students on the Uchi.ru platform in 2023

mn

Annual report 2023  $(\equiv)$ 

### paying students on the Uchi.ru platform in 2023



Tetrika is an interactive online tutoring platform for preschoolers and students in grades 1–11.

Tetrika posted a robust growth in key financial and operational metrics, with a 59% YoY increase in active students, a 47% YoY increase in active tutors, and a 68% YoY growth in revenue<sup>2</sup>.

Tetrika expanded its product portfolio by launching classes for groups of up to 12 students.

The key development of 2023 was the merger of Tetrika with the Uchi.Doma online tutoring school. This move will enable VK to leverage its resources to further enhance both services, strengthening its foothold in the tutoring segment.

### 🧶 УМСКУЛ<sup>3</sup>

### (non-consolidated asset)

Umschool is an online school that focuses on helping students get ready for the Basic State Exam and the Unified State Exam. It offers courses aimed at preparing students for olympiads, along with supplementary programmes tailored for secondary school students.

Umschool introduced annual, seven-month, and four-month programmes, giving students the flexibility to start their studies at any time of the year. Learners can choose from among different proficiency levels based on their goals and current knowledge. Umschool also updated its online platform and implemented new capabilities, including error analysis, revision activities, and gap elimination recommendations.

In November 2023, Umschool's Russian language course was included in the Federal List of Electronic Educational Resources.



### **Further education**



Skillbox Holding Limited is an educational holding company that brings together the platforms of Skillbox, GeekBrains, Skillfactory, Lerna, and Skillbox English (formerly Kespa).

>1,800 educational products available as of the end of 2023

193,000 educational programmes sold in 2023

<sup>RUB</sup> 67,000 average check in 2023

In 2023, Skillbox Holding Limited continued the consolidation of educational assets, acquiring a 65.98% stake in the Kespa online English language school, and announced a 100% consolidation of Skillfactory. In 2023, Skillbox Holding Limited saw its sales grow by 3% YoY to 193,000 programmes, while the average check increased by 7% YoY to RUB 67,000.

### Skillbox

Skillbox is an education platform offering comprehensive reskilling programmes, short courses for honing specific skills, and higher and vocational education programmes.

Skillbox launched Academica, an educational platform featuring courses from leading universities, educational institutions, companies, and industry experts. By the end of the year, the platform had over 100,000 registered learners and more than 300 courses from the country's top educational institutions.

Skillbox made history as the first EdTech player in Russia to obtain a specialised vocational education licence in the Moscow region. With support from the Russian Ministry for Digital Technology, Communication and Mass Media, Skillbox launched the Digital College, an in-house fully remote product in the SVE segment. The courses are scheduled to start in September 2024.

### **69** GeekBrains

GeekBrains is a platform that offers in-depth educational programmes with an emphasis on IT education and duration of up to three years.

GeekBrains focused on enhancing its LMS platform by digitising the learning experience, introducing innovative homework assignments, implementing the NPS feedback collection, enabling seamless lesson transitions and their integration with students' personal calendars, as well as launching a hands-on project for students to gain experience with neural networks.

### **SKILLFACTORY**

Skillfactory is an online school that offers training programmes in data science, data analytics, programming, and design (Contented school) as well as higher education programmes run jointly with Russia's leading universities.

In 2023, Skillfactory launched enrolment for six master's programmes in the field of information technology in collaboration with Moscow Institute of Physics and Technology (MIPT), Ural Federal University, National Research Nuclear University, and Tomsk State University. In the reporting year, 1,100 students were enrolled in Skillfactory's master's programmes. Over 4,500 students successfully completed reskilling programmes and received diplomas as part of the Digital Professions project.

### Lerna

Lerna is a corporate learning platform that offers courses from leading online schools. As of the end of 2023, the platform had registrations from more than 1,300 companies and over 112,000 employees. This marked its B2B segment's twofold growth as compared to 2022. Lerna offers about a thousand different courses across 19 fields of study.

In 2023, the platform's B2C segment focused on expanding sales channels in the CIS countries and on implementing additional marketing initiatives.

### Skillbox (английский

Skillbox English (formerly Kespa) is an online school for learning foreign languages. It leverages speech recognition algorithms and offers personalised learning tracks based on language proficiency assessments.

During the reporting year, its focus was on expanding the educational product line, including the introduction of courses for children aged 5–10 and teenagers aged 11–18 as well an English for IT professionals course. As a result, the school's revenue grew 1.5 times in 2023.



VK Tech

# к бизнес

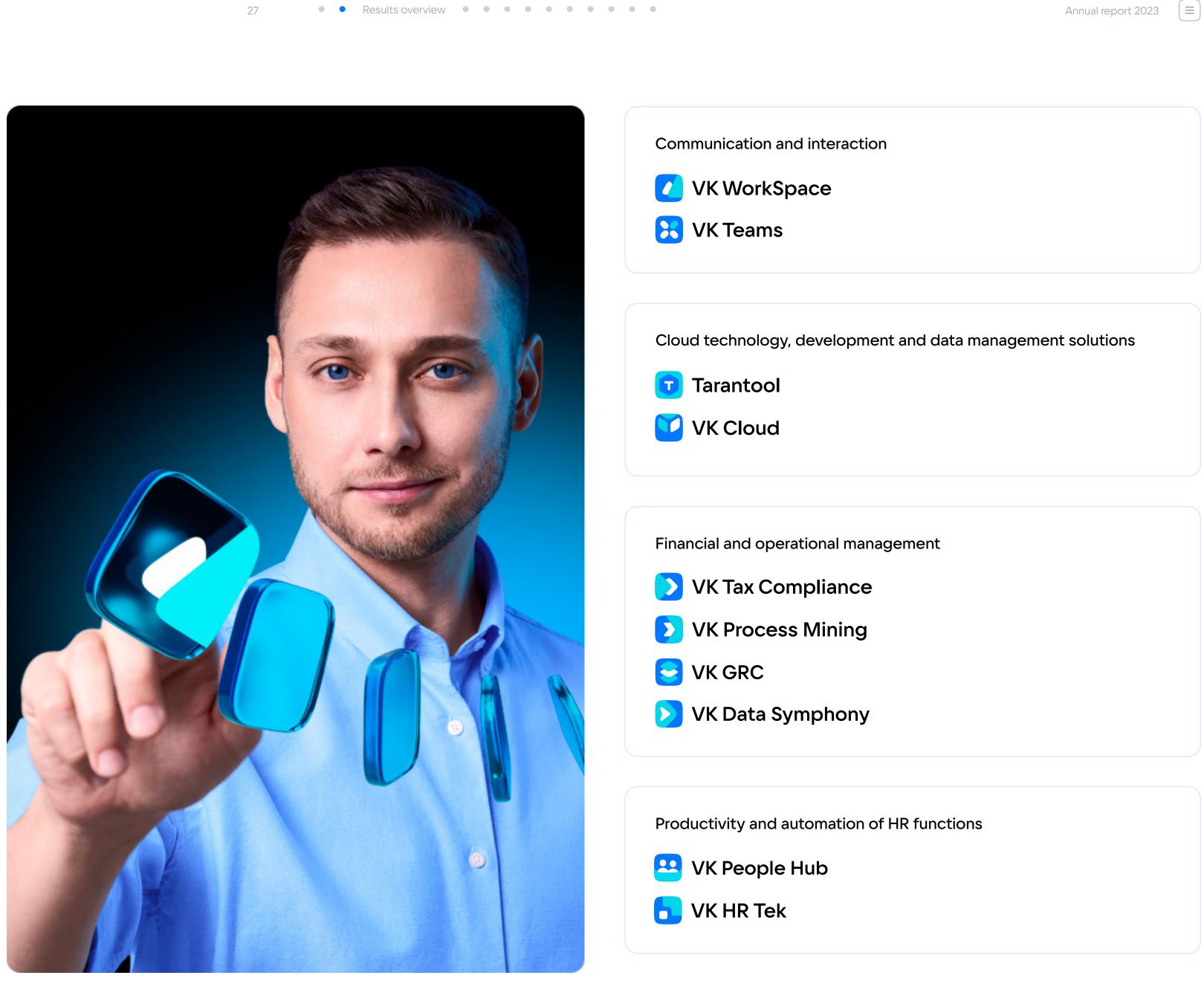




VK Tech develops licensed software products and cloud services, addressing the critical requirements of businesses of all sizes ranging from large companies to medium and small enterprises across various industries.

- In 2023, VK Tech's revenue increased by 68% YoY, reaching RUB 9.7 bn.
- The main growth drivers were cloud services of the VK Cloud platform and VK WorkSpace communication solutions, which delivered a 75% and 68% revenue increase respectively.
- Revenue from cloud services subscriptions and technical support increased by 47% and accounted for 44% of the total revenue of the segment.
- In 2023, VK Tech introduced a unified partner programme. Providing support and training to integrators, developers, and resellers form the cornerstone for scaling up VK's IT products.

RUB **9.7**<sup>bn</sup> +68% YoY VK Tech revenue in 2023



### Cloud technology, development and data management solutions

### VK Cloud

The VK Cloud platform continues to deliver market-leading growth, with a 75.4% YoY increase in the enterprise segment.

- The trend for migrating and hosting corporate IT infrastructure in the cloud, and utilising enhanced security measures and solutions based on open source technologies and Russian vendor software, remains prevalent.
- Revenue from private cloud-based projects delivered a 2.1x increase compared to the previous year.
- VK Cloud launched support for Russian operating systems, including those with built-in information security tools such as Astra Linux Special Edition 1.7 Voronezh, Alt 8 SP Server, and Red OS 7.3 FSTEC.
- The product was added to the state registry of domestic software, with the hosting of critical information infrastructure enabled. The licence for migrating to VK Cloud became free of charge.

### 🔽 Tarantool

VK released versions 2.11 and 3.0 of Tarantool, enhancing data processing performance and stability while improving usability and user experience. Revenue from the Tarantool platform increased by 59.9% in 2023, driven by the expansion of the product line (Queue, Column Store, Graph DB) and business development in Kazakhstan.

### Communication and interaction

In 2023, revenue of the VK WorkSpace communication platform increased by 67.7%. This growth was driven by the development of user features and the enhancement of product security.

- built-in task tracking and discussion threads.
- management, requesting accounting statements.

### Productivity and automation of HR functions

HR Tech offers two products: VK People Hub, an intranet platform for employees, and VK HR Tek, an electronic document management system for HR processes.

- partner sales for VK People Hub.
- VK HR Tek obtained the state registry of domestic software.
- VK HR Tek mobile app was launched.

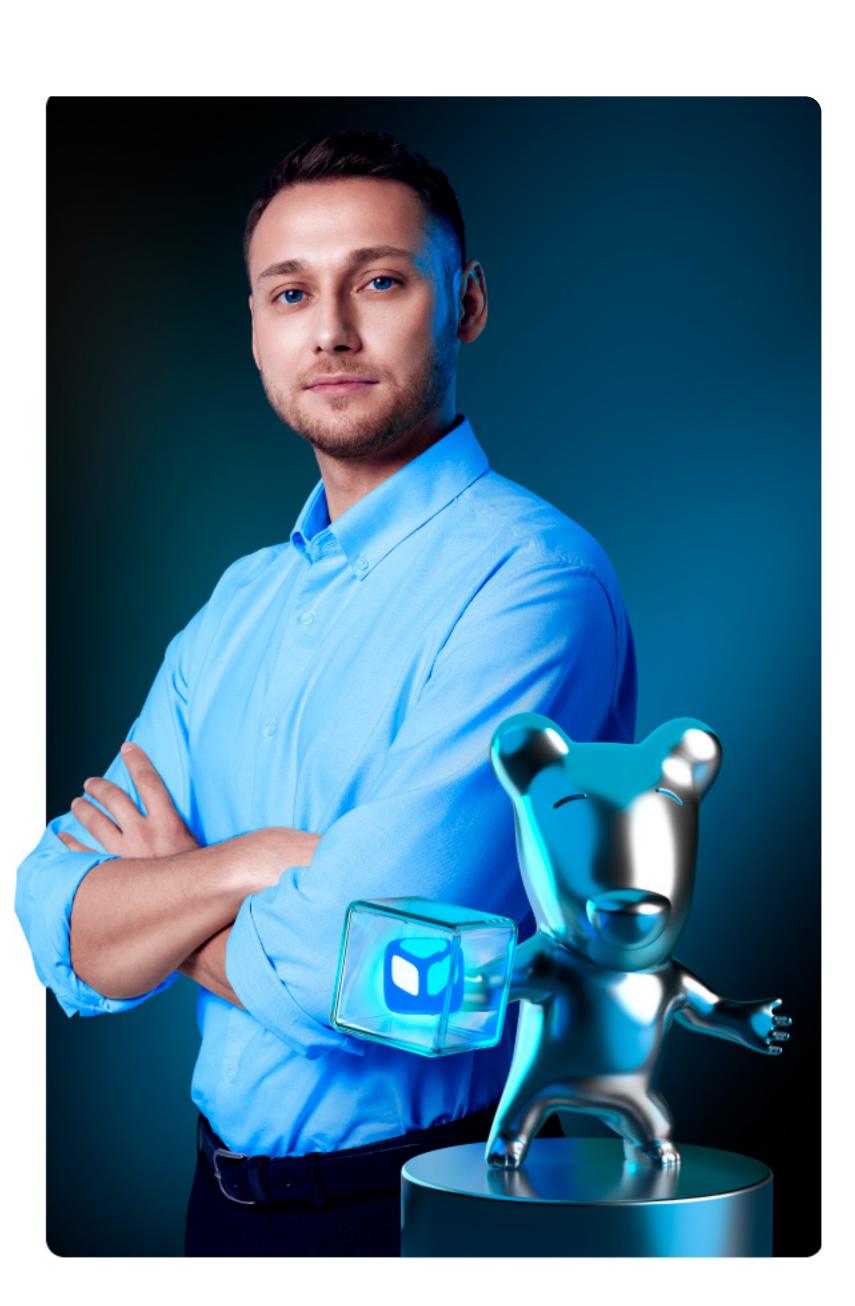
### **Financial and operational management**

The lowering of the eligibility threshold for tax monitoring has sparked increased interest for financial and operational platforms. In 2023, revenue of the VK Tax Compliance platform increased by 16.6%, driven by business development in Kazakhstan and stronger demand for cloud-based versions of the product.

• VK Teams implemented integration capabilities, enabling users to access corporate systems within a single-window interface, while also expanding the functionality of video conferencing. Cloud users of VK Teams have access to

• VK launched the VK Teams communication platform for developers. Partners who deploy it on-premise are able to augment its solutions with their own services, such as applications for employee onboarding, vacation leave

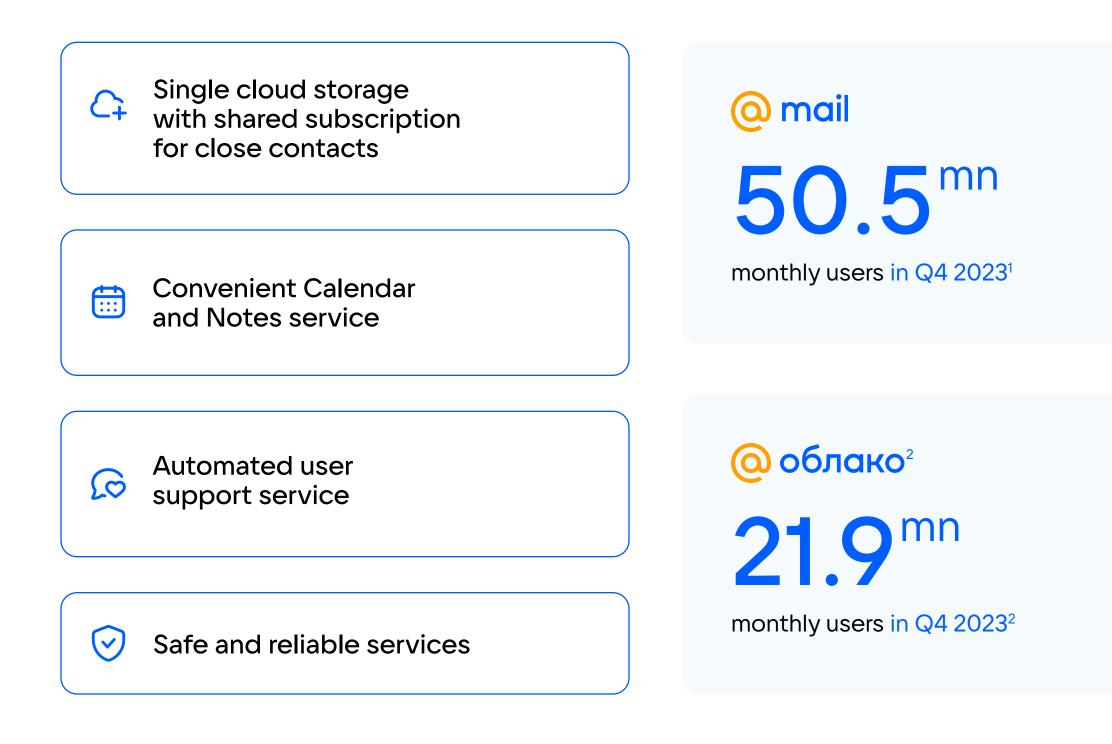
• In 2023, revenue from HR services increased 3.1 fold, driven by a rapid growth of the customer base for the SaaS version of VK HR Tek (+340% YoY), successful solution implementation in large companies, and the expansion of





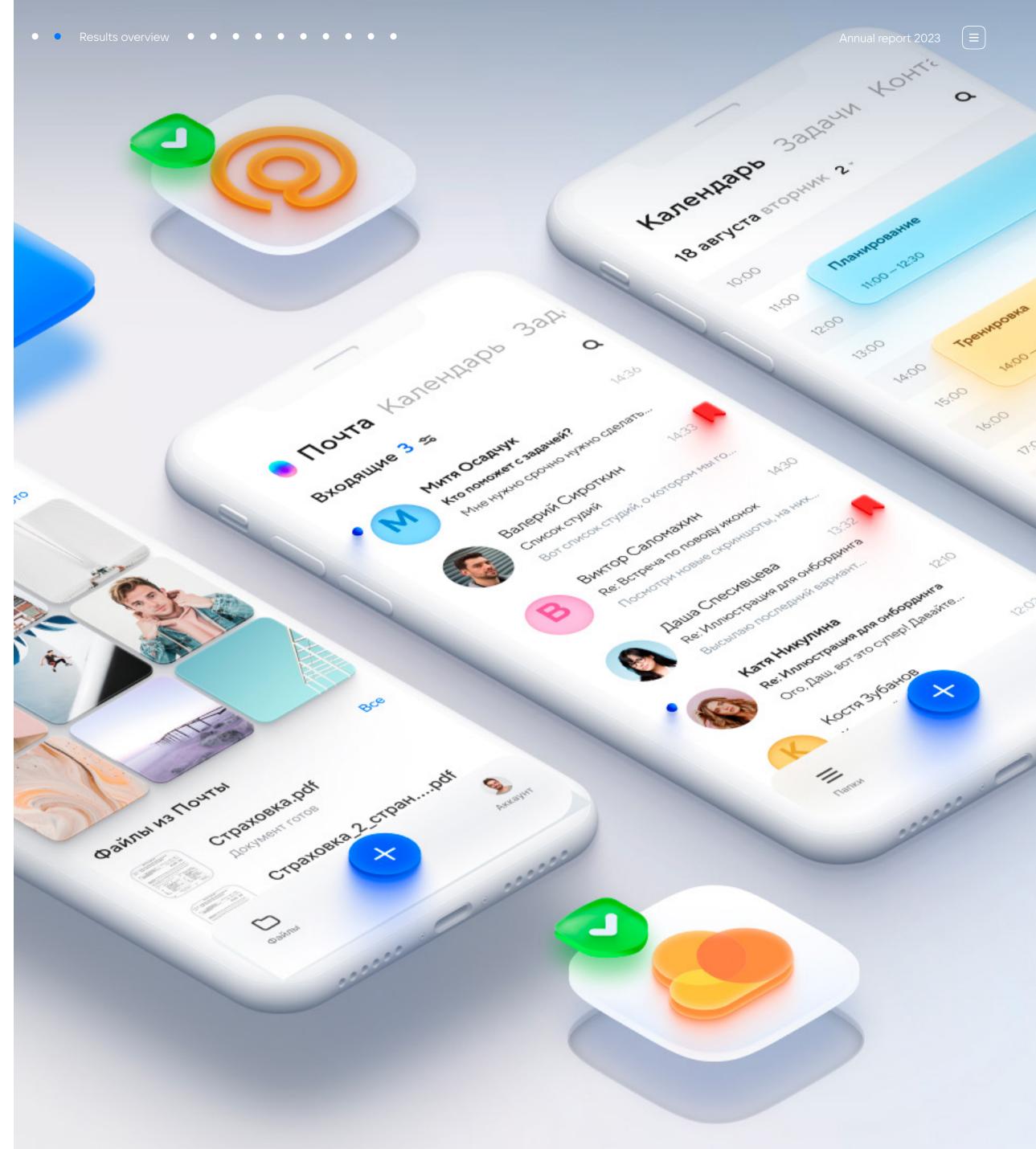
# Mail.ru Email and Cloud

VK develops Mail.ru Email, Russia's largest email service, and Cloud Mail.ru, a leading cloud B2C solution in the domestic market.



1 Source: Mediascope, Q4 2023, Russia 0+, age 12+, desktop and mobile devices.

2 Облако Mail.ru — Cloud Mail.ru.



Mail.ru Email is the leader in terms of audience among email services in Russia.

In Q4 2023, the average monthly audience of the Mail.ru Email totalled 50.5 mn, while its daily audience amounted to 17.5 mn users<sup>1</sup>. Its 2023 revenue reached RUB 4.2 bn, increasing by 39% YoY.

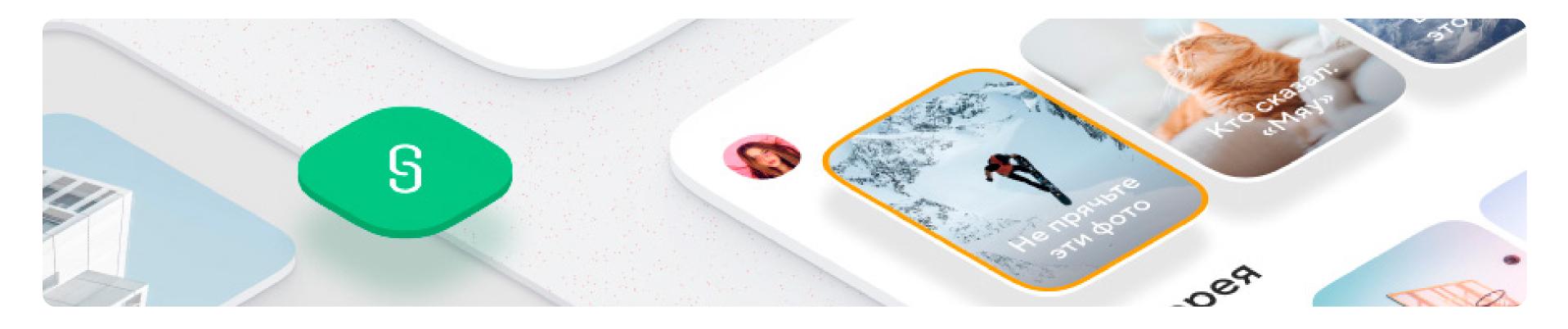
The beta version of the new Notes service was launched, enabling users to edit text, create lists, and utilise a focus mode for tasks. By the end of the year, Notes received important updates, such as the ability to attach files, quickly access it from the widget, add images, and share entries with close contacts.

- Users of the Smart Calendar now have access to a convenient widget, automatic event creation from emails, important reminders, notifications of subscription payments, and ability to attach files to events. The meeting schedule is now accessible offline, and users can accept a meeting invitation directly from an email by indicating their intention in the incoming notification. The main page of the Mail.ru portal and the Calendar can be set to a dark theme.
- Calendar Mail.ru was integrated with the YCLIENTS automation platform, enabling automatic event creation through the YCLIENTS online booking tool or the YPLACES app. As a result, users can add reminders for upcoming visits to beauty salons, fitness clubs, or children's educational activities to their Calendar Mail.ru with just one click.

+39%

revenue growth for Mail.ru Email in 2023

• The email service now uses an intelligent algorithm that independently assesses the significance of emails and marks important ones with a lightning bolt symbol.



1 Source: Mediascope, Q4 2023, Russia 0+, age 12+, desktop and mobile devices.

2 Облако Mail.ru — Cloud Mail.ru.

3 Source: Mediascope, 2023, Russia 0+, age 12+, desktop and mobile devices.

### 

Cloud Mail.ru is one of the leading B2C cloud solutions in the Russian market.

In Q4 2023, the average monthly audience of Cloud Mail. ru totalled 21.9 mn, while its daily audience amounted to 2.4 mn users<sup>1</sup>.

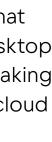
- In 2023, the average monthly audience of Cloud Mail.ru increased by 6% YoY to 21.5 mn users, while its daily audience grew by 9% YoY to 2.4 mn users<sup>3</sup>.
- Mail.ru services launched Mail Space, a single subscription for both the Mail.ru Email and Cloud Mail. In December, Mail.ru enabled the sharing of Mail Space subscriptions with up to three users, letting them save their budgets while fully benefiting from the cloud service features.

29.3<sup>bn</sup>

files uploaded to Cloud Mail.ru in 2023

- The Cloud app now features new scenarios that generate thematic photo collections. The desktop version of the Cloud service was launched, making it easier for users to transfer files from other cloud storage platforms.
- The service added quick removal of digital clutter along with shared document editing.





# RuStore emerged as the second-largest app store in Russia

RuStore established itself as the second-largest Android app store in Russia. The service provides users with a wide selection of apps and games, ranging from globally popular gaming titles to niche products released by indie developers. It offers the entire infrastructure necessary to drive product success, including mobile app development solutions, monetisation and promotion tools, statistics and analytics capabilities.

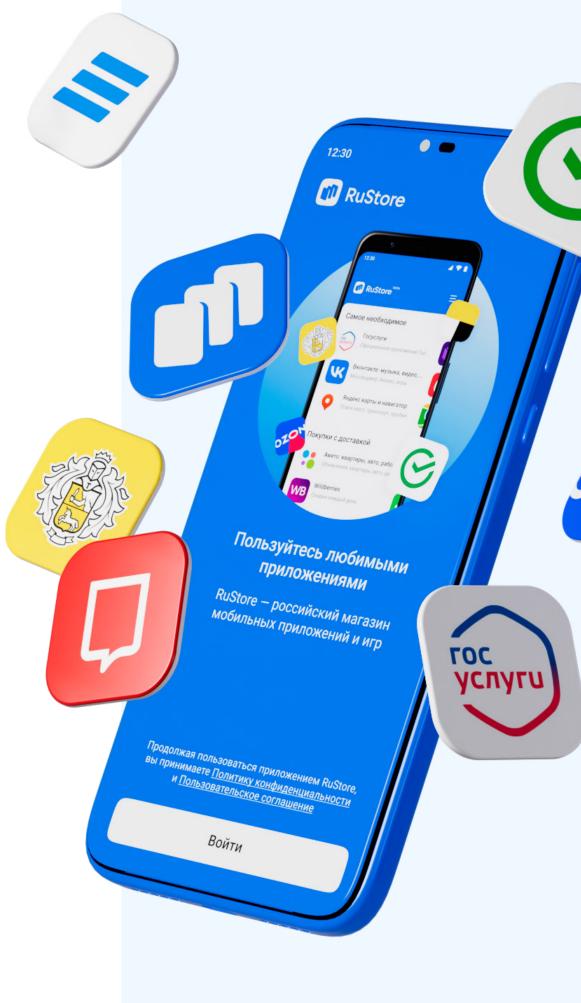
- In Q4 2023, the average monthly audience of RuStore amounted to 24 mn users<sup>1</sup>. By the end of the year, it reached 26 mn users<sup>2</sup>, positioning RuStore as a leader among both Russian and international vendor app stores, second only to Google Play.
- The store reached a milestone of over 32,000 apps and games by the end of the year.

- Self-employed developers gained access to monetisation tools. In H1 2023, an API<sup>3</sup> for automating the app release process was launched for developers.
- Tracer, an error collection and analysis tool developed by the OK team, and Remote Config, a service for
- remote configuration, were integrated into RuStore. • The service enabled developers to appear in editorial selections and launch advertising campaigns on their own through VK Ads. Ads are displayed across all VK projects and in specific sections of the store.
- RuStore entered the international market and enabled monetisation for foreign developers. By the end of 2023, international apps accounted for one third of its entire catalogue.

mn monthly users in Q4 2023

3 Application programming interface.

- RuStore extended its reach to new devices and platforms, including Smart TVs, e-readers, media players, and tablets.
- It added a child mode feature, enabling parents to configure and control which apps their children can see and purchase. Users gained access to automatic app updates.





<sup>1</sup> Source: Mediascope Cross Web, Q4 2023, Russia 0+, age 12+, Android only approach.

<sup>2</sup> Source: Mediascope Cross Web, December 2023, Russia 0+, age 12+, Android only approach.

# VK Play is Russian largest gaming platform

By the end of 2023, VK Play had over 38.5 mn registered accounts, with an average monthly audience in Q4 2023 standing at 16.4 mn users.

### VK Play for gamers and esports players

- VK Play's catalogue features nearly two thousand games, including new releases from 2023 (Atomic Heart, Battle Teams 2) as well as popular hits from previous years (Warface, Lost Ark).
- VK Play launched esports tournaments awarding prize money across 11 disciplines on its tournament platform. Throughout 2023, the platform hosted 5,500 competitions with 1.3 mn registered players. By the end of 2023, the total prize money paid to players exceeded RUB 20 mn.
- The user audience of VK Play Cloud grew by 40%, with a 70% increase in the gaming time.
- The VK Play Media platform released over 16,000 news articles and 1,000 in-depth articles during the past year.
- VK Play relaunched Russia's largest esports arena.
   VK Play Arena (formerly Yota Arena) now serves as a versatile venue for esports and other events.

### VK Play for streamers and viewers

- The VK Play Live streaming platform attracted 25,000 streamers, rolled out over 50 updates, and ran six seasons of its streamer support programme.
- The platform hosted 912,000 live broadcasts with an audience of over ten million viewers.

### VK Play for developers

- VK Play revamped its developer dashboard, amassing an audience of over 2,500 developers.
- In December 2023, VK Play teamed up with APRIOIRI and Astrum Entertainment to launch the Prototype. indie incubator.

16.4<sup>mn</sup> monthly users globally in Q4 2023







### narusia

Marusia is VK's voice assistant.

In Q4 2023, the monthly and daily user audience of Marusia on smart devices saw a 54% and 55% YoY growth respectively.

VK expanded the functionality of Marusia in terms of smart home management. New features included the addition of scenario templates and the ability to trigger them based on device conditions, the option to configure push notifications, support for Tuya protocols, live streaming from Rostelecom cameras, and other capabilities. Marusia also gained the capability to make calls to VK Capsula and VK Capsula Mini smart speakers.



VK Capsula is a smart speaker with a built-in Marusia voice assistant.

VK introduced the VK Capsula Neo smart speaker, featuring the voice assistant Marusia, in new colours: black, orange, green, and yellow. Additionally, VK launched the VK Capsula Mini smart speaker in a new pink colour variant.

The smart speakers underwent a series of updates, which included getting enhanced smart home functionality, such as Smart TV control through the speakers, Baby Monitor feature, and significantly improved music quality.

In 2023, sales of VK's smart devices saw a 40% YoY rise.

12.3<sup>mn</sup> monthly users in Q4 2023

# +18<sup>%</sup>

daily audience growth in Q4 2023



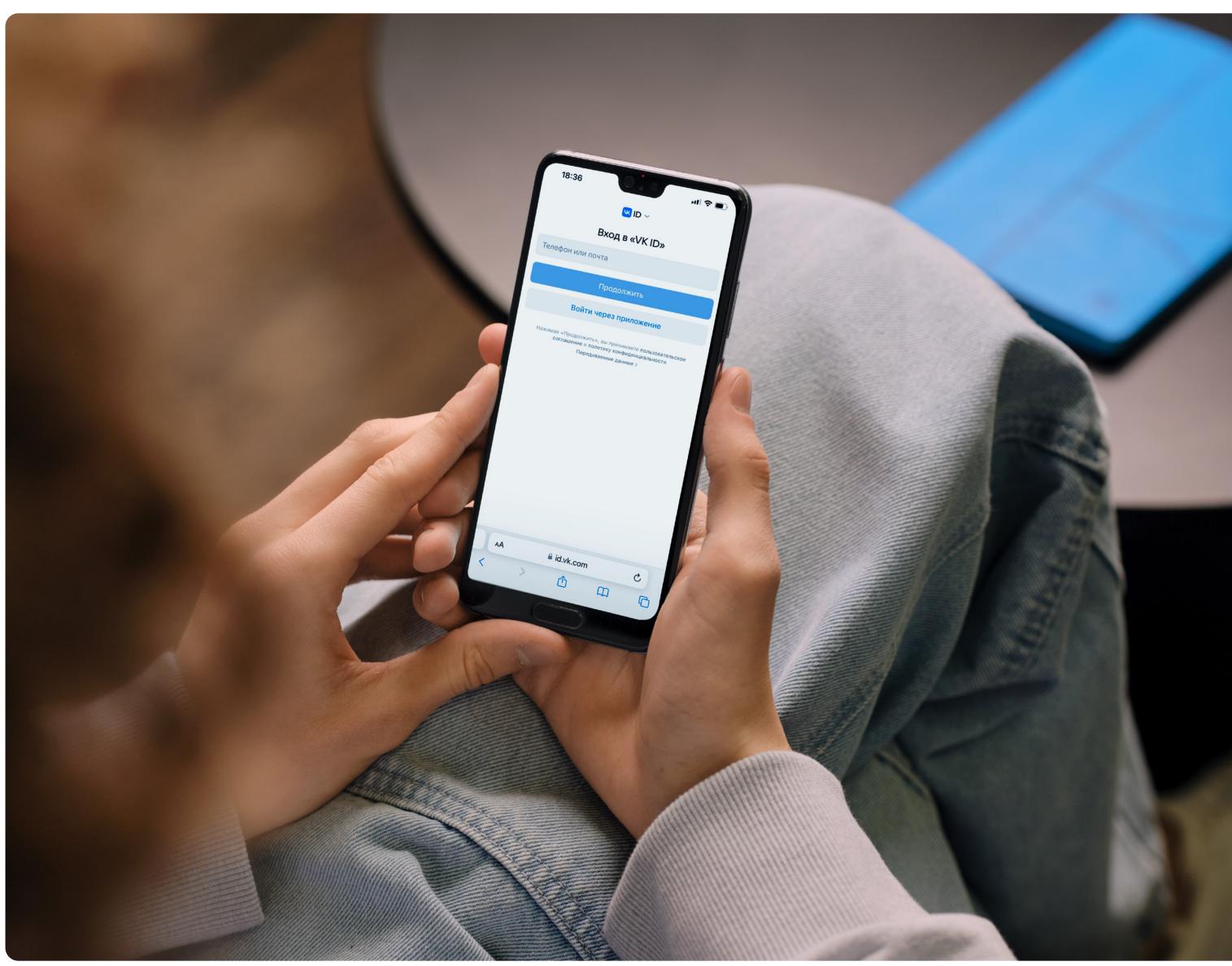
### w pay

VK Pay is a payment service for all VK products. It enables users to accept payments and make payment transfers, and content creators to transfer their monetisation earnings to any Russian bank account. In 2023, VK Pay unveiled a revamped interface offering enhanced payment experience, which was integrated with VK Ads and VK Dobro. The total number of payment transactions made through VK Pay in 2023 surpassed 227 mn.

### **W**ID

VK ID is a single account for accessing all VK services and managing user digital profile. The implementation of One Pass (Face ID / Touch ID authentication) and Smart Flow (OTP code-based authentication) solutions along with multi-account support and autologin for VK services in 2023 propelled the share of seamless passwordless authentications to 85%. Throughout the year, over 80 external services became partners of VK ID, resulting in a three-fold growth in external authentications compared to the previous year.

C For more details on VK ID, see the Security with VK Protect and VK ID.





### VK in the advertising market

### 🗹 VK Ads

VK's marketing solutions empower businesses, content creators, and media entities to connect with over 95% of the Russian internet audience. This extensive reach spans across VK projects as well as a vast network of websites and apps within advertising network.

VK is focused on enhancing technology efficiency and convenience for business through automation of tools, as well as expanding the range of available advertising inventory.

Thanks to improved algorithm effectiveness, VK Ads campaigns drove a 35% YoY increase in the number of target actions, such as purchases, applications, installations, and subscriptions, while also decreasing ad exposure per user by 30% compared to 2022.

#### In 2023:

- VK Ads integrated key promotion tools for businesses and content creators. The platform expanded its capabilities beyond promoting websites, apps, lead forms, and online stores to include VKontakte communities, OK groups, videos, live streams, music tracks, Dzen content, and RuStore apps.
- The platform's solutions helped drive a 2.6x increase in website conversions per rouble invested in promotion as well as a 3.6x rise in sales via mobile apps.
- VK Ads actively developed tools based on neural networks. Advertisers have access to a gallery of over 10,000 AI-generated images, as well as intelligent drawing and ad size reduction tools.

### **VK Predict**

VK Predict leverages the power of machine learning to provide predictive analytics solutions that assist businesses across different industries, including finance, retail, real estate, telecommunications, e-commerce, tourism, and more. In 2023, revenue generated by VK Predict rose by 29% YoY.

Geospatial analytics services emerged as the fastest-growing segment, with a 3.4 x YoY revenue increase.

Among marketing and product solutions, the strongest increase was delivered by the real-time AI-based service to forecast target audience attributes, which saw its revenue grow by 54% YoY in 2023.

### Solutions for small and medium-sized businesses

Over three million small and medium-sized enterprises leverage VK projects to grow their businesses. VK is committed to creating easy-to-use and efficient tools for any business.

- In 2023, a key focus was on advancing development of tools through collaborations with other market players:
- social media pages.
- interactions with users
- Development of Russia, named "Starting My First Business".

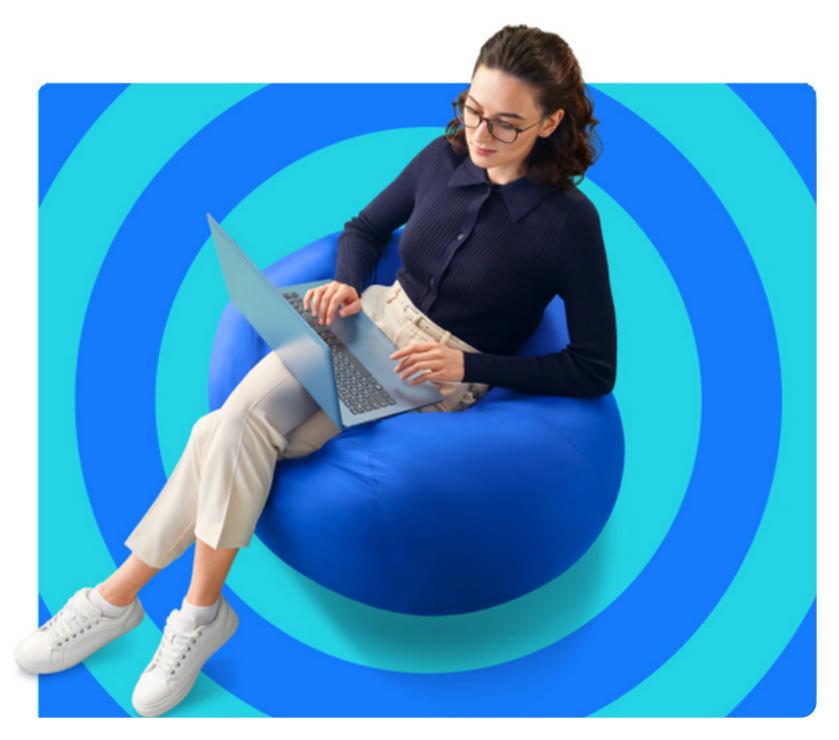
- Integration with the Tochka Marketplaces service enabled the automatic transfer of product cards to VKontakte business communities from other platforms. - Thanks to VK's partnership with Avito, business owners are now able to have their Avito's profile feature the status "The seller has a VKontakte Business Community". They can also add a link to their Avito's seller profile to their

• In December 2023, VK acquired a 100% stake in YCLIENTS Group, the largest Russian platform for online appointment booking and business automation in the services industry. This acquisition will enable VK to expand its service offering for small and medium-sized businesses while also simplifying service

• The joint programme with the Ministry of Economic Development of Russia enabled even more entrepreneurs to get involved in digital literacy training. They got an opportunity to double their budget for promotion in VK Ads. Over 11,000 entrepreneurs took part in the first season of the joint programme between VK, the Delovaya Sreda education platform, and the Ministry of Economic

### VK advertising data operator (VK ADO)

- In 2023, the advertising industry completed the transitional period for new online ads labelling regulations.
- The VK ADO worked closely with industry players to map out key labelling scenarios and address concerns while also developing user-friendly tools for advertising participants.
- VK was among the first to launch simplified tools for labelling direct native ads. VKontakte and OK content creators can now easily label ads in their social media, thanks to a convenient mini app accessible from their smartphones.











### Financial results

VK has aligned its segment financial information with its updated organisational structure starting from Q4 2023 to reflect the significant transformation of the business. The Social networks and content services segment was reorganised into Social platforms and media content due to VK's increased focus on media and content projects. The New business lines segment was reorganised into Ecosystem services and other business lines. Some business units including Mail.ru Email and Cloud services, VK Pay and VK ID, were transferred from the segment Social networks and content services to the segment Ecosystem services and other business lines. Cost allocation between segments was updated.

### VK key financial results for FY 2023

In 2023, VK demonstrated a record high revenue growth – by 36% YoY to RUB 132.8 bn. The main driver of growth was online advertising revenue, which increased by 40% YoY to RUB 79.7 bn. Revenue from online advertising of small and medium enterprises grew by 42%, while revenue from ad integrations in original content, partner and blogger shows grew 2.5-fold. VK's non-advertising revenue increased by 30% in 2023. Revenue in the EdTech and VK Tech segments grew by 42% and 68% YoY, respectively.

### Revenue

#### The Social platforms and media content segment's revenue, RUB bn



The Social platforms and media content segment's revenue increased by 35% to RUB 84.6 bn in 2023. The main drivers of the segment's revenue growth were:

- revenue in 2023.
- audience in 2023 was 31.9 mn users<sup>2</sup>.



The EdTech segment showed a revenue growth of 42% to RUB 15.9 bn in 2023. The segment's revenue growth was driven by strong demand for courses at educational platforms Skillbox Holding Limited and Uchi.ru, as well as the consolidation of the Uchi.ru online platform for schoolchildren from 17 February 2023 and Tetrika from 1 September 2023.

RUB 121 revenue

RUB 70 7 bn +40% YoY online advertising revenue

1 Source: internal company data.

2 Audience of dzen.ru and mobile apps. Source: Mediascope, March-December 2023, Russia 0+, age 12+, desktop and mobile devices. Dzen audience data for 2023 was calculated based on March-December 2023 data due to changes in calculation methodology since March 2023. The calculation of audience metrics for Dzen was also adjusted in Q4 2023.

• Growth of the VKontakte social network. In 2023, VKontakte's average daily audience in Russia grew by 10% to 54.1 mn users compared to 2022. In 2023, the average monthly audience in Russia grew by 11% to 84.7 mn users compared to 2022<sup>1</sup>. Audience and engagement growth led to a 23% increase in VKontakte's

• Acquisition of the Dzen platform in September 2022. Dzen's average daily



The VK Tech segment saw revenue growth of 68% to RUB 9.7 bn in 2023. The main growth drivers of the segment were cloud services of the VK Cloud platform and VK WorkSpace communication solutions.

#### Ecosystem services and other business lines segment's revenue, RUB bn



The Ecosystem services and other business lines segment's revenue grew by 21% to RUB 23 bn in 2023, driven by a 45% YoY increase in Mail.ru Email and Cloud services revenue. The segment also includes VK Play gaming platform, RuStore application store, voice technologies, and smart devices. The segment is in an active investment phase.

RUB **C**2 non-advertising revenue













### **Operating expenses**

Operating expenses increased by 61%, reaching RUB 133.4 bn, and were allocated among the following initiatives.

#### VKontakte, OK and Dzen released more than 300 product and tech updates:

- Launched global updates of key elements of user interface: newsfeeds and home pages;
- Improved recommendation algorithms for in-depth audience engagement;
- Launched VK Video as a standalone mobile app with some five million users downloading it from September to December 2023;
- Expanded functions when working with videos and photos across all VK platforms;
- Updated partner programmes, creator profiles and monetisation tools.

### VK social networks and content services expanded cooperation with authors, content creators, bloggers, and opinion leaders:

- VK platforms released more than 1,500 exclusive shows and projects, including sports streams, science and education programmes, music and travel shows;
- Vertical video platform VK Clips topped popularity ratings in Russia according to Mediascope, with more than 30.5 mn daily viewers;
- VKontakte solidified its leadership among social networks in Russia in terms of amount of content and number of active content creators with the number of new communities on the social network increasing by 20% YoY in Q4 2023.

#### VK invested in team development:

- to 63%;
- VK boosted cooperation with 30 Russian universities;
- VK launched internships and scholarships for IT specialists;
- by ECOPSY, HABR and FutureToday.

### VK invested in projects with non-advertising monetisation:

- partners.

#### VK invested in enhancing user engagement and loyalty to VK products:

- and loyalty to VK products;
- 200,000 visitors and 87.5 mn online views.

• The number of VK employees rose by 32% to 15,000 from January to December 2023. The share of IT specialists and product developers increased

• VK has become a top 3 Russian technology company on the list of the most attractive employers for developers and young people, according to a survey

• VK consolidated the largest educational platform Uchi.ru and the online school Tetrika, securing leadership in the self-learning and tutoring segments;

• VK launched Russia's first digital college based on Skillbox and Akademika platform offering programs from the country's leading universities and industry

• In 2023, 27 wide-reach campaigns were held, with key services showing growth across main marketing metrics and users demonstrating increased engagement

• VK Fest expanded its geography and scale, covering five cities and attracting

### EBITDA

VK Adjusted EBITDA in 2023 reached RUB 495 mn. In 2023, VK invested in product development, content creation and promotion, talent recruitment, technical equipment, and implementation of advanced technologies. The investments contributed to the growth of audience metrics, accelerated development of services and form the foundation for strengthening the VK's leadership in strategic business areas.

### **Capital expenditures**

VK's capital expenditures in 2023 amounted to RUB 32.4 bn. The company is building reserves of network and server equipment and investing in the construction of own data centres to scale up and improve the reliability and resilience of its infrastructure as well as in cutting-edge technologies and product development.

In 2023, VK continued the construction of a data centre in Domodedovo, which is now at the final stage of construction and installation. In addition, concepts were developed for new data centres in Moscow, St Petersburg, and the Leningrad Region.

C For more details on consolidated financial and operational results for 2023, see the Company's website.





# ESG and sustainable business development

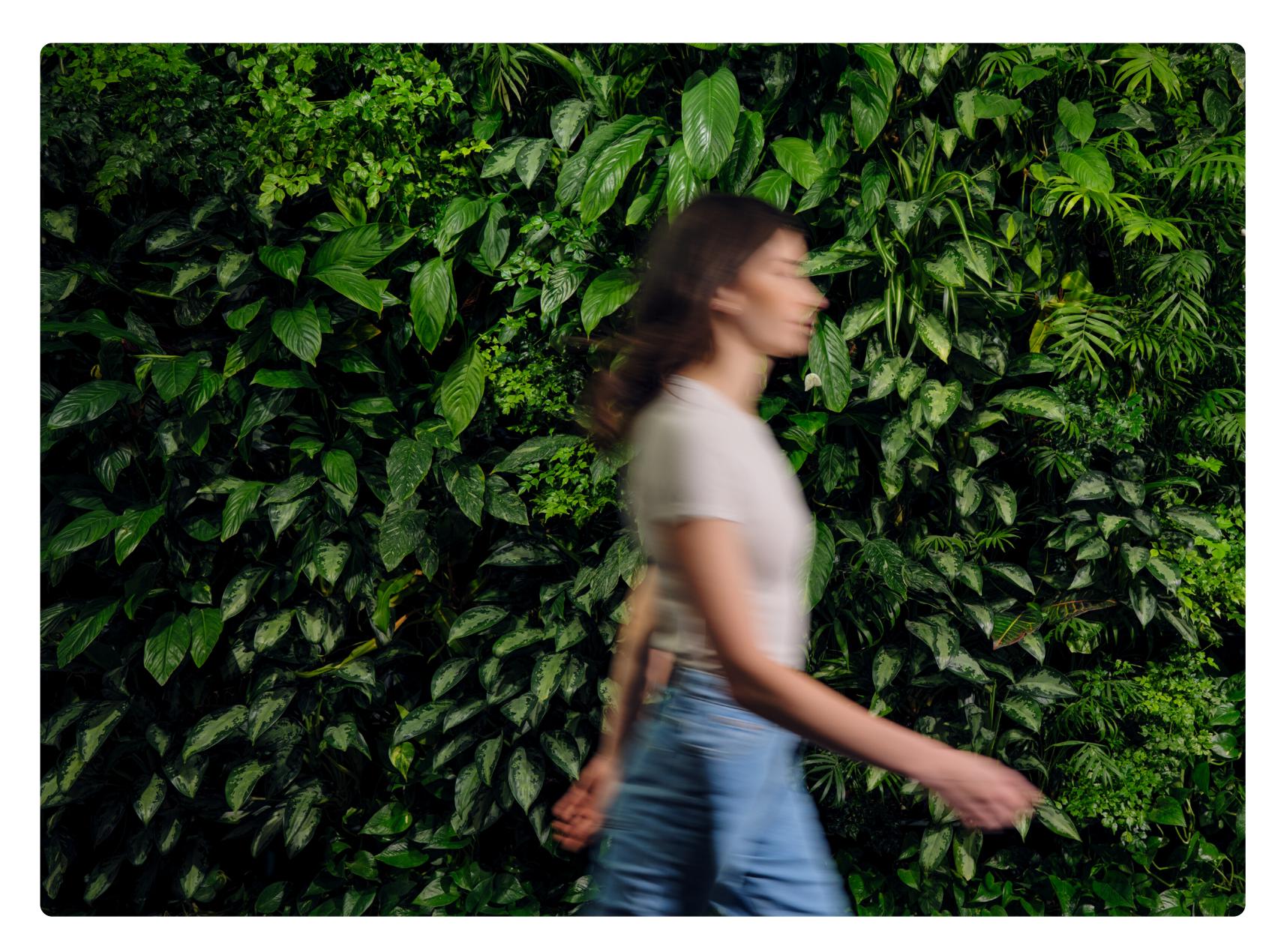
### VK's sustainable development strategy

[2-22], [2-23]

VK takes a comprehensive approach to implementing social and environmental projects and introduces best practices of sustainable business conduct. VK integrates ESG principles into its business processes, which helps meet strategic objectives and serve the interests of all stakeholders.

VK's ESG priorities are as follows: personal data protection, cybersecurity, employee training and development, product excellence, liaison with users, and meeting their needs. The company maintains a focus on environmental and social initiatives.

In each sustainable development area, VK implements initiatives and projects aimed at making the lives of users and employees safer and more convenient.

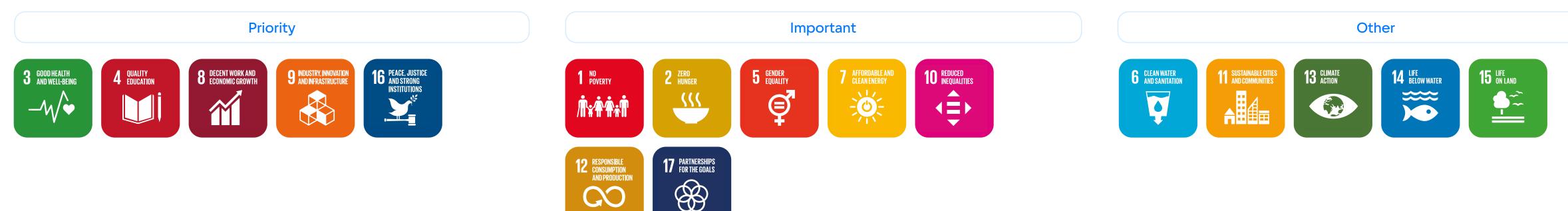






# VK's priorities among the UN's Sustainable Development Goals

In its ESG agenda, VK highlights the UN's Sustainable Development Goals (SDGs) that are seen as priorities, goals that are important for the company, and goals VK generally supports.



#### Goal 3. Ensure healthy lives and promote well-being for all at all ages.

To achieve this goal, VK implements employee care programmes and holds awareness and educational events to reduce morbidity.

#### Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

VK develops online education services, including learning projects for schoolchildren, higher education programmes drafted jointly with high-profile universities, advanced training, and skill development courses.

Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

VK takes steps to expand its team with best-in-class professionals. The company seeks to improve working conditions and remuneration.

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

VK fosters business development by providing services for small, medium, and large companies.

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

VK promotes a corporate culture of respect for human rights, openness, and equal opportunities. VK's projects help highlight social issues.

For more details on VK's contribution to the priority SDGs, please see this Report and Appendix, VK's Contribution to the Priority Sustainable Development Goals of the United Nations.





### Steering VK's sustainable development

[2-12], [2-13], [2-23]

VK has a number of sustainable development regulations. In March 2023, the company adopted the Sustainable Development Policy approved by its Audit, Risk, Compliance, and Sustainable Development Committee and Board of Directors. The document embraces all the company's ESG initiatives, which makes VK's efforts in this area more transparent for all stakeholder groups, from users and employees to partners and shareholders.

C VK's sustainable development documents

VK has an internal working group on sustainable development, whose members promote the ESG agenda company-wide. The Audit, Risk, Compliance and Sustainable Development Committee is regularly involved in steering VK's sustainable development and making relevant decisions.

With a view to expanding collective knowledge, skills, and experience in sustainable development, VK includes information on ESG initiatives in reports to be discussed by the Board of Directors. [2-17]

C Regulations on the Audit, Risk, Compliance and Sustainable Development Committee of the Board of Directors

VK's sustainable development management framework

### Board of Directors

- Identifies strategic development areas
- Is in charge of enhancing corporate governance

### Audit, Risk, Compliance and Sustainable Development Committee

#### Top management

### Sustainable Development Working Group

• Comes up with sustainable development initiatives

#### Annual report 2023 $(\equiv)$

 Gives recommendations to the Board of Directors on implementing best practices in corporate governance and sustainable development • Makes sure that the company's compliance and sustainable development policies and requirements are duly observed

• Makes sure that the strategic initiatives are implemented

### Stakeholders and stakeholder engagement [2-29]

### Stakeholder engagement principles

VK is committed to establishing partnering relationships and having an open and transparent dialogue with all the stakeholders. VK seeks to collect and analyse feedback — stakeholders' opinions and comments make an important contribution to the development of the company's products and services.

The main criterion used to identify stakeholders is mutual influence-how much VK's operations influence each of the stakeholder groups and how much these groups' opinions influence VK's business decision-making.

VK's key stakeholders are its employees, users, shareholders, business partners, regulatory authorities, non-profits, and local communities.

VK has a dedicated ESG section on the corporate website. In this section, VK publishes its ESG reports and quarterly presentations, relevant policies and codes, news related to the company's social and ESG agenda, etc. VK annually updates its interactive landing page to engage its stakeholders in the company's ESG outcome.

### Stakeholder engagement and communication channels

VK's list of stakeholders and approach to stakeholder engagement have remained unchanged since 2021.

C For more details on stakeholder engagement, please see Appendix: Stakeholder Engagement and Communication Channels.



# VK for employees



# Our approach

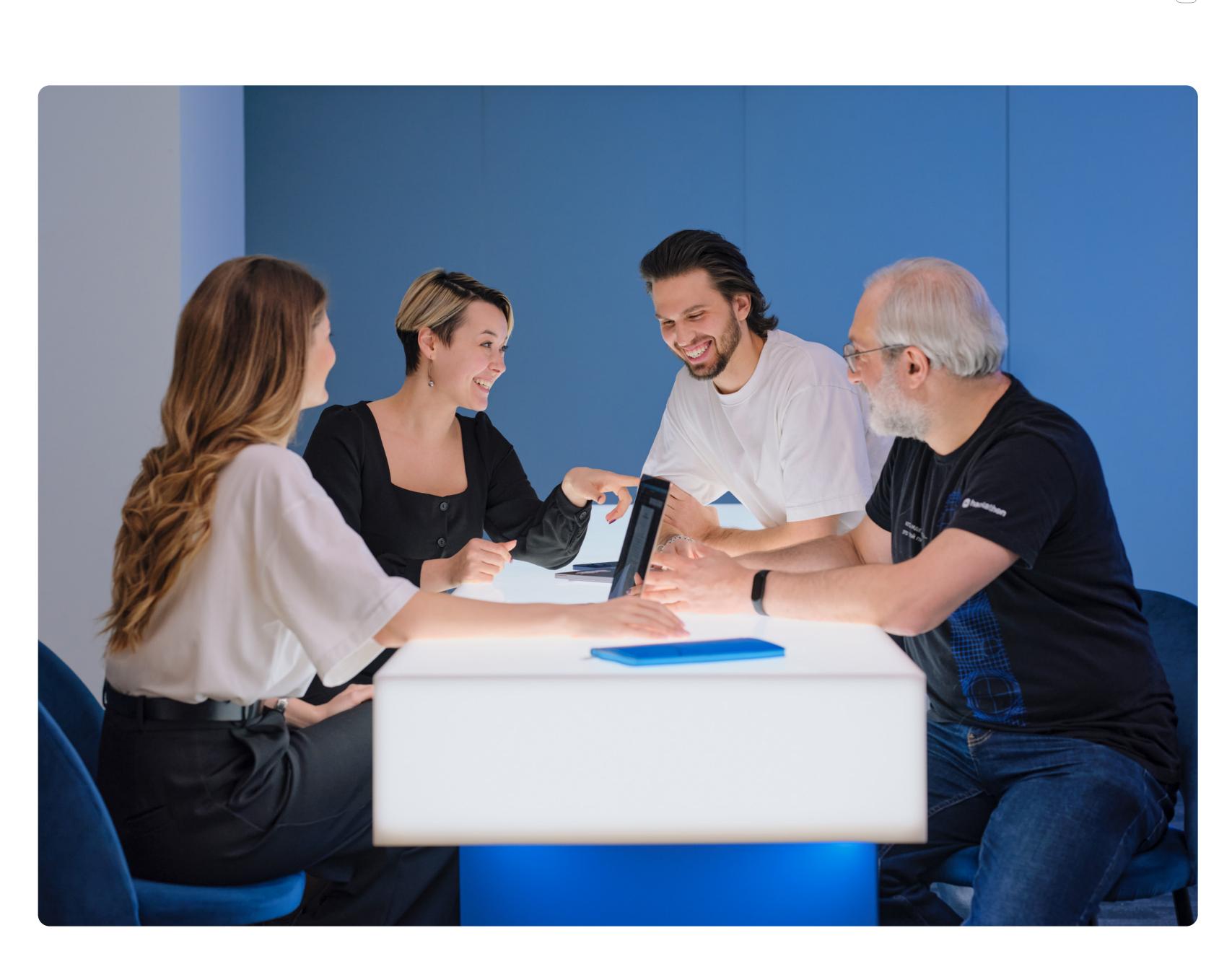
Attracting, retaining, and developing talent is a key focus area of VK's ESG strategy. VK is building a comfortable, inclusive, and fair work environment, and taking steps to ensure diversity, including a larger share of women in the team and the IT industry as a whole.

In 2023, VK ranked among the top 3 largest and most attractive IT companies for jobseekers according to the Habr and ECOPSY annual ratings of Russian IT employers.

VK does not tolerate discrimination of any kind. Hiring, performance appraisal, training, advancement, promotion, termination, and other employment conditions are based exclusively on the applicable laws and objective criteria within the framework of recognized business practice, such as experience, job duties, and performance indicators.

C For the ratio of the base salary and remuneration of women and men [405-2], see the Databook.

As of the end of 2023, VK employed 42 people with various disabilities, or 0.4% of its total headcount. Depending on the needs of disabled employees, the HR team takes steps to adapt workplaces and offices, putting in place tactile emergency evacuation floor plans and labelling meeting rooms with Braille signs for staff who have visual impairments. In addition to mandatory procedures, additional adaptation measures are in place, such as organizing storage for walking sticks at workplaces used by the blind in one of the offices and putting Braille labels for drinks on coffee machines. [403-6]



## Employee profile<sup>1</sup>

### Personnel structure by age, position

[405-1], [TC-IM-330a.3], [TC-SI-330a.3], [~옴]

Indicator	20	21	202	22
Indicator	Overall share, %	Number of persons	Overall share, %	Number of persons
Management <sup>2</sup>	17.1	1,772	17.1	1,927
<30 years old	4.6	473	4.7	527
30–50 years old	12.3	1,277	12.2	1,375
>50 years old	0.2	22	0.2	25
Employees	82.9	8,620	82.9	9,319
<30 years old	43.0	4,469	47.3	5,320
30–50 years old	39.1	4,062	34.8	3,913
>50 years old	0.9	89	0.8	86
Total	100	10,392	100	11,2464

Number of full-time and part-time employees by gender, persons [2-7], [-2]

nployee category
II-time employees
omen
en
rt-time employees
omen
en

1 For the rest of the employee profile tables, see the Databook.

2 Management means employees making corporate/strategic decisions (level of directors, vice-presidents, and above) and employees who occupy managerial positions and are in charge of financial responsibility centres, business units, functional lines, or a group of employees; employees means line personnel.

3 The increase in the number of managers is due to new subsidiaries joining VK during 2023 with an established management structure.

4 Data for 2022 have been recalculated due to a change in the data consolidation contour.

### Personnel structure by gender, position, persons

2-7], [405-1],	[TC-IM-330a.3],	, [TC-SI-330a.3], [~옴]

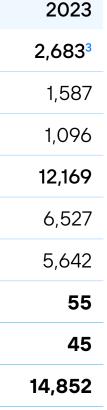
Total	10,392	11,246
Total women, %	37	44
Total men, %	63	56
Women	3,329	4,259
Men	5,291	5,060
Employees	8,620	9,319
Women	500	743
Men	1,272	1,184
Management <sup>2</sup>	1,772	1,927
Indicator	2021	2022

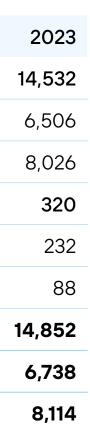
Total number of employees by type of employment contract and gender, persons [2-7], [-2]

Employee category
Employees with a permanent employment contract
Women
Men
Employees with a temporary employment contract
Women
Men
Total
Women
Men

2023			
Overall share, %	Number of persons		
18.0	2,683 <sup>3</sup>		
4.5	664		
13.2	1,975		
0.3	44		
82.0	12,169		
45.5	6,761		
35.7	5,295		
0.8	113		
100	14,852		

2023
14,422
6,509
7,913
430
229
201





### **Recruitment and onboarding**

### Recruitment

As an advanced technology company, VK seeks to recruit the best IT talent with strong expertise that will power the company's growth.

In 2023, VK filled over 6,700 vacancies, maintaining robust hiring rates while also building up investments to make the company more attractive as an IT employer amid tougher competition for highly skilled developers. VK achieved these results by leveraging new recruitment tools, improving an external and internal referral programme, taking advantage of new resources, working closely with HR marketing, increasing recruitment performance, streamlining and automating hiring processes, and reducing the offer rejection rate.

### Onboarding programmes

VK pays special attention to staff onboarding. This is why it is important for VK to not only bring new employees to operational efficiency as quickly as possible, but also to support them. New employees have access to a wide range of support tools, such as welcome training, various guides, chatbots, and mentorship.

VK conducts regular surveys to respond immediately to employee sentiments and reactions.

C For length of service of existing employees, see the Databook.

[401-1]
Indicator
<30 years old
Women
Men
30–50 years old
Women
Men
>50 years old
Women
Men
Total:

Total number of new hires by age and gender<sup>1</sup>

1 Data on new hires for 2019-2022 was collected excluding assets acquired through M&A.

46

2021

1,528

599

929

1,075

312

763

12

5

7

2,615

2022

2,433

958

1,475

1,986

655

1,331

33

16

17

4,452



2023

3,875

1,952

1,923

2,818

1,137

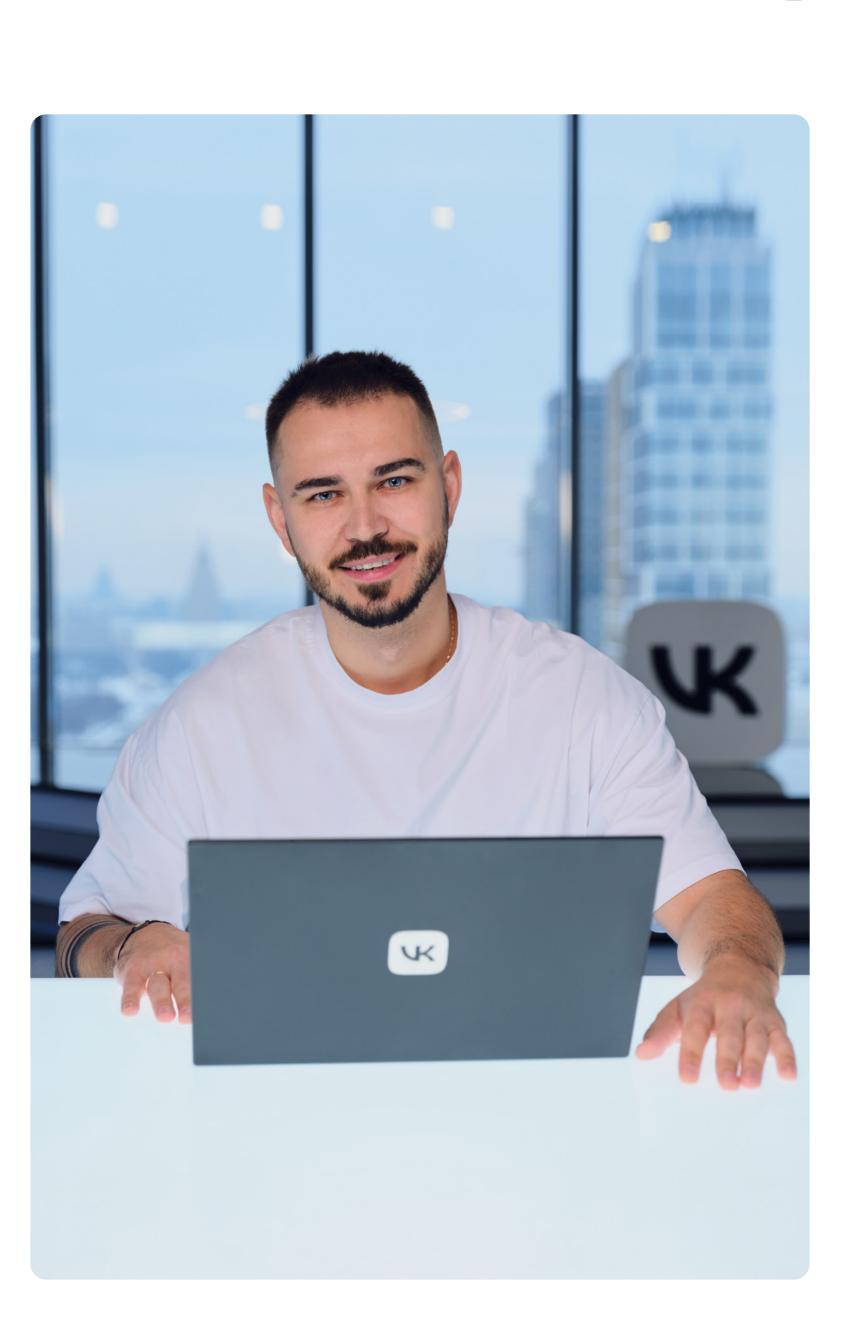
1,681

53

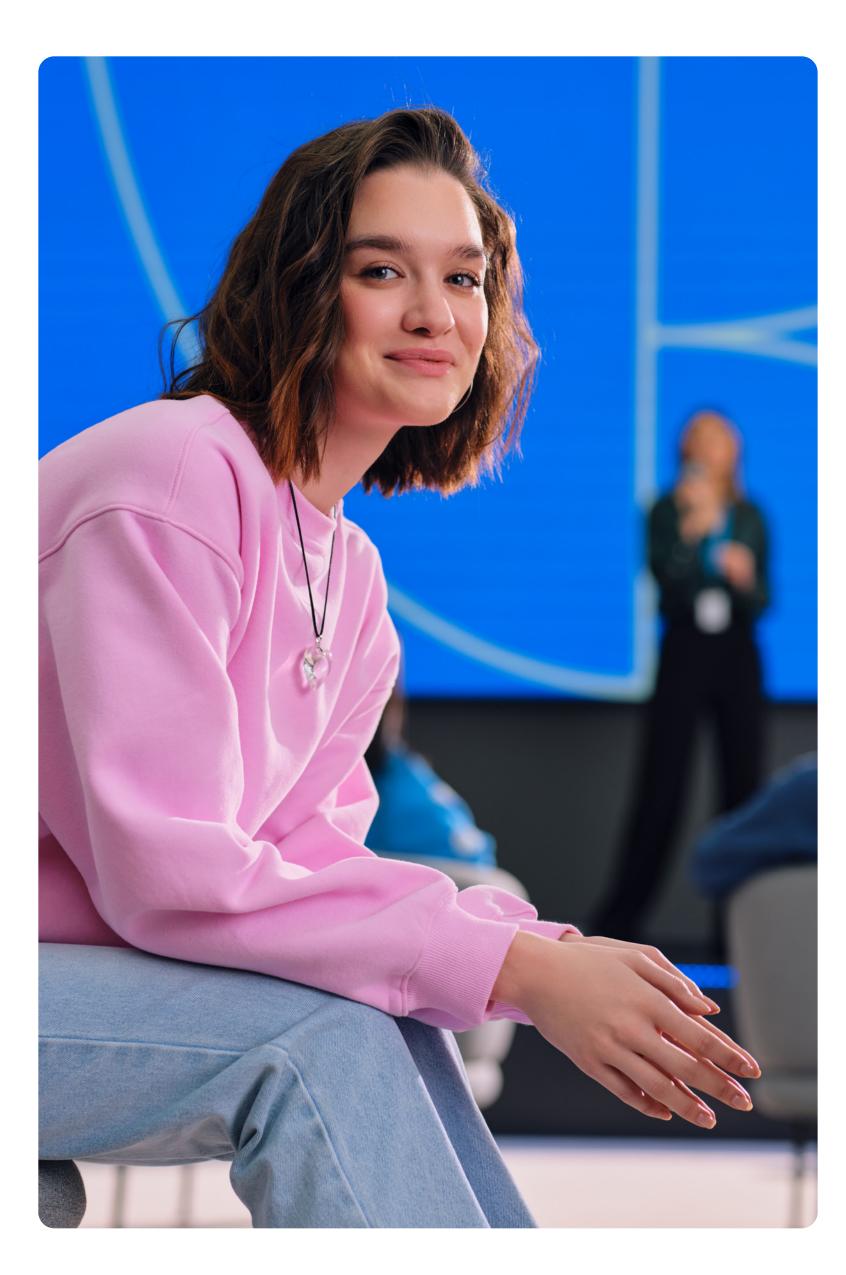
34

19

6,746







### Youth engagement

VK is running major projects to train and develop talented young people. They can join the VK team while studying, as VK partners with over 30 leading Russian universities and offers scholarships and internships to open up new opportunities for students and young professionals.

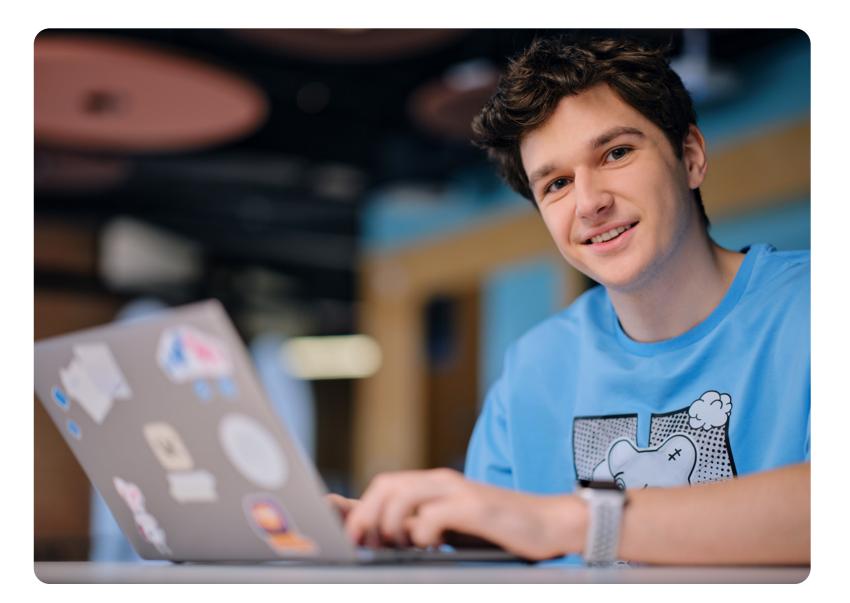
In 2023, VK ranked among the top 3 best employers for students according to the Changellenge >> Best Company Award and Future Today ratings. In the FutureToday rating, VK was among the Top 3 in three categories: overall employer rating, best of the best, and best for target audiences.

VK put in place a paid internship for over 30 popular IT and digital professions, from development and design to information security. The internship ran in the spring and summer for 22 projects. The programme targets senior students and fresh graduates. In 2023, 120 students from 11 cities took the internship, with half of them offered jobs at VK following their completion.

C More details on VK internships

120 students took the paid internship

>3.3<sup>mn</sup> school students were covered by VK's career guidance projects in 2023



The reporting year VK launched an IT Diving online educational programme for high school and junior university students across six technology domains: Android or front-end development, UX research, community management, testing, and information security.

#### C More details on IT Diving

For school students, VK is developing a major career guidance programme and running projects to help them choose a future IT profession. In 2023, VK's career guidance projects (IT Professions Test Drive, IT Knowledge Day, Digital Lesson, and dreamlab) covered over 3.3 million school students. In 2023, as part of VK's effort to promote Olympiads, VK supported more than 35 contests in 12 areas, from competitive programming to creative industries.

C For more details on these projects, see the Educational Initiatives section.







### Internal communications and engagement

### Internal communications

VK employs about 15,000 people, engaged in over 200 technology projects. VK's internal communications team is building a shared information space and an open dialogue between employees at various levels to make sure they are aligned with the corporate mission, strategy, and values, and to communicate important VK news in a timely manner.

#### The internal communications team does the following:

- organizes live streams and meetings with product teams, and educates employees on products and technologies
- organizes live streams with top managers to align on strategic goals
- fosters communities where people share interests and find common ground
- creates corporate events bringing people together

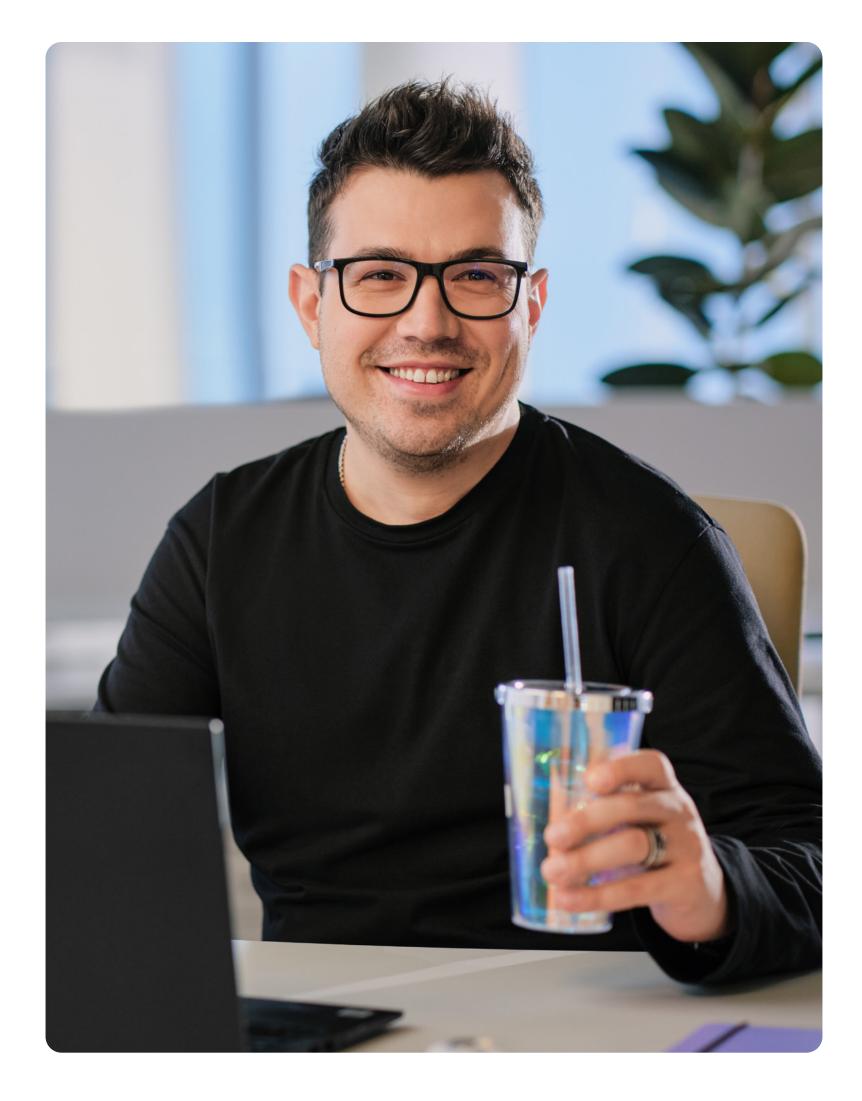
VK's internal communications comprise several channels for communication and information exchange. For more details, see this webpage.

### **Employee engagement surveys**

[TC-IM-330a.2], [TC-SI-330a.2]

VK pays a lot of attention to feedback from employees. In addition to regular pulse surveys, measurements, and focus groups, VK conducts an annual engagement survey on the external Happy Job platform, which includes measurements of loyalty and eNPS, i.e., willingness to recommend the company to friends as an employer.

VK's loyalty, satisfaction, and engagement scores (84.6%, 91%, and 87.7%, respectively) are above the average in Russia, while eNPS (62.7%, up 7.9 p.p. YoY), which in recent years has become the main indicator of staff engagement, moved into the IT industry's range of best values, according to Happy Job.



### **VK Fest**

Every year, VK organises an open-air VK Fest. In 2023, the VK team had a dedicated space at the festival.

Entertainment for kids arranged by VK included animators, face painting, creative workshops, soap bubbles, colouring, and much more.

### The two-day event welcomed:

5,526 employees and their guests in Moscow

2,772 employees and their guests in St. Petersburg

C For more details, see the VK Fest section.



### Social initiatives for employees

VK is developing a culture of effective charity among its employees. The company transfers charity coins (internal currency) that employees have donated via VK Dobro. In 2023, employees donated RUB 880,000 to partner funds of VK Dobro.

In 2021, VK launched an intellectual volunteering project called VK Charity Task, encouraging employees to share their expertise and professional skills to help charitable foundations. The project received a prize from the Friends Foundation and the ProCharity platform for the largest number of intellectual volunteers in 2022.

The company traditionally holds a Donor Day, arranging for blood donation in its offices. In 2023, 105 employees donated blood as part of the initiative, which earned VK a reward from the Blood Transfusion Centre.

In 2023, VK employees from various departments hosted charitable sales and swaps, with proceeds in excess of RUB 580,000 designated for charity purposes.

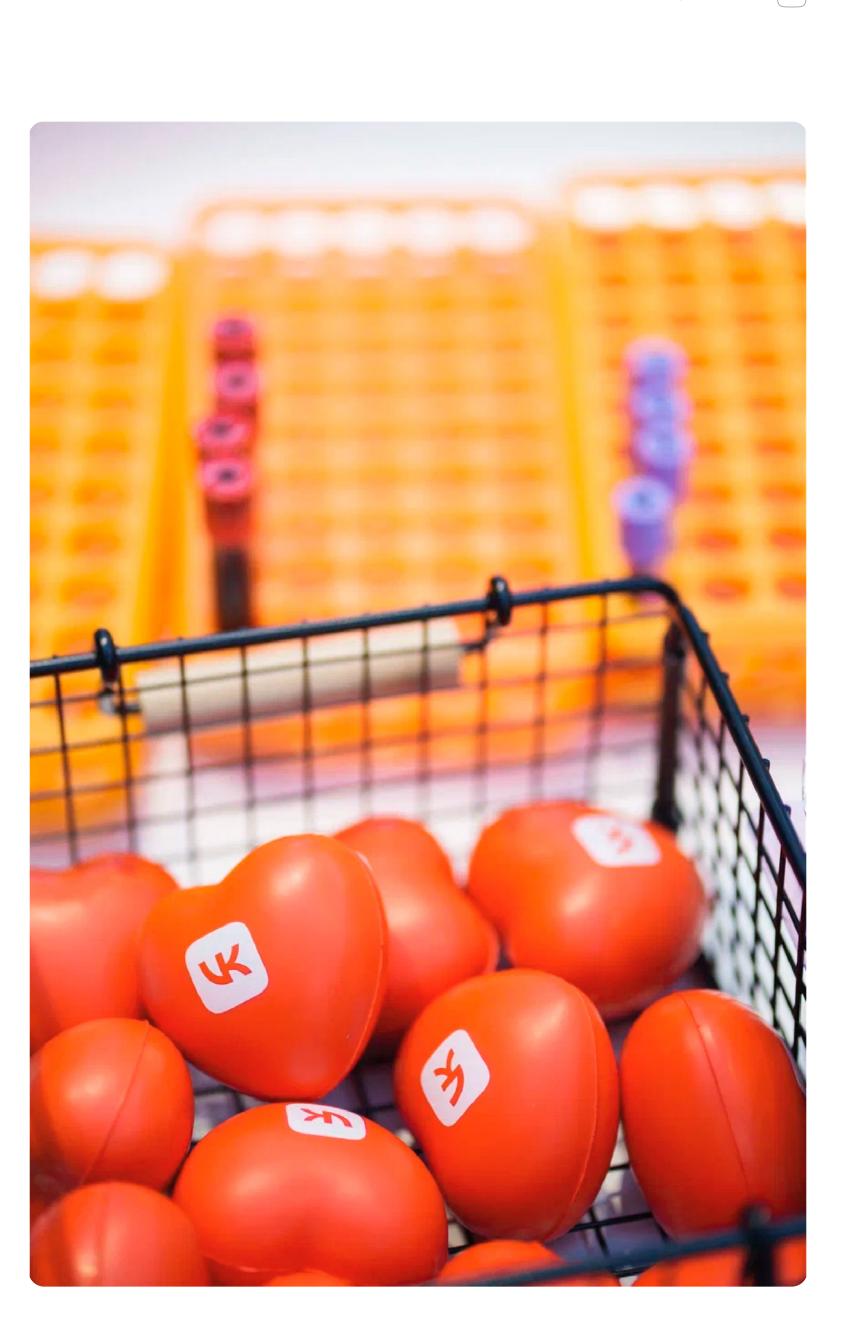
On New Year's Eve, VK also launched a Really Useful Gifts campaign among its staff in five cities to collect and hand over essentials for charitable foundations, including Nochlezhka, RAY, Help to Street Dogs, Vera, and Enjoying Old Age.

<sup>RUB</sup> 880,000 employees donated to partner funds of VK Dobro

105

employees donated blood on Donor Day

<sup>RUB</sup> >580,000 were raised through charitable sales and swaps in 2023



### Social package and convenient working conditions

[401-2], [403-6]

In 2023, VK continued to expand its corporate benefits package to provide employees with better conditions for their physical and mental health, as well as social well-being. The company offered a fully paid sick leave.

#### The number of employees who availed themselves of VK benefits

2021	2022	2023
10,392	11,300	12,800
3,100	4,200	4,600
44	100	180
3,020	1,050	1,900
1,079	4,198	5,063
	494	741
	559	526
	1,922	2,887
	2,462	4,318
	10,392 3,100 44 3,020	10,392       11,300         3,100       4,200         44       100         3,020       1,050         1,079       4,198         494       559         1,922

### Physical health

As part of the physical well-being programme, VK encourages employees to take part in sports and competitions. VK offices operate gyms while also providing group and personal training.

Over 1,500 employees take part in corporate sports contests, with 37% involved in sports programmes.

In 2023, VK built six teams of 60 people to take part in the Hero Race hurdling competition, organized an internal marathon walk involving over 600 employees, and integrated with the Moscow Half Marathon.

In November 2023, VK made it to the finals of the national corporate sports award in the Best Programme to Engage Employees in Corporate Sports and Healthy Lifestyle in Companies with 5,000 Headcount.

### Mental health

VK pays special attention to the psychological support of its employees who can benefit from consultations with corporate psychologists. In 2023, VK held a series of online meetings for employees as part of the self-discovery programme on how to support oneself and family members amid uncertainty and manage emotions.

1 VHI means voluntary health insurance.

2 Other benefits include consultations of psychologists and real estate agents, massage services.

#### 50 • • • VK for employees • • • • • • •

### VHI

#### [403-6]

VK takes care of the social well-being of employees and their families. From day one of employment, VHI programmes cover visits to all medical practitioners, outpatient and inpatient treatment, telemedicine, dental care, first aid, house call visits, home diagnostic tests, psychotherapist consultations, and much more. A VHI programme for employees' children under 18 covers outpatient treatment, home healthcare, dental care, first aid, hospital admission, telemedicine, lab

checkups, COVID-19 recovery, and a preventive full-body massage at home for infants.

Female employees who have worked at VK for over a year by the time they get pregnant can take advantage of pregnancy and childbirth support programmes.

### Other benefits and compensations

VK runs children's and family events, helps employees understand IT mortgage subtleties, and provides financial assistance in cases of childbirth or the death of a close relative.

VK also compensates employees for meals in the office and nearby cafes and restaurants. In 2023, over 7,000 people used this compensation each month.

The company's Moscow office organized a baby care room available to all employees.



### Safe working conditions

### Health and safety system

VK is committed to a comprehensive approach to employee safety. The primary documents on the health, safety and environment system at VK are the Occupational Health and Safety Policy, the Regulations on Occupational Health and Safety Management System, the Regulations on Occupational Safety Service, as well as additional internal documents. [403-1], [403-3], [403-4]

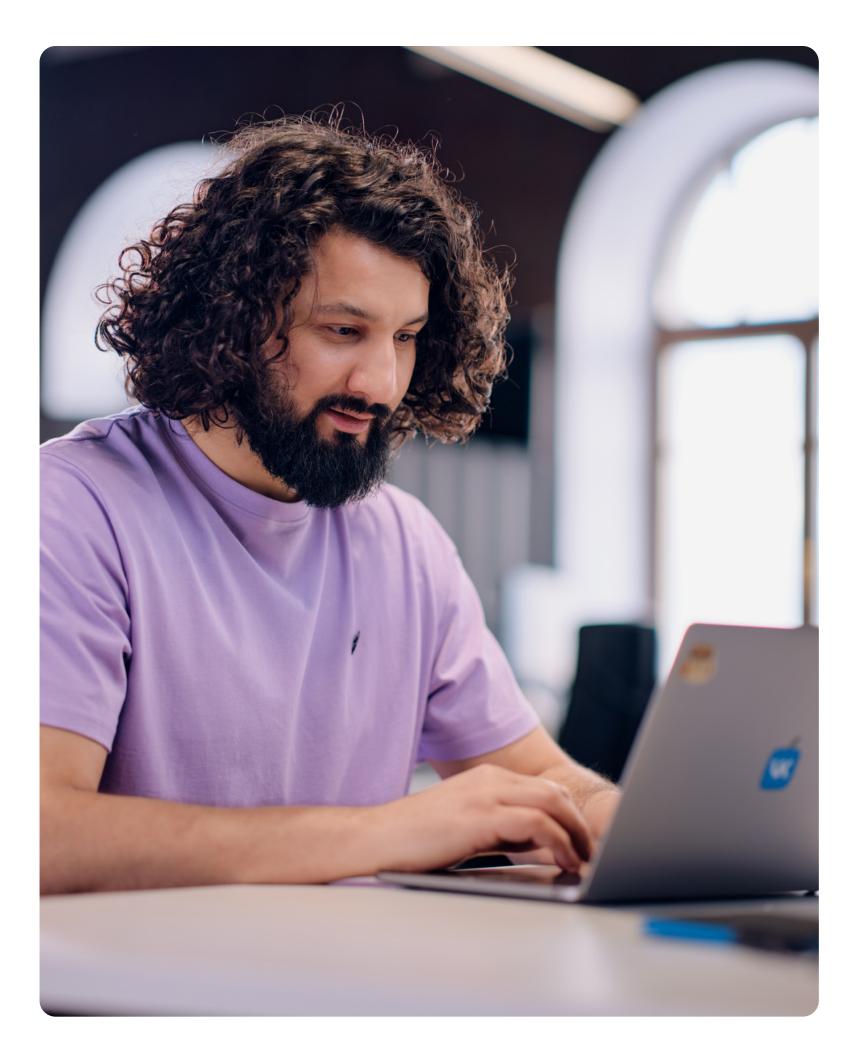
### VK has three levels of occupational health and safety control:

- Level I heads of VK business units
- Level II persons in charge of occupational safety
- Level III Managing Director

To prevent occupational injuries and diseases, VK conducts a special assessment of workplace conditions and professional risks, one of the key health and safety initiatives. To identify minor health damage at work, the company built a process to record and investigate microtrauma. Employees can report any situations anonymously via a trust line, #marusianarabote (Marusia at work) chatbot or a dedicated HR business partner. Incidents and workplace injuries are investigated in line with applicable Russian laws. [403-2]

In 2023, the lost time frequency rate (LTIFR) was zero. [403-9]

VK's expenses on health, safety and environment stood at RUB 11 mn. They included personal protective equipment, workplace improvements, prevention of occupational diseases, reducing injuries, and accident prevention.



### Health and safety training [403-5]

VK creates safe workplace conditions for its employees and constantly develops skills and methods of safety awareness.

Regular briefing of employees is one of the elements of occupational safety training. Briefings are conducted in video format, with testing through an internal training platform. Training for employees to acquire specific professional skills takes place in dedicated training centres. In 2023, over 8,000 employees took health and safety briefings and training.

# Over 8,000

employees completed health and safety briefings and training in 2023



### **Employee training and development**

One of VK's key success drivers is the continuous training of its people. To create innovative technological solutions, the company's team needs to have unique competencies and continue to upskill.

In 2023, all VK employees underwent a performance and career growth review. [404-3]

#### Management and line personnel took the following training: [404-2]

- 5,300 employees took part in one or more training sessions with the coaching team, which is an all-time high for VK;
- employees attended more than 1,600 sessions of external courses and training programmes;
- employees participated in conferences almost 1,700 times;
- almost 2,200 employees took internal manager training courses;
- 3,600 new employees took welcome training after joining the VK team in 2023;
- employees continued to learn foreign languages and study with mentors.

In 2023, the company's employees completed 27,500 hours of mandatory synchronous trainings. Also, each employee has the opportunity to undergo additional asynchronous training from the available list at their own request. During the reporting period, employees completed 41,600 asynchronous training courses or 42,200 hours. The average number of training hours per employee in 2023 was 4.7 hours.

### Total hours of training in 2023 by gender, hours [2]

Total	
Men	
Women	
Indicator	

#### Average hours of training per year per employee in 2023 with breakdown by gender, hours/person [404-1], [**~**음]

Total	
Tatal	
Men	
Women	
Indicator	ł ti

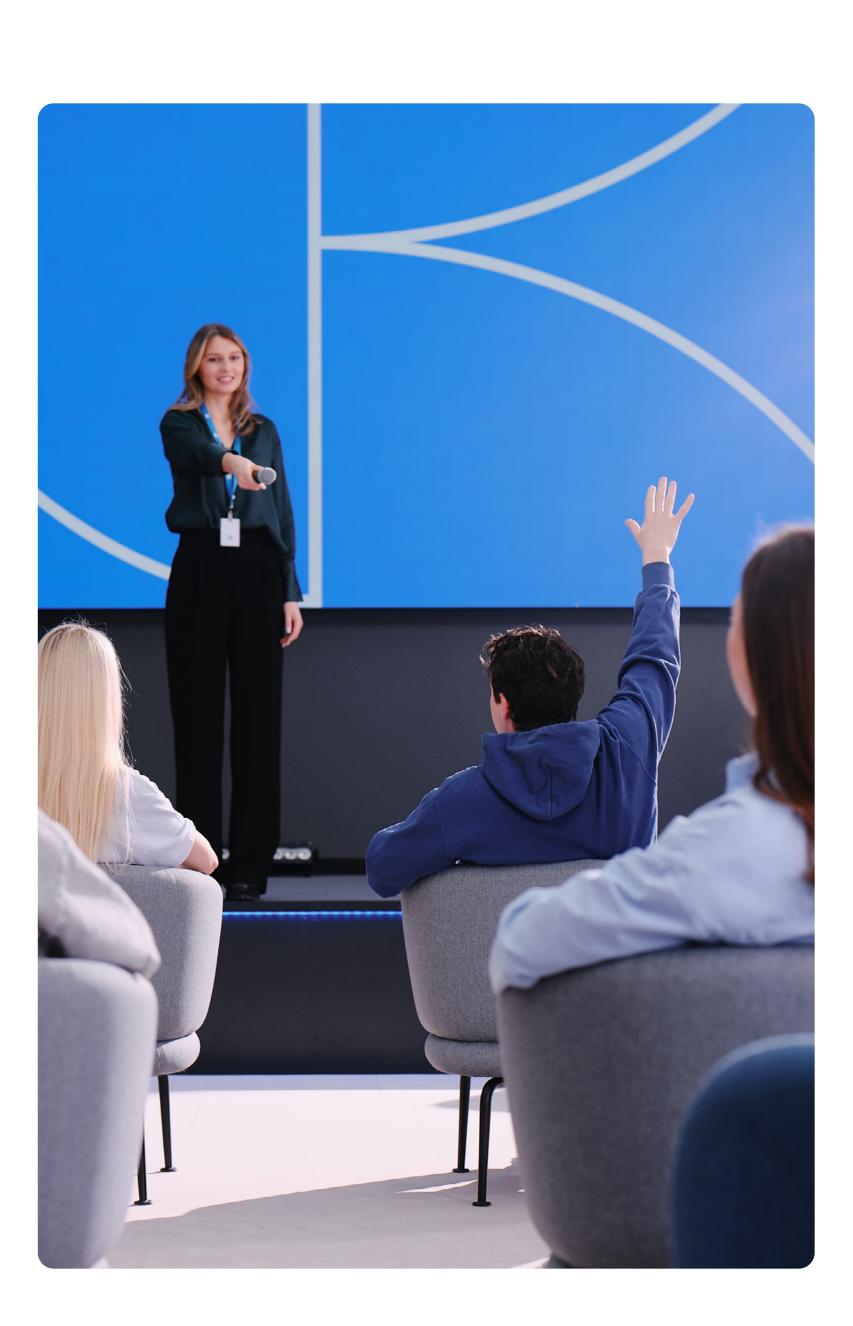
- Databook.
- C For self-education programmes by type, see the Databook.

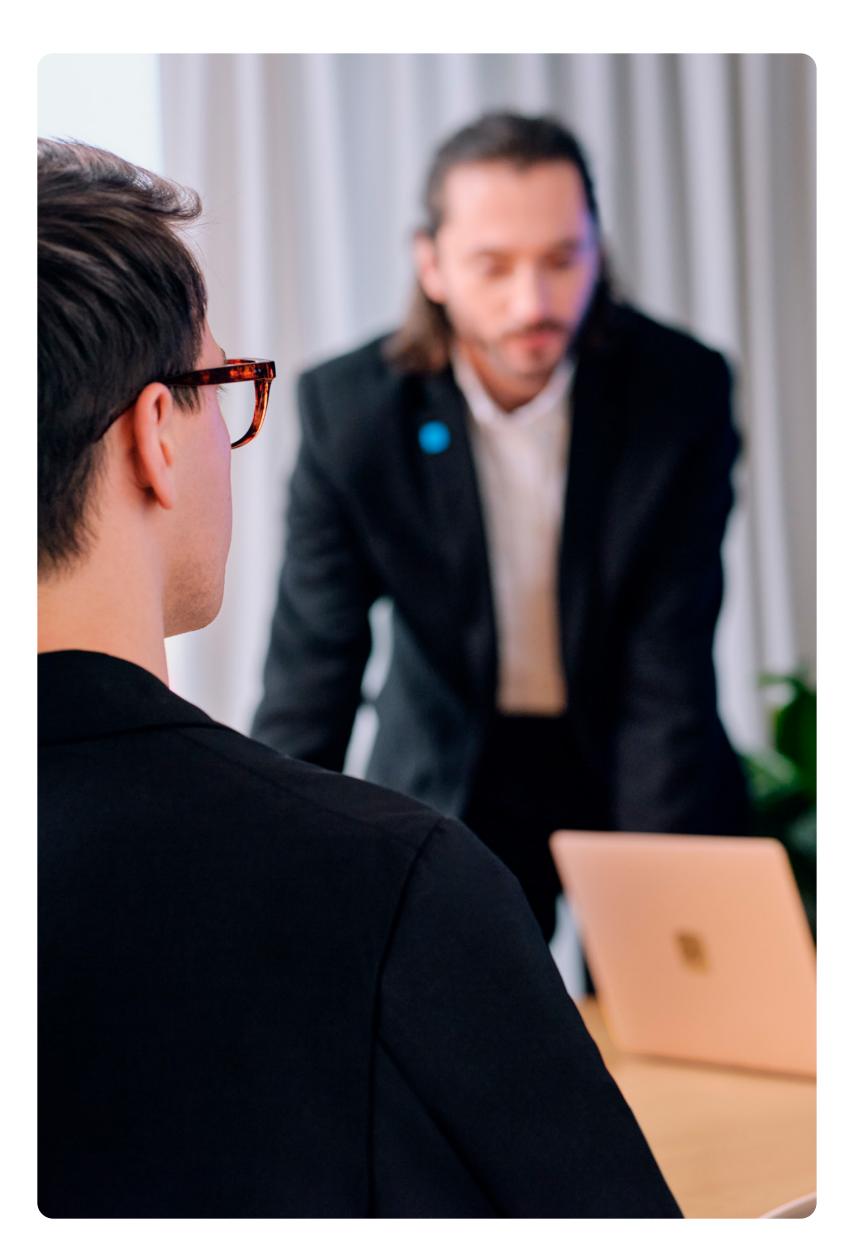
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Synchronous learning	Asynchronous learning <sup>1</sup>	Total number of training hours
11,570.0	n/a	11,570.0
15,981.0	n/a	15,981.0
27,551.0	42,178.5	69,729.5

Average number of hours of asynchronous training per employee <sup>1</sup>	Average number of hours of synchronous training per employee
n/a	1.72
n/a	1.97
2.84	1.86

C For the number of training requests from employees, see the Databook. C For in-class (online and offline) training by employee category, see the





### **Ulta School of Self-Learning Teams**

VK continues to develop a culture of knowledge sharing and experience transfer among employees. To implement this approach, VK runs Ulta, a school of selflearning teams.

#### At the Ulta school, VK employees learn:

- VK's internal training platform

In 2023, the company launched 11 courses, from digital accessibility for developers to an SQL course.

### Mentoring

To develop a mentoring culture, VK runs a programme, where any employee can seek individual advice from experienced colleagues on technical, leadership, product, and career topics.

In 2023, more than 230 employees consulted VK mentors, with NPS from individual advice standing at 67%.

• Teaching – more than 50 employees took intensive in-house teacher coaching Creating their training courses and educational products: VK's in-house experts delivered 21 lectures, 13 more courses will be added to the library of

• Mentoring: ten mentors underwent internal certification coaching

### Star Lab

In 2023, VK ran full cycles of Star Lab aimed at identifying, developing, and retaining talent. Implemented in collaboration with leading Russian providers, the programme includes building a career track at VK, taking part in a modular development programme for each competences pool that was tailored to the employee's future role in order to unlock their full potential, and developing a personal professional brand alongside internal corporate influence. The programme saw 140 participants from among employees at various levels.

### Developing VK's management team

In 2023, VK held 30 managerial training sessions on methods to set annual targets, feedback practices, and motivation, with 490 managers acquiring new skills to lead their teams more successfully. For beginning and future managers, VK staged the Start and Jun educational marathons.

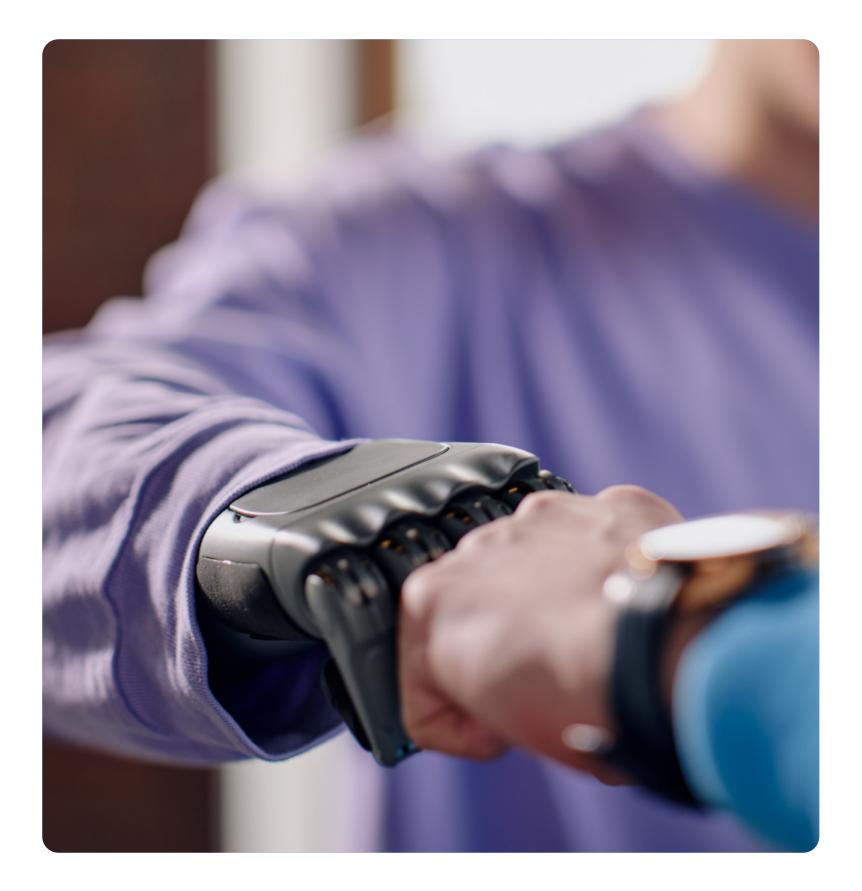




# VK for users and partners

# Our approach

VK is committed to improving people's lives by making digital tech accessible to as many users and partners as possible. As it designs and enhances solutions that transform lives, VK takes a prudent stance on the societal impacts of its products.



### Inclusion

[2-23], [2-24]

At the forefront of inclusion, VK aims for digital access for everyone. This endeavour extends the convenience of VK's digital services beyond individuals with disabilities to encompass the varied requirements of a diverse user base.

In 2023, six VK services from different platforms became more accessible to users with visual and motor impairments (OK, VKontakte, Mail.ru, VK Calls, VK ID, RuStore). Enhanced accessibility was confirmed not only by the internal testing team, but also by the certificate of the Everland inclusion project.

RuStore became Russia's first app store to support the needs of users with visual and motor disabilities.

To further elevate and maintain product accessibility, VK introduced in-house training for web, Android, and iOS developers. This initiative engaged VK staff, as well as internal and external experts with various sensory disabilities, to develop the curriculum. In just six months of 2023, over 100 participants completed training. VK prioritized this universal training module as recommended for all new employees.

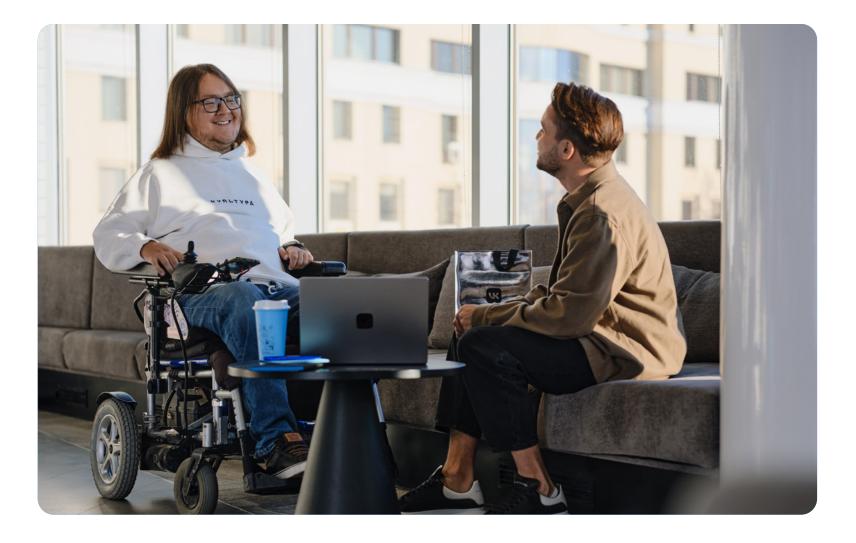
Throughout 2023, VK also hosted various events highlighting inclusion and digital accessibility. VK backed Russia's first ever offline conference on digital inclusion, VK Inclusion '23. The event saw more than 250 professionals gather in person, with a staggering 750,000+ tuning in online. The conference's organization was a testament to inclusivity. Its overall aesthetics and the landing page were designed with sensory disabilities in mind. Sign language interpreters translated the conference live for the hearing-impaired community. Venue accessibility was paramount: the main stage was on the ground floor, accessible via ramps, and dedicated volunteers assisted attendees throughout the venue. In 2024, the conference won the Event of the Year award in the Best CSR and Sustainability Event category.

VK Fest 2023 broke barriers, welcoming individuals with special needs and sensory disabilities. The VK Fest website was tailored for blind access; ramps led to all interactive sectors; dedicated platforms were equipped for disabled people in participating cities; special restroom facilities were introduced; and the streams featured Russian sign language interpretation. The festival was attended by a total of over 800 guests with disabilities across five cities.

#### C For more details on the event, see the VK Fest section

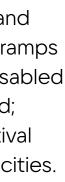
VK earned the prestigious Visionaries Award from the Society. Large Businesses' category for creating a more accessible (inclusive) environment at VK Fest 2023.

C More details on VK's digital accessibility









### Information security

[TC-IM-230a.2], [TC-SI-230a.2]

Throughout 2023, VK remained devoted to bolstering the functional security of its platforms, focusing on infrastructure protection and the automation of secure development practices. The transformation of VK's Security Operations Centre (SOC) is ongoing. Teams from the Information Security and IT functions work in shifts to provide blanket monitoring and swift incident resolution. This ensures a quick and effective response to any type of threats around the clock.

The introduction of VK's proprietary application security platform, Security Gate, marked a major stride in 2023 towards automating secure development. This platform autonomously scrutinizes source code across 37 products, detecting both vulnerable open-source libraries and sensitive data potentially exposed by developers in configuration files.

Furthermore, VK formulated and approved 12 internal information security policies in 2023.

### Certificates

#### In 2023, VK successfully completed:

- primary PCI DSS certification of QazCloud (VK Cloud in Kazakhstan);
- PCI DSS recertification of the company's products:
- -VK Cloud;
- VK Pay;
- -VKontakte;
- –OK.
- improving VK Cloud's compliance with GOST 57580, achieving the first enhanced security level and the fourth level of compliance;
- VK Cloud certification according to ISO 27001, 27017, and 27018.

Furthermore, VK Cloud was among Russia's pioneers certified under the updated international standard ISO/IEC 27001:2022, incorporating the requirements of ISO/ IEC 27017:2015 and ISO/IEC 27018:2019.

### Information security statistics

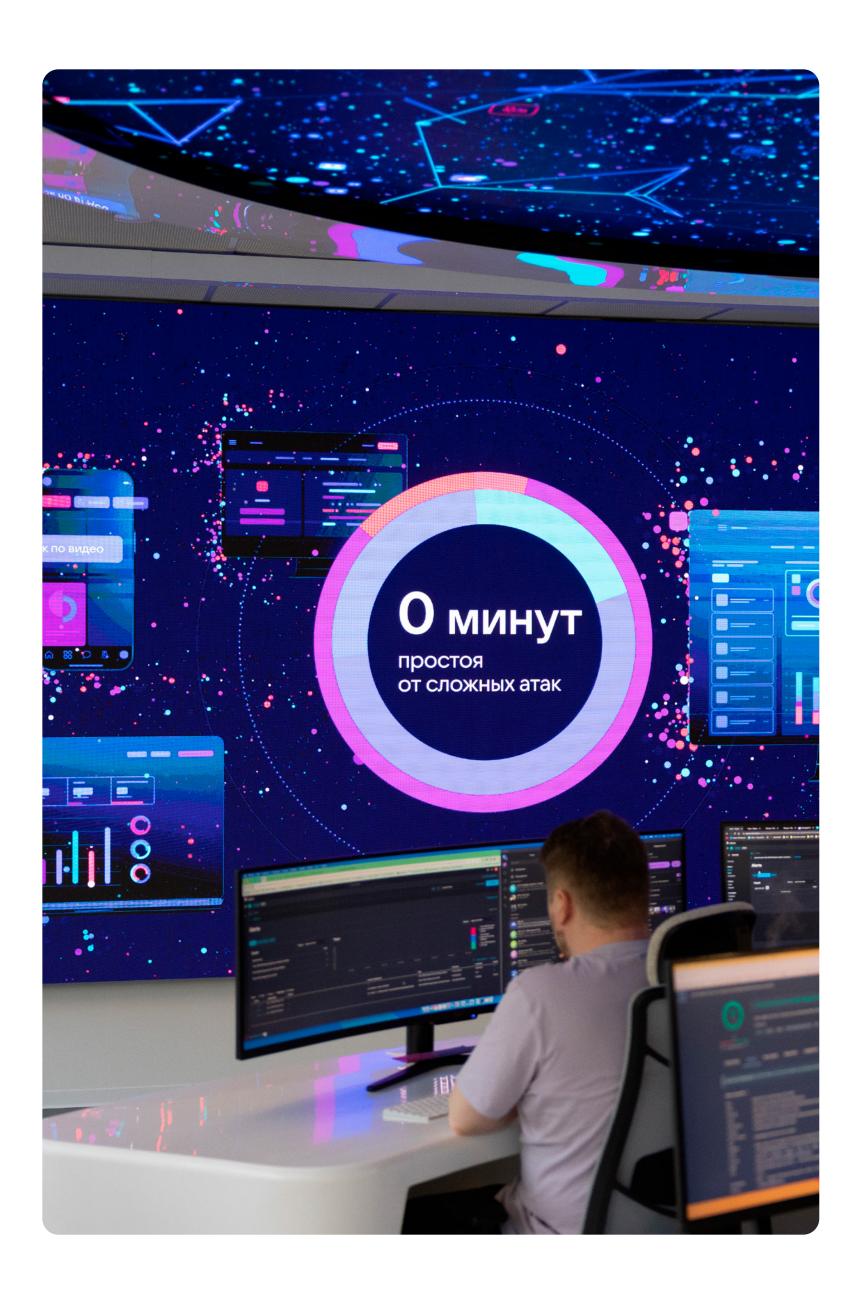
VK implements a multi-layered perimeter defence. VK's IT security team successfully copes with the intruders' activity: more than 30 penetration tests and security audits were completed, and over 700 incidents were prevented by the updated VK SOC in 2023.

### Prevention of potential threats

VK pursued the expansion of its Bug Bounty vulnerability discovery initiative throughout 2023, setting a national precedent as the first Russian business to launch the programme across all the country's vulnerability discovering platforms: Standoff 365, BI.ZONE, and BugBounty.ru.

The company doubled top rewards for white hats as part of its Bug Bounty programmes on these platforms. VK now offers up to RUB 3.6 mn for uncovering vulnerabilities in any of its 35 projects.

The total sum awarded to security experts in 2023 surpassed RUB 38 mn [2], with the highest individual reward reaching nearly RUB 2.5 mn. Over the year, VK reviewed in excess of 1,500 reports and added three more products to its initiative: Skillfactory, the VK Capsule smart speaker, and the VK Customer Experience Hub.







### Safe Internet

### Security with VK Protect and VK ID

User and data security remains paramount across all VK services. To this end, the company continues to advance the comprehensive VK Protect programme, encompassing all tech solutions and initiatives that secure both VK's offerings and those of its partners. VK regularly undergoes both internal and external audits, utilizes globally recognized best practices for data protection, and consults with third-party experts to enhance security.

The Security community on VKontakte stands out as the social network's largest forum dedicated to the subject. The group orchestrated a portfolio of over 100 educational projects that received the Runet Award in the Information Security category. These information security educational efforts reached out to more than 300 million people.

In a bid to amplify cybersecurity awareness among its user base, VK rebranded the official information security channels in VKontakte, Dzen, and OK, boosting audience coverage to 19.3 million in 2023.

One of the options featured by VK Protect is its two-factor authentication, offered through the VK ID single account system. Enhancing defences against password compromise, VK ID has introduced passwordless authorization as the default method for VKontakte, further securing user account access. Users can choose from a diverse set of sign-in options: a code from SMS or call, OnePass facial recognition and fingerprint authentication, QR codes, push notifications, or code generator apps.

2023 saw a noticeable uptick in security-conscious users on VKontakte and OK, with a 21% and 15% increase in two-factor authentication, respectively.

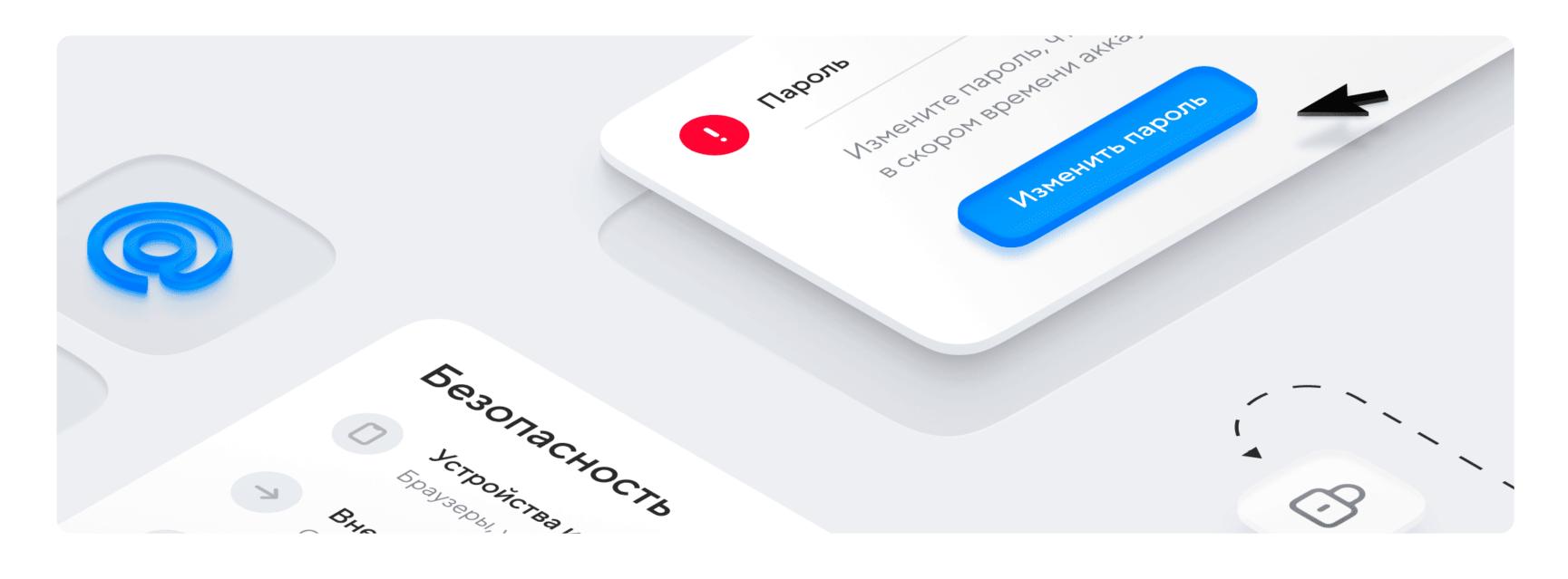
The rollout of OnePass (Face ID / Touch ID authentication) and SmartFlow (OTP authentication) solutions, along with autologin for VK services in 2023, propelled the share of seamless passwordless authentications to 85%.

### Mail.ru security

Mail.ru pioneered its Taneleer security protocol, safeguarding approximately 1.4 million users from account compromise. Systems detecting suspicious sign-in activities prompted timely password update advice for Mail.ru accounts. This proactive approach diminished the proportion of users with vulnerable passwords to just 2.2%.

Determined to shield users, Mail.ru persistently enhances its anti-spam mechanics, including the application of ML technologies<sup>1</sup>. These latest improvements have cut spam-related user grievances by 20% YoY.

In 2023, Mail.ru intercepted 37 bn spam and junk emails.



1 ML means machine learning.

### **RuStore security**

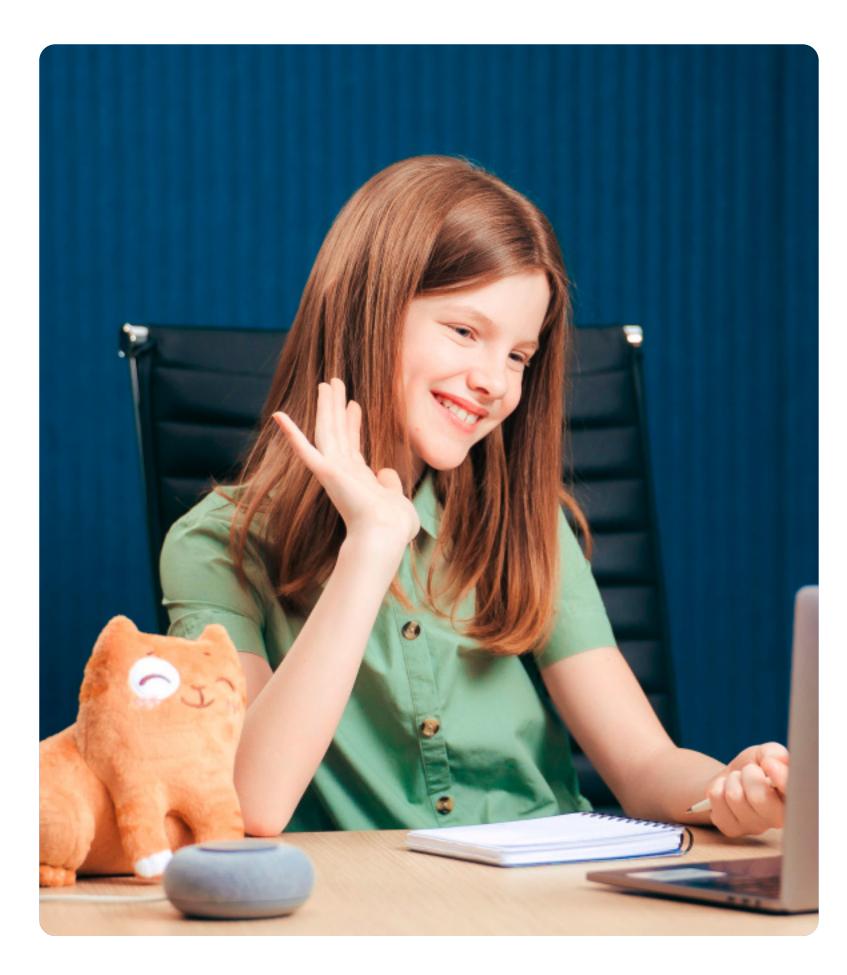
VK remains steadfast in strengthening security for RuStore users. Kaspersky Lab's anti-virus technologies, coupled with manual moderation by the RuStore team, automatically scrutinize all store apps. Those containing low-grade or dubious content fail the audit most often. Reasons for app rejections may include releasing a raw app, heavy advertising, or requesting permissions incongruent with the app's function.

Moreover, Android users on RuStore can utilize Kaspersky Lab's embedded tech to scan their devices for malware.









### Children's Internet safety and cybersecurity education programmes

- scammers and phishers;
- development on the Internet;
- organization;
- protection from scammers.

### Child mode

Child safety is a top priority for VK and one of the key features across VK's product range. For example, the child mode of VK's voice assistant, Marusia, shields children from unwanted information. If the child mode is not enabled, Marusia's child recognition function will be triggered, identifying a child by voice and replying in a safe manner.

Kids' Mail from Mail.ru protects from spam and scammers: only emails from reliable senders approved by parents will get into the inbox.

The official RuStore app store boasts a child mode that enables parents to customize browsing and search content depending on their child's age, as well as to manage purchases.

VK runs various cybersecurity education programmes, including:

• the joint educational project Kids' Mail from Mail.ru and Tinkoff Junior, which taught children and their parents the basics of protecting email data from

• a joint free course by Skillbox and MTS Junior on children's safety and

• "Digital Literacy", an educational initiative in the area of digital awareness and cybersecurity by VK, and "Digital Economy", an autonomous non-profit

• a user safety centre launched by OK, which features recommendations on how to protect user accounts, avoid unwanted communication, and ensure

### Day of Children's Protection on the Internet

In the run-up to June 1, 2023, VK unveiled Day of Children's Protection on the Internet, an annual social initiative. The project is set to support young bloggers. VK, hand in hand with the Travli NET (NO to Bullying) team, developed educational materials that guide parents in supporting their young influencers and educating kids on how to deal with cyberbullying. The endeavour engaged an audience exceeding 38 million.

C More details on VK's initiatives to support the Day of Children's Protection on the Internet

>38<sup>mn</sup>

people reached the campaign





### Personal data protection

### Information processed by VK

[TC-IM-220a.1], [TC-SI-220a.1]

VK reaches over 95% of Russia's Internet audience; hence, it is essential to uphold strong trust and guarantee personal data protection. To deliver top-tier and secure services, VK responsibly examines certain data, staunchly maintaining user privacy.

### Registration information and user content

All personal data that is provided to the company, i.e., the owner of the service, is always treated as confidential information and subject to protection in accordance with Russian laws. When users register, VK processes the data they provide, including their first and last names, birthdates, gender, mobile phone number, and email address.

To help users find friends on social networks, VK uses information about users' connections, provided that they granted VK access to their address book.

### Information storage and sharing

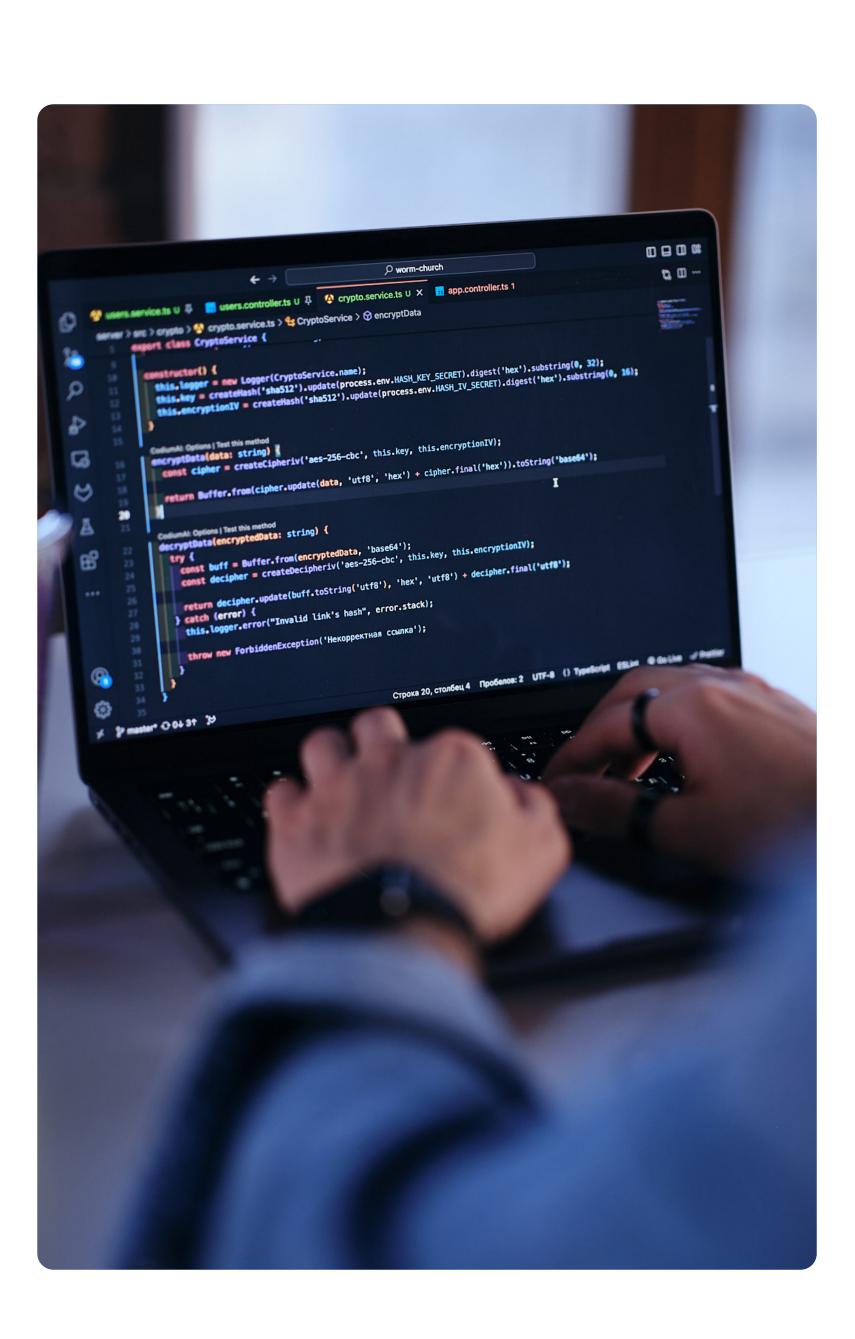
In accordance with the Russian Federal Law on Information, Information Technology, and Information Protection, VK is obliged to store certain user data for a set period of time. The platform itself determines how long user information is stored and processed for services not covered by this law, giving account owners the chance to reclaim their accounts in the event that they are deleted. VK can generate anonymized analytical statistics about users based on website use data; for example, VK segments the audience by gender, age, and other data. This information is processed anonymously and cannot be used to identify a specific user. Account owners can also share information they have not restricted access to with other users through flexible profile privacy settings, allowing other users to view their photos, giving access to their friends list and geolocation, and enabling other users to invite them to groups and conversations.

### Attitude towards incidents

Ensuring the security of personal data is a priority for all the company's services. VK makes every effort to learn about potential incidents in advance and proactively offers prompt solutions to prevent possible future incidents.

- C More details on VK user personal data protection
- C VK's information protection principles
- C VK Services Terms & Conditions and Privacy Policy

K



### A safer online environment

### Anti-Cyberbullying Day

Anti-Cyberbullying Day is an annual awareness campaign dedicated to stopping bullying, both online and offline. The company pays special attention to this aspect, since VK's research shows every second network user has experienced cyberbullying.

The kiberbulling.net portal presents all the technological solutions and tools that VK implements in its social networks, dating app, and productivity services to combat bullying. There is also expert advice from psychologists and recommendations for victims, witnesses, or perpetrators of bullying, to help users further protect themselves online.

The symbol of the project is a white heart emoji, which is used to show support for all those who have faced or been affected by cyberbullying.

A project to introduce a vote counter at the kiberbulling.net portal yielded nearly 2.5 million #notocyberbullying votes.

The 2023 Anti-Cyberbullying Day campaign engaged more than 67.5 million people, with over 150 partner brands joining in.

C More details on VK's initiatives in support of Anti-Cyberbullying Day

67.5<sup>mn</sup> people reached the campaign in 2023

### Other VK projects

VK is developing a strategy to create a safer online environment, allowing users to flexibly shape their own digital space according to their needs and preferences and to protect themselves from unwanted content and other potentially negative factors.

- this mode.
- VKontakte user feels as comfortable as possible.
- intrusive attention from unknown accounts by 25%.
- audience.
- videos.

• VKontakte has created a unique neural network that detects spikes in negative comments on user pages and suggests activating the Personal Space mode, a set of features enabling users to temporarily restrict their social circle and avoid unwanted contacts. Over two million users have already benefitted from

 VKontakte has also launched a filter for abusive language and a special algorithm to hide unfriendly statements in user profiles and feeds, so that every

• In 2023, OK implemented a neural network that limits communication between cyberstalkers and their victims, which helped reduce complaints about

• Dzen and SRSLY have published a book about non-toxic online communication based on the research into the toxic behaviour of the Russian Internet

• VKontakte has equipped VK Clips, a platform for short vertical videos, with a filter against spam and malicious links. The solution is based on a neural network that automatically hides text comments with spam and ads under

VK Dating has released a guide on effective and safe dating practices.

### слова в интернете МОГУТ ранить

в наших силах это остановить



### Countering the spread of illegal content

### VKontakte

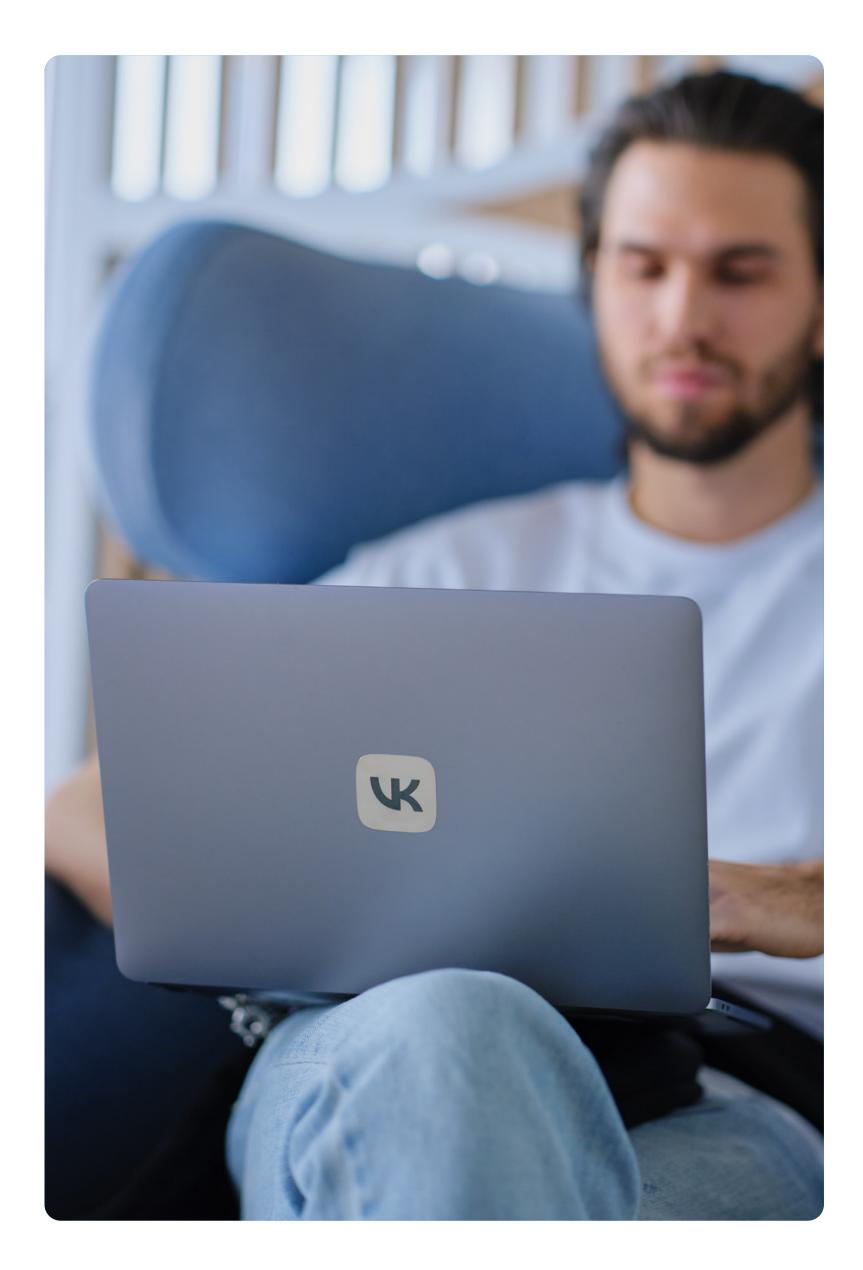
VKontakte responds promptly to user complaints and regulatory requests. The social network's moderation team not only reviews incoming requests, but also engages in internal monitoring of harmful content. Most rule-violating materials are blocked before they become available to other users.

VKontakte uses a hybrid moderation method, which combines the expertise of moderators with advanced technologies such as automated search engines and neural networks. To quickly detect and block re-uploaded content, digital fingerprinting technology is used. This helps avoid the rapid distribution of illegal or offensive content, as well as content published with copyright violations.

VKontakte has announced an updated approach to content moderation for communities: a flexible system of strikes will be introduced in 2024. Community administrators will be able to see the reason for the removal of controversial content, allowing them to take necessary measures to avoid future restrictions.

C More details on VK users' safety

C For the VKontakte platform compliance report, see the Databook.



### OK

The key focus area for the OK team is improving the content quality. Every day, tens of millions of content units are posted on the social network, and OK implements the latest technologies to block potentially inappropriate ones. The moderation team carefully reviews complaints and makes informed decisions about content, user profiles, and groups in line with the platform's rules.

#### OK employs the following tools to protect its users from unwanted content:

- Using manual and automatic moderation based on machine learning
- Blurring images with violent content
- Hiding images with 18+ content
- Downgrading sensationalized headlines, mass calls to get likes, shocking and misleading content in the feed
- Restricting commenting due to excessive toxicity in the comments section identified using neural network-based technology

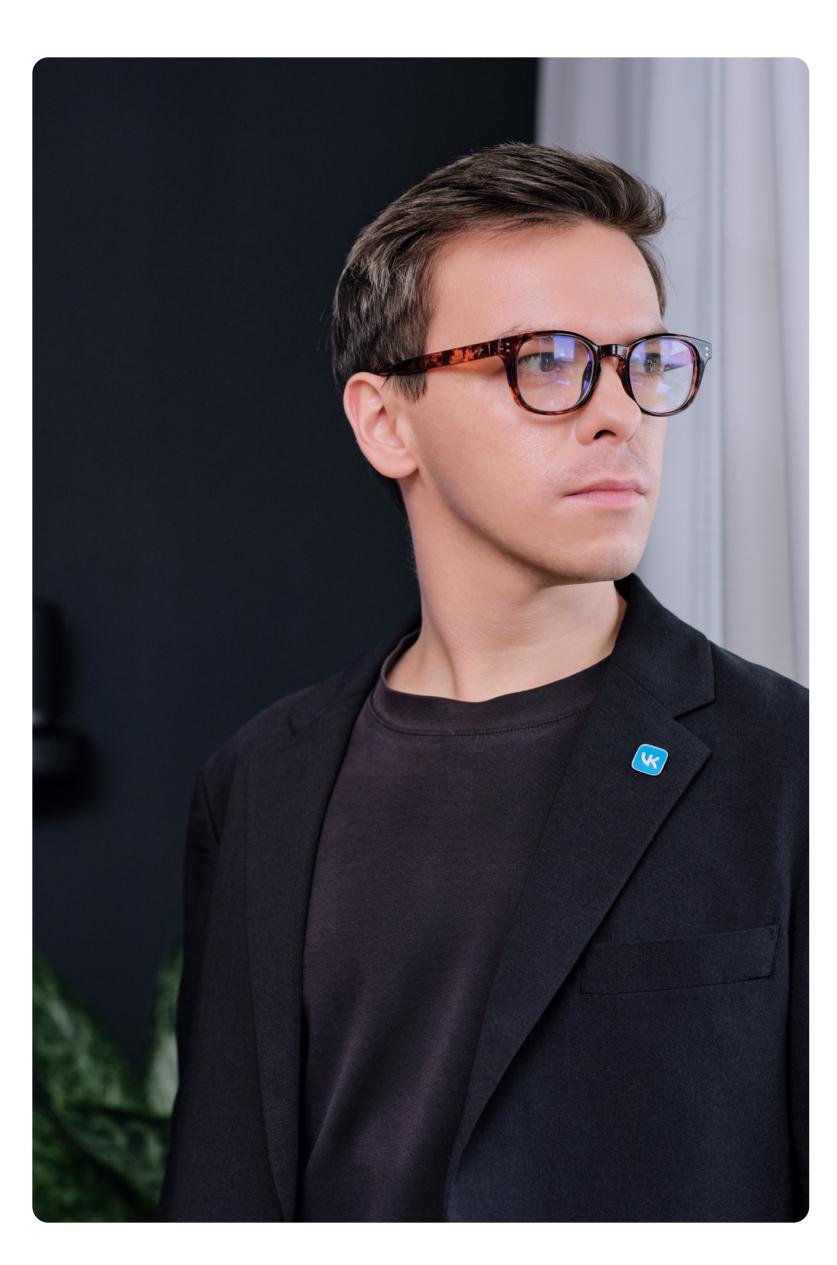
OK operates within the legal framework and complies with the requirements of regulatory authorities, counteracting the spread of information declared illegal. OK deletes information and data if they violate the rules of the social network or pursuant to a decision of the court or a regulator.

#### C More details on OK users' safety

C For the OK platform compliance report, see the Databook.







## **Responsible supply chain**

[2-6], [2-22], [2-23], [2-24]

### Procurement system

VK's procurement processes are governed by the Regulation on Procurement of Goods, Works, and Services at VK LLC, which sets out uniform rules and basic principles for procurement to ensure transparency, streamline processes, and increase the efficiency of VK's procurement procedures.

#### The regulation contains, among other things:

- methods, procedures, and specific aspects of procurement processes;
- procedure for setting requirements for participants of procurement processes;
- procedure for setting requirements for products to be purchased;
- procedure for crafting procurement documentation;
- procedure for contract conclusion, amendment, and termination.

All purchases subject to the Regulation are carried out in two sections of the Roseltorg electronic trading platform. The corporate section facilitates needs is used for small-volume purchases.

### Social and environmental aspects of the supply chain

VK cooperates with over a thousand suppliers, primarily wholesalers, retailers, contractors, consultants, vendors, and their official representatives. The company's main procurement categories include IT equipment, consulting services, construction, installation, and commissioning works.

Suppliers are chosen based on their product and service quality, market experience, competitive pricing, and offered guarantees. VK seeks to prioritize local suppliers, with 94% now coming from the same country where the purchasing entity is registered. [204-1]

In 2023, the company developed and approved the VK Supplier Code of Conduct as a set of principles of business conduct mandatory for all counterparties.

- strategic procurements, while the Roseltorg. A business platform for private business

#### Under the Code, suppliers are to adhere to certain principles, such as:

- Fulfil contractual obligations in a timely and quality manner
- Comply with applicable laws and fair competition practices
- Avoid conflicts of interest
- Report openly and transparently; protect confidential information
- Take special care of VK assets
- Respect human rights, protect health, safety, and the environment

The Code is intended for all VK suppliers. Provisions on compliance with the Code are included in the company's template anti-corruption clause and tender documents. When entering into contracts, all VK suppliers confirm that they have read and agree to abide by the principles of the Code.

VK reserves the right to conduct audits or request information to ensure compliance with the Code, if need be. If any noncompliance is identified, VK expects its suppliers to take all necessary steps to correct it. A supplier's unwillingness to cooperate or resolve noncompliance may be grounds for the termination of business relations with the company.

VK expects all parties, in particular consultants, agents, and other contractors providing goods, work, or services to VK, to adhere to the basic rules of business and corporate ethics. This includes compliance with the relevant anti-corruption laws and the VK Supplier Code of Conduct.

Suppliers can report any violations of this Code or the law to the whistleblowing hotline. [2-25], [2-26]





# VK for society



### Our approach

VK invests technology and expertise in the development of social projects in Russia, engages users in charity through its services and products, and provides state-of-the-art infrastructure capabilities to non-governmental organizations.

According to VK's social strategy approved in 2023, the company prioritizes three main areas: technology for everyone (charity, inclusion, and technological support for NGOs), safety, and the environment. VK launches awareness campaigns and improves tools and technologies to make its projects safe and comfortable for all users.

### Code of Good fund

Code of Good is a fund for charity foundations created by VK for charity development in Russia. The fund helps grow charities that have been vetted by VK Dobro.







### Charity services

### VK Dobro

For a decade, VK has been fostering the VK Dobro charity service (Dobro Mail. ru until 2023). In the reporting year, the service was rebranded, with the platform changing its name, logo and domain.

In the reporting year, the service celebrated its tenth anniversary and summarized its performance.

Over the decade:

><sub>RUB</sub>**921**<sup>mn</sup>

was donated by the platform users to Russian charity foundations

### aid collections >2,600

for charity foundations were full financed by VK Dobro users

# **T** funds

were vetted and became VK Dobro's partners

The platform features 276 charities from all over Russia. All funds undergo a fivestage verification: audit of financial statements and documents, assessment of expertise and reputation, and media audit.

In 2023, the users and partners of the service donated RUB 114.4 mn to support NGOs.

### VK Dobro at VK Fest

In addition to ordinary tickets, the guests of VK Fest 2023 could buy VK Dobro's "Good Ticket" to support local charity foundations in the cities that hosted the festival. The company doubled the guests' donations and transferred RUB 2.5 mn to nine charity foundations.

The festival featured locations where the guests could get free diagnostics of diseases and take care of their health: throughout the festival, more than 800 people were tested for HIV and over 400 visitors were examined to estimate the risk of stroke. At the festival, Rusfond introduced a check for everyone who wants to become a bone marrow donor and entered more than 200 volunteers into the information system of the Vasya Perevoshchikov National Bone Marrow Donor Registry.

The Chekhov Moscow Art Theatre, together with VK Dobro continues the #TheatreHelps charity project it launched last year. Every month, the theatre and its audience support one of the charity foundations whose trustees, founders, or friends are the theatre's actors, with RUB 301,000 donated in 2023.







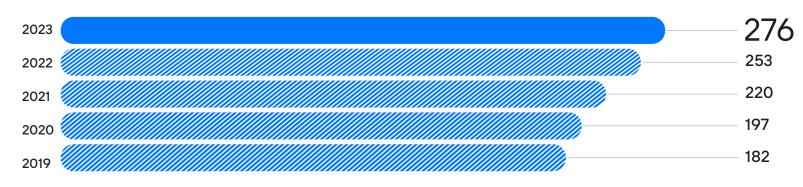


### Funds allocated for charitable projects, RUB mn

#### [203-1], [~옴]

Charitable collections	2021	2022	2023
Charity <sup>1</sup>	55.8	157.2	466.1
Funds raised through VK Dobro	96.3	106.1	114.4 <sup>2</sup>

### Number of foundations in VK Dobro



In 2023, the Faster Payment System (FPS), a new method of payment, became available to VK Dobro users. Alongside that, VK Dobro launched a VKontakte mini-app where anyone can easily make a commission-free donation to one of the 276 foundations and share information about it on their page.

### Social advertising

In accordance with the law, VK provides IRI (Institute for Internet Development), a social advertising provider, with 5% of traffic for social ad campaigns free of charge.

IRI selects projects on a competitive basis, with 204 campaigns implemented in 2023 and covering a total of 75 million users. The main topics of advertising campaigns on VK platforms were Improving Financial Literacy, Volunteering, Social Support, Donation of Blood and Organs, and Environment.

The social advertising of Second Breath, a charity fund for helping disadvantaged people, was shown 11.5 million times and motivated the audience to dispose of their things in an environmentally friendly way by donating them to charity. In August 2023, ads on VK platforms helped collect 110 tonnes of clothes.

In May 2023, ads of "Goodsurfing Meaningful Journeys", an information centre for volunteering development, with the participation of VK attracted 2,300 volunteers to implement initiatives for the protection of natural, historical, and cultural sites.

### **Drugoe Delo service**

In 2023, VK launched a variety of useful activities in the Drugoe Delo service. Drugoe Delo is a VKontakte mini-app where users can discover new experiences and emotions, with tasks related to environment, culture, volunteering, career and business, health and sports. Points are awarded for each completed task and can be exchanged for prizes such as merchandise, online service subscriptions, tickets to excursions and events, internships and training provided by professionals.

By the end of 2023, 4.1 million users registered for the Drugoe Delo service: the project's audience more than doubled over the year. Over 85% of the audience is between the ages of 14 and 35. A total of four million tasks were completed, with more than one million hours of useful work done by project users.

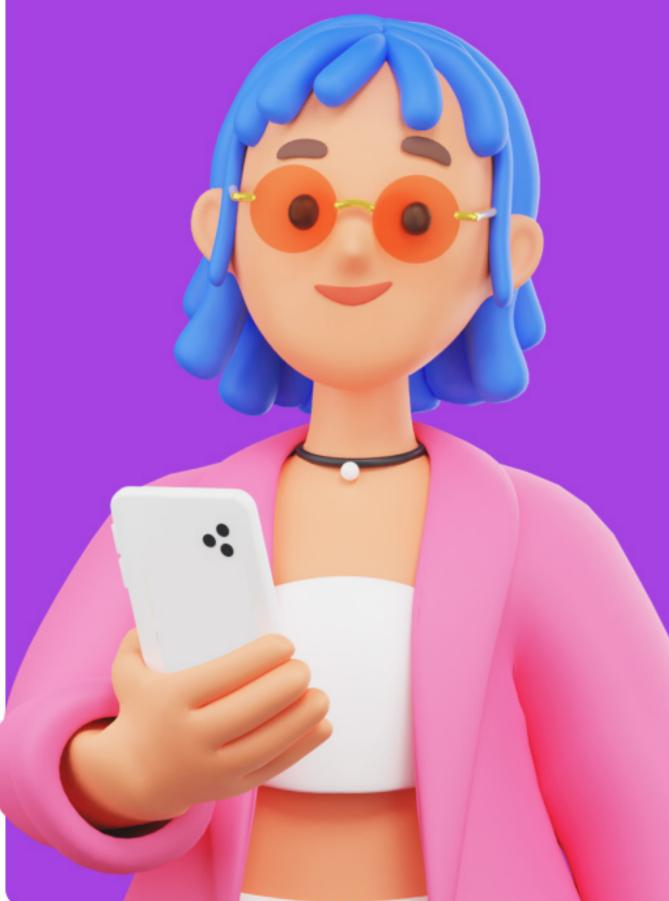
on Reducing the Environmental Footprint section.

1 Data for 2021–2022 have been recalculated due to a change in the data consolidation contour.

2 Until 2023, funds of VK Dobro users were shown in this line. In 2023, these tables were updated to reflect new counting patterns that cover private donations of VK Dobro and those received through VK's corporate Code of Good fund.

C For more details on Drugoe Delo projects, see the Awareness Projects

# Другое Дело





### **Educational initiatives**

For over 12 years, VK has been contributing to education through its programmes, digital technologies and services. The company actively develops education at all levels and for all ages – from school to professional education. Thanks to free projects of VK Education, schoolchildren and students can learn, build a career, and grow professionally in a wide range of IT, non-technical, and creative specialties. VK Education features over 100 educational programmes in more than 30 areas. In 2023, 190,000 students took part in VK Education's projects and intellectual competitions.

The company's educational initiatives are implemented in partnerships with more than 30 leading Russian universities. There are joint educational programmes and lectures, career events, contests, hackathons, and complex projects for the development of universities. In the reporting year, VK launched free open asynchronous courses in Python, introduction to data analysis, algorithms and data structures, and agility, with over 100,000 people signing up in 2023.

The company launched a subscription from VK Education, a scholarship programme for tech students. The subscription includes monthly payments (RUB 15,000 or RUB 20,000) and opportunities for development and professional growth in IT. 4,800 applications were received from students representing over 300 universities in 160 Russian cities. 273 undergraduate and specialist students were awarded the subscription in the academic year 2023–24. The programme's budget totalled RUB 45 mn.

VK's continued to introduce schoolkids to the realm of digital technologies and hold the Digital Lesson, IT Knowledge Day, and IT Professions Test Drive career guidance initiatives. At the Digital Lesson of 2023, schoolchildren learned about professions that are responsible for the creation and development of modern communication services. The Digital Lesson focused on messengers was accessed more than 3.1 million times.

In 2023, the IT Knowledge Day initiatives were held for the seventh time. VK experts shared with children from more than 3,400 Russian schools in more than 2,000 locations their professional experience and the ways to build a career in today's IT industry.

Twenty new professions were launched in IT Professions Test Drive, a career guidance mini-app, including web developer, tester, product analyst, digital marketing specialist, project manager, and ML engineer. In 2023, more than 120,000 users had the opportunity to try out various digital jobs.

In 2023, VK continued to contribute to organising various types of contests and IT competitions. In the reporting year, VK supported over 35 contests in more than 10 areas, from competitive programming to creative industries. Together with MIPT and Bauman Moscow State Technical University, VK held the Technocup Olympiad with 1,115 schoolchildren from all over the country meeting in the finals. The winners and runners-up were given the opportunity to enter a university without entrance exams or get 100 points for the Unified State Exam in computer science, their major subject.



# 190,000

students took part in VK Education's projects and intellectual competitions in 2023

# RUB 45<sup>mn</sup>

total budget of the Subscription from VK Education scholarship programme

### >3.1<sup>mn</sup>

number of times the Digital Lesson on messengers was accessed by users





### dreamlab career guidance laboratory for schoolchildren

Since 2022, VK has been developing a project providing high school students with insights into in-demand digital professions. Talented teenagers aged 14 to 18 learn about career opportunities in IT and try their hand at real projects that can be included in their portfolio. The lab's key focuses:

- Management and Development;
- Digital Product Promotion;
- Digital Product Research and Design;
- Internal Communications.

In the lab teenagers learnt about professions such as product and business development manager, marketing specialist and content manager, tester and UX researcher, and HR specialist.

# 13 dreamlab laboratories

opened in nine Russian regions in 2023

# 618 teenagers

took part in dreamlab in 2023







### dream lab.

# отмечты кделу

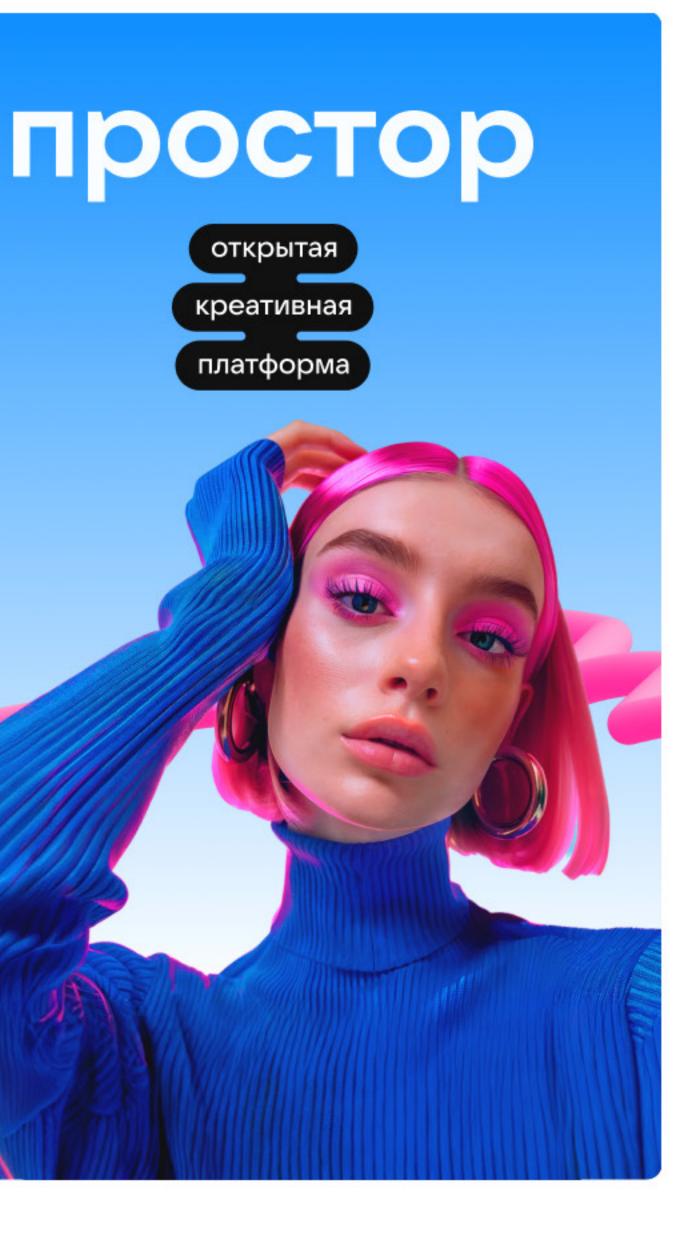


### Support of creative communities and creators

VK continues to upgrade its Prostor platform and support creative industries by providing social lifts for young creators and future trendsetters. Training and development opportunities are available in the following areas: music, design, media art, digital fashion, music videos, web series, and digital shows. After the successful completion of a free training programme, the participants get a chance to create and implement projects under the guidance of leading industry experts.

In 2023, seven million people watched lectures and streams on creative industries. 60,000 participants completed open training programmes, with 250 projects developed by young creators.

Prostor is also the key programme of VK, championing the development of the media arts. It helped build one of the largest artist communities in the country, whose members participated in the exhibitions of young artists on the largest and most iconic media facades of Moscow, including the Ostankino TV Tower, Media Dome in Zaryadye Park, Digital Business Space. VK Clips provides a platform for the selection of works by young artists, with the best ones receiving support from Prostor.



### Support of culture and educational projects

In sticking with the concept of positioning VK as a meeting place for art lovers, the company opened a digital art workshop at Moscow's Art Russia 2023, the country's largest art fair. The visitors joined digital artists to create digital art objects using neural networks.

VK launched a joint project with the Tretyakov Gallery. Every user can harness the power of VK technologies to learn more about the masterpieces housed in the New Tretyakov Gallery and look at the works by iconic artists in a new way.

On the occasion of the World Ballet Day, VKontakte released a series of interviews with the stars of the Bolshoi Theatre. As part of the special project, Bolshoi Speaks. Ballet stars shared the stories of their professional journey with users. Other performance venues also joined the project, with 40 cultural institutions across Russia presenting their exclusive streams.

In 2023, VKontakte and OK offered their users streams of lectures and workshops held as part of the Museum Night campaign in Moscow, St. Petersburg, and other Russian cities. The number of views exceeded five million.

On the occasion of the International Day for Monuments and Sites, OK and the Vnimanie Foundation launched a Month of Cultural Heritage special project, which garnered 600,000 views. Additionally, OK created architectural video tours using famous Moscow buildings as a reference point.

VK Music joined forces with the Storm podcast studio to launch a new season of the popular art podcast Muses, which tells the stories of women who were overshadowed by famous men despite playing a central role in their lives. A total of 10 episodes were released in 2023.







### VK charity projects



#### Бро и Сис ВКонтакте

Знакомьтесь! Ваши старшие брат и сестра, которые всегда рядом и готовы вписаться за вас при любом раскладе. Призывайте их в комментарии и чаты, когда нужна поддержка.













нет значит нет









2TO BECHONESHO

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ВАИ́Б

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### VKontakte charity projects

Jointly with the Leukemia Foundation and other charitable organizations, VKontakte launched the #togetheragainstcancer campaign on the World Cancer Day. The goal was to raise awareness about assisting adult patients in need of treatment. Nine charitable foundations participated in the campaign, with the overall coverage exceeding four million users.

On the occasion of the Children's Day, VKontakte released a charitable sticker pack highlighting the role of mentorship for children from troubled families. Thanks to the campaign, over 50,000 people donated to the Big Brothers Big Sisters foundation.

### OK charity projects

In 2023, 36 foundations won the grant competition and got an opportunity for additional promotion of their projects on the OK platform.

OK joined forces with the ORBI Stroke Foundation to launch a series of useful materials on hypertension. The coverage exceeded 180,000 views, with more than 18,000 users participating in a thematic quiz to raise awareness about hypertension.

OK partnered with the Lime international social advertising festival. The winning videos collectively garnered over 900,000 views.

In 2023, OK enrolled the support of the Arithmetic of Kindness charitable foundation to launch a mini-application focusing on children's adaptation to a new school. The app offers advice from professional psychologists presented in the form of comics with schoolchildren as the main characters. The comics were downloaded by more than 6,000 users. In addition to that, the OK Social Projects official community released a series of other recommendations by the foundation's experts, with the coverage exceeding 150,000 users.

### Skillbox charity projects

In 2023, Skillbox partnered with the Deti Nashi charitable foundation to launch a Step Forward project. This initiative aims to help young men and women from orphanages master in-demand digital and IT professions. The project already includes 50 participants. Going forward, Skillbox plans to hold an annual grant competition and roll out this project across Russia.

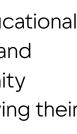
Skillbox created the #lifeafter project to assist in the social adaptation of ex-convicts. 98 grant applications were submitted as part of the project, with 49 people having started their training.

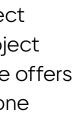
Furthermore, Skillbox launched a social project offering discounted educational programmes for students from Russia's small and medium-sized towns and hard-to-reach regions. The project's goal is to give people an opportunity to receive quality education and acquire sought-after skills without leaving their hometowns.

### Other VK projects

The Uchi.ru educational programme launched an annual charitable project to assist low-income families with multiple children. The start of the project was timed to coincide with the International Children's Day. The initiative offers children free, full access to the platform for a period of one year. Over one thousand families joined the project.

As part of the nationwide project Technologies of Kindness, Lerna offered socially oriented Russian NGOs discounted training programmes designed to facilitate their operating activities. In 2023, over 500 people from 187 charitable foundations and NGOs started training under these programmes.





### Charity and animal care

- VK Clips, online cinema IVI, Volchok clothing brand, and GetDog dog shelter partnered to implement a social project helping animals from shelters find new homes. The social campaign reached out to six million people.
- On the occasion of Homeless Animals Day, VKontakte joined forces with Nika, a charitable foundation for homeless animals, to arrange a marathon in VK's Steps tracker as a way to raise funding for homeless animals. Over 78,000 people participated in the marathon. In addition to that, users of the Gift Festival service linked to the VK Fest event donated over RUB 4.8 mn to the Nika foundation.
- In 2023, Skillfactory students participated in a joint hackathon with the Moscow Zoo to develop a chatbot promoting Friends Club, an animal care programme. Over 14,000 unique users entered the bot and took part in the project, with over 20 zoo animals finding new caretakers.
- Skillbox ran a campaign under which all homework assignments completed by students were converted into funding for a cat shelter. More than 300,000 homework assignments were processed during the campaign, with the Murlyka shelter receiving over 200 kg of pet food.







# VK for nature



## Our approach

Focus on the environmental agenda is integral to the company's business. VK's strategic goal is to reduce the environmental and climate change impacts by ensuring the company's eco-friendly and sustainable development.

In March 2024, the Audit, Risk, Compliance and Sustainable Development Committee approved VK's Environmental Policy<sup>1</sup>, which sets out the principles, goals, objectives, and key areas of the company's operations related to reducing the environmental and climate change impacts and ensuring environmental safety.

#### The company operates in line with the following environmental principles:

- compliance with the Russian laws and regulations, adherence to ratified international treaties, and adoption of best practices;
- environmental and climate risk management;
- setting long-term goals;
- consistent enhancement of environmental performance and use of expert support;
- transparency and accessibility;
- fostering environmental culture and values.

The company's approach to environmental protection is also set in VK's Sustainable Development Policy.

Throughout its history, VK has received no fines or sanctions for non-compliance with environmental laws.

VK utilizes a proactive approach and integrate environmental principles into educational and B2B products, as well as other projects that enable the company to consistently reduce the digital and carbon footprint of VK users and partners.

For more details on VK's environmental activities, see the company's quarterly ESG highlights on the company's official website.

VK is committed to developing an environmental culture among its employees by organizing environmental education via corporate data and educational resources. Apart from that, the company actively engages its employees in activities related to environmental protection, rational use of natural resources, environmental safety, and mitigation of climate impact.

C For more details, see the Social Initiatives for Employees section.







<sup>1</sup> The Policy covers all VK operations and applies to all the company's structural units and subsidiaries. VK executives take into account the Policy when making management decisions and planning the company's operations in the middle and long term. The Policy is implemented by VK's executive bodies, including the Working Group on Sustainable Development and other employees in charge within their respective remit. The Audit, Risk, Compliance and Sustainable Development Committee monitors compliance with the Policy.

#### **Environmental impact**

#### VK data centres

[TC-IM-130a.3], [TC-SI-130a.3]

VK seeks to reduce specific power consumption per data centre by more efficient use of IT equipment, modern cooling, power supply and distribution systems, and backup arrangements to minimise transmission energy losses.

To improve energy efficiency, VK conducts laboratory tests striving to expand the temperature range for operating server equipment beyond the ASHRAE<sup>1</sup> recommendations. In 2023, VK's technical committee resolved to establish a higher temperature operating mode for IT equipment, reducing energy consumption for air cooling. Excess heat from server rooms is redirected to provide heating for storage facilities, which also boosts energy efficiency and helps reduce costs.

As of the end of 2023, VK has two data centres: in Moscow and in the Leningrad Region. The company continued the construction of a data centre in Domodedovo, which is now at the final stage of construction and installation.

#### VK offices

VK offices grow more eco-friendly every year. The company ramps up waste reuse and recycling and adheres to rational energy and resource consumption in its offices. These initiatives are coordinated by the office management company.

In December 2023, VK launched an automated light dimming system for nonbusiness hours at the head office.

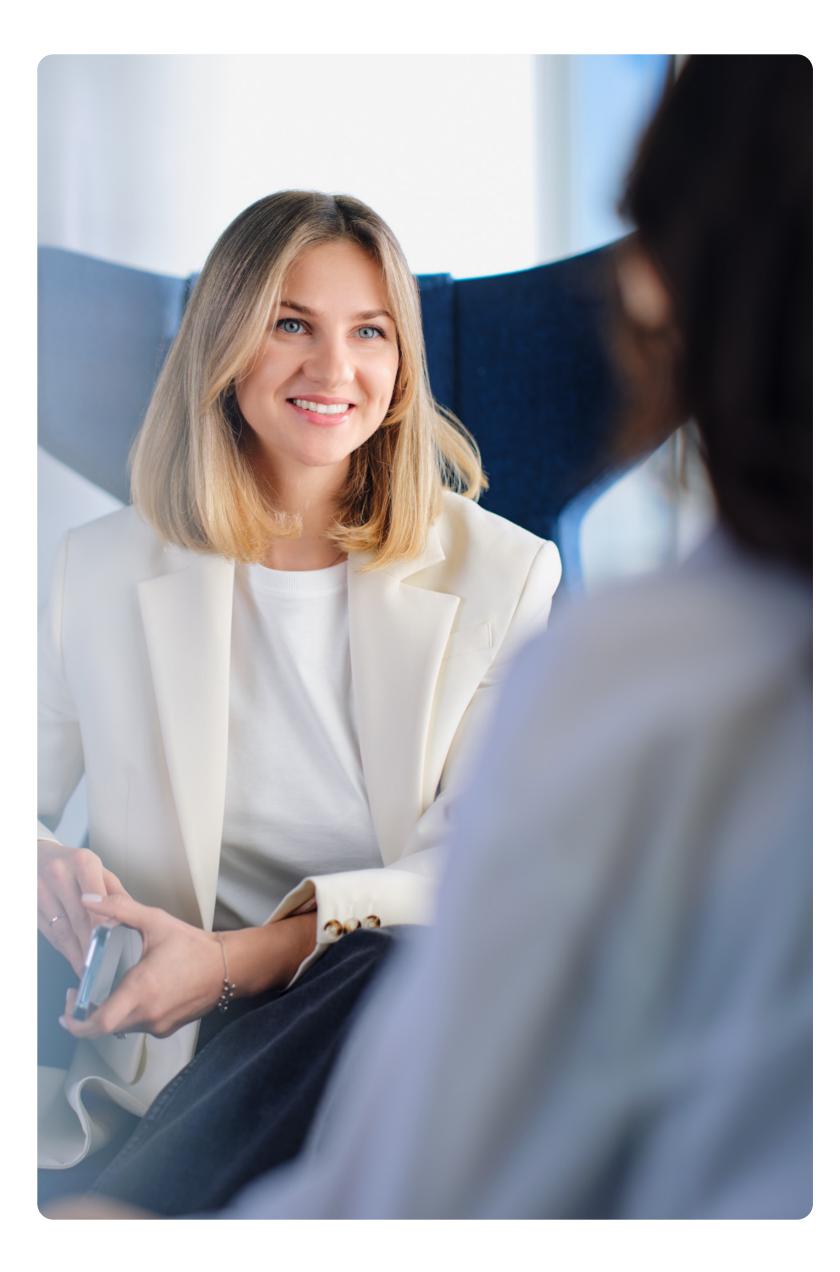
In 2024, the company plans to equip all kitchens with dual-flow waste collection systems and minimise reliance on disposable tableware.



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## Power consumption and energy efficiency

#### **Energy consumption**

[302-1], [TC-IM-130a.1], [TC-SI-130a.1], [~옴]

Indicator	Unit of measurement	2021	2022	2023
Energy consumption by da	ta centres			
Electric power	million kWh	53.0 <sup>1</sup>	53.7	59.7 <sup>2</sup>
Heat <sup>3</sup>	Gcal	128	94	116
Diesel fuel	litres	7,9791	12,954	22,001 <sup>4</sup>
Energy consumption by of	fices			
Electric power	million kWh	6.2	7.5	8.9
Heat <sup>3</sup>	Gcal	11,546	11,503	12,876
Diesel fuel	litres	14,926	14,044	25,594 <sup>5</sup>
Total:				
Electric power	million kWh	59.2	61.2	68.6 <sup>6</sup>
Heat	Gcal	11,674	11,597	12,992
Diesel fuel	litres	22,905	26,998	47,595 <sup>4,5</sup>

1 Data adjusted for the Leningrad Region data centre consumption.

- audience and increased content consumption by users of the VK platforms. 3 Data for 2021–2022 changed due to recalculation.
- to consume more content on the VK platforms.

in the reporting period (2023).

#### Effect from energy saving programmes<sup>7</sup>

[302-4]

Type of energy resources saved	Unit of measurement
Electric power	kWh
Heat	Gcal

2 In 2021–2023, energy consumption by data centres grew due to modernisation of data centres and changes in the calculation system. The increase is also driven by higher data centre loads due to the growth of VK

4 The increase in diesel fuel consumption was driven by an adjusted approach to piloting diesel generators. The increase is also driven by higher data centre loads due to the growth of the audience, which started

5 The increase in diesel fuel consumption was attributable to expansion of the corporate vehicle fleet to meet business demands and inclusion of data for the Domodedovo vehicle warehouse in the calculations. 6 The sum of electricity consumption is calculated with rounding of data centre and office electricity consumption figures.

7 In 2023, VK started calculating power savings at the head office in Moscow (Skylight business centre, Tower A). Measurements were made by comparing energy consumption in the base year (2021) against relevant data



## Water consumption

#### [303-1]

## Waste management

[306-1], [306-2]

#### Data centres

Data centres use water for both domestic and process purposes. Water feeds the cooling system to reduce electric power consumption. Rather than contaminating the water, the cooling process evaporates it in order to lower the temperature. As a result, VK reduces its consumption of non-renewable energy sources and its carbon footprint.

Wastewater discharge is entirely on a lessor's balance sheet. VK has no equipment that is subject to additional requirements for wastewater treatment before discharging it into the common sewerage system.

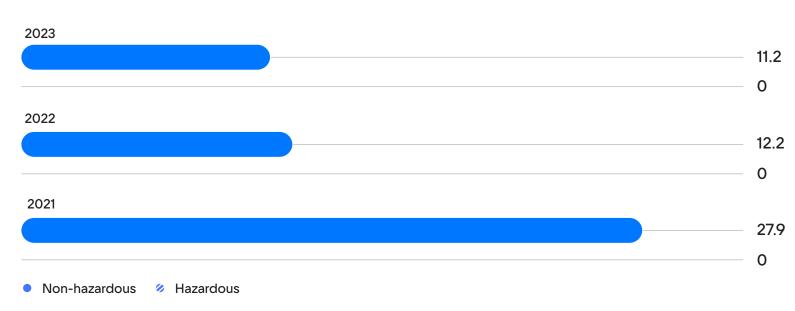
VK does not withdraw water for its data centres in regions with water shortages.

#### Offices

VK offices only use water for domestic purposes: toilets and showers, as well as filtered water for drinking and cooking. The water is supplied by the municipal services. Wastewater is also domestic only. The company does not conduct special environmental impact assessments. VK only keeps records of water consumption and runs no additional environmental impact analysis. No data on wastewater discharges is available.

C For the Water Consumption table [303-1], [TC-IM-130a.2], [TC-SI-130a.2], see the Databook.

#### Waste generated by data centres, tonnes



#### Management of waste generated by data centres, tonnes



In 2023, data centres generated a total of 11.2 tonnes of non-hazardous waste, of which 16% was reused and 84% recycled. VK sends equipment, mercury lamps, hard drives, batteries, and waste paper to specialized contractors for recycling and disposal. Transfer of waste from data centres is regulated by lease agreements containing waste transfer clauses, and disposal agreements. [306-2]

#### Waste generated by offices, cu. m



The major part of waste generated by VK offices is solid waste, including paper, cardboard, plastic, food waste, electrical equipment, lamps, and hard drives.

In Q3 2023, VK launched a separate waste collection point at the head office. It accepts 16 waste fractions for recycling. There was also an increase in the number of coffee points with dual-flow waste collection. As of the end of 2023, the company installed waste sorting containers on eight floors of the building. By the end of 2024, VK plans to introduce dual-flow waste collection systems at every office coffee point and increase the number of waste fractions collected for recycling.

Since its launch, the eco-centre has accumulated over 2.3 tonnes of recyclable waste. In large part, it was waste paper (1,691 kg), followed by old broken appliances (320 kg), batteries (181 kg), PET bottles (46 kg), "Kind Caps" (40 kg), and seven more fractions of recyclable waste totalling 77 kg.

VK strives to reduce the consumption of various resources or find environmentally-friendly alternatives. In 2023, the company fully replaced plastic bottles with paper ones.



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3,126 0 2,631 0 2,047

## Greenhouse gas emissions

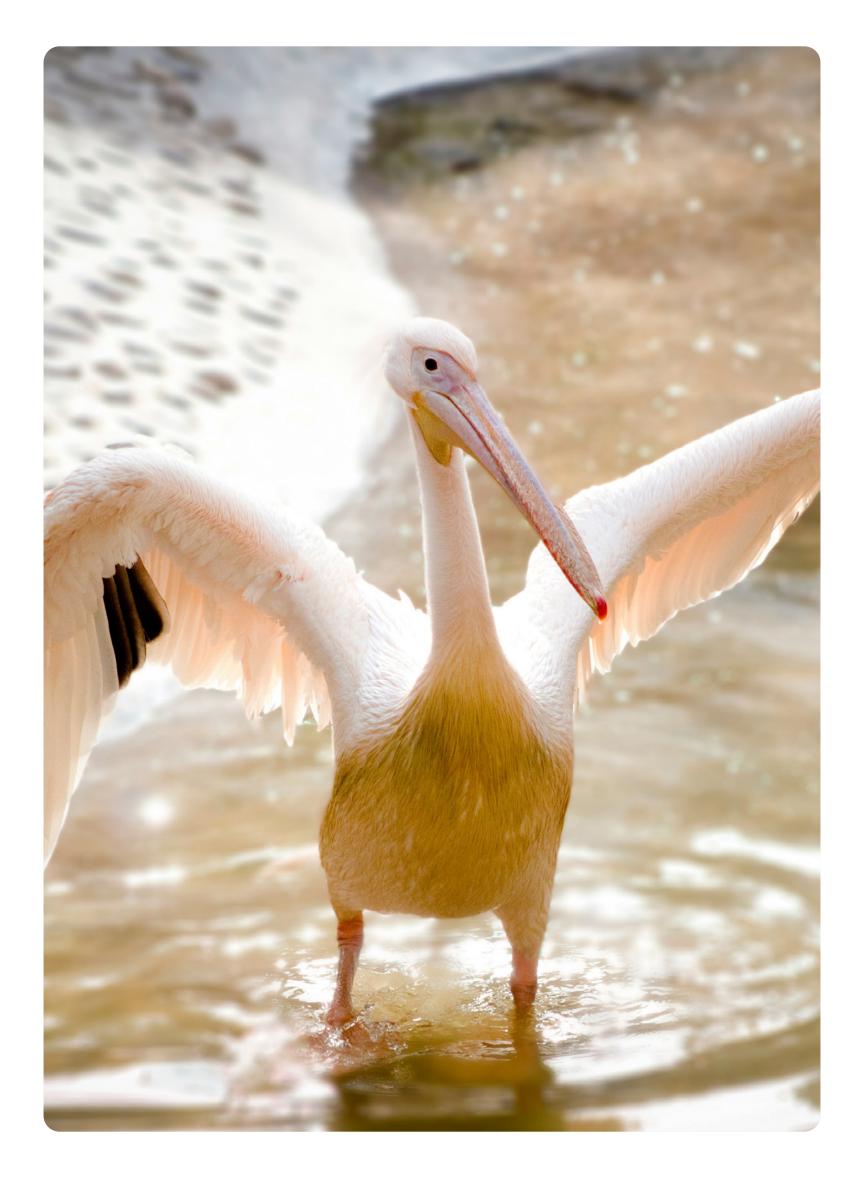
#### Greenhouse gas emissions, tonnes CO<sub>2</sub>-equivalent [305-1], [305-2], [~옴]

Indicator	2021	2022	2023
Direct emissions, Scope 1 <sup>1</sup>	479	471	529
Indirect emissions, Scope 2 <sup>2</sup>	22,248 <sup>3</sup>	22,848 <sup>3</sup>	25,621

Calculations of direct greenhouse gas emissions from diesel fuel and natural gas comply with Order of the Ministry of Natural Resources and Environment of Russia Nº 371 On Approving Methods for Quantitative Assessment of Greenhouse Gas Emissions and Absorption dated 27 May 2022, while also relying on the IPCC Guidelines to determine refrigerant emissions.

Indirect greenhouse gas emissions from power consumption are assessed in accordance with the Concept for Calculating and Disclosing Greenhouse Gas Emission Ratios for the Energy System of the Russian Federation (developed in 2022 by the NP Market Council association in collaboration with JSC ATS). For calculating indirect greenhouse gas emissions from heat energy, we used ratios specified in PNST 646-2022 (Green Standards. Green Products. Green Technologies. Guidelines on Assessing Carbon Footprint Reduction).

Since VK does not have its own production facilities, VK's core operations do not generate large greenhouse gas emissions. The company's most significant environmental impact is the use of fuel to keep diesel generators running uninterrupted. VK's indirect emissions are associated with electric power consumption from electric grids.



1 Scope 1 emissions are direct emissions from sources owned or controlled by a company.

2 Scope 2 emissions are indirect emissions associated with the purchase of electricity, steam, or heat.

3 Greenhouse gas emissions for 2021–2022 were recalculated using updated ratios and adjusted source data.

### **Biodiversity**

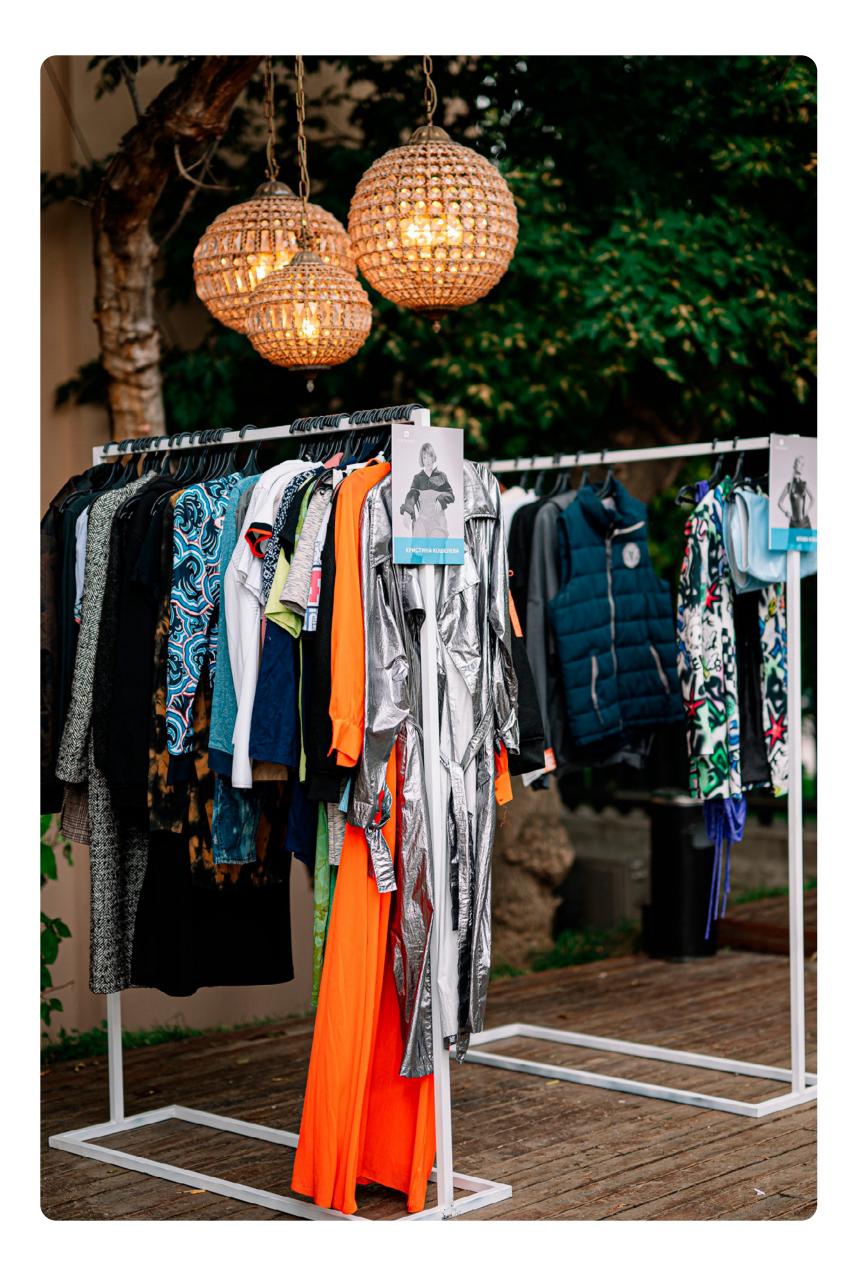
### Technologically advanced solutions for biodiversity conservation

VK supports initiatives to reduce the negative impact on biodiversity and conserve natural biosystems. VK assists R&D projects on biodiversity by providing technologies and VK Cloud capacities.

A team of scientists and IT experts developed a VK Cloud-based neural network for the project to preserve the Dalmatian and pink-backed pelicans. The model helps monitor nesting colonies, as well as seasonal and feeding congregations of endangered pelican species, including outside designated nature reserves. Going forward, the team plans to upgrade from a basic MVP (Minimum Viable Product) model and chatbot to a full-fledged tool, which will provide non-stop monitoring

of the pelican population in the South of Russia, Kalmykia, and Western Siberia.





### Awareness projects on reducing the environmental footprint

### **VK Fest**

VK Fest is committed to eco-friendliness as its key principle. In 2023, VK updated and upgraded its green initiative programme across all cities that hosted the fest. The initiatives include waste sorting, cup sharing, dishwashing points, lectures by environmental experts, and many more.

VK Fest 2023 featured the Kind Cup Sharing campaign, where the visitors got reusable cups with the VK Fest logo in exchange for donations. More than a thousand cups were given away as part of the initiative, thus reducing the amount of disposable plastic waste. The proceeds, in excess of RUB 200,000, were designated for charity purposes.

The company organized separate waste collection at VK Fests in Moscow, St. Petersburg, and Sochi. Waste collected in Moscow and St. Petersburg totalled 525 cubic meters, with 21% being recyclable and reusable waste. In Sochi, VK disposed of over 200 kg of waste, including 70 kg of aluminium and plastic sent for recycling.

C For more details on the event, see the VK Fest section.

#### VK Star Market

In August 2023, the company held a charitable sale dubbed VK Star Market. Its participants could buy second-hand clothes and accessories from celebrities and influencers and hand in their clothes for charity or recycling. The initiative raised over RUB 960,000 to be further donated to the Second Breath charity fund via the VK Dobro service.

#### **VK Checkback**

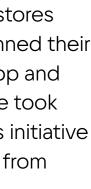
In spring 2023, VK Checkback, the Drugoe Delo service, and Pyaterochka retail chain held a Ticket, No Bag environmental campaign in all Pyaterochka stores to foster a useful eco-friendly habit of avoiding extra plastic. Users scanned their purchase tickets that did not include a bag in the VK Checkback mini app and received bonus points and gifts from VK's partners. Over 76,000 people took part in the campaign and scanned some 460,000 "bagless" tickets. This initiative prevented 6.6 tonnes of plastic and over 2.8 tonnes of greenhouse gas from being released into the environment.

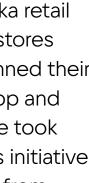
#### **VK Mini Apps**

VKontakte launched the Ecologic mini app on its VK Mini Apps platform. It helps develop eco-friendly habits and protect the environment by providing guides to waste recycling, exclusive content on responsible consumption, useful environmental tips, and special offers by the service's partners.

Apart from that, VKontakte also released the Water Footprint Calculator mini app developed in collaboration with the Federal Agency for Water Resources. The app calculates the user's daily water consumption and advises on how to be more environmentally friendly. 13,000 users measured their water footprint using the app.







### Digital Clean-Up Day by VK

VK raises user awareness about the environmental agenda and encourages them to be more conscious about their online activity.

In 2023, VK organized Digital Clean-Up Day, a to help Russian users get rid of digital waste and raise their awareness of how to handle digital files and protect themselves from phishing. The campaign engaged an audience exceeding 33.7 million.

#### Mail.ru

In 2023, Mail.Ru Cloud and email service introduced a new feature that enables users to dispose of digital waste by deleting up to 200 files in one click.

#### Drugoe Delo service

In 2023, Drugoe Delo users participated in various environmentally themed activities as part of initiatives with partners. They learned about global environmental challenges and Russia's environmental projects, sorted waste, calculated water carbon footprint, and participated in clean-up days. Over 91,000 people took part in the environmental activities and completed more than 633,000 tasks.

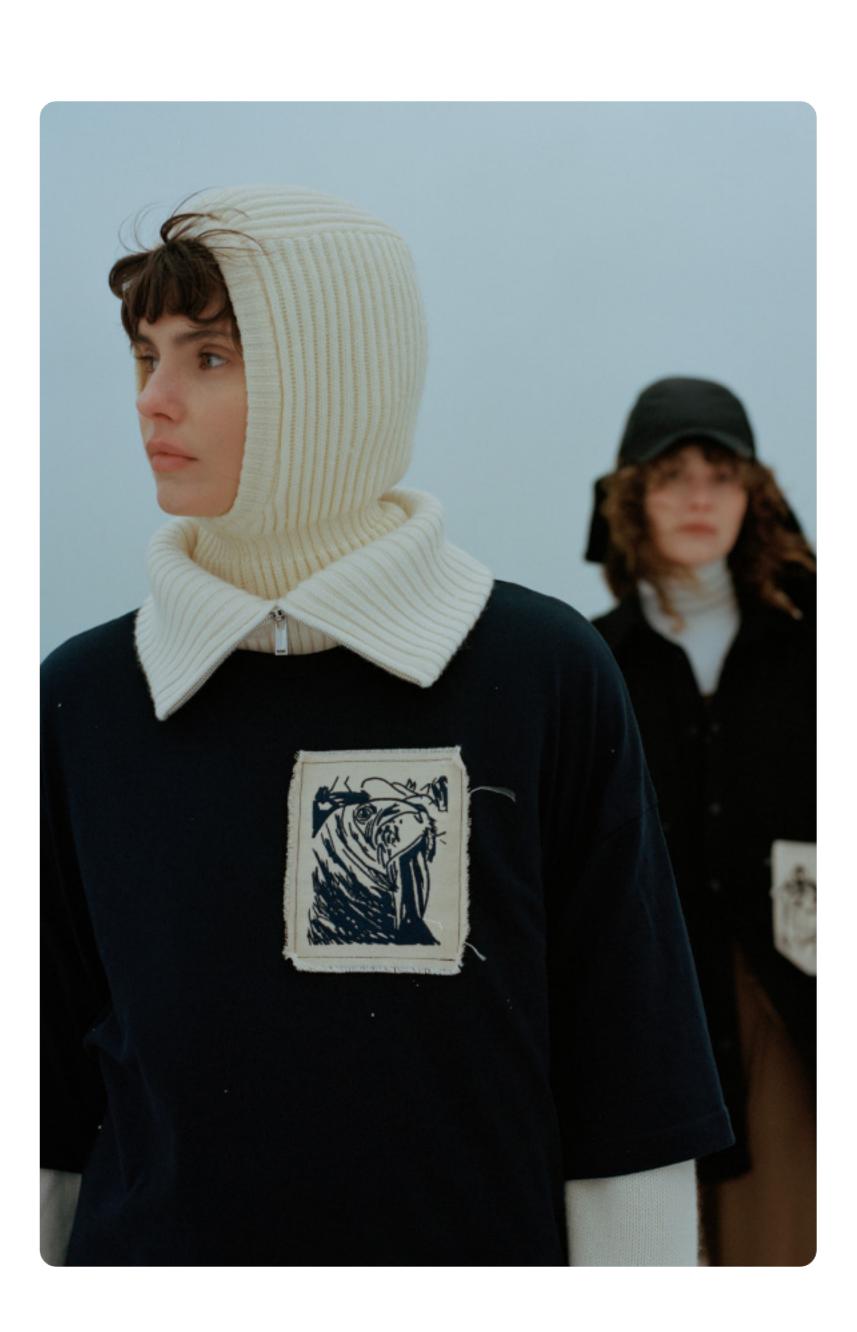
#### Dzen

Dzen created a collection of unisex clothes from eco-friendly materials inspired by Haulout, a movie about Chukotka that draws attention to climate change and biodiversity conservation. The new merchandise collection is available on the Code of Good charity shelf at Lamoda. In 2023, over RUB 1.5 mn gained from merchandise sales was allocated to support Russian environmental nongovernmental organizations.

### Uchi.ru

In Q1 2023, Uchi.ru hosted a country-wide contest on the environment and ecology for 1–9-grade school children. The contest raises important topics, such as human impact on the environment, protection of forests, and prevention of wildfires. The tasks of this online contest helped children learn about the key environmental, biological and zoological concepts. In 2023, the number of contestants reached 1.4 million schoolkids.

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# Corporate governance



## Corporate governance principles and practice

In 2023, VK completed the re-domiciliation process to change its domicile from the British Virgin Islands (BVI) to the Russian Federation. Its shares are now listed on the Moscow Exchange, while its global depositary receipts (GDRs) are being converted into shares following the depository agreement termination. As a result of the above developments, the Company's corporate governance is now guided by select requirements of the Russian law, subject to permissible limitations in line with Federal Law Nº 290-FZ dated 3 August 2018 On International Companies and International Funds (the "International Companies Law"), specifically the requirements for corporate governance set out in the Listing Rules of Public Joint-Stock Company Moscow Exchange MICEX-RTS (the "Moscow Exchange"), which are mandatory for the issuers of shares included in the First Level list.

In accordance with Article 4.1.2 of the International Companies Law, the charter of an international company established through re-domiciliation may stipulate the application thereto of the provisions of foreign laws governing the relations of members of the corporations established according to the law which was applied to the foreign legal entity before the date of state registration of the international company. In line with this provision, the Charter of VK IPJSC in its Article 32.2 sets out that the BVI law shall apply to the relations associated with participation in the Company and/or its management (unless otherwise provided for in the Charter, the Company's internal regulations governing such relations, or mandatory provisions of the International Companies Law).

#### The core principles of corporate governance in the Company: [2-22]

- the Group is focused on sustainable development and increasing return on investment in the long term;
- the Board of Directors is accountable to shareholders and the General Meeting;
- the executive bodies are accountable to the Board of Directors and the General Meeting;
- the interactions between all corporate governance stakeholders rely on trust and confidence:
- the information on the Group's activities is credible and publicly disclosed;
- a reasonable balance is struck between commitment to transparency and pursuit of the Company's commercial objectives;
- the Company makes social commitments, including compliance with service quality and environmental safety standards and creating the most progressive working conditions;
- the Company ensures compliance with ethical standards preventing employees from using their positions to their detriment to the Group, and from the illegal use of confidential and insider information.

standards, and best practices set forth by the Code.

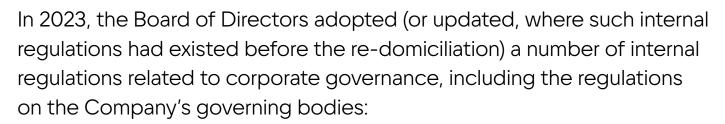
C For more details, see the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code section.

Since the registration as an international public joint-stock company in the Russian Federation and the listing of its ordinary shares on the Moscow Exchange, VK is bound by recommendations of the Corporate Governance Code recommended by the Bank of Russia (Letter of the Bank of Russia Nº 06-52/2463 dated April 10, 2014) (the "Code"), and in exercising its corporate governance the Company seeks to fully observe all the corporate governance principles,

#### Measures to enhance the Company's corporate governance framework

VK seeks to enhance its corporate governance framework and maintain high corporate governance standards. In the reporting year, the Company successfully aligned its corporate governance framework with the requirements applicable to the issuers of shares included in the Moscow Exchange's First Level list. In particular, it adopted all the relevant internal regulations, improved internal controls for disclosure of information in the securities market, and appointed a new Corporate Secretary with prior experience in this role with Russian issuers. Following best corporate governance practices, the Board of Directors elected a Senior Independent Director. At the end of 2023, the Board of Directors' Remuneration and Nomination Committee resolved to perform a selfassessment for the Board of Directors and its committees in early 2024. Going forward, the Board of Directors intends to have its performance self-assessed on an annual basis, with an external assessment by an independent third party to be conducted every three years.





- Regulations on the General Meeting of Shareholders
- Regulations on the Board of Directors
- Regulations on the Remuneration and Nomination Committee
- Regulations on the Audit, Risk, Compliance and Sustainable Development Committee
- Internal Audit Regulations
- Regulations on the Dividend Policy
- Regulations on the Corporate Secretary
- Conditions for Transactions with Financial Instruments by Insiders
- Sustainable Development Policy
- Corporate Risk Management Policy
- C These internal regulations can be found on VK's website and on the Company's Interfax page.

The Company follows their requirements in all material respects.

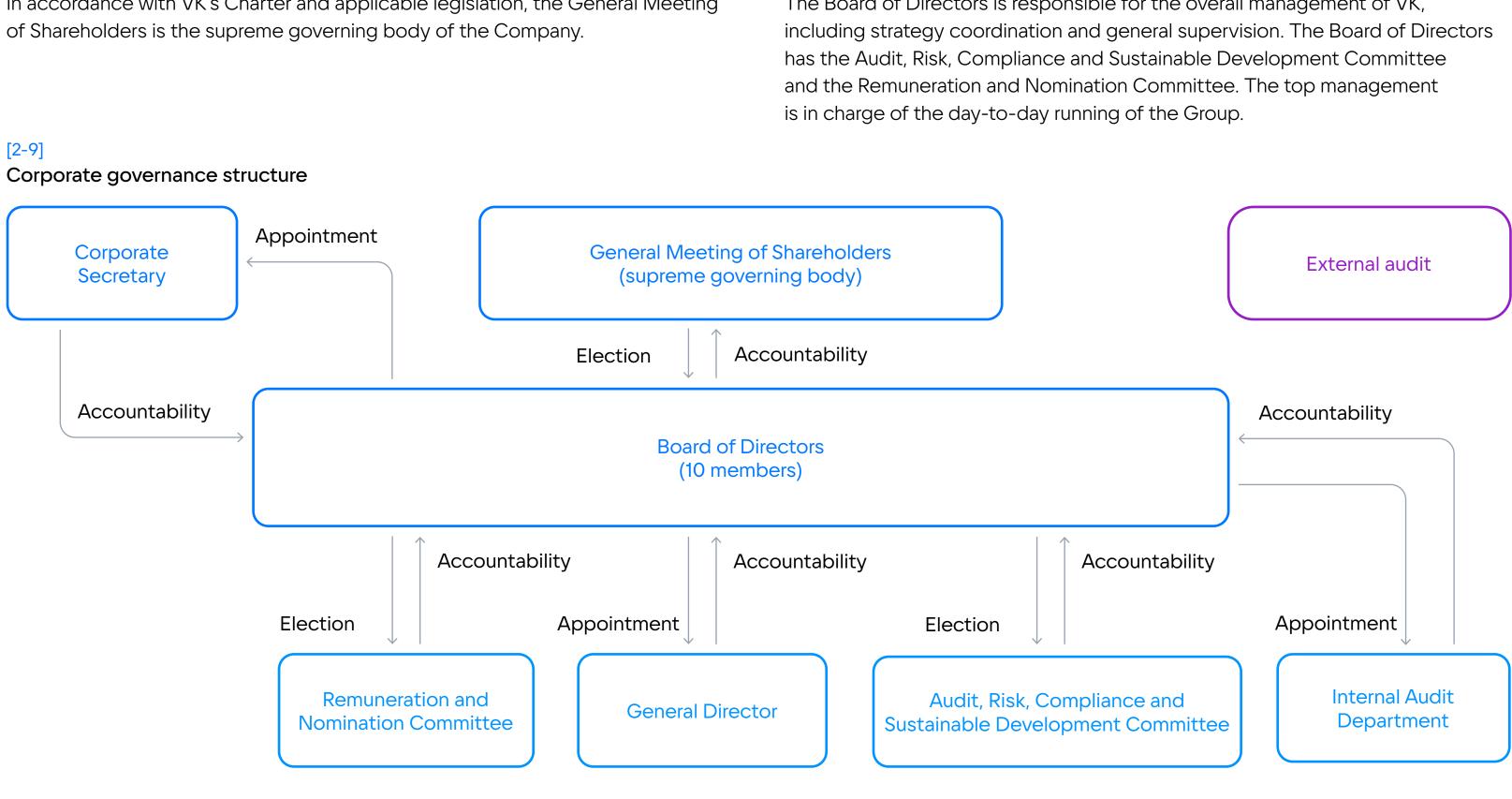
In March 2024, the Board of Directors approved the Regulations on Information Policy.

In March 2024, the Audit, Risk, Compliance and Sustainable Development Committee approved the Environmental Policy.

## Corporate governance framework

In accordance with VK's Charter and applicable legislation, the General Meeting of Shareholders is the supreme governing body of the Company.

#### [2-9]





The Board of Directors is responsible for the overall management of VK,

Elected/appointed and accountable bodies

## Governing bodies

#### **General Meeting of Shareholders**

The General Meeting of Shareholders is the Company's supreme governing body, which takes key decisions on the strategy of VK's development. In accordance with the Charter, a General Meeting is held at least once every two years. General Meetings are convened by the Board of Directors at its own discretion or as may be required by shareholders (a shareholder) who hold, in aggregate, at least 30% of the outstanding votes.

The share capital of the Company is divided into two classes of shares: Class A shares and ordinary shares. Class A shares each carry 25 votes at a General Meeting of Shareholders or in any decision to be taken by shareholders in the form of a written resolution. Ordinary shares each carry 1 vote at a General Meeting of Shareholders or in any decision to be taken by shareholders in the form of a written resolution.

#### The remit of the General Meeting of Shareholders includes, without limitation, the following:

- making changes or amendments to the Charter or approving Charter revision;
- reorganisation and liquidation of the Company;
- decisions on the number of members on the Company's Board of Directors;
- election of members of the Board of Directors and early termination of some or all the members of the Board of Directors;
- increasing or decreasing the share capital of the Company;
- share split or consolidation;
- authorising substantial transactions<sup>1</sup>, taking obligations as part of substantial transactions or cancelling substantial transactions, etc.

The agenda for the General Meetings of Shareholders is determined by the Board of Directors. A shareholder or shareholders who hold, in aggregate, at least 7.5% of the outstanding voting shares of the Company may add items to the agenda of a meeting. Agenda items shall be proposed at least 26 days prior to the date of the General Meeting. Decisions may be taken either at a meeting of shareholders or through a written resolution of shareholders.

C Regulations on the General Meeting of Shareholders

#### **Board of Directors**

The Board of Directors is a backbone of VK's corporate governance framework. It is responsible for the overall governance and effective management of the Group, including strategic planning and general supervision.

#### [2-12], [2-13]

other things, the following:

- of the Group;
- approval of the Group's interim IFRS financial statements;
- declaration of dividend:
- convening of General Meetings of Shareholders;
- appointment of the Group's auditors;
- appointment of committees of the Board of Directors;
- approval of any transactions that the General Director is not authorised a consent from the General Meeting.

#### The Board of Directors has the authority to make decisions relating to, among

• approval of the annual budget and annual financial (accounting) statements

to approve without the Board of Directors' consent and that do not require

#### [2-10]

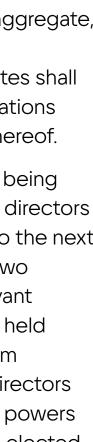
The procedure for the formation of the Board of Directors, its status, membership, functions, goals, objectives and powers, as well as the procedure for its functioning and interaction with other governing bodies are stipulated in the Company's Charter and the Regulations on the Board of Directors.

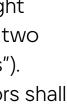
The Board of Directors is composed of ten members, which include eight directors elected by the General Meeting (the "elected directors") and two directors<sup>2</sup> appointed by the elected directors (the "appointed directors"). Each of the appointed directors and at least one of the elected directors shall be independent directors.

#### [2-11]

The Board of Directors elects one of its members to act as the Chairman of the Board. Any shareholder, or a group of shareholders who hold, in aggregate, at least 5% of the outstanding votes, or of the outstanding shares, shall be entitled to nominate candidates for elected directors. Such candidates shall be nominated in the manner and within the time specified by the Regulations on the General Meeting of Shareholders in line with the requirements thereof.

Each candidate shall be voted for separately, with each voting member being entitled to vote on each proposed candidate. The term of office of the directors on the Board extends from the date of the elected directors' election to the next ordinary General Meeting, which shall be convened no later than after two years and three months from the elected directors' election. If the relevant General Meeting for the election of the elected directors has not been held before the date of expiry of a period of two years and three months from the election date of the elected directors, the powers of the elected directors and the appointed directors they appointed shall cease, except for the powers to prepare, convene and hold a General Meeting for the election of the elected directors.









<sup>1</sup> Substantial transactions are defined in Article 2.1.44 of the Charter.

<sup>2</sup> Hereinafter a "director" means a member of the Board of Directors.

The candidates for the two appointed directors are nominated by the Board of Directors and appointed by a resolution of the Board of Directors at the nearest meeting of the Board of Directors following the resolution of the General Meeting to elect the elected directors.

#### If the powers of an elected director are terminated early, the Board of Directors appoints as an elected director:

- a candidate proposed by the shareholder(s) having nominated the elected director whose powers are terminated early, or
- if no such candidate is proposed by the shareholder(s) or if the proposed candidate does not meet the Charter requirements, a candidate elected by the Board of Directors at its own discretion.

The Board of Directors, or any committees thereof, meet when and how the directors determine it to be necessary or desirable.

Decisions at meetings and decisions by written resolution of the Board of Directors are taken by a simple majority of votes. For the purposes of establishing a majority, the Chairman of the Board (or chairman of the meeting, as the case may be) has a casting vote in the event of a tie.

In accordance with the requirements of the Company's constituent documents, if a director has a conflict of interest relating to an agenda item reviewed by the Board of Directors, they shall promptly notify the Board of Directors thereof.

C Regulations on the Board of Directors

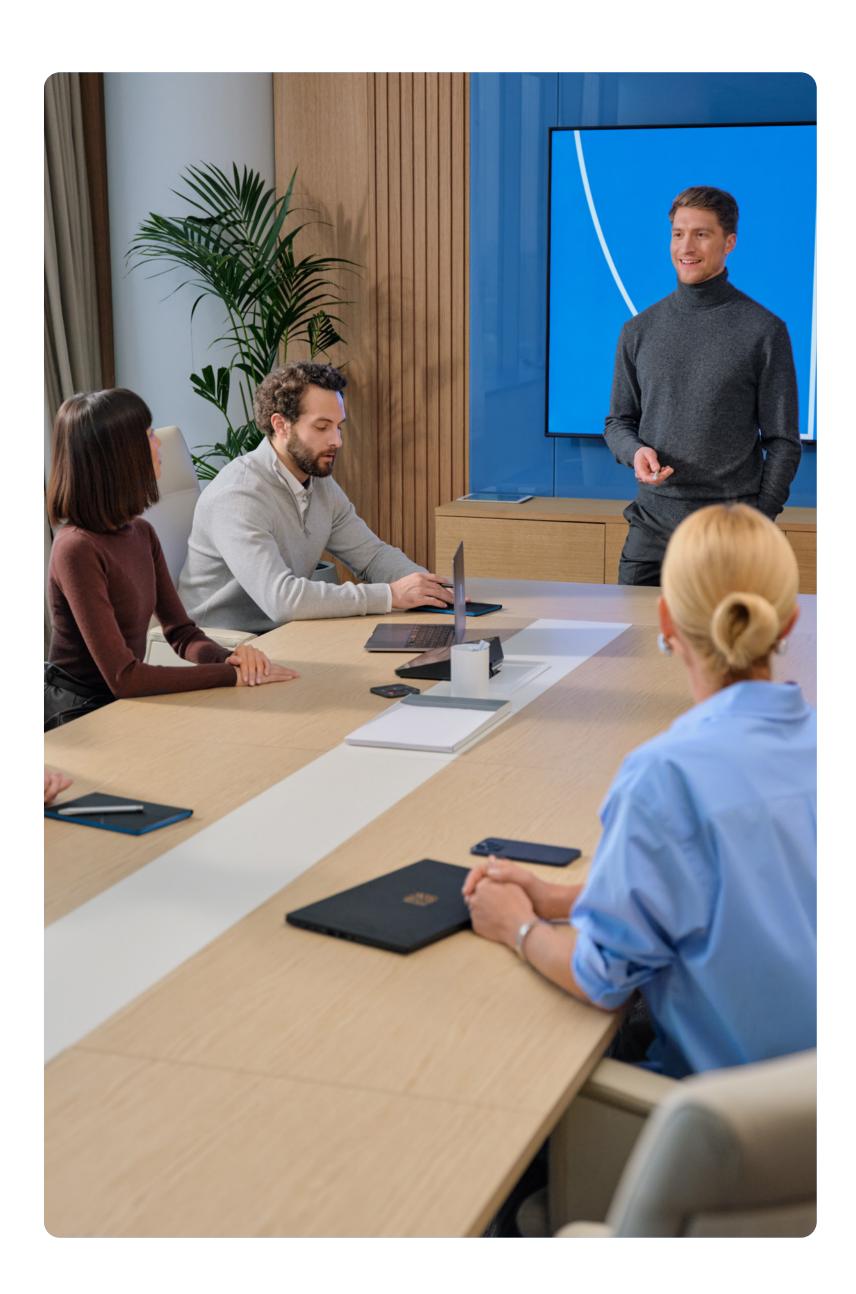
#### [2-9]

The existing composition of the Board of Directors confirmed by a written resolution of the Company's shareholders dated 10 August 2023 is comprised of ten members, which include eight non-executive directors, with three independent directors among them.

#### [2-15]

Independent directors serve to play a key role in preventing internal conflicts in the Company and taking corporate actions. Independent directors are elected from among people having sufficient professional qualities, experience and self-reliance to articulate their perspective and capable of unbiased and good faith judgement free from the influence by the Company's sole executive body, individual groups of shareholders or other stakeholders. The Company's independent directors are elected (appointed) from among candidates meeting the criteria of determining independence of members of a board of directors stipulated by the Moscow Exchange's listing rules, or acknowledged as such in accordance with the applicable listing rules and/or the Charter and internal regulations of the Company.

The existing members of the Board of Directors have the necessary knowledge of strategic, financial, legal, IT, digitalisation, mass communications, media and educational technology matters. VK is committed to ensuring gender diversity of its Board of Directors, which currently consists of three women and seven men. [2-17]







#### Activities of the Board of Directors in 2023

#### [2-16]

In 2023, the Board of Directors held four in-person meetings and signed six written resolutions.

#### The Board of Directors duly reviewed key matters within its remit and made decisions on them, including:

- re-domiciliation of the Company from the BVI to the Russian Federation and the continuation of the Company operations in a special administrative region on Oktyabrsky Island, Kaliningrad Region;
- approval of the Company's annual financial statements and annual report for 2022;
- approval of the Company's Sustainable Development Policy;
- approval of the Company's annual ESG report;
- approval of the issue of replacement bonds (as per the President of Russia's Decree № 430 dated 5 July 2022);
- approval of the budget for 2024;
- election of the Senior Independent Director;
- appointment of the Internal Audit Director and Corporate Secretary, etc.

The attendance of the Board meetings by directors in the reporting year (offline or online) was full, with all the in-person meetings held with a quorum of 100%. All the written resolutions were signed by all the directors on the Board.

#### [2-18]

After the re-domiciliation and effecting the revised Regulations on the Board of Directors, which provide for mandatory self-assessment and external assessment of the Board of Directors, and also after the Company adopting the recommendations of the Code, the Board of Directors' Remuneration and Nomination Committee decided to perform a self-assessment of the Board of Directors and its committees for 2023 in early 2024. The Board of Directors conducted a self-assessment exercise in Q1 2024. Going forward, self-assessment will be performed on a regular basis. Following the self-assessment exercise, the Board of Directors will identify focus areas and measures to improve its performance and the performance of its committees, as well as to enhance the Company's corporate governance framework.

#### **Committees of the Board of Directors** [2-9]

The Board of Directors has two standing committees.

#### Audit, Risk, Compliance and Sustainable Development Committee

#### [2-13]

The Audit, Risk, Compliance and Sustainable Development Committee (the "Audit Committee") is appointed by the Company's Board of Directors and meets on a regular basis, but at least once every guarter.

#### The purpose of the Audit Committee is to assist the Company's Board of Directors in fulfilling its responsibilities in respect of:

- on financial and ESG matters:
- as relating to financial reporting;
- the competence and independence of the Group's external auditors;
- the performance of the Group's internal audit function and external auditors;
- the effectiveness of internal control and risk management measures and their adequacy in line with compliance requirements, accounting regulations, and audit and inspection procedures;
- development policies.
- Committee

The Audit Committee consists of three members, including two independent directors and one non-executive director. The Audit Committee is chaired by an independent director having experience in and knowledge of preparation, analysis, assessment and audit of financial (accounting) statements.

• the quality and reliability of the Group's integrated reporting, including that

• the Group's compliance with key applicable legal and regulatory requirements

• monitoring adherence to the requirements of applicable law, VK Code of Conduct and the Company's risk management, compliance and sustainable

#### C Regulations on the Audit, Risk, Compliance and Sustainable Development

In 2023, the Committee held four in-person meetings. The attendance of the meetings by the Committee members was almost full, with three out of the four meetings having a 100% quorum, and one with two of the three Committee members present.

Each Committee meeting is also attended by the Company's external auditor.

#### **Remuneration and Nomination Committee**

#### [2-20]

The Remuneration and Nomination Committee is responsible for articulating an effective, efficient and transparent policy related to remuneration of the members of VK's governing bodies, and also for reinforcing the professional composition and improving performance of the Board of Directors.

The Committee, which consists of five members, including three independent directors and two non-executive directors, meets on a regular basis.

#### The Committee's remit is as follows:

- drafting and approval of VK's remuneration policy, including that for the directors, sole executive body, and the Group's key management talent;
- assessment of the annual performance of the Group's key management talent;
- formalised and detailed annual assessment of the Board of Directors' performance;
- approval of long-term incentive plans and conditions for employees' participation therein.

#### C Regulations on the Remuneration and Nomination Committee

In 2023, the Committee held two in-person meetings and signed one written resolution. The Committee meetings enjoyed full attendance.

#### **Corporate Secretary**

The Corporate Secretary ensures that the Company's bodies and managers comply with corporate governance rules and procedures that safeguard the rights and interests of the Company and its shareholders. The Corporate Secretary is accountable and reports to the Board of Directors.

#### C Regulations on the Corporate Secretary

Pursuant to the resolution of the Board of Directors dated 10 August 2023, the Company's new Corporate Secretary took office as at the date of the Company's state registration in the Russian Federation. The Company's Corporate Secretary meets all the requirements of the Company's Regulations on the Corporate Secretary.

#### Top management

As of the date of the Company's state registration in the Russian Federation the Company's sole executive body is its General Director. A resolution to appoint the General Director is made by the Board of Directors. Elena Bagudina was appointed to this position.

The General Director is responsible for managing the Company's day-to-day operations and holds full authority on the matters not reserved to the General Meeting and the Board of Directors. In particular, the General Director represents the Company without a power of attorney, acts for and on behalf of the Company, effects transactions, manages the Company's bank accounts, and has other powers as set out in the Charter. The General Director has no conflict of interest. [2-15]

## Remuneration to governing bodies

#### [2-19], [2-20], [2-21]

The Remuneration and Nomination Committee is responsible for approving the remuneration of the Directors and senior managers of the Group. It also reviews and approves the general policy relating to aspects of the Group's key employee remuneration and the terms of incentive schemes.

#### Remuneration to executive bodies

The Group's remuneration policy for members of executive bodies and other key executes aims to strike a reasonable and justifiable balance between the fixed and the variable component, where the latter is linked to both the Group's performance and the employee's personal contribution.

The Group has a system of key performance indicators (KPI) for key managers in place with a set of weighted KPI parameters based on financial performance, key engagement metrics, and the wider Group strategy. This remuneration system ensures involvement of key employees in the implementation of the Group's strategy.

The total remuneration of the Group's key employees includes a fixed component comprising the base salary for the hours worked and a variable component linked to the achievement of KPIs and project goals set for the reporting period.

In 2023, the total cash remuneration paid to members of the Group's executive bodies and other key executes amounted to RUB 3,196 mn.

#### Incentive scheme

Following the Company's re-domiciliation to Russia, its long-term incentive plan based on real shares (RSUs/PSUs) was discontinued. There are currently 1,117,050 options outstanding, all exercisable in cash.

The Company is also exploring alternative mechanisms for long-term employee incentives.

#### Remuneration to the Board of Directors

In accordance with the Company's Charter and the Regulations on the Board of Directors, members of the Board of Directors are entitled to receive remuneration for performing their duties and reimbursement of expenses associated with their roles as Directors. Members of the Board of Directors are entitled to be compensated for travel and other expenses incurred while performing their duties in connection with the Company's activities.

The Company remunerates members of the Board of Directors on a fixed annual basis, without providing remuneration for attending individual Board or committee meetings, short-term incentives or other financial rewards.

In 2023, the total cash remuneration paid to members of the Company's Board of Directors amounted to RUB 139 mn.

No loans were extended to members of the Board of Directors by the Group companies in the reporting year.



### Internal control and audit framework

#### Internal control

The Company's internal control system is built on advanced principles and approaches with the aim of ensuring its utmost efficiency. It covers all processes, including finance and risk management, compliance, legal and tax control, etc.

Internal control is exercised by the Company's Board of Directors, sole executive body, officers, and operational management. Its aim is to ensure the achievement of VK's goals, which include ensuring:

- the efficiency and effectiveness of the Group's business operations
- the reliability and accuracy of reporting
- compliance with regulatory requirements and internal documents

In 2024, efforts will continue to improve the internal control system, including implementation of best practices and recommendations for internal control processes, enhancing the control environment, developing monitoring tools, and establishing control procedures.

#### Internal audit

The Company has an independent function in charge of internal audit – the Internal Audit Department. For the sake of independence and impartiality, the Internal Audit Department is accountable to the Board of Directors. It is managed by the Internal Audit Director, who is appointed and dismissed by resolution of the Board of Directors.

The key functions of internal audit include:

- planning and conducting audits of business processes, functions, and structural divisions of the Company;
- performing unscheduled audits as instructed by the Board of Directors and the Audit Committee:
- advising management and the Board of Directors on internal control, risk management, and corporate governance matters;
- monitoring the implementation of audit recommendations.

Committee. In addition, the Internal Audit Department monitors Committee meetings.

The Internal Audit Department consistently works to improve the maturity of the internal audit function and the competencies of its staff. Starting 2023, it undergoes a qualitative evaluation of its performance by the Board of Directors' Audit Committee. Based on evaluation of the Department's performance for the reporting year, its activities were deemed successful in improving internal controls and business processes. Also, the Internal Audit Director conducts regular self-assessment of the Department's performance during the year across chosen areas of its activities.

- In their activities, employees of the Internal Audit Department are guided by the principles of integrity, objectivity, and independence and apply a riskoriented approach in conducting audits and preparing recommendations.
- The annual audit plan is reviewed, discussed, and approved by the Audit the effectiveness and efficiency of the management's corrective actions to address audit findings, providing quarterly progress reports at the Audit

In line with international and Russian best practices, VK will also focus on further enhancing its continuous auditing and monitoring processes, which involve analysing and monitoring core business domains (such as procurement, payments, contracts, and information security) on an ongoing basis.

C Internal Audit Regulations

#### **External audit**

Each year, the Company engages an external auditor to assure that its financial statements are accurate. The external auditor is approved by the Board of Directors.

In 2023, VK engaged Centre for Audit Technologies and Solutions LLC for auditing and reviewing the IFRS consolidated financial statements and the RAS accounting (financial) statements. Their actual audit and other audit-related fees amounted to RUB 52.1 mn (including VAT).

The auditor confirmed the accuracy of the Company's financial statements for 2023.

The Audit Committee monitors the performance of the external auditor on a quarterly basis.



## Risk management

#### Risk management system

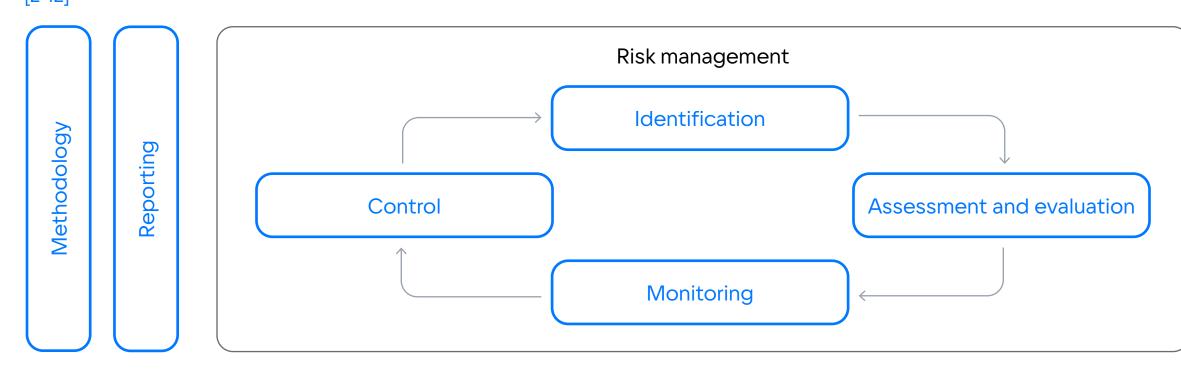
VK is exposed to certain risks that may affect its ability to operate, serve clients, and fulfil obligations. Timely identification, assessment, control, and monitoring of risks are integral to the Company's risk management.

The primary objective of the Company's risk management system is to minimise the adverse effects of external and internal risk factors on its business performance. It also aims to facilitate the attainment of strategic and operational goals amidst evolving internal and external landscapes by reducing decisionmaking uncertainties, bolstering operational resilience, enhancing risk analysis and assessment processes, maintaining risk control, and ensuring the reliability of the reporting system. To achieve these risk management objectives, VK has appropriate policies, procedures, and processes in place, relies on dedicated working groups, and leverages Russian and international best practices. The Company's risk management is based on a three lines of defence model, which defines the roles and responsibilities of the risk management process participants.

The risk management system of VK is built upon the principles that involve integrating it into the management system and business processes, ensuring responsibility and engagement of all Company employees, distributing roles, and promptly responding to risks while considering a reasonable balance between costs and potential damages. VK ensures the collection and accumulation of all essential information about the risks that arise in its operations, and continuously enhances its risk management system by implementing new and reviewing existing policies and procedures.

In 2023, VK encountered industry-specific risks related to the evolving business landscape, both domestically and internationally, and demonstrated sufficient resilience and ability to tackle existing and new challenges. During the year, VK made further progress in developing its risk management system by updating the Corporate Risk Management Policy and implementing new tools for managing risks.

C Corporate Risk Management Policy



#### VK's comprehensive approach to risk management [2-12]

#### VK's three lines of defence

#### The first line of defence

The first line of defence involves operational management as well as business units that run risk management as part of their day-today activities.

Heads of business units are responsible for the outcome and effectiveness of their processes, as well as for proper organisation, formalisation, and monitoring of risk management and internal control within those processes.

Persons in charge of control procedures proceed in accordance with their job duties and in compliance with applicable regulations.

#### The second line of defence

The second line of defence is ensured by the Risk Management Department, which coordinates the risk management process, as well as business units and committees responsible for risk management within their specific areas of expertise (compliance, security, information security, financial control, legal support, etc.).

It also comprises internal control carried out by dedicated units, including those centralised in specific domains.

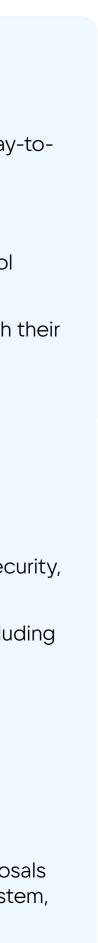
#### The third line of defence

The third line of defence comprises the Internal Audit Department, which conducts an independent assessment of the effectiveness of the Company's risk management and internal control system, identifies gaps in the first and second lines of defence, makes proposals for the improvement of the risk management and internal control system, and monitors the implementation of corrective measures.

	Risk register
	Indicator framework
$\square$	Risk management activities
	Reporting to committees







#### The existing risk management system operates as follows.

- The Board of Directors:
- oversees that the Group appropriately manages risks through structured, proper, and effective risk management systems and processes;
- establishes a risk appetite that is adequate to achieve the Group's strategic objectives;
- ensures that an effective risk-based internal audit is in place.

#### 2. The Audit Committee:

- verifies the completeness, accuracy, and reliability of the Group's statements and reports, and that of press releases containing material financial information or information pertaining to internal control;
- oversees compliance with legal and regulatory requirements for financial reporting;
- prepares recommendations to the Board of Directors on issues pertaining to the implementation of strategic goals and the progress in sustainable development;
- evaluates the qualifications and independence of the Group's external auditors;
- exercises control over the performance of the internal audit function and external auditors;
- evaluates the independence and impartiality of internal and external audit;
- monitors the reliability and effectiveness of the risk management and internal control system;
- assesses the effectiveness of internal control and risk management measures and their adequacy in line with compliance requirements, accounting regulations, and audit and inspection procedures;
- oversees the implementation of recommendations for adopting best practices in areas such as audit, risk management, compliance, corporate governance, and sustainable development;
- monitors compliance with applicable laws, VK Code of Conduct, and the Company's Compliance and Sustainable Development Policies.

#### 3. The General Director:

• updates the Board of Directors on matters related to overall corporate risk management.

#### 4. The Risk Management Department:

• builds and ensures continuous improvement of VK's risk management system and coordinates activities of all participants involved in risk management.

#### 5. The Internal Audit Department:

- ensures independent evaluation of the effectiveness of the risk management and internal control system;
- · identifies gaps in the first and second lines of defence;
- develops proposals for improving the risk management and internal control system;
- oversees the implementation of corrective measures to improve the risk management and internal control system in line with audit findings.

#### Components of VK's risk management system

#### 1st line of defence

- Operational management
- VK's executives and business units



In 2024, the Company will focus on further enhancing its risk management system by implementing new and updating existing risk management tools, expanding the scope of risk monitoring, putting in place risk action plans, and fostering a stronger risk conscious culture.



Audit, Risk, Compliance and Sustainable Development Committee

#### **General Director**

#### 2nd line of defence

- Risk Management Department
- Compliance Department
- Financial Control Service
- Other risk management and internal control units

#### 3rd line of defence

Internal Audit Department







#### Key risks

To minimise potential risks and mitigate their possible negative impacts, VK has identified a list of potential risks and is implementing comprehensive measures to manage them.

#### Potential key risks and approaches to manage them

[TC-SI-550a.2], [2-25]

Risk	Description	Risk
Financial risks		
Market risk	Possible fluctuations in market prices driving changes in the fair value of future cash flows associated with VK's financial instruments. These financial instruments include accounts payable, cash and cash equivalents, short-term deposits, financial investments in associates, and derivative financial instruments	VK r of it If de
Credit risk	Possible financial losses arising from counterparties' failure to fulfil their obligations to VK under financial instruments or customer contracts	VK p the Non it as
Liquidity risk	Potential difficulties VK may face in fulfilling its financial obligations	VK ii anni
Risk of capital availability	Potential losses arising from VK's inability to secure capital for its financial and business needs on acceptable terms	The prog

#### sk management activities

Constructions in FX rates and the value of financial instruments and assesses potential scenarios that may impact the value its assets.

deemed necessary, the Company is in a position to employ hedging instruments to mitigate currency risk

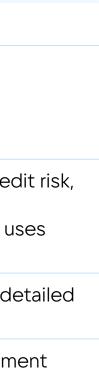
C places its cash and cash equivalents in financial institutions with a strong financial standing and minimal risk of default. To minimise credit risk, e Company seeks to conduct its transactions on a prepayment basis or with minimal payment deferral. one of the liabilities to VK represents more than 10% of its revenue. The Company has a receivables management process in place and uses

as necessary

(implements liquidity planning based on predicted and actual cash flow values, maturity of existing financial assets and liabilities, and detailed nual budgeting

ne Company continuously engages with its investors and creditors and monitors the cost of capital in the market and as part of government ogrammes and projects. The goal of managing this risk is to minimise the cost of debt







Risk	Description	Risk
Business risks		
Risk of changes in the market environment and macroeconomic conditions	Potential losses and impact on operations arising from significant deterioration in the market environment and macroeconomic conditions	VK j swif bus
Risk of user attrition due to intensified external competition	Possibility of user attrition and decline in the appeal of VK's products as a result of alternative products entering the market, or other competitor moves	To r in a pot
Reputational risk ESG	Potential damage to VK's reputation or impairment of the Group's image, including brand value, due to negative perceptions of the Company and the Group's operations among users, regulators, counterparties, and other stakeholders	The onli to t
Operational risks		
Operational risk (risk of process deficiencies)	Possibility of incurring losses due to incorrectly configured internal processes and internal control deficiencies	VK r
Business continuity and IT risk	Potential disruptions affecting the continuity of VK's products and services, as well as IT failures and/or malfunctions and/or mismatch between IT capabilities and the Company's needs	VK s infra refir of I
Information security risk ESG [TC-IM-230a.2], [TC-SI-230a.2]	Occurrence of information security risk events	VK i intro a to Bou
HR risk ESG	Potential staff management issues	VK i offe and

#### isk management activities

K places great emphasis on macroeconomic factors that shape its prevailing operating environment. It monitors the market landscape and wiftly responds to any significant changes, adjusting its development strategy as necessary for both individual products and the overall VK usiness

o mitigate this risk, VK develops products that cater to a wide range of users, aiming to satisfy existing and potential needs of diverse audiences a competitive landscape. Through ongoing research and surveys, the Company shapes its product marketing strategy, taking into account otential alternative solutions and competitor moves

he Company implements a proactive communication policy, promptly informing users and the public about any significant changes. It conducts nline monitoring of VK's mentions, user complaints, and inquiries across all channels (through a dedicated department) and promptly responds o those

K maintains oversight of its operations, takes steps to prevent employee error or misconduct, and conducts monitoring of internal processes

K seeks to maintain the continuity of its services and products on a 24/7 basis, among other things by upholding a high level of IT service and frastructure redundancy, regularly backing up critical information, and closely monitoring products and processes. The Company consistently of its service and processes and promptly addresses a diverse range of deficiencies and challenges in the IT realm. VK is committed to efficient use for the transmission of the processes. The Company consistent and processes are processes and promptly addresses a diverse range of deficiencies and challenges in the IT realm. VK is committed to efficient use for the processes. The company consistent are processes are processed and processes are processed and processes are processed and procurement.

K implements a diverse range of measures to ensure the security of user data. These include risk monitoring and response as well the ongoing itroduction of a Data Protection Officer (DPO) role. To ensure the continuity of VK's products and services, the Company focuses on developing toolkit to combat cyber attacks and protect network infrastructure. Alongside these initiatives, other measures are also taken, such as the Bug ounty crowdsourcing programme and penetration testing

K implements a personalised approach to employee management, seeking to cultivate a highly conducive work environment. The Company ffers its employees a wide range of social benefits and perks and actively promotes well-being programmes spanning health, sports, education, nd hobbies





Risk	Description	Risk
Legal and regulatory risks		
Legal and regulatory risk	Potential financial losses and implications resulting from non-compliance with legal requirements, as well as potential legal proceedings	VK is with firms
Compliance risk ESG	Potential breach of applicable laws and VK's compliance policies (including those related to anti-corruption, conflicts of interest, and human rights)	For
Tax risk	The risk of unintentional violation of tax legislation due to unfavourable changes of the same, ambiguous interpretations by regulators, and disputes regarding previously uncontested transactions and approaches. The occurrence of this risk may result in additional tax charges, fines, and penalties, as well as injunctions by tax authorities that may significantly impact the Company's financial statements	VK is con as p ben inde
ESG risks ESG [2-23]		
Environmental risk	VK's negative impact on the environment	VK is impl com with sect
Natural and climate-related risk	The risk of negative impacts from natural and climate-related factors, including earthquakes and floods, on VK's operational activities	VK h regu con <sup>-</sup>
Social risk	The risk of underestimating society's call for socially responsible business	To a the
Digital accessibility risk	Risk of insufficient digital accessibility of VK's products to people with disabilities	VK s peo the

#### sk management activities

(is committed to upholding full legal compliance and conducts ongoing monitoring to stay abreast of legislative changes. The Company liaises th regulatory authorities as part of discussions related to the drafting of industry-specific legislative acts and leverages the expertise of legal ms to interpret and ensure timely adherence to the forthcoming laws, standards, and requirements

r more details on measures to mitigate compliance risk, see the Ethics and Compliance and the Human Rights and Anti-Discrimination sections

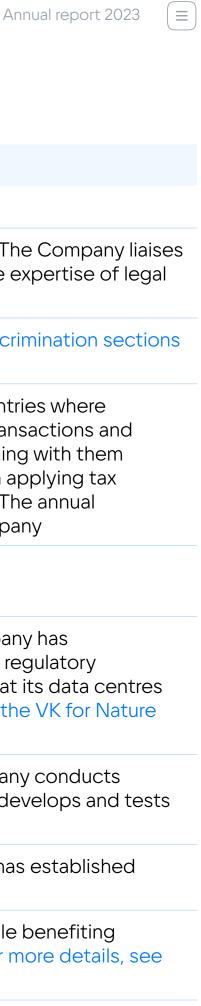
(is committed to upholding full compliance with applicable laws by continuously monitoring legislative changes in the countries where operates, reviewing interpretations of regulatory authorities and judicial practice, assessing tax risks prior to entering into transactions and ontracts, verifying the integrity of contractors, seeking clarifications from regulatory bodies on disputed matters, and engaging with them part of the legislative process. The Company takes steps to ensure timely adherence to new laws and requirements. When applying tax enefits, VK undertakes all necessary measures to ensure that they are compliant with legislation and properly documented. The annual dependent audit process includes a review of the accuracy of the tax legislation application and interpretation by the Company

(is engaged in activities that are not directly associated with adverse effects on the environment. Nevertheless, the Company has plemented processes to monitor the environmental regulatory framework, including sanitary standards and rules, to ensure regulatory mpliance. The Company seeks to employ state-of-the-art energy-saving and energy-efficient technologies and solutions at its data centres th a view to minimising infrastructure and equipment wear and its negative effects on their condition. For more details, see the VK for Nature ction

(has management processes in place to ensure business continuity and continuity of its products and services. The Company conducts gular training and testing to ensure the recovery of key infrastructure components in the event of natural emergencies and develops and tests ntingency plans tailored to diverse operational conditions.

address that, VK has implemented a social strategy. Since 2013, it has been actively involved in the VK Dobro project and has established e Code of Kindness charitable foundation. For more details, see the VK for Society section

(strives to ensure that its products and services are accessible to the broadest audiences. The Company believes that while benefiting eople with disabilities this also enhances the usability of its products for individuals with diverse needs and preferences. For more details, see ne Inclusion section



### Ethics and compliance [2-23], [2-24]

#### Compliance

Compliance issues are embodied in the Regulations on the Audit, Risk, Compliance and Sustainable Development Committee of the VK Board of Directors.

In 2023, the Company adopted the VK Supplier Code of Conduct, which sets out ethical rules of conduct for all of the Group's suppliers. The Code also includes ESG provisions, such as environmental protection and corporate social responsibility. References to the Code are included in the Company's template anti-corruption clause and tender documents.

The Company has in place a whistleblowing hotline, which serves as a confidential channel for anonymous reports of actual and suspected violations of applicable law, VK Code of Conduct and other internal policies. In 2023, VK upgraded its whistleblowing hotline. All reports are handled by the Compliance Department and treated as highly confidential. [2-25], [2-26]

In 2023, the Company focused on raising awareness about compliance matters, emphasising the VK Code of Conduct and policies governing key compliance areas (corporate ethics, anti-corruption, conflicts of interest, etc.). A total of more than 10,000 employees have read the documents.

#### Anti-corruption

The Company adheres to the principle of zero tolerance for corruption in any form and manifestation. This principle is inter alia embedded in the VK Code of Conduct and VK Anti-Corruption Policy. VK complies with applicable anti-corruption legislation and takes the necessary measures to prevent and counteract corruption. In 2023, no cases of corruption were identified in the Company. [205-3]

#### Managing conflicts of interest [2-15]

VK has adopted the Conflict of Interest Policy, requiring each employees to make disclosure to the Company of any conflicts of interest. VK has a variety of controls in place to identify and manage conflicts of interest, with regular corporate communications covering this matter. All potential conflict of interest situations are managed by the Compliance Department. Conflict of interest provisions are also included in the VK Supplier Code of Conduct and tender documentation.

#### Human rights and anti-discrimination [2-23], [2-24]

The principle of respecting human rights and zero tolerance to discrimination is enshrined in VK's various internal regulations, including the Code of Conduct, Supplier Code of Conduct, and Policy on Human Rights. In 2023, there were no reported cases of VK violating anti-discrimination laws. [406–1]

In case of any form of discrimination, employees may contact the Compliance Department or the whistleblowing hotline. [2-25], [2-26]

### Dealing with insider information

The Company's ordinary shares are traded on the Moscow Exchange. VK operates in strict compliance with Russian laws on insider trading and other regulations governing insider information.

The Company maintains and regularly updates the list of insiders and notifies those who are included into or excluded from it.

If documents containing insider information are transferred to counterparties, provisions are introduced in agreements with them obliging counterparties to maintain the list of insiders and ensure confidentiality and protection of the information disclosed. The relevant counterparty is included in the insider list.

Within the calendar year, the Company's insiders are notified on an ongoing basis about the start of 'closed' and 'open' periods, the launch and completion of projects in connection with which they receive insider information, and about the forbidding/authorisation of trading the Company's shares.

The Company has internal regulations that set out rules to prevent misuse of insider information.

- C List of Insider Information
- C Conditions for Transactions with Financial Instruments by Insiders
- C Procedure for Accessing Insider Information, Confidentiality Rules and Compliance with Laws on Prevention of Misuse of Insider Information and Market Manipulation



## Information for shareholders and investors

#### Company's share capital

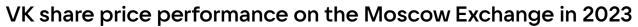
The share capital of the Company is divided into 11,500,100 million class A shares and 227,874,940 million ordinary shares. There are differences in the number of votes at General Meetings of Shareholders which both types of shares carry (see above in the General Meeting of Shareholders section).

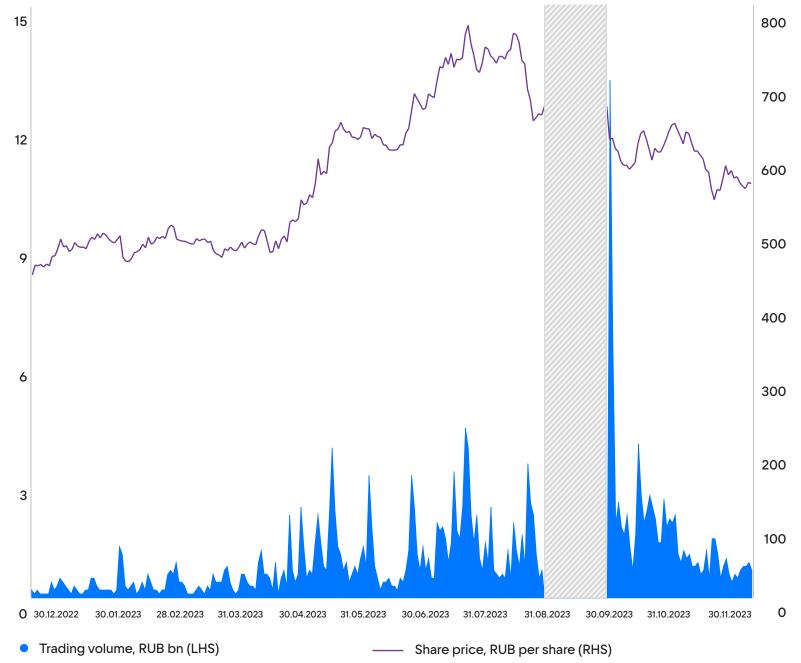
At the request of a shareholder holding class A shares, they can automatically be converted into ordinary shares. In this case, each class A share is automatically converted into one ordinary share and holds the same position in all respects as the existing ordinary shares traded on the Moscow Exchange.

#### Share capital as of the date of the Report

Class of shares	Issued shares	ISIN
Class A (RUB 0.000450595 par value each)	11,500,100	RU000A106YG8
Ordinary (RUB 0.000450595 par value each)	227,874,940	RU000A106YF0

The Company's ordinary shares have been traded on the Moscow Exchange under ticker VKCO since 20 October 2023.





- Limited whose records are held in Russia into shares of VK IPJSC.

VK's securities were not traded on the exchange from 19 September to 19 October 2023 due to technical suspension of trading on the Moscow Exchange associated with the automatic conversion of GDRs issued by VK Company

#### **Re-domiciliation to Russia**

On 10 August 2023, shareholders and the Board of Directors approved a decision on the Company's re-domiciliation, with VK ceasing to operate in the British Virgin Islands and continuing its activities in Russia. On 26 September 2023, the Company was registered in a special administrative region on Oktyabrsky Island in the Kaliningrad Region as VK International Public Joint-Stock Company (VK IPJSC) in the manner set out in the International Companies Law.

As part of the re-domiciliation process, on 12 September 2023, GDRs for ordinary shares of VK Company Limited and Eurobonds of VK Company Limited were delisted from the London Stock Exchange at the Company's request. Trading in these securities was effectively suspended by the London Stock Exchange on 3 March 2022.

On 18 September 2023, the Company completed the transfer of its GDR programme to the new depositary RCS Issuer Services S.AR.L. In late 2023, the GDR programmes were terminated at the Company's request.

On the Moscow Exchange, GDRs representing ordinary shares of VK Company Limited, with their records kept within Russian infrastructure, were automatically replaced with ordinary shares of VK IPJSC following the Company's state registration in Russia.





#### **Dividend policy**

In August 2023, the Board of Directors adopted the Dividend Policy, which took effect upon the Company's registration in Russia. It sets out the principles that the Board of Directors is guided by when deciding on profit distribution and dividend payments.

#### Basic principles of the Dividend Policy:

- enhancement of the Company's investment case;
- financially sound decision making on dividend payment to balance the Company's investment needs and the interests of its shareholders;
- transparency of the procedure to determine the dividend amount.

Under the current Dividend Policy, dividends on the Company's shares are paid from net profit (including from retained profit for previous years, if needed) as set out in financial statements prepared in accordance with Russian laws, and from other sources permitted in Russia. The percentage of net profit to be paid out as dividends for each dividend period is determined by the Board of Directors for each such period.

In 2023, the Board of Directors made no decision on the payment of dividends.

#### Bonds

In October 2023, VK's subsidiary Mail.ru Finance completed the offering on the Moscow Exchange of Russian bonds (ZO25 series) to replace the Eurobonds of VK Company Limited (ISIN XS2239639433), which are registered within Russian depositaries. The replacement bonds (ISIN RU000A106YZ8) have the Eurobonds-equivalent par value, coupon rate, coupon dates, and maturities: the par value of each security is USD 200,000 with maturity on 1 October 2025 and coupon yield of 1.625% per annum (paid semi-annually on 1 October and 1 April).

#### Bonds of the Company

#### Bonds

Eurobonds of VK Company Limited (XS2239639433)

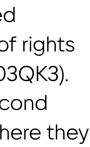
Exchange-traded bonds of Mail.ru Finance (RU000A103QK

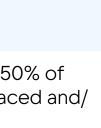
ZO25 bonds of Mail.ru Finance (RU000A106YZ8)

Previously, in September 2021, Mail.ru Finance completed the offering on the Moscow Exchange of five-year non-convertible exchange-traded interest-bearing uncertificated bonds with centralised record-keeping of rights with a total par value of RUB 15 bn and a coupon rate of 7.9% (RU000A103QK3). The exchange-traded bonds of Mail.ru Finance were included in the Second Level list of securities admitted to trading on the Moscow Exchange, where they are traded currently.

	Currency	Coupon rate	Offering size	Par value	Offering end date	Maturity date	Status
ed	USD	1.625%	400,000,000	200,000	1 October 2020	1 October 2025	Delisted / more than 50 the offering size replac or repurchased
)K3)	RUB	7.900%	15,000,000,000	1,000	21 September 2021	15 September 2026	Outstanding
	USD	1.625%	29,200,000	200,000	19 October 2023	1 October 2025	Outstanding







#### Credit ratings

In connection with the placement of exchange-traded bonds in 2021, the Analytical Credit Rating Agency (ACRA) assigned the Company and the exchange-traded bonds of Mail.ru Finance a credit rating of AA+(RU) according to the National Credit Rating Scale for the Russian Federation.

In February 2024, ACRA downgraded the Company's rating to AA(RU) with a 'stable' outlook, and that of the bonds of Mail.ru Finance, to AA(RU).

#### **Disclosure of information**

The Company strives to ensure that material information about its operations is made available to all shareholders at the same time. VK strictly complies with all Russian laws and regulations governing public disclosure.

Disclosures are made on the Internet on the website of Interfax-TsRKI (Corporate Information Disclosure Centre). Some of the information is also posted on the Company's website, including translations of public disclosures to other languages.

The Company also remains in contract with investors regarding the most relevant aspects of business operations. To ensure strong investor and shareholder engagement, the Company relies on several communication channels:

- Investors section of the corporate website: <a href="https://vk.company/en/investors/">https://vk.company/en/investors/</a>;
- e-mail: ir@vk.company;
- postal address: 39 Leningradsky Avenue, building 79, Moscow, 125167, Russia.

#### Current credit ratings of the Company and its bond issues

#### Rating subject

VK IPJSC

Exchange-traded bonds of Mail.ru Finance Limited (RU000A103QK3)

Rating agency	Date of last rating action	Credit rating	Outlook
ACRA	16 February 2024	AA(RU)	Stable
ACRA	16 February 2024	AA(RU)	

0	$\cap$	$\gamma\gamma$
Ζ	U	23



### About the report

This Report is the first consolidated annual report of VK (the "Report") presenting both consolidated operating results of VK in line with its strategic goals and objectives, and information on important sustainability decisions and achievements. Previously, VK regularly published two separate types of reports – annual and ESG reports. Going forward, VK will continue to release consolidated annual reports as a way to streamline its financial and ESG reporting, and to provide information to stakeholders in a more user-friendly form.

The financial results of VK were calculated based on the 2023 IFRS financial statements certified by an auditor report and included in the Appendix "Consolidated Financial Statements". Financial results are reported on an annual basis to coincide with the Report's cycle. [2-3]

The reporting period saw several changes in the methodology used for calculating sustainability indicators. The Report provides adjustments to historical data, with comments on changes and updated methodologies included in the text. [2-4]

The Report was approved by written resolutions of the Board of Directors<sup>1</sup> on 26 April 2024. [2-14]

The Report is published in Russian and English. This Report was released on 26 April 2024. [2-3]

#### **Report boundaries**

The Report presents the results of VK IPJSC and its subsidiaries listed in the IFRS consolidated financial statements (unless specified otherwise) for the reporting period from 1 January to 31 December 2023, while also disclosing the evolution of data for previous years. [2-2]

#### Terms and definitions

In this Report, a reference to the "Company" means VK IPJSC, which jointly with its subsidiaries is referred to as the "Group" or "VK".

#### Rounding

Certain figures included in this Report were subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly, while figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

2 Sustainability Accounting Standards Board.

#### Standards and recommendations

The Report complies with the following principles, requirements and recommendations:

- Regulations of the Bank of Russia Nº 714-P On Disclosing Information by Issuers of Issue-Grade Securities dated 27 March 2020 (as amended on 30 September 2022);
- the Corporate Governance Code recommended for application in joint-stock companies by letter of the Bank of Russia Nº 06-52/2463 dated 10 April 2014;
- information letter of the Bank of Russia № IN-06-28/49 On Recommendations for Public Joint-Stock Companies to Disclose Non-Financial Information Regarding their Operations dated 12 July 2021;
- the Moscow Exchange's guidance for issuers on best sustainability practices;
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards);
- SASB<sup>2</sup> Standards, including industry-specific standards such as Software & IT Services, and Internet Media & Services;
- the Company's internal regulations.



<sup>1</sup> Material impacts of VK and their disclosure by material topic are agreed by the Board of Directors through the approval of the Report.

### Determination of materiality

Material topics for this Report were identified through a survey conducted in two stages. During the first stage, experts (heads of departments and their key experts, key sustainability experts, and external ESG experts) identified the most material impacts exerted by VK on economy, environment, and society. The first stage of the survey covered 13 people. During the second stage, VK invited key stakeholders (users, employees, business partners, investors, shareholders, and NGOs) to assess the materiality of these impacts using a five-point scale. The second stage of the survey covered 1,200 respondents. [3-1]

Based on the survey findings, material topics were determined as follows<sup>1</sup>: [3-2]

- 1. Use of innovations to protect personal data;
- 2. Information security and minimisation of incidents related to information security breaches;
- 3. Development of digital content services to satisfy users' daily needs;
- 4. Impact of Internet content on the moral values of society;
- 5. Improvements in service quality;
- 6. Decent working conditions and fair compensation;
- 7. Talent pool enlargement, youth engagement;

- 9. Fostering domestic demand for hi-tech products;
- and research centres.

The following topics were not deemed material, even though the Company recognises their importance and intends to disclose them to an extent that meets the Report's objectives:

- 1. Ensuring business continuity;
- 2. Market presence;
- 3. Risk management;
- 4. Management of critical incidents;
- products;
- 6. PUE of VK data centres;
- 7. Energy saving and energy efficiency improvements.

1 List of material topics in the ESG report for 2022:

- Personal data protection.
- Cybersecurity.
- Employee training and development.
- Product quality responsibility.
- Interaction with users and satisfaction of their requests.

8. Occupational health and safety in the Company and across the supply chain;

10.Development of innovative products, including digital solutions for businesses; 11. Promotion of science and education through joint projects with universities

The Report has [GRI] marks where indicators are disclosed in accordance with material topics or otherwise pursuant to the Appendix "GRI Standards Index".

Apart from assessing the proposed topics, stakeholders could also request inclusion of additional disclosures in the Report. All proposed topics and additional disclosure requests were analysed by the Report task force.

5. Responsible consumption, awareness-raising campaigns and customer





### Report assurance [2-5]

The consolidated financial statements were prepared in accordance with applicable laws and the International Financial Reporting Standards (IFRS). The financial statements were audited on 20 March 2024 by Centre for Audit Technologies and Solutions LLC. The report of an independent auditor on the consolidated financial statements is provided in the Appendix "Consolidated Financial Statements".

To ensure the independent review of certain ESG indicators disclosed in the Report, VK engaged Centre for Audit Technologies and Solutions LLC. The audit complied with ISAE 3000 (revised version) for a limited assurance engagement. The independently audited indicators of VK include:

- Energy consumption by offices and data centres (electricity and heat)
- Direct and indirect greenhouse gas emissions (Scopes 1 and 2)
- Total number of employees by type of employment contract, employment type, and gender
- Personnel structure by gender, age and position
- Average hours of training per year per employee with breakdown by gender
- Charitable donations
- Payments under the Bug Bounty vulnerability discovery programmes.

These indicators are marked in the text with. [2]

The report of an independent practitioner responsible for the assurance engagement is provided in the Appendix "Independent Practitioner's Assurance Report".

Auditor details:

Name: Centre for Audit Technologies and Solutions LLC.

On 5 December 2002, an entry was made in the Uniform State Register of Legal Entities, with the assignment of state registration number 1027739707203.

Address: 77 Sadovnicheskaya Embankment, Building 1, Moscow, 115035, Russia.

Centre for Audit Technologies and Solutions LLC is a member of the Sodruzhestvo Association, a self-regulated organisation of auditors, and is included in the control copy of the Register of Auditors and Audit Entities under principal registration number 12006020327.

#### **Report survey**



C Questionnaire for the readers of the Consolidated Annual Report 2023.



### Disclaimer

This Report of VK IPJSC was drafted for information purposes only and may contain projected data or projections. The words "believe", "assume", "anticipate", "target", "potential", "expect", "intend", "predict", "plan", "could", "must", "may", "will", "forecast", "strive", "seek an opportunity" and similar expressions are intended to express forward-looking statements, but are not the only means of identifying such statements. The above statements containing projected data and/or projections with respect to future events are subject to risks, uncertainties, and other factors which may cause the actual results to differ materially from the projected ones.

Forward-looking statements contained in this Report are largely based on the Company's expectations, reflecting assessments and assumptions made by the management. These assessments and assumptions, in their turn, reflect a judgement based on the currently known market conditions and other factors that are beyond the Company's control and are uncertain. Furthermore, the management's assumptions with respect to future events may prove to be inaccurate.

The Company cautions that forward-looking statements contained in this Report do not constitute guarantees with respect to the future results of the Company, and the Company cannot guarantee that such forward-looking statements or projected events and circumstances will eventually materialise.

The Company cautions that a wide range of important factors may cause substantial differences between the actual results and the plans, targets, expectations, assessments, and intentions expressed in such forward-looking statements of the Company. The Company's actual results, financial condition and liquidity, as well as changes occurring in the industry in which the Company operates, may differ materially from those made in or suggested by the forwardlooking statements or the projections contained in this Report.

The Company does not undertake to review or confirm any expectations or assessments, nor does it intend to update any forward-looking statements or projections to reflect events or circumstances occurring or arising after the date of this Report.

The data provided in this Report is for information purposes only; it is not and cannot be deemed/construed as investment advice, nor can it be viewed as solicitation to deal in the Company's securities.





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Name:	VK International Public Joint-Sto
Date of state registration in Russia:	26 September 2023
Registered address:	12 Oktyabrskaya St., Office 23, K
Corporate website:	
Page on the website of Interfax-TsRKI (Corporate Information Disclosure Centre):	
Contact details:	Investor Relations:
	C ir@vk.team
	ESG:
	C esg@vk.team
	Press service:
	C pr@vk.team

Stock Company (VK IPJSC)

, Kaliningrad, Kaliningrad Region, 236006, Russia





# Appendices



### Report on compliance with the principles and recommendations of the Corporate Governance Code

The report on compliance with the principles and recommendations of the Corporate Governance Code recommended by the Bank of Russia (Bank of Russia's letter Nº 06-52/2463 dated 10 April 2014) was approved by written resolutions of the Board of Directors of VK International Public Joint-Stock Company ("VK IPJSC", the "Company) on 26 April 2024.

In 2023, the Company completed the re-domiciliation process to change its domicile from the British Virgin Islands (BVI) to the Russian Federation. As a result, on 26 September 2023, the Company was registered in a special administrative region on Oktyabrsky Island in the Kaliningrad Region as VK IPJSC in the manner set out in Federal Law № 290-FZ dated 3 August 2018 On International Companies and International Funds (the "International Companies Law").

Since the re-domiciliation date, and also due to the listing of the Company's ordinary shares on the Moscow Exchange, the Company's corporate governance is guided by select requirements of the Russian law, subject to permissible limitations in line with the International Companies Law. In particular,

the Company follows the recommendations of the Corporate Governance Code recommended by the Bank of Russia (the "Code"), and in exercising its corporate governance the Company seeks to fully observe the recommendations of the Code, apply the corporate governance principles, standards, and best practices it sets forth, and implement them in the Company's corporate practices.

At the same time, in accordance with Article 4.1.2 of the International Companies Law, the charter of an international company established through re-domiciliation may stipulate the application thereto of the provisions of foreign laws governing the relations of members of the corporations established according to the law which was applied to the foreign legal entity before the date of state registration of the international company. In line with this provision, the Charter of VK IPJSC in its Article 32.2 sets out that the BVI law shall apply to the relations associated with participation in the Company and/or its management (unless otherwise provided for in the Charter, the Company's internal regulations governing such relations, or mandatory provisions of the International Companies Law).

As part of the Report preparation, the Company analysed the Code's principles and recommendations. A number of recommendations and assessment criteria are incompatible with the existing specifics of the Company's status as an international company governed by the BVI law. However, the Company does not suppose this fact makes an impact on the high standards of corporate governance stipulated by the Company's Charter and internal regulations.

The Board of Directors confirms that the data provided in this report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Code for 2023.







N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
1.1	The company shall ensure fair and equitable treatment of all shareholders in exercising their corporate governance rights.			
1.1.1	The company ensures the most favourable conditions for its shareholders to participate in the general meeting, develop an informed position on agenda items of the general meeting, coordinate their actions, and voice their opinions on items considered.	<ol> <li>The company provides an accessible method of communication with the company, such as a "hotline", e-mail, or online forum, to enable shareholders to express their opinion and send questions on the agenda in preparation for the general meeting.</li> <li>The above means of communication were organised by the company and made available to shareholders in the course of preparation for each general meeting held in the reporting period.</li> </ol>	Complied with Partially complied with Not complied with	
1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting enables shareholders to properly prepare for attending the general meeting.	<ol> <li>In the reporting period the notice of an upcoming general meeting of shareholders is posted (published) on the company's website on the Internet no later than 30 days prior to the date of the general meeting, unless a longer period is required by law.</li> <li>The notice of an upcoming meeting indicates the documents required for admission.</li> <li>Shareholders were given access to the information on who proposed the agenda items and who proposed nominees to the company's board of directors and the revision committee (if its establishment is stipulated by the company's charter).</li> </ol>	Complied with ✓ Partially complied with Not complied with	Criteria 1 and 2 are complied with. Criterion 3 is partially complied with. In the reporting period, no General Meeting of Shareholders was held. When holding General Meetings of Shareholders, the Company will seek to meet these criteria.
1.1.3	In preparing for, and holding of, the general meeting, shareholders were able to receive clear and timely information on the meeting and related materials, put questions to the company's executive bodies and the board of directors, and to communicate with each other.	<ol> <li>In the reporting period shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors in the course of preparation for, and during, the general meeting.</li> <li>The position of the board of directors (including dissenting opinions (if available) entered in the minutes) on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting.</li> <li>The company gave duly authorised shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by the company, for all general meetings held in the reporting period.</li> </ol>	Complied with Partially complied with Not complied with	Criteria 1, 2, and 3 are partially complied with. In the reporting period, no General Meeting of Shareholders was held. When holding General Meetings of Shareholders, the Company will seek to meet these criteria.
1.1.4	There were no unjustified difficulties preventing shareholders from exercising their right to request that a general meeting be convened, to propose nominees to the company's governing bodies, and to make proposals for the agenda of the general meeting.	<ol> <li>The company's charter defines the deadline for shareholders to submit proposals to the agenda of the annual general meeting which shall be at least 60 days after the end of the respective calendar year.</li> <li>In the reporting period the company did not reject any proposals for the agenda or nominees to the company's governing bodies due to misprints or other insignificant flaws in the shareholder's proposal.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. The provisions as to the timelines for proposals for the agenda of the general meeting are inapplied to the Company as these corporate legal relations in the Company are governed by the BVI law. Purs to the Company's Regulations on the General Mee of Shareholders proposals for the agenda of a Ge Meeting and nominee proposals can be made by shareholders at least 26 days prior to a Genera Meeting. Criterion 2 is complied with.

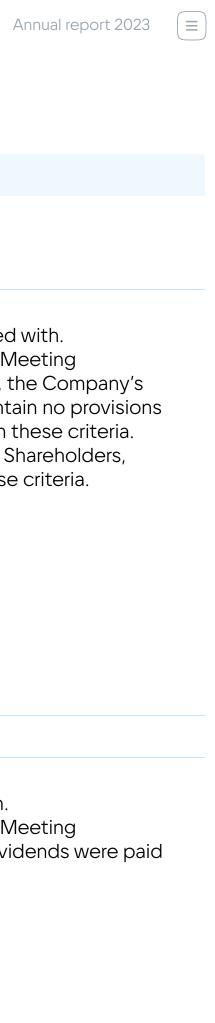


<sup>1</sup> The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles listed in Column 3 of the report on compliance with the principles of the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with" or "not complied with", respectively. 2 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



Nº	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
1.1.5	Each shareholder was able to freely exercise their voting right in the simplest and most convenient way.	<ol> <li>The company's charter provides for an opportunity to fill in the electronic form of the ballot on the website specified in the notice of the general meeting of shareholders.</li> </ol>	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	
1.1.6	The procedure for holding a general meeting set by the company provides equal opportunities for all persons attending the meeting to voice their opinions and ask questions.	<ol> <li>During general meetings of shareholders held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was allocated for reports on, and discussion of, the agenda items. Shareholders had an opportunity to express their opinions and to ask questions on the agenda.</li> <li>The company invited candidates to the company's governing and control bodies and took all necessary measures to ensure their participation in the general meeting of shareholders at which their nominations were put to vote. The candidates to the company's governing and control bodies who were present at the general meeting of shareholders were available to answer questions of shareholders.</li> <li>The sole executive body, the person responsible for the accounting, the chairman or other members of the board of directors' audit committee were available to answer shareholders' questions at the general meetings of shareholders held in the reporting period.</li> <li>In the reporting period the company used telecommunication means to ensure the remote participation of shareholders in general meetings, or the board of directors made a reasonable decision on the fact there was no need (opportunity) to use such means in the reporting period.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is complied with. Criteria 2 and 3 are partially complied with. In the reporting period, no General Meeting of Shareholders was held. However, the Company Charter and internal regulations contain no provis that would impede compliance with these criteria When holding General Meetings of Shareholders, the Company will seek to meet these criteria. Criterion 4 is complied with.
1.2	Shareholders are given equal and fair opportunities to receive a share in the	e company's profit in the form of dividends.		
1.2.1	The company has developed and put in place a transparent and clear mechanism to determine the dividend amount and payout procedure.	<ol> <li>The company's regulations on the dividend policy have been approved by the board of directors and disclosed on the company's website on the Internet.</li> <li>If the dividend policy of the company that prepares the consolidated financial statements uses reporting figures to determine the dividend amount, then relevant provisions of the dividend policy take into account the consolidated financial statements.</li> <li>The explanation of the proposed net profit distribution, including payment of dividends and the company's own needs, and the assessment of its compliance with the dividend policy adopted by the company, with clarifications and economic explanation of the requirement to direct a certain part of net profit to the company's needs in the reporting period, were included in the materials for the general meeting of shareholders, the agenda of which contains an item on profit distribution (including the payment (declaration) of dividends).</li> </ol>	Complied with Partially complied with Not complied with	Criteria 1 and 2 are complied with. Criterion 3 is partially complied with. In the reporting period, no General Meeting of Shareholders was held and no dividends were out.
1.2.2	The company does not resolve to pay out dividends if such resolution, while formally compliant with law, is economically unjustified and may lead to a false representation of the company's performance.	<ol> <li>In addition to the restrictions established by law, the company's regulations on the dividend policy identify financial/economic circumstances under which the company shall not make decisions on the dividend payment.</li> </ol>	Complied with Partially complied with Not complied with	

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the report on compliance with the principles of the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with", respectively.



<sup>2</sup> Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
1.2.3	The company does not allow for dividend rights of its existing shareholders to be impaired.	<ol> <li>In the reporting period the company did not take any actions that would lead to the impairment of the dividend rights of its existing shareholders.</li> </ol>	Complied with Partially complied with Not complied with	
1.2.4	The company makes every effort to prevent its shareholders from profiting from the company through any means other than dividends and liquidation value.	1. In the reporting period the means of profiting from the company by the controlling persons, other than dividends (for example, through the transfer pricing, unjustified provision of services to the company by the controlling person at inflated prices, through internal loans replacing dividends to the controlling persons and (or) its controlled persons) were not used.	Complied with Partially complied with Not complied with	
1.3	The corporate governance framework and practices ensure equal conditions for the shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equitable treatment by the company.			
1.3.1	The company has created conditions for fair treatment of each shareholder by the company's governing and control bodies, including conditions that rule out abuse by major shareholders against minority shareholders.	<ol> <li>In the reporting period the company's controlling persons did not abuse their rights with respect to the company's shareholders, there were no conflicts between the company's controlling persons and shareholders, and if such conflicts occurred, the board of directors paid due attention to them.</li> </ol>	Complied with Partially complied with Not complied with	
1.3.2	The company does not take any actions that lead or may lead to artificial redistribution of corporate control.	1. No quasi-treasury shares were issued or used to vote in the reporting period.	Complied with Partially complied with Not complied with	
1.4	Shareholders are provided with reliable and efficient ways of recording their rights to shares and are able to freely dispose of their shares without any hindrance.			
1.4	Shareholders are provided with reliable and efficient ways of recording their rights to shares and are able to freely dispose of their shares without any hindrance.	1. The technologies and terms of provided services used by the company's registrar meet the needs of the company and its shareholders and ensure the account of rights for shares and realisation of shareholders' rights in the most efficient way.	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	

t	2023		≡	

The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the corporate governance principles listed in Column 3 of the report on compliance with the principles of the Code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively.
 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.

N⁰	Corporate governance principles	Compliance criteria
2.1	The board of directors is responsible for the strategic governance of the co core responsibilities.	mpany, defining key principles ar
2.1.1	The board of directors is responsible for appointing and dismissing executive bodies, including due to improper performance of their duties. The board of directors also ensures that the company's executive bodies act in accordance with the company's approved development strategy and core lines of business.	<ol> <li>The board of directors has the remove members of executive boots of their contracts.</li> <li>In the reporting period the norreviewed the compliance of the of the members of the executive needs determined by the composition of the the reporting period the boots by the sole executive body or the on the implementation of the composition of the complementation of the comple</li></ol>
2.1.2	The board of directors sets key long- term targets for the company, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business.	1. At its meetings in the reporting strategy implementation and up business plan (budget), as well a of the company's strategy and b
2.1.3	The board of directors defines the company's principles of, and approaches to, setting up a risk management and internal control system.	<ol> <li>The company's principles of, a and internal control system were in the company's internal regulat control system policy.</li> <li>In the reporting period the bo amount of risks (risk appetite) of management committee (if avail the issue of revising the compar of directors.</li> </ol>
2.1.4	The board of directors defines the company's policy on remuneration payable to, and/or reimbursement (compensation) of costs incurred by, members of the board of directors, the company's executive bodies, and other key executives of the company.	<ol> <li>The company has developed, in place a remuneration and reim for its directors, members of exe 2. At its meetings in the reportin related to such policy (policies).</li> </ol>
2.1.5	The board of directors plays a key role in preventing, identifying, and resolving internal conflicts between the company's bodies, shareholders, and employees.	<ol> <li>The board of directors plays a internal conflicts.</li> <li>The company has set up mech to a conflict of interest and to re</li> </ol>

	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
and approaches to risk management and internal co	ntrols, exercising control over th	e company's executive bodies, and delivering o
he authority stipulated in the charter to appoint and bodies and to set out the terms and conditions nomination (appointments and HR) committee <sup>3</sup> he professional expertise, skills and experience ive bodies with the company's current and expected npany's approved strategy. board of directors reviewed the report(s) the collective executive body (if available) company's strategy.	Complied with Partially complied with Not complied with	Criteria 1 and 3 are complied with. Criterion 2 is not complied with. This matter was not part of the Remuneration an Nomination Committee's agenda. The Company look into whether this matter should be included in the agenda of the relevant Committee.
ing period, the board of directors reviewed updates, approval of the company's financial and II as criteria and performance (including interim) d business plans.	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	
, and approaches to, setting up a risk management ere defined by the board of directors and specified lations determining the risk management and internal board of directors approved (revised) the appropriate of the company, or the audit committee and (or) risk vailable) considered if it was reasonable to submit bany's risk appetite for consideration by the board	Complied with Partially complied with Not complied with	
d, approved by the board of directors and put imbursement (compensation) policy (policies) executive bodies and other key executives. ting period, the board of directors discussed matters s).	Complied with <b>Partially complied with</b> Not complied with	Criterion 1 is partially complied with. No single document has been approved by the Company; the remuneration matters spec in item 1 are subject to decisions by relevant gov bodies and other internal regulations, and are rev by the Remuneration and Nomination Committee Criterion 2 is complied with.
a key role in preventing, identifying, and resolving echanisms to identify transactions leading resolve such conflicts.	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the Code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 3 of the report on compliance with the principles of the Code form shall have the status "partially complied with", respectively.



<sup>2</sup> Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria. 3 The "nomination committee".

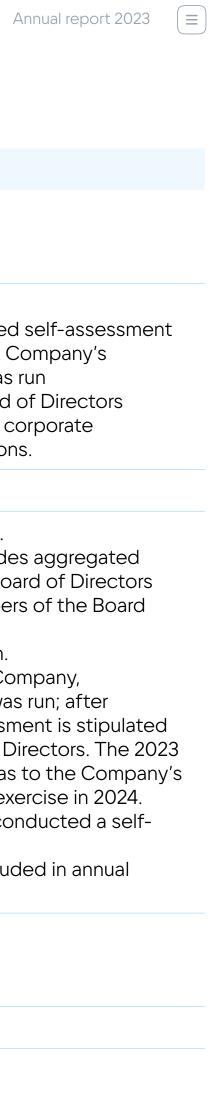


Nº	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance	
2.1.6	The board of directors plays a key role in ensuring the company's transparency, full and well-timed information disclosures, and unhindered access of shareholders to corporate documents.	1. Persons responsible for implementing the information policy are identified in the company's internal regulations.	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>		
2.1.7	The board of directors oversees the company's corporate governance practices and plays a key role in material corporate events.	1. In the reporting period the board of directors reviewed the results of self- assessment and (or) external assessment of the company's corporate governance practices.	Complied with V Partially complied with Not complied with	Partially complied with. In the reporting period, no formalised self-assess and (or) external assessment of the Company's corporate governance practices was run in the Company. However, the Board of Directors regularly addresses the Company's corporate governance practices in its operations.	
2.2	The board of directors is accountable to the company's shareholders.				
2.2.1	Performance of the board of directors is disclosed and made available to the shareholders.	<ol> <li>The company's annual report for the reporting period includes the information on attendance of the board of directors and committee meetings by each member of the board of directors.</li> <li>The annual report discloses key performance assessment (self-assessment) results of the board of directors in the reporting period.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. The Company's annual report includes aggregate information on attendance of the Board of Direct and committee meetings by members of the Board of Directors. Criterion 2 is partially complied with. Before the re-domiciliation of the Company, no assessment (self-assessment) was run; after the re-domiciliation, the self-assessment is stipul by the Regulations on the Board of Directors. The annual report contains information as to the Com intention to run a self-assessment exercise in 202 In Q1 2024, the Board of Directors conducted a se assessment exercise. The information thereon will be included in annual reports going forward.	
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders.	<ol> <li>The company has a transparent procedure in place enabling its shareholders to forward inquiries to the chairman of the board of directors (and, if applicable, to the senior independent director) and receive feedback on them.</li> </ol>	Complied with Partially complied with Not complied with		
2.3	The board of directors manages the company in an efficient and competent manner and is capable of making fair and independent judgements and decisions in line with the interests of the company and its shareholders.				
2.3.1	Only persons of impeccable business and personal reputation who have the knowledge, expertise, and experience required to make decisions within the authority of the board of directors and essential to perform its functions in an efficient way are elected to the board of directors.	1. In the reporting period the board of directors (or its nomination committee) assessed nominees to the board of directors for required experience, expertise, business reputation, absence of conflicts of interest, etc.	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>		

Corporate governance principles					
corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance		
The board of directors plays a key role in ensuring the company's transparency, full and well-timed information disclosures, and unhindered access of shareholders to corporate documents.	1. Persons responsible for implementing the information policy are identified in the company's internal regulations.	Complied with Partially complied with Not complied with			
The board of directors oversees the company's corporate governance practices and plays a key role in material corporate events.	1. In the reporting period the board of directors reviewed the results of self- assessment and (or) external assessment of the company's corporate governance practices.	Complied with <b>Partially complied with</b> Not complied with	Partially complied with. In the reporting period, no formalised self-assess and (or) external assessment of the Company's corporate governance practices was run in the Company. However, the Board of Directors regularly addresses the Company's corporate governance practices in its operations.		
The board of directors is accountable to the company's shareholders.					
Performance of the board of directors is disclosed and made available to the shareholders.	<ol> <li>The company's annual report for the reporting period includes the information on attendance of the board of directors and committee meetings by each member of the board of directors.</li> <li>The annual report discloses key performance assessment (self-assessment) results of the board of directors in the reporting period.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. The Company's annual report includes aggregate information on attendance of the Board of Direct and committee meetings by members of the Board of Directors. Criterion 2 is partially complied with. Before the re-domiciliation of the Company, no assessment (self-assessment) was run; after the re-domiciliation, the self-assessment is stipul by the Regulations on the Board of Directors. The annual report contains information as to the Com intention to run a self-assessment exercise in 202 In Q1 2024, the Board of Directors conducted a se assessment exercise. The information thereon will be included in annual reports going forward.		
The chairman of the board of directors is available to communicate with the company's shareholders.	1. The company has a transparent procedure in place enabling its shareholders to forward inquiries to the chairman of the board of directors (and, if applicable, to the senior independent director) and receive feedback on them.	Complied with Partially complied with Not complied with			
The board of directors manages the company in an efficient and competent manner and is capable of making fair and independent judgements and decisions in line with the interests of the company and its shareholders.					
Only persons of impeccable business and personal reputation who have the knowledge, expertise, and experience required to make decisions within the authority of the board of directors and essential to perform its functions in an efficient way are elected to the board of directors.	1. In the reporting period the board of directors (or its nomination committee) assessed nominees to the board of directors for required experience, expertise, business reputation, absence of conflicts of interest, etc.	Complied with Partially complied with Not complied with			
	<ul> <li>transparency, full and well-timed information disclosures, and unhindered access of shareholders to corporate documents.</li> <li>The board of directors oversees the company's corporate governance practices and plays a key role in material corporate events.</li> <li>The board of directors is accountable to the company's shareholders.</li> <li>Performance of the board of directors is disclosed and made available to the shareholders.</li> <li>Performance of the board of directors is disclosed and made available to the shareholders.</li> <li>The chairman of the board of directors is available to communicate with the company's shareholders.</li> <li>The board of directors manages the company in an efficient and competent the knowledge, expertise, and experience required to make decisions within the authority of the board of directors and essential to perform its functions</li> </ul>	transparency, full and well-timed information disclosures, and unhindered access of shareholders to corporate documents.       In the company's internal regulations.         The board of directors oversees the company's corporate governance practices and plays a key role in material corporate events.       1. In the reporting period the board of directors reviewed the results of setf-assessment and (or) external assessment of the company's corporate governance practices.         The board of directors is accountable to the company's shareholders.       1. The company's annual report for the reporting period includes the information on attendance of the board of directors is disclosed and made available to the shareholders.         Performance of the board of directors is disclosed and made available to the shareholders.       1. The company's annual report discloses key performance assessment (self-assessment) results of the board of directors in the reporting period.         The chairman of the board of directors is available to communicate with the company's shareholders.       1. The company has a transparent procedure in place enabling its shareholders to forward inquiries to the chairman of the board of directors (and, if applicable, to forward inquiries to the chairman of the board of directors (and, if applicable, to forward inquiries to the chairman of the board of directors (and, if applicable, to forward inducedent director) and receive feedback on them.         The board of directors manages the company in an efficient and competent manner and is capable of making fair and independent judgements and decisions within the authority of the board of directors (and is estimation committee) assessed nominates to the board of directors (or its nomination committee) assessed nominates to the board of direc	transparency, full and well-timed information disclosues, and unhindered access of shareholders to corporate documents.       in the company's internal regulations.       Partially compiled with Not compiled with Not compiled with assessment and (o) external assessment of the company's corporate governance practices and plays a key role in material corporate events.       Compiled with assessment and (o) external assessment of the company's corporate governance practices.       Compiled with Partially compiled with Not compiled with		

2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders.	1. The company has a transparent to forward inquiries to the chairma to the senior independent directo
2.3	The board of directors manages the company in an efficient and competen	t manner and is capable of making
2.3.1	Only persons of impeccable business and personal reputation who have the knowledge, expertise, and experience required to make decisions within the authority of the board of directors and essential to perform its functions in an efficient way are elected to the board of directors.	1. In the reporting period the board assessed nominees to the board business reputation, absence of c

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles listed in Column 3 of the report on compliance with the principles of the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with" or "not complied with", respectively.



<sup>2</sup> Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
The company's directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.	1. Whenever the agenda of the general meeting of shareholders included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the results of assessment of the compliance of the professional expertise, skills and experience of the nominees with the company's current and expected needs, carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the independence criteria set forth in Recommendations 102–107 of the Code, as well as information on availability of the nominees' written consent to be elected to the board of directors.	Complied with Partially complied with Not complied with	Partially complied with. No General Meeting of Shareholders that include agenda items related to the election of the Board of Directors was held in the reporting period. Whe holding a respective General Meetings of Shareho the Company will seek to meet this criterion.
The board of directors has a balanced membership, including in terms of directors' qualifications, experience, expertise, and business skills, and it has the trust of shareholders.	<ol> <li>In the reporting period the board of directors reviewed its requirements for professional expertise, experience and skills and defined expertise essential to the board of directors in the short and long term.</li> </ol>	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	
The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors and enable the company's substantial minority shareholders to elect a nominee to the board of directors for whom they vote.	1. In the reporting period the board of directors considered whether the number of directors met the company's needs and shareholders' interests.	Complied with Partially complied with Not complied with	
The board of directors includes a sufficient number of independent directo	ors.		
An independent director is a person with professional expertise, experience and independence sufficient to have his/her own opinions and make fair unbiased judgements that are not influenced by the company's executive bodies, shareholder groups, or other stakeholders. It should be noted that a nominee (elected director) who is related to the company, its substantial shareholder, substantial counterparty, or competitor of the company, or is related to the government, may not be considered as independent under normal circumstances.	1. In the reporting period all independent directors met all independence criteria set out in Recommendations 102–107 of the Code, or were deemed independent by resolution of the board of directors.	Complied with Partially complied with Not complied with	
The company assesses compliance of nominees to the members of the board of directors and reviews compliance of independent directors with independence criteria on a regular basis. In such assessment, substance prevails over form.	<ol> <li>In the reporting period the board of directors (or its nomination committee) made a judgement on the independence of each nominee to the board of directors and provided its opinion to shareholders.</li> <li>In the reporting period the board of directors (or its nomination committee) reviewed, at least once, the issue on independence of incumbent directors (after their election).</li> <li>The company has in place procedures defining the actions to be taken by directors if they cease to be independent, including the obligation to timely</li> </ol>	Complied with <b>Partially complied with</b> Not complied with	Criterion 1 is partially complied with. In the reporting period, as part of the re-domicilia procedure, the independence (recognition of independence) of the Board of Directors was confirmed; however, no formal conclusion wa available to the shareholders. Criteria 2 and 3 are complied with.
	<ul> <li>The company's directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.</li> <li>The board of directors has a balanced membership, including in terms of directors' qualifications, experience, expertise, and business skills, and it has the trust of shareholders.</li> <li>The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors and enable the company's substantial minority shareholders to elect a nominee to the board of directors for whom they vote.</li> <li>The board of directors includes a sufficient number of independent director and independence sufficient to have his/her own opinions and make fair unbiased judgements that are not influenced by the company's executive bodies, shareholder groups, or other stakeholders.</li> <li>It should be noted that a nominee (elected director) who is related to the company, its substantial shareholders.</li> <li>The company assesses compliance of nominees to the members of the board of directors and reviews compliance of independent directors with independent an ergular basis. In such assessment, substance</li> </ul>	The company's directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.       1. Whenever the agenda of the general meeting of shareholders included election of the board of directors, the company provided to shareholders of assessment of the complance of the professional expertise, skills and experience of the nominees with the company's current and expected needs, carried out by the board of directors (or its nomination committee), and the information on whether the nominees with the company's current and expected needs, carried out by the board of directors (or its nomination committee), and the information on whether the nominees with the company's current and expected needs, carried out by the board of directors role well as information on availability of the nominees' written consent to be elected to the board of directors.         The board of directors includes a sufficient number of directors to organise the board of directors includes a sufficient number of directors to arganise the board of directors includes a sufficient number of independent directors.       1. In the reporting period the board of directors meets the independence criteria set out in Recommendations 102-107 of the Code, or were deemed independence interests considered whether the number of directors includes a sufficient number of independent directors.         The board of director is a person with professional expertise, experience and independence sufficient to have his/her own opinions and make fair unbiased judgements that are not influenced by the company's substantial independent directors is aperson with professional expertise, experience and independence of the company, its substantial shareholders.       1. In the reporting period the board of directors (or its nomination committee) set out in Recom	The company's directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.       1. Whenever the agends of the general meeting of shareholders included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the company provided to shareholders accurated aut by the board of directors included needs, carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the board of directors, retried and experime edited of the commendations (D-107 of the Code, as well as information on availability of the nominees with the company's current and expective estimation on availability of the nominees with the company's current and expective estimation on availability of the nominees with the company's current and expective estimation on availability of the nominees with the company's current and expective estimation on availability of the nominees with the company's current and expective estimation on availability of the nominees with the company's current and expective estimation on availability of directors in the send of directors in the send of directors in the send of directors reviewed its requirements for professional experimes, and shalls and defined experime essential of directors includes a sufficient number of directors to organise the board of directors includes a sufficient number of independent directors.          • Compled with Not compl



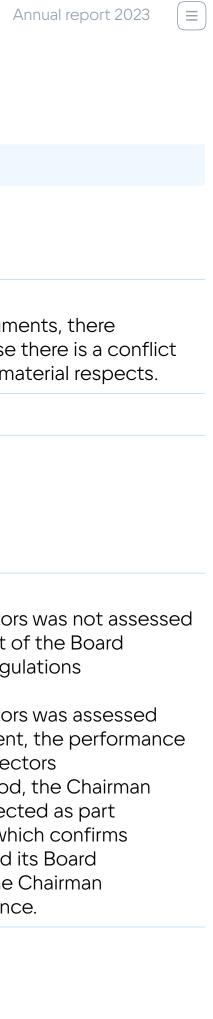
<sup>1</sup> The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles listed in Column 3 of the report on compliance with the principles of the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with" or "not complied with", respectively. 2 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
2.4.3	Independent directors make up at least one third of elected directors.	1. Independent directors make up at least one third of elected directors.	Complied with Partially complied with Not complied with	
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in overseeing the company's material corporate actions.	<ol> <li>Independent directors (with no conflicts of interest) ran a preliminary assessment of material corporate actions implying a potential conflict of interest in the reporting period and submitted the results to the board of directors.</li> </ol>	Complied with <b>Partially complied with</b> Not complied with	Partially complied with. In the Company's constituent documents, there is an alternative way of action in case there is a co of interest, which is observed in all material respe
2.5	The chairman of the board ensures that the board of directors discharges it	s duties in the most effective and efficient way.		
2.5.1	The chairman of the board of directors has been elected from among the independent directors, or a senior independent director has been appointed from among the elected independent directors, to coordinate the work of the independent directors and liaise with the chairman of the board of directors.	1. The chairman of the board of directors is an independent director, or a senior independent director has been appointed from among the independent directors. <sup>3</sup> 2. The role, rights, and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal regulations.	Complied with Partially complied with Not complied with	
2.5.2	The chairman of the board of directors maintains a constructive environment at meetings, enables free discussion of agenda items, and supervises the execution of resolutions passed by the board of directors.	1. Performance of the chairman of the board of directors was assessed as part of assessment (self-assessment) of the board of directors' performance in the reporting period.	Complied with Partially complied with Not complied with	Partially complied with. Performance of the Board of Directors was not as in the reporting period. Assessment of the Board of Directors is envisaged by the Regulations on the Board of Directors. Performance of the Board of Directors was asses in Q1 2024; as part of self-assessment, the perfor of the Chairman of the Board of Directors was assessed. In the reporting period, the Chairm of the Board of Directors was re-elected as part of the re-domiciliation procedure, which confirms the confidence of the Company and its Board of Directors in the high quality of the Chairman of the Board of Directors' performance.
2.5.3	The chairman of the board of directors takes all steps necessary for the timely provision to directors of information required to pass resolutions on agenda items.	1. The company's internal regulations set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to directors of complete and reliable information for the agenda of a board meeting.	Complied with Partially complied with Not complied with	

2.5.3	The chairman of the board of directors takes all steps necessary
	for the timely provision to directors of information required to pass
	resolutions on agenda items.

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the report on compliance with the principles of the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with", respectively.



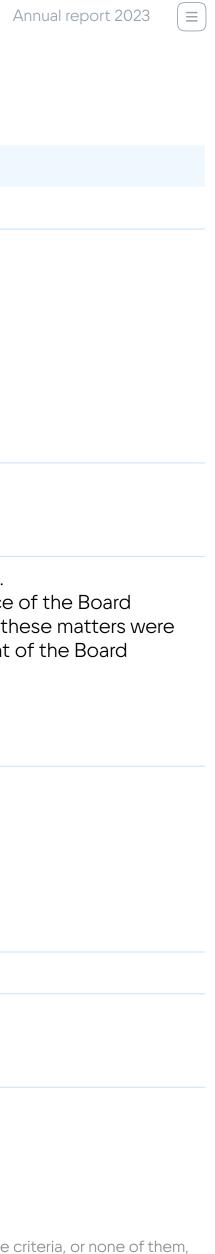
<sup>2</sup> Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
2.6	Members of the board of directors act reasonably and in good faith to prot	ect the interests of the company and its shareholders, based on sufficient awarenes	ss and with due care and dilige	nce.
2.6.1	Members of the board of directors pass resolutions on a fully informed basis, with no conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks.	<ol> <li>The company's internal regulations stipulate that a member of the board of directors shall notify the board of directors of any existing conflict of interest as to any agenda item of a meeting of the board of directors or its committee, prior to discussing the relevant agenda item.</li> <li>The company's internal regulations stipulate that a members of the board of director shall abstain from voting on any item in connection with which they have a conflict of interest.</li> <li>The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company.</li> </ol>	Complied with Partially complied with Not complied with	
2.6.2	The rights and obligations of the members of the board of directors are clearly stated and incorporated in the company's internal regulations.	1. The company has adopted and published an internal regulation that clearly defines the rights and obligations s of the members of the board of directors.	Complied with Partially complied with Not complied with	
2.6.3	The members of the board of directors have sufficient time to perform their obligations.	<ol> <li>Individual attendance at board and committee meetings, as well as the sufficiency of time for work on the board of directors, including its committees, was analysed as part of the procedure of assessment (self- assessment) of the board of directors' performance in the reporting period.</li> <li>Under the company's internal regulation, the members of the board of directors notify the board of directors of their intentions to be elected to governing bodies of other entities (apart from the entities controlled by the company), and of their election to such bodies.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. In the reporting period, performance of the Board of Directors was not assessed, but these matters reviewed as part of self-assessment of the Board of Directors in Q1 2024. Criterion 2 is complied with.
2.6.4	All members of the board of directors have equal access to the company's documents and information. Newly elected members of the board of directors s are provided with sufficient information about the Company and work of the board of directors within the shortest time possible	<ol> <li>Under the company's internal regulations, directors are entitled to receive information and documents necessary for the board of directors' members to perform their duties and related to the company and its controlled entities, while executive bodies of the company are required to ensure the provision of the relevant information and documents.</li> <li>The company carries out a formalised induction programme for newly elected members of the board of directors.</li> </ol>	Complied with Partially complied with Not complied with	
2.7	Meetings of the board of directors, preparation for such meetings, and par	ticipation of directors ensure efficient performance by the board of directors.		
2.7.1	Meetings of the board of directors are held as needed, taking into account the scale of operations and goals of the company at a particular time.	1. The board of directors held at least six meetings in the reporting year.	Complied with Partially complied with Not complied with	

3 It is recommended to specify in Column 5 of the report on compliance with the principles of the Code form which of the two alternative approaches envisaged by the principle the company adheres to, and why.

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the company's corporate practice meets only some of the compliance with the principles of the compliance with the principles of the company's corporate practice meets all the criteria, or none of them,



Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively. 2 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



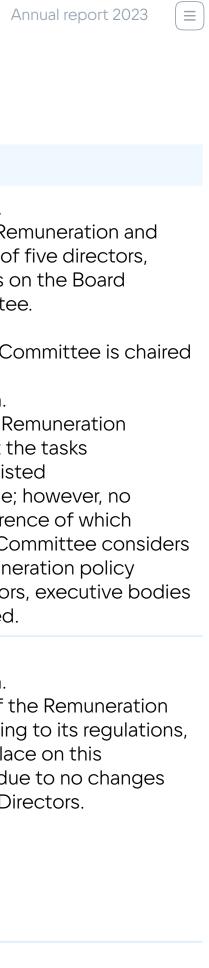
Nº	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
2.7.2	The company's internal regulations formalise a procedure for arranging and holding meetings of the board of directors, enabling members of the board of directors to properly prepare for such meetings.	<ol> <li>The company has an approved internal regulation that describes the procedure for arranging and holding meetings of the board of directors and stipulates, in particular, that the notice of the meeting is to be given, as a rule, at least five days prior to such meeting.</li> <li>In the reporting period members of the board of directors who were not able to attend the meeting of the board of directors were provided with an opportunity to participate in the discussion of agenda items and voting remotely – by means of conference and video conference communication.</li> </ol>	Complied with Partially complied with Not complied with	
2.7.3	The format of the meeting of the board of directors is determined taking into account the importance of its agenda items. The most important matters are dealt with at meetings of the board of directors held in person.	1. The company's charter or internal regulation provides for the most important matters (including those listed in Recommendation 168 of the Code) to be passed at meetings of the board of directors held in person.	Complied with <b>Partially complied with</b> Not complied with	Partially complied with. This provision is not formalised in the Charter or an internal regulation of the Company; howeve it is observed in practice in all material respects.
2.7.4	Resolutions on the most important matters related to the company's operations are adopted at meetings of the board of directors by a qualified majority vote or by a majority vote of all elected directors.	1. The company's charter provides for resolutions on the most important matters, including those set out in Recommendation 170 of the Code to be passed at a meeting of the board of directors by a qualified majority of at least three quarters or by a majority of all elected directors.	Complied with Partially complied with Not complied with	
2.8	The board of directors sets up committees to preview key matters related t	o the company's operations.		
2.8.1	An audit committee comprised of independent directors is set up to preview matters related to controlling the company's financial and business activities.	<ol> <li>The board of directors set up an audit committee comprised solely of independent directors.</li> <li>The company's internal documents set out the tasks of the audit committee, including those listed in Recommendation 172 of the Code.</li> <li>At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analysing, assessing, and auditing accounting (financial) statements.</li> <li>In the reporting period meetings of the audit committee were held at least once during the reporting period.</li> </ol>	Complied with V Partially complied with Not complied with	Criterion 1 is partially complied with. The Company has established an Audit, Risk, Compliance and Sustainable Development Comm with two out of its three members being independ directors. Criteria 2–4 are complied with.

The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the corporate governance principles listed in Column 3 of the report on compliance with the principles of the Code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not compliance with the principles of the code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively.
 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.

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Nº	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee was set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors.	<ol> <li>The board of directors set up a remuneration committee comprised solely of independent directors.</li> <li>The remuneration committee is headed by an independent director who is not the chairman of the board of directors.</li> <li>The company's internal documents set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code, and conditions (events), upon the occurrence of which the remuneration committee considers the revision of the company's remuneration policy for members of the board of directors, executive bodies and other key executives.</li> </ol>	Complied with	Criterion 1 is partially complied with. The Company has established the Remuneration A Nomination Committee, consisting of five director with all three independent directors on the Board of Directors serving on this committee. Criterion 2 is not complied with. The Remuneration and Nomination Committee is by a non-executive director. Criterion 3 is partially complied with. The Company's Regulations on the Remuneration and Nomination Committee set out the tasks of the Committee, including those listed in Recommendation 180 of the Code; however, no conditions (events) upon the occurrence of which the Remuneration and Nomination Committee co the revision of the Company's remuneration polic for members of the Board of Directors, executive and other key executives are defined.
2.8.3	To preview matters related to talent management (succession planning), professional composition, and efficiency of the board of directors, a nomination (appointments and HR) committee was set up, predominantly comprised of independent directors.	<ol> <li>The board of directors set up a nomination committee (or its tasks listed in Recommendation 186 of the Code are fulfilled by another committee<sup>3</sup>) predominantly comprised of independent directors.</li> <li>The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in Recommendation 186 of the Code.</li> <li>For the purpose of forming the board of directors that meets the company's goals and objectives most fully, in the reporting period the nomination committee, on its own or jointly with other board of directors' committees or the company's authorised shareholder relations unit, organised the engagement with shareholders, not limited to the largest shareholders, in the context of choosing nominees to the company's board of directors.</li> </ol>	Complied with Partially complied with Not complied with	Criteria 1 and 2 are complied with. Criterion 3 is partially complied with. Despite being within the purview of the Remunera and Nomination Committee according to its regul no shareholder engagement took place on this matter during the reporting period due to no char in the composition of the Board of Directors.
2.8.4	Taking into account the company's scope of business and level of risks, the company's board of directors made sure that the composition of its committees is in line with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.).	1. In the reporting period the company's board of directors considered whether the structure of the board of directors was in line with the scale and scope, business goals and requirements, and the risk profile of the company. Additional committees were either set up or not deemed necessary.	Complied with Partially complied with Not complied with	

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the company's corporate practice meets only some of the compliance with the principles of the company's corporate practice meets only some of the compliance with the principles of the compliance with ", respectively. 2 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria. 3 If the tasks of the nomination committee are covered by another committee, the name of that committee is to be specified.

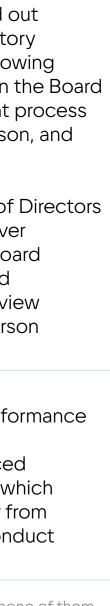




N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
2.8.5	Committees are composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions.	<ol> <li>The audit committee, remuneration committee, nomination committee (or the relevant committee with a combined function) were headed by independent directors in the reporting period.</li> <li>The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee (or the relevant committee with a combined function) or the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee.</li> </ol>	Complied with <ul> <li>Partially complied with</li> <li>Not complied with</li> </ul>	Criterion 1 is partially complied with. During the reporting period, the Audit, Risk, Com and Sustainable Development Committee was ch by an independent director, while the Remunerat Nomination Committee was chaired by a non-exe director. Criterion 2 is partially complied with. The Regulations on the Audit Committee have th provision, while the Regulations on the Remunera and Nomination Committee do not, but it will be included when this document is next reviewed
2.8.6	Committee chairmen inform the board of directors and its chairman on the performance of their committees on a regular basis.	<ol> <li>In the reporting period committee chairmen reported to the board of directors on the performance of committees on a regular basis.</li> </ol>	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	
2.9	The board of directors ensures performance assessment of the board of c	lirectors, its committees, and members of the board of directors.		
2.9.1	The board of directors' performance assessment is aimed at determining the efficiency of the board of directors, its committees and members, consistency of their work with the company's growth requirements, as well as at bolstering the work of the board of directors and identifying areas for improvement.	<ol> <li>The procedures of conducting the assessment (self-assessment) of the board of directors' performance are determined in the company's internal documents.</li> <li>Assessment (self-assessment) of the board of directors' performance carried out in the reporting period included performance assessment of committees, individual assessment of directors, and the board of directors in general.</li> <li>Results of assessment (self-assessment) of the board of directors' performance carried out in the reporting period were reviewed at the meeting of the board of directors held in person.</li> </ol>	·	<ul> <li>Criterion 1 is complied with.</li> <li>Criterion 2 is partially complied with.</li> <li>No assessment (self-assessment) was carried out in the reporting period as it was made mandatory in the Company's internal regulations only followi the re-domiciliation. As per the Regulations on th of Directors currently in place, the assessment princludes evaluating committees, the chairperson, individual directors.</li> <li>Criterion 3 is partially complied with.</li> <li>No assessment (self-assessment) the Board of D was carried out in the reporting period, however it was introduced to the Regulations on the Board of D inectors and was subsequently conducted in Q1 2024. The Board of D Directors plans to review the results of the self-assessment at an in-persormeeting in H1 2024.</li> </ul>
2.9.2	Performance of the board of directors, its committees and members is assessed regularly at least once a year. An external advisor is engaged at least once in three years to conduct an independent assessment of the board of directors' performance.	1. The company engaged an external advisor to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods.	Complied with ✓ Partially complied with Not complied with	Partially complied with. No assessment of the Board of Directors' perform was conducted prior to the re-domiciliation. Following the re-domiciliation, it was introduced to the Regulations on the Board of Directors, whi also stipulate that the Board of Directors may from time to time engage an external advisor to condu- an external assessment of its performance.

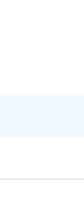
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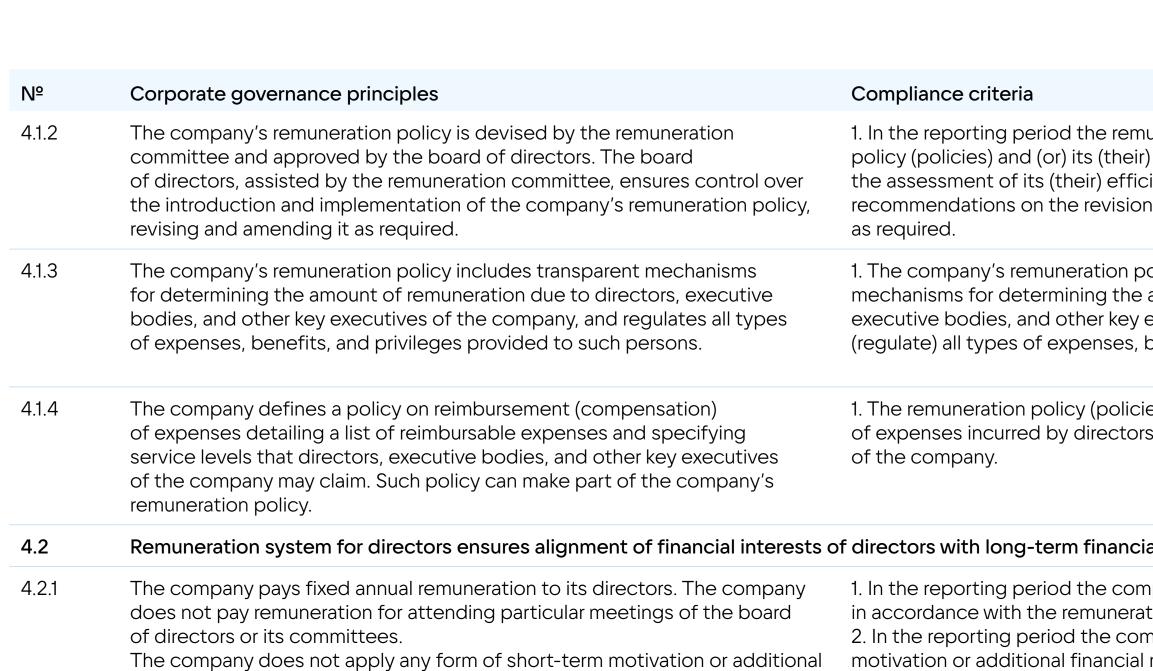
N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
3.1	The company's corporate secretary ensures an efficient ongoing interactio	n with shareholders, coordinates the company's efforts to protect shareholder right	s and interests, and supports e	efficient performance of the board of directors.
3.1.1	The corporate secretary has the expertise, experience, and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders.	1. The biographical data of the corporate secretary are published on the corporate website and in the company's annual report (including information on age, education, expertise, experience), and information on positions in the governing bodies of other legal entities held by the corporate secretary at least for the last five years.	Complied with Partially complied with ✓ Not complied with	Not complied with. This information is not disclosed in accordance w Federal Law Nº 39-FZ On the Securities Market d 22 April 1996.
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and has the powers and resources required to perform his/her tasks.	<ol> <li>The company has adopted and published an internal document – regulations on the corporate secretary.</li> <li>The board of directors approves the nominee to the position of the corporate secretary, terminates his/her powers, and considers the corporate secretary's additional remuneration.</li> <li>The company's internal documents stipulate the right of the corporate secretary to request, receive documents and information from the company's governing bodies, structural units and officials.</li> </ol>	Complied with Partially complied with Not complied with	
4.1	Remuneration payable by the company is sufficient to attract, motivate, an of the company is in compliance with the approved remuneration policy of	d retain persons with competencies and qualifications required by the company. Re the company.	muneration payable to director	rs, executive bodies, and other key executives
4.1.1	The amount of remuneration paid by the company to directors, executive bodies, and other key executives creates sufficient incentives for them to work efficiently while enabling the company to engage and retain competent and qualified specialists. At the same time, the company avoids unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of the above persons and the company's employees.	1. Remuneration of members of the board of directors, executive bodies, and other key executives of the company is determined based on the results of a comparative analysis of the level of remuneration in comparable companies.	Complied with Partially complied with Not complied with	







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of directors' members. Payments of the board of directors or comm 1. If the company's internal docum 4.2.2 Long-term ownership of the company's shares ensures the best alignment of directors' financial interests with the long-term interests of shareholders. stipulates (stipulate) provision of At the same time, the company does not link the right to dispose of shares of directors, clear rules for share c to performance targets, and directors do not participate in stock option disclosed, aimed at stimulating lo

financial incentive for its directors.

plans.

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the report on compliance with the principles of the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively. 2 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.

	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
	1. In the reporting period the remuneration committee considered the remuneration policy (policies) and (or) its (their) introduction practices, carried out the assessment of its (their) efficiency and transparency and provided relevant recommendations on the revision of the policy (policies) to the board of directors as required.	Complied with <b>Partially complied with</b> Not complied with	Partially complied with. The Company has no standalone remuneration p in place. Remuneration matters are governed by internal regulations and reviewed by the Remune and Nomination Committee.
	1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to directors, executive bodies, and other key executives of the company, and regulates (regulate) all types of expenses, benefits, and privileges provided to such persons.	Complied with <b>Partially complied with</b> Not complied with	Partially complied with. The Company has no standalone remuneration p in place. The matters outlined in Criterion 1 are go by other internal regulations and resolutions of the bodies appointing respective persons.
	1. The remuneration policy (policies) defines (define) the rules for reimbursement of expenses incurred by directors, executive bodies, and other key executives of the company.	Complied with Partially complied with Not complied with	
) <sup>.</sup>	directors with long-term financial interests of shareholders.		
	<ol> <li>In the reporting period the company paid remuneration to the board of directors in accordance with the remuneration policy adopted by the company.</li> <li>In the reporting period the company did not apply any forms of short-term motivation or additional financial motivation, the payment of which depends on the results (indicators) of the company's performance, in relation to the board of directors' members. Payments of remuneration for the participation in meetings of the board of directors or committees of the board of directors were not made.</li> </ol>	Complied with Partially complied with Not complied with	
	1. If the company's internal document(s) – the remuneration policy (policies) stipulates (stipulate) provision of the company's shares to members of the board of directors, clear rules for share ownership by board members shall be defined and disclosed, aimed at stimulating long-term ownership of such shares.	Complied with Partially complied with ✓ Not complied with	Not complied with. The criterion is not applicable to the Company. The Company does not provide its shares to me of the Board of Directors.



N⁰	Corporate governance principles	Compliance criteria	
4.2.3	The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure resulting from the change of control or any other reasons.	1. The company does not provide in the event of early termination of of control or any other reasons.	
4.3	The company considers its performance and the personal contribution of ea of the company.	ach executive to the achievement	
4.3.1	Remuneration due to members of executive bodies and other key executives of the company is determined in a manner providing for reasonable and justified ratio of the fixed and variable parts of remuneration, depending on the company's results and the employee's personal contribution.	<ol> <li>In the reporting period annual p of directors were used to determ of remuneration due to members of the company.</li> <li>During the latest assessment of of executive bodies and other ke of directors (remuneration comm an efficient ratio of the fixed and 3. When determining the amount of the executive bodies and other borne by the company are taken excessively risky management determining</li> </ol>	
4.3.2	The company has in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of the company's shares (options and other derivative instruments where the company's shares are the underlying asset).	1. If the company has in place a lo of executive bodies and other ke of the company's shares (financia the programme implies that the r instruments takes effect no soon financial instruments are granted financial instruments is linked to t	
4.3.3	The compensation ("golden parachute") payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, shall not exceed the double amount of the fixed part of their annual remuneration.	1. In the reporting period the com by the company in case of early t or key executives at the company actions in bad faith on their part, part of their annual remuneration.	
5.1	The company has in place an effective risk management and internal control system providing reasonable ass		
5.1.1	The company's board of directors determined the principles of, and approaches to, setting up a risk management and internal control system at the company.	1. Functions of different manager in the risk management and inter in the company's internal docume of directors.	

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 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.

	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
le for any extra payments or compensations of directors' tenure resulting from the change	Complied with Partially complied with Not complied with	
nt of such performance when determining the amou	nt of a fee payable to members	of executive bodies and other key executives
performance results approved by the board mine the amount of the variable part rs of executive bodies and other key executives of the remuneration system for members key executives of the company, the board mittee) made sure that the company applies d variable parts of remuneration. It of remuneration to be paid to the members her key executives of the company, the risks in into account in order to avoid incentives to take decisions.	Complied with Partially complied with Not complied with	
long-term incentive programme for members sey executives of the company with the use sial instruments based on the company's shares), right to dispose of shares and other financial oner than three years after such shares or other d. The right to dispose of such shares or other of the company's certain performance targets.	Complied with Partially complied with <b>Not complied with</b>	Not complied with. The criterion is not applicable to the Company. The Company has no long-term incentive program for members of executive bodies and other key executives with the use of the Company's shares (financial instruments based on the Company's sh in place as after the re-domiciliation to the Russian Federation its long-term incentive plan based on r shares was discontinued.
mpensation ("golden parachute") payable r termination of the powers of executive bodies ny's initiative, provided that there have been no c, did not exceed the double amount of the fixed n.	Complied with Partially complied with Not complied with	
ssurance in the achievement of the company's goals	5.	
ement bodies and business units of the company ernal control system are clearly defined nents / relevant policy approved by the board	Complied with Partially complied with Not complied with	

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Nº	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
5.1.2	The company's executive bodies ensure establishment and continuous operation of an efficient risk management and internal control system at the company.	<ol> <li>The company's executive bodies ensured the distribution of duties, powers, responsibilities related to risk management and internal control between the heads (managers) of business units and departments accountable to them.</li> </ol>	<ul> <li>Complied with</li> <li>Partially complied with</li> <li>Not complied with</li> </ul>	
5.1.3	The company's risk management and internal control system ensures an objective, fair, and clear view of the current state and future prospects of the company, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure.	<ol> <li>The company has in place an approved anti-corruption policy.</li> <li>The company established a safe, confidential and accessible method of notifying the board of directors or the board's audit committee of breaches or any violations of the law, the company's internal procedures and code of ethics.</li> </ol>	Complied with Partially complied with Not complied with	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system is consistent with the principles of, and approaches to, its setup and efficient functioning determined by the board of directors.	<ol> <li>In the reporting period the board of directors (the audit committee and (or) the risk management committee (if available) organised the assessment of the reliability and efficiency of the risk management and internal control system.</li> <li>In the reporting period the board of directors reviewed the results of assessment of the reliability and efficiency of the company's risk management and internal control system. Information on the results consideration is included in the company's annual report.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. The Company's procedure for assessing the relial and efficiency of the risk management and internat control system is not formalised. Pursuant to the I Audit Regulations, the Internal Audit Department drafts reports on the findings of assessing the ac state, reliability and efficiency of the risk manager and internal control system, and presents said reports to the Company's Board of Directors. Rep are submitted to the Board of Directors on a quar basis as part of the Internal Audit Department's g working reports. Criterion 2 is partially complied with. In 2023, scheduled audits were held to check indi elements and processes of the risk management internal control system.
5.2	The company performs internal audits for regular independent assessment	of the reliability and efficiency of its risk management and internal control system, a	as well as corporate governanc	e practice.
5.2.1	The company has set up a separate business unit or engaged an independent external organisation to carry out internal audits. Functional and administrative reporting lines of the internal audit unit are delineated. The internal audit unit functionally reports to the board of directors.	1. To perform internal audits, the company has set up a separate business unit – internal audit division, functionally reporting to the board of directors, or engaged an independent external organisation with the same line of reporting.	Complied with Partially complied with Not complied with	

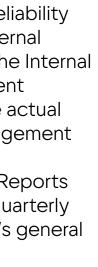
5.2	of the reliability and efficiency of its	
5.2.1	The company has set up a separate business unit or engaged an independent external organisation to carry out internal audits. Functional and administrative reporting lines of the internal audit unit are delineated. The internal audit unit functionally reports to the board of directors.	1. To perform internal audits, the co internal audit division, functionally r an independent external organisati
5.2.2	The internal audit division assesses the reliability and efficiency of the risk management and internal control system, as well as the corporate governance system, applies generally accepted standards of internal audit.	1. In the reporting period, the reliab internal control system were assess 2. In the reporting period, the corpo was (were) assessed as part of the the procedures of the information i and risk management issues) at all I as well as stakeholders engagemer

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 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.

ability and efficiency of the risk management and essed as part of the internal audit procedure. apporate governance practice (certain practices) he internal audit procedure, including on interaction (including internal control all levels of the company's management, nent.

- Complied with
  - Partially complied with Not complied with

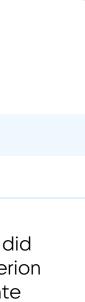
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N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
6.1	The company and its operations are transparent for its shareholders, investo	ors, and other stakeholders.		
6.1.1	The company has developed and implemented an information policy ensuring efficient exchange of information by the company, its shareholders, investors, and other stakeholders.	<ol> <li>The company's board of directors approved an information policy developed in accordance with the Code's recommendations.</li> <li>In the reporting period the board of directors (or one of its committees) considered the issue on the efficiency of information engagement of the company, shareholders, investors and other stakeholders, and considered if it was reasonable (necessary) to revise the company's information policy.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. In the reporting period, the Board of Directors did not approve the information policy, as this criterio is applicable to the Company only as of the date of re-domiciliation. The Regulations on Informatio Policy were approved by the resolution of the Boa of Directors on 20 March 2024. Criterion 2 is not complied with. This matter was not considered. The Company pla to include it on the agenda of the relevant commi of the Board of Directors in 2024.
6.1.2	The company discloses information on its corporate governance system and practice, including detailed information on compliance with the principles and recommendations of the Code.	<ol> <li>The company discloses information on its corporate governance system and general principles of corporate governance, including disclosure on its website.</li> <li>The company discloses information on the membership of its executive bodies and board of directors, independence of directors and their membership in the board of directors' committees (as defined by the Code).</li> <li>If the company has a controlling person, the company publishes a memorandum of the controlling person setting out this person's plans for the company's corporate governance.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is complied with. Criterion 2 is partially complied with. Information about the sole executive body is available. However, other information is not disclosed in accordance with Federal Law Nº 39-F On the Securities Market dated 22 April 1996. Criterion 3 is not applicable to the Company. The Company does not have a controlling person
6.2	The company makes timely disclosures of complete, updated, and reliable i	information to allow shareholders and investors to make informed decisions.		
6.2.1	The company discloses information based on the principles of regularity, consistency, and promptness, as well as availability, reliability, completeness, and comparability of disclosed data.	<ol> <li>The company has a procedure ensuring coordination of work of all structural units and employees of the company who are related to information disclosure or whose operation may result in the requirement to disclose information.</li> <li>If the company's securities are traded in foreign organised markets, the company makes disclosures of material information in the Russian Federation and in the said markets in the reporting year on a concurrent and equal basis.</li> <li>If foreign shareholders hold a substantial number of shares in the company, the relevant information was disclosed in the reporting period both in the Russian language and in one of the most widely used foreign languages.</li> </ol>	Complied with Partially complied with Not complied with	





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 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
6.2.2	The company avoids a formalistic approach to information disclosure and discloses material information on its operations, even if disclosure of such information is not required by law.	<ol> <li>The company's information policy outlines the approaches to the disclosure of information on other events (actions) that have a significant impact on the value or price of its securities in cases where the disclosure is not required by law.</li> <li>The company discloses information on its shareholding structure in its annual report and on its website as required by Recommendation 290 of the Code.</li> <li>The company discloses information on the controlled entities that are of significant importance to the company, including the key areas of operation, tools ensuring accountability of the controlled entities, the powers of the company's board of directors to determine the strategy and assess the performance of the controlled organisation.</li> <li>The company publishes a non-financial report – a sustainability report, an environmental report, a corporate social responsibility report or any other report containing non-financial information, including that on factors related to the environment (including environmental and climate change factors), society (social factors) and corporate governance, except for a report of the issuer of issue-grade securities and a report of the joint-stock company.</li> </ol>	Complied with Partially complied with Not complied with	Criterion 1 is partially complied with. The Information Policy was approved by the resol of the Board of Directors on 20 March 2024. Whe determining the materiality of events affecting the value of securities, the Company follows the approach outlined in Bank of Russia's Informat Letter Nº IN-06-28/56 dated 26 July 2021. Criterion 2 is not complied with. This information is not disclosed in accordance w Federal Law Nº 39-FZ On the Securities Market. Criterion 3 is not complied with. This information is not disclosed in accordance w Federal Law Nº 39-FZ On the Securities Market da 22 April 1996. Criterion 4 is complied with.
6.2.3	The company's annual report, being one of the key tools for keeping its shareholders and other stakeholders informed, includes data that can be used to assess the company's performance in the reporting year.	<ol> <li>The company's annual report contains the results of the assessment by the audit committee of the effectiveness of external and internal audit.</li> <li>The company's annual report outlines the company's environmental protection and safety policies, as well as the social policy of the company.</li> </ol>	Complied with Partially complied with Not complied with	
6.3	The company provides shareholders with equal and unhindered access to	information and documents as per their request.		
6.3.1	No unreasonable difficulties prevent the shareholders from exercising their right to access the Company's documents and information.	<ol> <li>The company's information policy (internal documents determining the information policy) establishes (establish) the procedure for providing shareholders with unhindered access to information and documents of the company at the request of shareholders.</li> <li>The company's information policy (internal documents determining the information policy) contains (contain) provisions stipulating that if a shareholder requests information on the company's controlled entities, the company shall make the necessary efforts to obtain such information from the relevant controlled entities of the company.</li> </ol>	Complied with <b>Partially complied with</b> Not complied with	Criteria 1 and 2 are partially complied with. Information stipulated in criteria 1 and 2 is included in the Company's Information Policy. The Regulations on Information Policy were approved by the resolution of the Board of Direct on 20 March 2024.
6.3.2	When providing information to shareholders, the company maintains a reasonable balance between the interests of individual shareholders and those of the company, as it is in the company's best interests to keep confidential any sensitive commercial information that may have a material effect on its competitive position.	<ol> <li>In the reporting period, the company did not refuse to provide shareholders with requested information, or such refusals were justified.</li> <li>In cases specified by the information policy, shareholders are informed of the confidential nature of the information provided and undertake to keep it confidential.</li> </ol>	Complied with <b>Partially complied with</b> Not complied with	Criterion 1 is complied with. Criterion 2 is partially complied with. The Regulations on Information Policy were appro by the resolution of the Board of Directors on 20 2024. The respective provision was included in the Infor Policy.

The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the corporate governance principles listed in Column 3 of the report on compliance with the principles of the Code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively.
 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



Nº	Corporate governance principles	Compliance criteria
7.1	Actions that have or may have a material effect on the company's sharehold of the shareholders and other stakeholders are respected.	ing structure and financial position
7.1.1	Material corporate actions include reorganisation of the company, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of major transactions, increase or decrease of the company's charter capital, listing or delisting of the company's shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's articles of association set out a list (criteria) of transactions or other actions classified as material corporate actions, which are reserved to the company's board of directors.	1. The company's articles of assoc or other actions classified as mate the company's articles of associa corporate actions is reserved to t expressly reserves such corporate the board of directors provides sh
7.1.2	The board of directors plays a major role in making decisions or recommendations with regard to material corporate actions and relies on the opinion of the company's independent directors.	1. The company has in place a pro opinions on material corporate ac

7.1.3	When taking material corporate actions affecting the rights and legitimate	1. Approval of the company's mate
	interests of shareholders, the company ensures equal treatment of all	in accordance with the company's
	its shareholders; and where the statutory procedures protecting shareholder	to the specifics of the company's
	rights are insufficient, the company takes additional measures to protect	requirements for transaction appr
	their rights and legitimate interests.	2. All material corporate actions in
	In doing so, the company is guided by the corporate governance principles set forth in the Code, as well as by formal statutory requirements.	they were taken.
		they were taken.

7.2	The company ensures that material corporate actions are taken in a manner enabling shareholders to receive f such actions are taken.		
7.2.1	Information on material corporate actions is disclosed, with an explanation of the relevant reasons, conditions and consequences.	1. In the reporting period, the com corporate actions (if any) in a time reasons, conditions and consequ	

Compliance status<sup>1</sup>

Reasons<sup>2</sup> for non-compliance

on and, consequently, on the shareholders' position (material corporate actions) are taken on fair terms ensuring that rights and interests

<ul> <li>Aterial corporate actions. In accordance with ciation, decision-making with regard to material or the board of directors. If and when the law atteriate actions to the general meeting of shareholders, shareholders with relevant recommendations.</li> <li>Partially complied with Not complied with Not complied with net company. Corporate actions is reserved to express their actions prior to their approval.</li> <li>Complied with Not complied with the Company. Including the authority of the gove bodies, are governed by the BV law.</li> <li>Partially complied with Not complied wit</li></ul>			
<ul> <li>Actions prior to their approval.</li> <li>Partially complied with Not complied with</li> <li>Not complied with</li> <li>The Company's Charter does not specifically de the term "material corporate actions". Independent directors play a key role in the corporate governa of the Company. They possess the necessary ex- experience, and autonomy to form independent opinions and make fair unbiased judgements on on the Board of Directors' agenda.</li> <li>Complied with</li> <li>Partially complied with Not complied with</li> <li>Partially complied with Not complied with</li> <li>Complied with Not complied with</li> <li>Criterion 1 is complied with. Criterion 2 is partially complied with. The Company's Charter does not specifically defir the term "material corporate actions". All corporate that are deemed material according to the Code a carried out during the reporting year (re-domiciliati delisting, listing) underwent proper approval proce prior to being taken and were duly disclosed with a</li> </ul>	sociation include a list (criteria) of transactions naterial corporate actions. In accordance with ciation, decision-making with regard to material to the board of directors. If and when the law rate actions to the general meeting of shareholders, s shareholders with relevant recommendations.	$\checkmark$ Partially complied with	The Company's Charter does not specifically define the term "material corporate actions". Mo of the material corporate actions listed in the Co Governance Code fall within the remit of the Ge Meeting of Shareholders or the Board of Directo of the Company. Corporate relationships within the Company, including the authority of the gove
ny's articles of association, with due regard y's operations and in addition to regulatory oprovals. s in the reporting period were duly approved before s in the reporting period were duly approved before that are deemed material according to the Code a carried out during the reporting year (re-domiciliati delisting, listing) underwent proper approval proce prior to being taken and were duly disclosed with a	procedure for independent directors to express their actions prior to their approval.	$\checkmark$ Partially complied with	The Company's Charter does not specifically de the term "material corporate actions". Independe directors play a key role in the corporate governa of the Company. They possess the necessary ex experience, and autonomy to form independent opinions and make fair unbiased judgements on
	naterial transactions is reserved to board of directors ny's articles of association, with due regard ny's operations and in addition to regulatory oprovals. s in the reporting period were duly approved before	$\checkmark$ Partially complied with	Criterion 2 is partially complied with. The Company's Charter does not specifically define the term "material corporate actions". All corporate that are deemed material according to the Code a carried out during the reporting year (re-domiciliati delisting, listing) underwent proper approval proce prior to being taken and were duly disclosed with a

full information on such actions in due time and influence them, and guarantees respect and due protection of shareholder rights when

mpany disclosed information on its material ely and detailed manner, including the relevant uences for the shareholders.

✓ Complied with Partially complied with Not complied with

1 The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the principles of the company's corporate practice meets only some of the compliance with the principles of the compliance with the principles of the company's corporate practice meets only some of the compliance with the principles of the company's corporate practice meets all the criteria, or none of them,

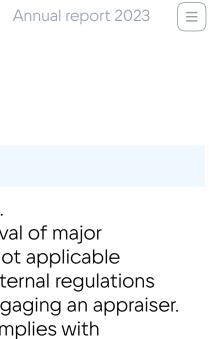


Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively. 2 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



N⁰	Corporate governance principles	Compliance criteria	Compliance status <sup>1</sup>	Reasons <sup>2</sup> for non-compliance
7.2.2	Rules and procedures for taking material corporate actions are set out in the company's internal documents	<ol> <li>The company's internal documents set out the rules and procedure for engaging an appraiser to estimate the value of assets to be sold or acquired in a major transaction or a related party transaction.</li> <li>The company's internal documents set out a procedure for engaging an appraiser to estimate the value of shares to be acquired and bought back.</li> <li>If a member of the company's board of directors, the sole executive body, a member of the collegial executive body, or a person who is a controlling person of the company or a person entitled to give the company binding instructions has no formal interest in the company's transactions, but has a conflict of interest or other actual interest with regard to such transactions, such persons shall abstain from voting on the approval of such transactions as required by the company's internal documents.</li> </ol>	Complied with <ul> <li>Partially complied with</li> <li>Not complied with</li> </ul>	Criterion 1 is partially complied with. The provisions regarding the approval of major and related party transactions are not applicable to the Company. The Company's internal regulation do not set out a requirement for engaging an app In practical terms, the Company complies with the criteria in all material respects. Criterion 2 is not complied with. The Company's internal regulations do not set out a requirement for engaging an appraiser. Criterion 3 is complied with.

The status is "complied with" only when the company's corporate practice meets all the criteria of compliance with the corporate governance principles listed in Column 3 of the report on compliance with the principles of the Code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not compliance with the principles of the code form. If the company's corporate practice meets only some of the compliance criteria, or none of them, Column 4 of the report on compliance with the principles of the Code form shall have the status "partially complied with" or "not complied with", respectively.
 Given for each assessment (compliance) criterion related to a corporate governance principle if the company only complies with some, or with none, of the criteria.



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### Translation of the original Russian version

# Independent practitioner's assurance report

## To the Board of Directors of VK, IPJSC

### Subject matter

We have been engaged by VK IPJSC (hereinafter "the Company") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, (herein "the Engagement"), to report on the material sustainability performance indicators included in the Consolidated Annual Report of VK IPJSC and its subsidiaries and identified there by the 2 symbol (hereinafter "the Indicators"), as of 31 December 2023 or for 2023 (hereinafter "the reporting period"):

- Energy consumption by offices and data centres (electricity and heat);
- Direct and indirect greenhouse gas emissions (Scopes 1 and 2);
- Total number of employees by type of employment contract, employment type, and gender;
- Personnel structure by gender, age, and position;
- Average hours of training per year per employee with breakdown by gender;
- Charitable donations;
- Payments under the Bug Bounty vulnerability discovery programme.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Applicable criteria

In preparing the Indicators the Company applied criteria defined in chapter "About the Report" and Appendix "Methodologies used to collect and compile indicators" of the Report (hereinafter "the Criteria").

### The Company's management responsibilities

The Company's management is responsible for selecting the Criteria, and for preparation of the Indicators in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Indicators, such that these are free from material misstatement, whether due to fraud or error. In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate.

### Practitioner's responsibilities

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements (revised) International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000").

ISAE 3000 requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Indicators are prepared in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

### Our independence and quality management

We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, which requires our firm to develop, implement and ensure operation of quality management system that includes policies or procedures with regard to compliance with ethical requirements, professional standards and applicable laws and regulations.

We comply with the professional ethical and independence requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations and also the IESBA Code of Ethics for Professional Accountants (including international independence standards), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### Summary of work performed

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Indicators and related information, and applying analytical and other appropriate procedures.

### Translation of the original Russian version

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Our procedures included:

- Inquiries of the representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- Analysis of key documents related to the Company sustainability policies, activities, performance and relevant reporting;
- Obtaining understanding of the process used to prepare the information Indicators;
- porting period, to assess whether these data have been collected, prepared, collated and reported appropriately.

Review of data samples regarding Indicators for the re-

We also performed such other procedures as we considered necessary in the circumstances.

### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators are not prepared fairly, in all material respects, according to the Criteria.

E.N. LEZHANKOVA Partner TSATR – Audit Services Limited Liability Company

25 April 2024

#### Details of the independent practitioner

Name: TSATR – Audit Services Limited Liability Company Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203. Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1. TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

### Details of the entity

Name: VK IPJSC

Record made in the State Register of Legal Entities on 26 September 2023, State Registration Number 1233900010585. Address: Russia 236006, Kaliningrad, Oktyabrskaya street, building 12, room 23.



## VK International Public Joint-Stock Company

**Consolidated Financial Statements** 

For the year ended December 31, 2023



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## Independent auditor's report

To the shareholders and Board of Directors of VK IPJSC

### Opinion

We have audited the consolidated financial statements of VK IPJSC and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations that are relevant to our audit of the consolidated financial statements in the Russian Federation together with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 2.1 "Going concern" in the consolidated financial statements, which indicates that for the year ended December 31, 2023 the Group had net loss of 34,291 millions of Russian Roubles. As stated in Note 2.1 "Going concern" to the consolidated financial statements, these events or conditions, along with other matters as set forth in Note 2.1 "Going concern", indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Emphasis of matter

We draw attention to Note 1 "Corporate information and description of business" in the consolidated financial statements, which indicates that by September 30, 2023, VK IPJSC completed the process of redomicilation from the British Virgin Islands to the Russian Federation. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matters described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### Key audit matter

### Annual goodwill impairment analysis

Under IFRSs, the Group is required to test the amount of goodwill for impairment annually by assessing the recoverable amounts of each cash generating unit (CGU) or a group of CGU comprising operating segments of the Group, and comparing it with the carrying amount of relevant CGU or groups of CGU. This annual impairment test was a key audit matter because the balance of goodwill of 165,646 millions of Russian Roubles as at December 31, 2023 is material to the consolidated financial statements. In addition, the management's process to assess the recoverable amounts is complex and highly judgmental and is based on assumptions, specifically cash flow projections from financial budgets approved by management. These assumptions are affected by expectations about future market or economic conditions, particularly those expectations related to Russian internet market.

Information about goodwill impairment is disclosed in Note 8 to the consolidated financial statements,

### Revenue recognition

We identified two aspects of the Group's revenue recognition as key audit matters:

- 1) The Group's online advertising revenues, community IVAS as well as revenues from other services is a complex automated process. It involves volume discounts and third-party commissions that require judgment in recognizing them as expenses or a reduction in revenue.
- Education technology services revenues involve complex and judgmental calculations of material amounts of deferred revenues over the customers' period of studying, which is determined, based on the program duration or on historical customer activity patterns and studying behavior.

Selecting and applying revenue recognition policies requires management judgment, therefore, this matter was a key audit matter.

Information about revenue is disclosed in Notes 4 and 18 to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included, among others, examining the amounts of goodwill allocated to each operating segment, evaluation of the significant assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth and earnings before interest, taxes, depreciation and amortization (EBITDA), profit margins for operating segments, terminal value of the CGU and discount rate. As part of the analysis, we involved our evaluation specialists. In addition, we tested mathematical accuracy of the impairment models and analysed the sensitivity of the recoverable amount to the changes in key assumptions. We also focused on the disclosures in the Group consolidated financial statements about those assumptions to which the outcome of the impairment test is the most sensitive, that is, those that have the most significant effect on determination of the recoverable amount of goodwill.

- We tested application and IT-dependent manual controls over revenue recognition process. We examined and tested, on a sample basis, significant standard and non-standard revenue arrangements. We considered revenue recognition policy in respect of specific revenue streams (including various incentives and volume rebates) and relevant disclosures. We tested the Group's reconciliation of the amount of revenues recognized in the accounting systems to the relevant automated IT systems.
- We analysed the calculation of deferred revenue, including the assessment of the program duration or of the historical customer activity patterns and studying behavior.

We involved our IT specialist to assist us with the abovementioned audit procedures. We reviewed respective disclosures in the consolidated financial statements.



### Key audit matter

### How our audit addressed the key audit matter

### Accounting for software development and content creation costs

The Group incurred costs related to software development and creation and acquisition of audio and video content. These costs are significant and amount to 13,177 millions of Russian Roubles. The Group used judgment as to the recognition of these costs as assets to be included in the statement of financial position as "Other intangible assets" or as expenses to be included in the statement of comprehensive income as "Agent/partner fees and media content" and "Personnel expenses." The choice and the application of the cost allocation policy and the determination of amortization periods are highly judgmental and affect the operating profit and the respective decisions made by the Group's management. Hence, this issue is a key audit matter.

Information on costs related to software development and creation and acquisition of audio and video content is disclosed in Notes 3.8 and 7 to these consolidated financial statements.

In the course of our audit procedures, we verified whether the costs qualified for recognition as assets to be included in the statement of financial position and analyzed whether these assets would generate probable future economic benefits over their amortization period. Probable future economic benefits were assessed using a model of future cash flows. In this model, we reviewed the key assumptions concerning income and expenses over the amortization period and the discount rate; we verified the mathematical accuracy and analyzed the sensitivity of the recoverable amount to changes in key assumptions. We analyzed the useful lives of these assets. We reviewed the adequacy of disclosures in the Group's consolidated financial statements.

### Other information included in the Annual report 2023

Other information consists of the information included in The Annual report 2023, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual report 2023 is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and the Audit, Risk, Compliance and Sustainable Development Committee of the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit, Risk, Compliance and Sustainable Development Committee of the Board of Directors is responsible for overseeing the Group's financial reporting process.



### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the group as a basis for forming our opinion on the consolidated financial statements of the group. We are responsible for the direction, supervision and review of audit work performed for group audit purposes. We remain fully responsible for our audit opinion.

We communicate with the Audit, Risk, Compliance and Sustainable Development Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit, Risk, Compliance and Sustainable Development Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with the Audit, Risk, Compliance and Sustainable Development Committee of the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Ustimenko Anton Sergeevich.

Ustimenko Anton Sergeevich, acting on behalf of TSATR – Audit Services Limited Liability Company on the basis of power of attorney dated December 8, 2023, partner in charge of the audit resulting in this independent auditor's report (main registration number 21906110496)

March 20, 2024

### Details of the auditor

Name: TSATR - Audit Services Limited Liability Company

Record made in the State Register of Legal Entities on December 5, 2002, State Registration Number 1027739707203. Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1,

TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

### Details of the audited entity

Name: VK IPJSC

Record made in the State Register of Legal Entities on September 26, 2023, State Registration Number 1233900010585.

Address: Russia 236006, Kaliningrad region, Kaliningrad, Oktyabrskaya street, 12, room, 23.

## **Consolidated Statement of Financial Position**

### As of December 31, 2023

(in millions of Russian Roubles)

	Notes	As of December 31, 2023	As of December 31, 2022 (restated, Note 8 and 12.10)
Assets			
Non-current assets			
Investments in equity accounted associates and joint ventures	11	13,909	4,585
Goodwill	8	165,646	156,229
Right-of-use assets	6	10,308	9,519
Other intangible assets	7	30,530	22,249
Property and equipment	9	51,089	39,250
Financial assets at fair value through profit or loss	24	471	350
Deferred income tax assets	20	1,666	2,293
Other financial assets Advance under office lease contracts	16, 24	1,164 404	2,158 437
Total non-current assets		275,187	237,070
Current assets		- 1	11000
Trade accounts receivable and other receivables	14	64,175	64,272
Prepaid income tax		+	262
Prepaid expenses and advances to suppliers		3.000	1,965
Loans issued	24	3,193	2,982
Inventories		1.064	226
Other current assets	16	2,827	5,087
Cash and cash equivalents	15	51,294	48,759
Assets held for sale	13.2	-	292
Total current assets		125,553	123,845
Total assets		400,740	360,915
Equity and liabilities Equity attributable to equity holders of the parent			
Issued capital			-
Share premium		80,774	81,872
Treasury shares		(1,039)	(1,039)
Retained earnings		54,414	86,841
Foreign currency translation reserve		6,070	2,585
Total equity attributable to equity holders of the parent		140,219	170,259
Non-controlling interests	17.3	(2,685)	(2,147)
Total equity		137,534	168,112
Non-current liabilities			
Deferred income tax liabilities	20	2,713	2,107
Deferred revenue		664	793
Non-current lease liabilities	6	5,929	7,292
Non-current financial liabilities at fair value through profit or loss	24	3,948	3,982
Long-term interest-bearing loans and bonds	24	115,208	35,775
Deferred income on loan obligations Other non-current liabilities		12,442 702	572
Total non-current liabilities		141,606	50,521
Current liabilities			
Trade accounts payable	24	20,482	17,121
Income tax payable	64	1,901	
VAT and other taxes payable		4,811	
Deferred revenue and customer advances		11,121	
Short-term portion of long-term interest-bearing loans and bonds	24	52,954	
Current lease liabilities	6	3,725	
Current financial liabilities at fair value through profit or loss	24	2,858	
Other payables and accrued expenses	16	23,748	
Liabilities directly associated with assets held for sale	13.2		287
Total current liabilities		121,600	142,282
Total liabilities		263,206	192,803
Total equity and liabilities		400.740	360,915

General director March 20, 2024

Bagodina E.G.



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## Consolidated Statement of Comprehensive Income

For the year ended December 31, 2023

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(in millions of Russian Roubles)

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Dnlme advertising         79,749         50,971           Community IVAS         19,268         17,008           Education technology services         15,824         11,900           Dather revenue         19,826         17,008           Contain technology services         18         122,700         97,770           Deterservenue         18         122,700         97,770           Deterservenue         (24,643)         (14,018)         (24,643)         (14,018)           Verterservenue         (1,877)         (1,229)         (25,056)         (38,847)         (1,229)           Other operating expenses         26         (9,572)         (5,055)         (1,052)         (1,052)           Detersection and amortisation         6,7,9         (23,748)         (1,052)         (1,052)           Depreciating expenses, net         (13,3385)         (62,981)         (1,052)         (1,052)           Share of loss of equity accounted associates and joint ventures         11         64         (1,052)           Share of loss of equity accounted associates and joint ventures         12, 92         13         92         92         13           Orient conservers         19, 24,33         10, 24,360         (24,947)         (24,84)         (24		Notes	2023	2022
Community IVAS         19,268         17,008           Education technology services         15,824         11,190           Other revenue         17,929         12,655           Total revenue         18         122,770         97,770           Agent/partier frees         (40,600)         (23,847)           Agent/partier frees         (40,600)         (24,017)         (40,017)           Optication protein services         (18,77)         (63,017)         (1229)           Other operating expenses         26         (9,572)         (5,056)         (24,018)           Other operating expenses, net         (133,35)         (82,981)         (14,018)         (14,018)           Depreciation and amotisation         6,7,9         (23,714)         (18,113)         (16,5994)           Innance expenses         11         64         (16,5994)         (16,5994)           Innance expenses         19         10,288         6,561         (18,13)           Innance expenses         19         10,288         6,561         (18,994)           Innance expenses         19         10,288         6,561         (18,994)           Innance expenses         19         10,288         6,561         18	Continuing operations			
Education technology services         11,92         11,265           Coldar revenue         18         122,770         97,720           Personnel expenses         25         (55,861)         (38,847)           Adverting expenses         (24,643)         ((44,018))           Adverting expenses         (24,643)         ((44,018))           Adverting expenses         (24,643)         ((44,018))           Adverting expenses         (1,657)         (1,229)           Other operating expenses, net         (133,385)         (82,981)           Depreciation and amortisation         6,7,9         -         (1,052)           Share of loss of equity accounted associates and joint ventures         11         684         (66,991)           Finance income         19         10,288         6,561         (1,373)           Finance income         19         10,288         6,561         (1,687)         (1,687)           Finance income         19         10,288         6,561         (1,688)         (10,681)           Scodwill ingainment         6         10         187         (2,88)         (1,838)         (1,838)         (10,848)         (1,837)         (2,88)         (1,848)         (1,8373)         (2,848)         (2,89) <td></td> <td></td> <td></td> <td></td>				
Other revenue         17,929         12,655           Total revenue         18         132,770         97,770           Personnel expenses         (26,658,64)         (38,847)           Agent/partner fees         (40,090)         (223,988)           Variet operating expenses         (1,687)         (1,287)           Server hosting expenses         (1,687)         (1,287)           Other operating expenses, net         (133,86)         (82,981)           Depreciation and amortisation         6, 7, 9         (23,714)         (16,183)           Prance of equily accounted associates and joint ventures         11         64         (6,694)           Finance expenses         19         0,288         6,561         -           Social infrance expenses         19         0,288         6,561         -           Finance expenses         19         0,288         6,561         -         -           Other on-opting expenses         19         24         (18,38)         (10,488)         -         -         (10,378)           Finance expenses         19         0,288         10         -         (13,378)         -         (13,378)         -         (13,378)         -         (13,978)         -	Community IVAS		19,268	17,008
Total revenue         18         132,770         97,770           Personnel expenses         25         (55,861)         (38,847)           Agent/partner fees         (24,043)         (14,0169)         (23,988)           Server hosting expenses         (24,043)         (14,018)         (1229)           Differences         (137)         (636)         (1229)           Differences         (13,385)         (82,981)         (1229)           Depreciation and amortisation         6,7,9         (23,714)         (18,11)           Depreciation and amortisation         6,7,9         (23,714)         (18,13)           Depreciation and amortisation         6,7,9         (23,714)         (18,13)           Depreciation and amortisation         10         10,288         (6,16,94)           Ustos or	Education technology services		,	
Personnel expenses         25         (55,861)         (38,847)           Agent/partner fees         (40,640)         (23,988)           Barver hosting expenses         (24,443)         (140,018)           Server hosting expenses         (1,677)         (1,229)           Other operating income         205         792           Deter operating expenses, net         (133,385)         (62,991)           Depreciation and amortisation         6,7,9         (23,714)         (18,113)           mpairment of intangible assets         7         -         (1,052)           Binarce of loss of equity accounted associates and joint ventures         11         684         (16,0594)           Finance expenses         19         10,288         6,561         -           Social linparting expenses         102,433         (17,759)         (12,379)           Vectoss on financial assets and liabilities at fair value through profit or loss         24         (11,38)         (0,486)           Profit from sale of subsicializies         132         -         (283)         -           Origit mon-operating gain         10         130         24,360         (21,99)         -           Social microal assets and joint ventures         11         -         (34,38)	Other revenue		17,929	12,655
Agent/partner fees         (20,690)         (23,986)           Warketing expenses         (24,443)         (14,137)           Server hosting expenses         (1,137)         (636)           Professional services         (1,687)         (1,229)           Dther operating expenses, net         (23,385)         (82,981)           Depreciation and amortisation         6,7,9         (23,714)         (18,137)           mpainment of intangible assets         7         -         (10,52)           Share of loss of equity accounted associates and joint ventures         11         644         (16,994)           Finance income         19         10,288         6,561           Scowey of reserves due to the expiration of the limitation period         8         -         (9,681)           Oxodwill impairment         8         -         (9,681)         -         (9,681)           Net loss on financial assets and liabilities at fair value through profit or loss         24         (18,33)         (10,486)         -         -         (283)           Oxodwill impairment of previously held interest in joint ventures         11         -         -         (283)         -         -         (283)         -         -         (283)         -         -         (284)	Total revenue	18	132,770	97,770
Warketing expenses       (24 (43)       (14) (16)         Brore hosting expenses       (1.137)       (636)         Professional services       (1.687)       (1.229)         Other operating income       205       7792         Other operating expenses, net       (133.385)       (82.981)         Depreciation and amortisation       6, 7, 9       (23.714)       (18.113)         mpairment of intangible assets       7       -       (1.052)         Finance expenses       11       654       (17.759)       (12.371)         Finance expenses       19       10.288       6,561       (17.759)       (12.372)         Recovery of reserves due to the expiration of the limitation period       906       -       -         Other non-operating gain       6       110       187         Social limpairment       8       -       (9,681)         Vect toss on financial assets and liabilities at fair value through profit or loss       13.2       -       (283)         Cass on remeasurement of equity accounted associates and joint ventures       11       -       (13.73)       (24.346)         Cass on remeasurement of assets held for sale       13.2       -       (283)       -       (284)         Spected credit loss allowance	Personnel expenses	25	(55,861)	· · /
Berver hosting expenses       (1,137)       (1687)       (1.229)         Drebresting asvices       205       792         Dther operating expenses. net       (133,385)       (82,981)         Depreciation and amortisation       6,7,9       (23,714)       (18,13)         mpairment of intangible assets       7       -       (1,057)       (16,657)         Share of loss of equity accounted associates and joint ventures       11       644       (16,6994)         Finance expenses       19       10,288       6,561         Finance expenses       19       24,3       (17,759)       (12,37)         Recovery of reserves due to the expiration of the limitation period       6       110       18         Social inserves       11       295       -       (9,681)         Vet loss on financial assets and liabilities at fair value through profit or loss       24       (1,838)       (10,486)         Social on ermeasurement of previously held interest in joint ventures       11       -       (3,73)         mpairment for equity accounted associates and joint ventures and equity accounted associates       13.2       -       (2,83)         Social on ermeasurement of previously held interest in joint ventures and equity accounted associates and joint ventures       13       -       (2,84)	Agent/partner fees		(40,690)	(23,988)
Professional services       (1.687)       (1.229)         Dither operating expenses       26       (9,572)       (5.055)         Total operating expenses, net       (133,385)       (82,981)         Depreciation and amortisation       6.7,9       (23,714)       (18,113)         Depreciation and amortisation       6.7,9       (23,714)       (10,52)         Share of loss of equity accounted associates and joint ventures       11       664       (16,994)         Finance income       19       10,288       (5,661)         Finance expenses       19,24.3       (17,759)       (12,379)         Pecoury of reserves due to the expiration of the limitation period       6       100       187         Other non-operating gain       6       10       187         Social liminacial assets and liabilities at fair value through profit or loss       24       (1,838)       (10,486)         Profit from sale of subsidiaries       132       -       (13,973)       2.350       -       (13,973)       -       (13,973)       -       (13,973)       -       (13,973)       -       (13,973)       -       (23,96)       -       (28,96)       -       (28,96)       -       (28,96)       -       -       (13,973)       -       (28	Varketing expenses		(24,643)	(14,018)
Dther operating income         205         792           Dther operating expenses         26         (9,572)         (5,055)           Total operating expenses. net         (133,385)         (82,981)           mpaimment of intangible assets         7         -         (1,052)           Share of loss of equity accounted associates and joint ventures         11         684         (16,092)           Share of loss of equity accounted associates and joint ventures         19         10,288         6,551           Finance income         19         10,288         6,551           Finance income         19,24,3         (17,759)         (12,379)           Other non-operating gain         6         110         187           Sociewary of reserves due to the expiration of the limitation period         906         -           Ordwill impairment         8         -         (9,681)           Net loss on financial assets and liabilities at fair value through profit or loss         24         (1,838)         (10,486)           praimment trecovery of equity accounted associates         11         -         (13,273)         -           Sain on remeasurement of previously held interest in joint ventures and equity accounted associate         13.2         -         (283)           Casso remeasuremen	Server hosting expenses		(1,137)	(636)
Other operating expenses         205         792           Other operating expenses. net         (133,385)         (82,981)           Depreciation and amortisation         6,7,9         (23,714)         (18,113)           mpairment of intangible assets         7         -         (10,592)           Share of loss of equity accounted associates and joint ventures         11         644         (16,994)           Finance income         19         10,288         6,561           Finance expenses         (10,759)         (12,377)         (12,377)           Recovery of reserves due to the expiration of the limitation period         906         -         (9,681)           Orbit from on-operating gain         6         110         187         -           Social difficies at fair value through profit or loss         24         (1,838)         (10,486)           Profit from sale of subsidiaries         13.2         92         13         -         (283)           Sois on remeasurement of previously held interest in joint ventures         11         -         (13,773)         (24,360)         (24,90)           Loss on remeasurement of financial instruments         (4,64)         (2,190)         -         (283)         (3,429)         (24,360)         (24,291)         (3,420)	Professional services		(1,687)	(1,229)
Total operating expenses, net(133,385)(82,981)Depreciation and amortisation6,7,9(23,714)(18,113)mpairment of intangible assets7-(1,052)Share of loss of equity accounted associates and joint ventures11684(16,6994)Finance income1910,2886,561Finance expenses19,24.3(17,759)(12,379)Recovery of reserves due to the expiration of the limitation period906-Octivation operating gain6110187Society of the expiration of the limitation period8-(9,681)Vect loss on financial assets and liabilities at fair value through profit or loss24(1,338)(10,486)Vect loss on financial assets and liabilities at fair value through profit or loss112913mpairment recovery of equity accounted associates11295-(283)Gain on remeasurement of previously held interest in joint ventures and equity accounted associate1131024,360Loss on remeasurement of financial instruments(4,584)(123)(12,190)Spected credit loss allowance on restricted cash(64)(2,190)(3,249)Net loss flow continuing operations13-28,736Net loss flow continuing operations13-28,736Coss premeasurement of financial instruments(34,291)(3,246)Discontinued operations13-28,736Net loss flow continuing operations13-28,736<	Other operating income		205	
Depreciation and amortisation 6, 7, 9 (23,714) (18,113) mpairment of intangible assets 7 - (1,052) Share of loss of equity accounted associates and joint ventures 11 684 (16,994) Finance income 19 (10,288 6,561) Finance expenses (19,24.3) (17,759) (12,379) Recovery of reserves due to the expiration of the limitation period 906 - (10,17,759) Other non-operating gain 6 110 187 Goodwill impairment 8 - (9,681) Vet loss on financial assets and liabilities at fair value through profit or loss 24 (1,838) (10,486) Profit from sale of subsidiaries 13.2 92 113 mpairment recovery of equity accounted associates 11 295 - (13,973) Cass on remeasurement of assets held for sale 13.2 - (283) Gain on remeasurement of assets held interest in joint ventures 11 - (13,973) Cass on remeasurement of assets held interest in joint ventures and equity accounted associate (14,684) ((213)) Cass on remeasurement of financial instruments (4,6184) ((213)) Expected credit loss allowance on restricted cash (64) (2,190) Foreign exchange (34,208) (29,497) Net loss from continuing operations (34,209) (29,497) Net loss from continuing operations (34,201) (32,646) Discontinued operations (34,201) (32,646) Discontinued operations (34,201) (32,646) Discontinued operations (34,201) (32,646) Discontinued operations (34,291) (32,646) Discontinued operations (35,509) (26) Total other comprehensive income that may be reclassified to profit or loss in subsequent periods (35,509) 976	Other operating expenses	26	(9,572)	(5,055)
mpairment of intangible assets       7       1       684       (16,994)         Share of loss of equity accounted associates and joint ventures       11       684       (16,994)         Finance income       19       10,288       6,561         Scovery of reserves due to the expiration of the limitation period       906       -         Other non-operating gain       6       110       187         Goodwill impairment       8       -       (9,681)         Vet loss on financial assets and liabilities at fair value through profit or loss       24       (1,838)       (10,482)         Ordwill impairment recovery of equity accounted associates       11       295       -       (13,973)         Loss on remeasurement of assets held for sale       13.2       -       (283)       (21,907)         Scolate       11       310       24,360       (28,97)         Loss on remeasurement of financial instruments       (4,64)       (2,190)       (29,497)         Loss before income tax expense from continuing operations       (34,209)       (29,497)       (32,246)         Discontinued operations       13       -       28,736       (34,291)       (32,04)       (31,910)         Net loss from continuing operations       13       -       28,736	Total operating expenses, net		(133,385)	(82,981)
impairment of intangible assets       7       -       (1,052)         Share of loss of equity accounted associates and joint ventures       11       684       (16,994)         Finance income       19       10,288       6,551         Finance expenses       19, 24.3       (17,759)       (12,379)         Recovery of reserves due to the expiration of the limitation period       906       -       -         Other non-operating gain       6       110       187         Goodwill impairment       8       -       (9,681)         Net loss on financial assets and liabilities at fair value through profit or loss       24       (1,838)       (10,486)         Oright from sale of subsidiaries       13.2       92       13       mpairment recovery of equity accounted associates       11       -       (13,973)         Loss on financial instruments       11       310       24,360       (28)         Cass on remeasurement of financial instruments       (46,4)       (2,190)       (21,970)         Loss before income tax expense from continuing operations       (34,208)       (24,947)       (32,464)         Discontinued operations       (34,291)       (32,464)       (34,901)       (31,910)         Net loss from continuing operations       13       -	Depreciation and amortisation	6, 7, 9	(23,714)	(18,113)
Share of loss of equity accounted associates and joint ventures       11       664       (16, 994)         Finance income       19       10,288       6,561         Finance expenses       19,24.3       (17,759)       (12,379)         Recovery of reserves due to the expiration of the limitation period       906       -         Other non-operating gain       6       110       187         Social limpairment       8       -       (9,681)         Vert loss on financial assets and liabilities at fair value through profit or loss       24       (1,383)       (10,486)         Vert loss on remeasurement of associates and joint ventures       11       295       -       (283)         Sais on remeasurement of previously held interest in joint ventures and equity accounted associates       11       310       24,360         .oss on remeasurement of financial instruments       (4,584)       (123)       (29,477)         .coss before income tax expense from continuing operations       (34,208)       (29,477)       (34,208)       (29,477)         .ncome tax expense       20       (83)       (3149)       (32,646)       (31,91)         .expense       13       -       28,736       (34,201)       (3,910)       (34,201)       (3,910)       (34,201)       (3,910)       <	mpairment of intangible assets	7	_	(1.052)
Finance income1910,2886,561Finance expenses19,24.3(17,759)(12,379)Recovery of reserves due to the expiration of the limitation period906-Other non-operating gain6110187Socodwill impairment8-(9,681)Net loss on financial assets and liabilities at fair value through profit or loss24(1,838)(10,486)Profit from sale of subsidiaries13.29213mpairment recovery of equity accounted associates11-(13,973)Loss on remeasurement of assets held for sale13.2-(283)Sain on remeasurement of previously held interest in joint ventures and equity accounted associate1131024,360Loss on remeasurement of financial instruments(64)(2,190)(2,190)Supected credit loss allowance on restricted cash(64)(2,190)(64)(2,190)Foreign exchange20(83)(3,149)(3,246)Discontinued operations13-28,736(34,291)(3,910)Net loss13-28,736(34,291)(3,910)Other comprehensive income that may be reclassified to profit or loss3,509(26)(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509(26)(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976(26)Total other comprehensive income that may be reclassi			684	· · · /
Finance expenses       19, 24.3       (17,759)       (12,379)         Recovery of reserves due to the expiration of the limitation period       606       -         Other non-operating gain       6       110       187         SocodWill impairment       8       -       (9,681)         Net loss on financial assets and liabilities at fair value through profit or loss       24       (1,838)       (10,486)         Ordif from sale of subsidiaries       13.2       92       13         mpairment of equity accounted associates       11       -       (13,73)         Loss on remeasurement of assets held for sale       13.2       -       (283)         Sain on remeasurement of previously held interest in joint ventures and equity accounted associate       11       310       24,360         Loss on remeasurement of financial instruments       (4,4584)       (123)       (214)         Expected credit loss allowance on restricted cash       (64)       (2190)       (22,497)         norme tax expense       20       (83)       (3149)       (32,646)         Discontinued operations       13       -       28,736         Net loss from continuing operations       13       -       28,736         Net loss       (34,291)       (32,646)       (34,291)				
Recovery of reserves due to the expiration of the limitation period906906Other non-operating gain6110187OcdWill impairment8-(9,681)Net loss on financial assets and liabilities at fair value through profit or loss24(1,838)(10,486)Profit from sale of subsidiaries13.29213mpairment recovery of equity accounted associates11295-mpairment recovery of equity accounted associates and joint ventures11-(13,973)Loss on remeasurement of assets held for sale13.2-(283)Sain on remeasurement of previously held interest in joint ventures and equity accounted associate1131024,360Loss on remeasurement of financial instruments(44,584)(123)(29,497)Loss before income tax expense from continuing operations(34,208)(29,497)(32,646)Discontinued operations(34,291)(32,646)(34,291)(32,646)Discontinued operations13-28,7361002Net loss(34,291)(3,910)(34,291)(3,910)Other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods <td></td> <td></td> <td></td> <td></td>				
Other non-operating gain6110187GoodWill impairment8-(9,681)Net loss on financial assets and liabilities at fair value through profit or loss24(1,838)(10,486)Profit from sale of subsidiaries13.29213mpairment recovery of equity accounted associates11295-mpairment of equity accounted associates and joint ventures11-(13,973)Loss on remeasurement of previously held interest in joint ventures and equity accounted13.2-(283)Gain on remeasurement of previously held interest in joint ventures and equity accounted1131024,360Loss on remeasurement of financial instruments(4,584)(123)(29,497)Coredin Loss allowance on restricted cash(64)(2,190)(3,149)Coredin Loss from continuing operations(34,208)(29,497)(3,2646)Discontinued operations13-28,736Net loss(34,291)(3,220)(3,2646)(3,910)Other comprehensive income13-28,736Net loss(14,910) formalistion of foreign operations3,509(26)In subsequent periods3,509(26)(26)Total Cherristic Comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total Cherristic Comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total Other comprehensive income that may be reclassified to profit or loss in subsequent p	•	17, 24.5	· · /	(12,577)
Coodwill impairment8-(9,681)Net loss on financial assets and liabilities at fair value through profit or loss24(1,838)(10,486)Profit from sale of subsidiaries11295-mpairment recovery of equity accounted associates and joint ventures11-(13,973)coss on remeasurement of previously held interest in joint ventures and equity accounted31.2-(283)Cain on remeasurement of previously held interest in joint ventures and equity accounted-(283)Cass on remeasurement of financial instruments(4,584)(123)Expected credit loss allowance on restricted cash(4,64)(2,190)Foreign exchange1,6819,867coss before income tax expense from continuing operations(34,208)(29,497)ncome tax expense20(83)(3,149)Net loss from continuing operations13-28,736Net loss(34,291)(3,246)(32,291)(3,240)Discontinued operations13-28,736Net loss(34,291)(3,240)(3,291)(3,210)Other comprehensive income that may be reclassified to profit or loss in subsequent periods-1,002Effect of translation of presentation of foreign operations3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other compr		L		107
Net loss on financial assets and liabilities at fair value through profit or loss24(1,838)(10,486)Profit from sale of subsidiaries13.29213and the recovery of equity accounted associates and joint ventures11295-mpairment of equity accounted associates and joint ventures11-(13,973)Joss on remeasurement of previously held interest in joint ventures and equity accounted1131024,360Joss on remeasurement of previously held interest in joint ventures and equity accounted1131024,360Joss on remeasurement of financial instruments(4,584)(123)Suppected credit loss allowance on restricted cash(6,4)(2,190)Toreign exchange20(83)(3,149)Loss from continuing operations(34,208)(29,497)Income tax expense20(83)(3,149)Net loss(34,291)(32,646)(2,190)Discontinued operations(34,291)(3,210)(3,910)Other comprehensive income13-28,736Net loss(34,291)(3,500)(26)Charle comprehensive income-1,002Charle difference on translation of foreign operations3,509(26)Cotal difference on translation of foreign operations3,509976Total other comprehensive income that may be reclassified to profit or loss3,509976In subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss3,509<			ΠŪ	
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Loss on remeasurement of financial instruments(4,584)(123)Expected credit loss allowance on restricted cash(64)(2,190)Foreign exchange1,6819,867Loss before income tax expense from continuing operations(34,208)(29,497)Income tax expense20(83)(3,149)Net loss from continuing operations(34,291)(32,646)Discontinued operations(34,291)(32,646)Discontinued operations13-28,736Net loss(34,291)(3,910)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976	Gain on remeasurement of previously held interest in joint ventures and equity acc			
Expected credit loss allowance on restricted cash(64)(2,190)Foreign exchange1,6819,867Loss before income tax expense from continuing operations(34,208)(29,497)Income tax expense20(83)(3,149)Net loss from continuing operations(34,291)(32,646)Discontinued operations13-28,736Net loss(34,291)(3,910)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509976Total other comprehensive income net of tax effect of 03,509976	associate	11		
Foreign exchange1,6819,867Loss before income tax expense from continuing operations(34,208)(29,497)income tax expense20(83)(3,149)Net loss from continuing operations(34,291)(32,646)Discontinued operations13-28,736Net loss(34,291)(34,291)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income that may be reclassified to profit or loss in subsequent periods-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976	Loss on remeasurement of financial instruments		(4,584)	(123)
Loss before income tax expense from continuing operations(34,208)(29,497)ncome tax expense20(83)(3,149)Net loss from continuing operations(34,291)(32,646)Discontinued operations13-28,736Net loss(34,291)(3,910)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income net of tax effect of 03,509976	Expected credit loss allowance on restricted cash		(64)	(2,190)
Income tax expense20(83)(3,149)Net loss from continuing operations(34,291)(32,646)Discontinued operations13-28,736Net profit from discontinued operations13-28,736Net loss(34,291)(3,910)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income net of tax effect of 03,509976	Foreign exchange		1,681	9,867
Net loss from continuing operations(34,291)(32,646)Discontinued operations13-28,736Net profit from discontinued operations13-28,736Net loss(34,291)(3,910)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income that may be reclassified to profit or loss in subsequent periods-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976	Loss before income tax expense from continuing operations		(34,208)	(29,497)
Discontinued operations13-28,736Net profit from discontinued operations(34,291)(3,910)Net loss(34,291)(3,910)Other comprehensive income(34,291)(3,910)Other comprehensive income that may be reclassified to profit or loss in subsequent periods-1,002Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976	ncome tax expense	20	(83)	(3,149)
Net profit from discontinued operations13-28,736Net loss(34,291)(3,910)Other comprehensive income Other comprehensive income that may be reclassified to profit or loss in subsequent periods-1,002Effect of translation to presentation currency of Group's joint ventures Exchange difference on translation of foreign operations-1,002Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976	Net loss from continuing operations		(34,291)	(32,646)
Net loss(34,291)(3,910)Other comprehensive income Other comprehensive income that may be reclassified to profit or loss in subsequent periods-1,002Effect of translation to presentation currency of Group's joint ventures Exchange difference on translation of foreign operations-1,002Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976	Discontinued operations	10		00 70 (
Other comprehensive income         Other comprehensive income that may be reclassified to profit or loss         in subsequent periods         Effect of translation to presentation currency of Group's joint ventures         Exchange difference on translation of foreign operations         Total other comprehensive income that may be reclassified to profit or loss         in subsequent periods         Total other comprehensive income that may be reclassified to profit or loss         in subsequent periods         3,509       976         Total other comprehensive income net of tax effect of 0       3,509       976		13	-	
Other comprehensive income that may be reclassified to profit or loss in subsequent periods       –       1,002         Effect of translation to presentation currency of Group's joint ventures       –       1,002         Exchange difference on translation of foreign operations       3,509       (26)         Total other comprehensive income that may be reclassified to profit or loss in subsequent periods       3,509       976         Total other comprehensive income net of tax effect of 0       3,509       976	Net loss		(34,291)	(3,910)
in subsequent periods–1,002Effect of translation to presentation currency of Group's joint ventures–1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976	Other comprehensive income			
Effect of translation to presentation currency of Group's joint ventures-1,002Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976				
Exchange difference on translation of foreign operations3,509(26)Total other comprehensive income that may be reclassified to profit or loss in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976				
in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976	Effect of translation to presentation currency of Group's joint ventures Exchange difference on translation of foreign operations		3,509	
in subsequent periods3,509976Total other comprehensive income net of tax effect of 03,509976	Fotal other comprehensive income that may be reclassified to profit or loss			
			3,509	976
Fotal comprehensive loss, net of tax (30,782) (2,934)	Total other comprehensive income net of tax effect of 0		3,509	976
	Fotal comprehensive loss, net of tax		(30,782)	(2,934)



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## Consolidated Statement of Comprehensive Income (continued)

	Notes	2023	2022
Net loss, attributable to: Equity holders of the parent Non-controlling interests		(33,716) (575)	(3,144) (766)
Total comprehensive loss, net of tax, attributable to: Equity holders of the parent Non-controlling interests		(30,207) (575)	(2,168) (766)
Loss per share, in RUB: Basic loss per share attributable to ordinary equity holders of the parent Diluted earnings per share attributable to ordinary equity holders of the parent		(149) n/a	(14) n/a
Loss per share from continuing operations, in RUB: Basic loss per share attributable to ordinary equity holders of the parent Diluted earnings per share attributable to ordinary equity holders of the parent		(149) n/a	(116) n/a
Profit per share from discontinued operations, in RUB: Basic profit per share attributable to ordinary equity holders of the parent Diluted earnings per share attributable to ordinary equity holders of the parent		_ n/a	102 100

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For the year ended December 31, 2023

(in millions of Russian Roubles)

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	Notes	2023	2022
Cash flows from operating activities Loss before income tax from continuing operations		(34,208)	(29,497)
Profit before income tax from discontinued operations		(34,208) –	27,858
Loss before income tax		(34,208)	(1,639)
Adjustments to reconcile loss before income tax to cash flows			
Depreciation and amortisation	6, 7, 9	23,714	20,074
mpairment of intangible assets	7	-	1,052
Share of loss of equity accounted associates and joint ventures	11	(684)	16,994
Finance income		(10,288)	(6,668)
-inance expenses	19, 24.3	17,759	12,388
xpected credit loss allowance on trade receivables	14, 26	1,500	89
Expected credit loss allowance on restricted cash		22	2,911
Goodwill impairment	8	_	9,681
Net loss on financial assets and liabilities at fair value through profit or loss	24	1,838	11,067
Profit from sale of subsidiaries	13	(92)	(27,143)
mpairment recovery of associates	11	(295)	-
mpairment of equity accounted associates and joint ventures	11	-	13,973
Loss on remeasurement of assets held for sale		-	283
Gain on remeasurement of previously held interest in equity accounted associates	11	(310)	(24,360)
Loss on remeasurement of financial instruments		4,584	420
Foreign exchange		(1,681)	(9,391)
Cash settled and equity settled share-based payments	28	(1,098)	2,480
Recovery of allowances due to the expiration of the limitation period		(906)	-
Other non-cash items		295	(82)
Change in operating assets and liabilities			
ncrease in accounts receivable		(980)	(5,792)
ncrease in prepaid expenses and advances to suppliers		(1,132)	(3,462)
ncrease in inventories and other assets		(441)	(2,863)
ncrease in accounts payable and accrued expense		7,284	9,604
Increase)/decrease in other non-current assets		(202)	25
ncrease/(decrease) in deferred revenue and customer advances		39	(285)
ncrease in financial assets at fair value through profit or loss		(239)	(570)
Operating cash flows before interest and income taxes		4,479	18,786
Interest received	(	4,106	724
Interest paid	6, 24.3	(6,786)	(4,969)
Dividends from venture capital investees		35	-
ncome tax paid	20	(529)	(1,992)
Net cash provided by operating activities		1,305	12,549
Cash flows from investing activities	0	(01 170)	(1 4 4 4 0)
Cash paid for property and equipment from continuing operations	9	(21,173)	(14,143)
Cash paid for intangible assets from continuing operations	7	(11,231)	(6,189)
Cash paid for property and equipment from discontinued operations		-	(126)
Cash paid for intangible assets from discontinued operations		-	(2,132)
Dividends received from equity accounted associates	11	109	76
.oans issued		(625)	(8,713)
loans collected	10	202	165
Cash paid for acquisitions of subsidiaries, net of cash acquired	12	(6,747)	3,302
Cash received from selling subsidiaries		8,768	-
Cash paid for acquiring long-term lease rights less cash received	6	(2,673)	-
Cash outflow from sale of subsidiary	13	(90)	(1,743)
Cash paid for investments in equity accounted associates and joint ventures	11	(11,625)	(2,834)
Net cash used in investing activities		(45,085)	(32,337)

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## Consolidated Statement of Cash Flows (continued)

	Notes	2023	2022
Cash flows from financing activities			
Payment of lease liabilities	6	(3,763)	(4,628)
Loans received	24.3	4,467	82,226
Loans repaid	24.3	(14,470)	(30,198)
Bonds issuance	24.3	60,000	-
Cash paid for non-controlling interests in subsidiaries		(200)	-
Dividends paid by subsidiaries to non-controlling shareholders		(14)	(86)
Net cash provided by financing activities		46,020	47,314
Net decrease in cash and cash equivalents		2,240	27,526
Effect of exchange differences on cash balances		156	(664)
Change in expected credit loss allowance on restricted cash		(22)	(1,679)
Cash and cash equivalents included in assets held for sale		161	(161)
Cash and cash equivalents at the beginning of the period		48,759	23,737
Cash and cash equivalents at the end of the period		51,294	48,759

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## Consolidated Statement of Changes in Equity

For the year ended December 31, 2022 (in millions of Russian Roubles)

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	Share capital					Accumulated other			
	Number of shares issued and outstanding	Amount	Share premium	Treasury shares	Retained earnings	comprehensive income/(loss) (net of tax effect of 0)	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2022	226,130,707	-	79,397	(1,044)	89,985	1,578	169,916	346	170,262
Loss for the year	-	-	_	-	(3,144)	-	(3,144)	(766)	(3,910)
<i>Other comprehensive income</i> Foreign currency translation	_	_	_	_	_	976	976	_	976
Total other comprehensive loss	-	-	-	-	-	976	976	-	976
Total comprehensive loss	-	-	-	-	(3,144)	976	(2,168)	(766)	(2,934)
Share-based payment transactions (Note 25, 28) Exercise of PSUs/RSUs and options over	-	-	3,080	-	-	-	3,080	_	3,080
the shares of the Company Dividends by subsidiaries to	20,000	-	(5)	5	-	-	-	-	-
non-controlling shareholders Modification of PSU/RSU programmes	-	-	-	-	-	-	-	(86)	(86)
(Note 25, 28)	-	-	(600)	-	-	-	(600)	-	(600)
Acquisitions of non-controlling interests Disposal of non-controlling interests	-	-	-	-	-	-	-	22	22
(Note 13)	-	-	-	-	-	31	31	(1,663)	(1,632)
Balance at December 31, 2022	226,150,707	-	81,872	(1,039)	86,841	2,585	170,259	(2,147)	168,112

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## Consolidated Statement of Changes in Equity

For the year ended December 31, 2023 (in millions of Russian Roubles)

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_	Share capital					Accumulated other			
	Number of shares issued and outstanding	Amount	Share premium	Treasury shares	Retained earnings	comprehensive income/(loss) (net of tax effect of 0)	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2023	226,150,707	-	81,872	(1,039)	86,841	2,585	170,259	(2,147)	168,112
Loss for the year	_	-	_	-	(33,716)	-	(33,716)	(575)	(34,291)
<i>Other comprehensive income</i> Foreign currency translation	_	_	_	_	_	3,509	3,509	_	3,509
Total other comprehensive loss	-	-	-	-	-	3,509	3,509	-	3,509
Total comprehensive loss	-	-	-	-	(33,716)	3,509	(30,207)	(575)	(30,782)
Share-based payment transactions (Note 25, 28) Dividends by subsidiaries to	-	_	(1,098)	_	_	-	(1,098)	_	(1,098)
non-controlling shareholders	-	-	-	-	-	-	-	(14)	(14)
Acquisitions of non-controlling interests (Note 24.2)	-	-	-	-	1,289	-	1,289	44	1,333
Recognition of non-controlling interests as a result of business acquisitions	-	-	-	-	-	-	-	7	7
Disposal of equity as a result of subsidiary sell (Note 13)	-	-	-	-	-	(24)	(24)	-	(24)
Balance at December 31, 2023	226,150,707	-	80,774	(1,039)	54,414	6,070	140,219	(2,685)	137,534

## Notes to the Consolidated Financial Statements

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For the year ended December 31, 2023 (in millions of Russian Roubles)

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#### 1 **Corporate information and description of business**

These consolidated financial statements of VK International Public Joint-Stock Company (VK Company Limited up to September 26, 2023, hereinafter "the Company") and its subsidiaries (collectively - "the Group" or "VK") for the year ended December 31, 2023 were authorized for issue by the directors of the Company on March 20, 2024.

The Company was registered on May 4, 2005 in the Territory of the British Virgin Islands ("BVI"), pursuant to the International Business Companies Act (the "Act"), Cap. 291. The principal office of the Company is located at the address: 236006, Kaliningrad region, Kaliningrad, Oktyabrskaya street, 12, room. 23 (before September 26, 2023: 28 Oktovriou, 365, VASHIOTIS SEAFRONT, office 402, Neapoli, 3107 Limassol, Cyprus).

In August 2023, the Shareholders and the Board of Directors of VK Company Limited decided to redomicile - terminate the Company's activities in the BVI and continue in the Russian Federation as an international company of a public joint stock company in accordance with Russian legislation in a special administrative region "Oktyabrsky Island", in the city of Kaliningrad. On September 26, 2023, the Company was registered as VK International Public Joint-Stock Company.

Also, in August 2023, the process of redomiciliation from Cyprus to the Russian Federation of the MGL Group's subsidiaries Mail.ru Equity Limited, Lomigor Investments Limited and MGL My. Com Limited (Cyprus) began. On August 21, 2023, the companies were registered as International Limited Liability Company. The names of the companies are, respectively, International LLC "VK Equity", International LLC "VK Educational Technologies", International LLC "VK MGL Limited".

Due to the redomiciliation of the Company and certain subsidiaries to the Russian Federation, the functional currencies of the two subsidiaries have been revised. From August 21, 2023, the functional currency of International LLC "VK Educational Technologies" (until August 21, 2023 Lomigor Investments Limited) and International LLC "VK MGL Limited" (until August 21, 2023 MGL May.Com (Cyprus) Limited) is the Russian rouble instead of the Euro and US Dollar respectively.

The Company consolidates businesses that operate in the Internet segment, including portals, social networking and communications and education technologies. The Group has leading positions in Russia and other CIS states where its operations are present.

The parent of VK International Public Joint-Stock Company is MF Technologies. MF Technologies does not have a single controlling shareholder.

Information on the Company's main subsidiaries is disclosed in Note 10.

#### 2 **Basis of preparation**

These consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities designated as at fair value through profit or loss and derivative financial instruments that have been measured at fair value.

#### 2.1 Going concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The management has considered all relevant facts, including the Group's liquidity position, events after the reporting date, expected operating results, as well as the amount of debt facilities and other funds available to the Group to assess the Group's ability to operate as a going concern.

### **Operating results and liquidity position**

As of December 31, 2023, the Group had cash and cash equivalents of RUB 51,294 (as of December 31, 2022: RUB 48,759). Notwithstanding the net loss under IFRS for the year ended December 31, 2023 of RUB 34,291 (for the year ended December 31, 2022: RUB 3,910), the Group has a positive working capital (current assets exceeding current liabilities) as of December 31, 2023 of RUB 3,953 (December 31, 2022: negative RUB 18,437), and the Group generated positive cash flows from operating activities: cash provided by operating activities for the year ended December 31, 2023 were RUB 1,305 (for the year ended December 31, 2022: RUB 12,549).

Positive working capital was formed mainly due to the transfer of debt under a credit line with a bank that is a related party (hereinafter "Related Party") from "Short-term liabilities" to "Long-term liabilities", as well as through the placement of long-term bonds. This Related Party confirmed as of December 31, 2023 that it has no intention to early claim the debt due to a violation of the restrictive covenants provided for in the agreements.

As of December 31, 2023, the debt/equity ratio (total liabilities to total equity) was 1.91. Projected cash flow from operations for 2024 will not cover working capital shortfalls, should they arise. The Group's management carefully evaluates the Group's liquidity position and expects to successfully reach agreements with a Related Party to restructure or refinance payments on loan obligations. The loan funds received will be used to finance and develop new projects.

The likelihood and sources of the Group's repayment of its existing debt burden, and the likelihood of generating positive operating cash flow to cover the Group's loss, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.



### 2 Basis of preparation (continued)

### 2.2 Presentation of comparative information

Certain comparative figures have been reclassified and/or regrouped to conform to the current presentation. This does not have an impact on the amounts of net loss reflected in these consolidated financial statements for the reporting periods.

### 2.3 Statement of compliance

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS").

The Group maintains its accounting records and prepares its statutory accounting reports in accordance with domestic accounting legislation and instructions for each of its subsidiaries. These consolidated financial statements are based on the underlying accounting records, appropriately adjusted and reclassified for fair presentation in accordance with the standards and interpretations issued by the International Accounting Standards Board ("IASB"). IFRS adjustments include and affect such major areas as consolidation, revenue recognition, accruals, deferred taxation, fair value adjustments, business combinations, impairment, share-based payments etc.

### 2.4 Application of new and amended IFRS and IFRIC

The accounting policies adopted are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2022, except for the adoption of new standards effective as of January 1, 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In 2023, the Group first applied the following amendments, but they had no impact on its consolidated financial statements.

### IFRS 17 Insurance Contracts, including amendments

IFRS 17 Insurance Contracts covers the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 *Insurance Contracts.* IFRS 17 applies to all types of insurance contracts regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. However, the standard provides for a number of scope exceptions. In particular, it does not apply to the following transactions entered into by the Group:

- Warranties provided by a manufacturer, dealer or retailer in connection with the sale of its goods or services to a customer
- Employers' assets and liabilities from employee benefit plans
- Contractual rights or contractual obligations contingent on the future use of, or the right to use, a non-financial item (for example, some license fees, royalties, variable and other contingent lease payments and similar items)
- Residual value guarantees provided by a manufacturer, dealer or retailer and a lessee's residual value guarantees when they are embedded in a lease
- Financial guarantee contracts, unless the issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts. The issuer shall choose to apply either IFRS 17 or IAS 32 *Financial Instruments: Presentation*, IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments* to such financial guarantee contracts. The issuer may make that choice contract by contract, but the choice for each contract is irrevocable. In the past, the Group issued no financial guarantee contracts. First such contracts were issued in the current reporting period and the Group applied IAS 32, IFRS 7 and IFRS 9 to them (refer to New types of transactions and accounting policies applied to them for the first time below)
- Contingent consideration payable or receivable in a business combination
- Insurance contracts in which the entity is the policyholder, unless those contracts are reinsurance contracts held

Thus, the standard is not applicable to the Group.

## Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments replace the requirement for entities to disclose their significant accounting policies with a requirement to disclose material information about their accounting policies and add guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments resulted in insignificant changes in disclosures of accounting policies in the consolidated financial statements since the Group's current practice is in line with the new requirements.



#### 2 **Basis of preparation (continued)**

#### 2.4 Application of new and amended IFRS and IFRIC (continued)

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

These amendments introduce the definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

According to these amendments, the initial recognition exception no longer applies to transactions that give rise to equal taxable and deductible differences on their initial recognition. According to the amendments, the exception applies only when the initial recognition of the right-of-use asset and lease liabilities or the decommissioning obligation and the corresponding increase in the asset's value result in unequal amounts of taxable and deductible differences. In this case, even if the transaction results in the recognition of equal taxable and deductible differences, unequal amounts of deferred tax liabilities and deferred tax assets can be recognized with any resulting difference taken to profit or loss for the period. In particular, it can follow from the non-recoverability of the deferred tax asset or different tax rates applied to the deductible and taxable differences. Since the Group's existing accounting policies comply with these amendments, their first application had no impact on its financial statements.

### Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar 2 Model Rules

The amendments issued on May 23, 2023 introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar 2 model rules, and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar 2 income taxes arising from that legislation, particularly before its effective date

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments are not expected to have a material impact on the Group's financial statements.

#### 2.5 Standards issued but not yet effective

The new and amended standards and interpretations that were issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standards not effective for the reporting period ended December 31, 2023 Effective for annual reporting	ng periods beginning on or after
Amendments to IAS 7 – Disclosure "Supplier Finance Arrangements"	January 1, 2024
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 21 – Lack of Exchangeability	January 1, 2025

The amendments are not expected to have a material impact on the Group's financial statements.

#### 3 Summary of significant accounting policies

#### 3.1 **Principles of consolidation**

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2023 and for the year then ended.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



#### 3 Summary of significant accounting policies (continued)

#### 3.1 **Principles of consolidation (continued)**

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### 3.2 **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed and included in operating expenses.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and vested share-based payment awards of the acquiree that are replaced in the business combination.

If control is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

A contingent liability of the acquiree is recognised in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Only components of non-controlling interest constituting a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are measured at their acquisition date fair value.

The Group accounts for a change in the ownership interest of a subsidiary (without loss of control) as a transaction with owners in their capacity as owners. Therefore, such transactions do not give rise to goodwill, nor do they give rise to a gain or loss and are accounted for as an equity transaction.



#### 3 Summary of significant accounting policies (continued)

#### 3.2 Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill is reallocated to the units affected. The reallocation is performed using a relative value approach similar to that used in connection with the disposal of an operation within a cash-generating unit, unless some other method better reflects the goodwill associated with the reorganised units.

#### 3.3 **Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 3.4 Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



# 3 Summary of significant accounting policies (continued)

## 3.4 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as financial derivatives and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

# 3.5 Investments in associates and joint ventures

Associates are entities in which the Group generally has between 20% and 50% of the voting rights, or is otherwise able to exercise significant influence, but which it does not control or jointly control. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group participates in the operating management of its equity accounted associates and joint ventures and intends to stay involved in their operations from a long-term perspective. Under the equity method, the investments in associates and joint ventures are carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate or joint venture. Distributions received from an investee reduce the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of associates and joint ventures. Where there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes in the investment balance and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

Dividends received from equity accounted associates and joint ventures are shown in investing activities in the consolidated statement of cash flows.

The share of profit and other comprehensive income of equity accounted associates and joint ventures is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the associates and joint ventures and therefore is profit after tax of the associates and joint ventures and after non-controlling interests in the subsidiaries of the associates or joint ventures. The Group's share of movements in reserves is recognised in equity. However, when the Group's share of accumulated losses in an equity accounted associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless the Group is obliged to make further payments to, or on behalf of, the associate or joint venture.

The financial statements of equity accounted associates and joint ventures are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in its associates and joint ventures. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. Determining whether the investment is impaired is based on the guidance of IFRS 9 discussed under 3.15.6.

If there is objective evidence that an associate or joint venture is impaired, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value in accordance with IAS 36 (as discussed under 3.17) and recognises the amount of impairment in earnings under *'Impairment losses related to equity accounted associates or joint ventures'*. If the recoverable amount of the impaired investment subsequently increases, the related impairment is reversed to the extent of such increase. 145

# Notes to the Consolidated Financial Statements (continued)

# 3 Summary of significant accounting policies (continued)

### 3.5 Investments in associates and joint ventures (continued)

Step acquisitions of significant influence in equity accounted associates previously classified as available-for-sale financial assets are accounted for using a cost-based approach whereby the investment in associate is recognised at the aggregate of (a) the historical cost of the available-for-sale investment and (b) the consideration transferred by the Group upon acquisition of significant influence. Any changes in the fair value of the available-for-sale investment are reversed through other comprehensive income upon acquisition of significant influence. Goodwill is calculated as a difference between (c) the cost of the investment so determined and (d) the Group's share in the fair value of the investee's net assets at the date significant influence is attained.

Upon acquisition of an additional stake in an existing associate where control is not obtained, the fair value of the consideration transferred for the additional stake is allocated to the acquired share of the fair value of associate's assets and liabilities, and the excess is recognised as goodwill as part of the investment in equity accounted associates.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 3.6 The Group as a lessee

### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Premises Racks in data centers and optic fibre channels Land 1 to 25 years 1 to 7 years 6 to 41 years

Right-of-use assets are tested for impairment.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### Leases of low-value assets

The Group applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Accounting for short-term leases

The Group elects not to apply simplifications for short-term leases and account for them using right-of-use asset model.

## 3.6.1 The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other operating income in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.



# 3 Summary of significant accounting policies (continued)

# 3.7 Property and equipment

### 3.7.1 Recognition and measurement

Property and equipment are recorded at purchase or construction cost less accumulated depreciation and accumulated impairment. Interest costs on borrowings to finance the construction of property and equipment are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. Expenditures for continuing repairs and maintenance are charged to earnings as incurred.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are recognised net under 'Other non-operating gain/(loss)' in the consolidated statement of comprehensive income.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

# 3.7.2 Depreciation and useful life

Depreciation is calculated on property and equipment on a straight-line basis from the time the assets are available for use, over their estimated useful lives as follows:

Estimated useful life (in years)Servers and computers2-5Furniture7Buildings30Office IT equipment2-7Leasehold improvementsLesser of useful life or life of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted as appropriate, at each financial year-end. The Group classifies advances paid to equipment suppliers as assets under construction in property and equipment in the consolidated statement of financial position.

## 3.8 Intangible assets other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

## 3.8.1 Software development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the consolidated statement of comprehensive income when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

# 3.8.2 Audio-content costs

Audio content costs include the purchase of licensing rights to musical works. Licensing rights are purchased at a compound price, which includes a fixed part (the minimum guaranteed price), as well as a floating part, the amount of which depends on the number of times the content is played.

The Group capitalizes a fixed (minimum guaranteed) part of the price into intangible assets. Expenses related to the floating portion of the price are recognized in the consolidated statement of comprehensive income when incurred. Capitalized audio content is amortized over its useful life, which is determined by the contractual terms.



#### 3 Summary of significant accounting policies (continued)

#### 3.8 Intangible assets other than goodwill (continued)

### 3.8.3 Video-content costs

Video-content costs include purchases of licensing rights for films, shows and other units of video content, as well as the costs of producing content units in-house. License rights are acquired for a fixed fee and for a specified period.

For licensing rights, the Group capitalizes the fixed cost per unit of content. For content created in-house, production costs are capitalized. Preparatory and promotional expenses are recognized in the consolidated statement of comprehensive income when incurred.

Capitalized video content is amortized over its useful life.

Research and development costs including audio- and video-content costs that do not meet criteria for capitalisation according to IAS 38 are recognised as an expense in the consolidated statement of comprehensive income during 2023 amounted to RUB 4,308 (2022: RUB 690).

### 3.8.4 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

## 3.8.5 Useful life and amortisation of intangible assets

The Group assesses whether the useful life of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting, that useful life. An intangible asset is regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The Group did not have any intangible assets with an indefinite useful life in the years ended December 31, 2023 and 2022.

Intangible assets with finite lives are amortised over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The estimated useful lives of the Group's intangible assets are as follows:

	Estimated useful life (in years)
Patents and trademarks	7-20
Capitalised software development costs	3
Domain names	10
Games	3-9
Customer base	3-15
Licenses and produced content	1-5
Purchased software	1-4
Database of authors	11
Platform	9

#### 3.9 **Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. All these items are included as a component of cash and cash equivalents for the purpose of the consolidated statement of financial position and consolidated statement of cash flows.

## 3.10 Employee benefits

Wages and salaries paid to employees are recognised as expenses in the current period or are capitalised as part of software development costs. The Group also accrues expenses for future vacation payments.

Under provisions of Russian legislation, social contributions are made through social insurance payments calculated by the Group by the application of a 30% rate to the portion of the annual gross remuneration of each employee not exceeding RUB 1,917 and a rate of 15.1% to the portion exceeding this threshold.

A number of subsidiaries applied the IT benefit and benefit of Skolkovo residents during 2023 on insurance premiums. For accredited IT organizations, reduced rates of 7.6% are provided, for Skolkovo resident companies, rates of 30% are provided.



# 3 Summary of significant accounting policies (continued)

## 3.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of discounting is material, provisions are determined by discounting the expected value of future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

### 3.12 Revenue recognition

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenues from services are recognised in the period when services are rendered.

### 3.12.1 Online advertising

Promo posts in social networks, video and banner advertising space for display advertising is sold on a dynamic basis (i.e., a function of time that an advertisement lasts) or a static basis (i.e., according to the number of page views on an advertisement). The Group has standard rates for online advertisements that depend on several factors, including the specific web page on which the banner appears, the length of the contract, the season, and the format, size and position of the advertisement. Display advertising revenue is recognised as the services are provided (i.e., as per page view for dynamic banners and over the contractual term for static banners). For display advertising sold through some third party advertising agencies, revenue generally is recognised net of any portion attributable to the third parties. For arrangements related to display advertising where the Group does not control advertising services before these services are transferred to end customers, and hence, the Group is an agent rather than a principal in these contracts and recognises revenue on net basis.

The Group earns revenues for search context advertising through partnerships with third parties. Once a user carries out a search on certain of the Group's websites, search results and advertisement links are displayed on the webpage based on relevancy to the search topic and other known user parameters. When clicked on by the user, the advertisement links lead to sites owned by the third parties' advertising customers, for which the third party receives a fee, a portion of which it shares with the Group. Context advertising revenue is recognised as the services are provided (i.e., upon "click-through", which is when a user clicks on an advertiser's listing) on a net basis. This type of context advertising revenues is based on reports provided by third parties.

Context advertising also includes mobile monetization revenue related to the placement of target advertising, display advertising and advertising through integration in applications, advertising thought offers on the Group's applications. The revenue from mobile monetization is recognised on a net basis (gross revenue less advertising networks fee).

Context advertising also includes revenue related to the placement of target advertising, display advertising and advertising through integration in applications, advertising thought offers on the Group's websites and in applications, advertising via networks comprising advertising banners placement on third party websites and advertising on the Group's site communities pages. The revenue from advertising in applications, on the web pages of communities and via networks is recognised on a gross basis with costs and commissions paid to third party owners and administrators of websites, applications, platforms and communities recognised in "Agent/partner fees".

# 3.12.2 Community IVAS

The Group derives Community IVAS revenues through certain communication products, where users pay a fee for the paid content and online services, mainly through social networking web sites and through the commission from third party developers of the various applications placed on social networking web sites, including games, based on the respective applications' revenue. The fees for such services are collected from customers using various payment channels, including bank cards, online payment systems and mobile operators and from the applications developers. The mobile network operators collect fees for such services from their customers, usually through mobile short message services ("SMS"), and transfer such fees to the Group. Revenue is recognised over time as the benefits are received and consumed by customers.



#### 3 Summary of significant accounting policies (continued)

#### **Revenue recognition (continued)** 3.12

## 3.12.3 Education Technology services (EdTech) revenue

The Group generates revenue from the sale of online education courses and professional training programs provided via customized in-house educational platforms directly to customers (learners). Services provided during the course may include: online educational materials, lectures and webinars, services to control the educational process (homework review and examinations revision) and other related services (job placement program, supporting services and hosting). Contracts with customers are billed in advance and require payment by the customer prior to accessing any course content without any free trial period. After the purchase and checkout, customers receive a lifetime license to access the course's digital content in addition to the unlimited access to the platform's online services and the content.

The pre-recorded courses and professional training programs are based on the pre-recorded content, which is available to a customer for unlimited period from the moment of getting access to the education platform and the purchased course or professional training program. Such courses and professional training programs do not include obligatory webinars, and customers have opportunity to study the materials in their own timeline

Sales are made under the Group's standard terms specified in contracts. The time between the customer's payment and the receipt of funds usually does not exceed one day. Payment terms are fixed and do not include variable consideration. Revenue is recognised net of refunds, discounts and value added tax.

Performance obligations committed in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Group, and are distinct in the context of the contract, whereby the transfer of the services and the products is separately identifiable from other promises in the contract.

Revenue is recognised at the time the related performance obligation is satisfied by transferring the control of the promised service to a customer. Revenue is recognised in an amount that reflects the consideration that the Group expects to receive in exchange for those services. The Group has a stand-ready obligation to deliver its services continually throughout the contract period, which is unlimited in respect of the access to the content and education platforms. As such, the Group recognizes revenue on a straight-line basis as it satisfies the performance obligation over the customers' period of studying which is determined based on the program duration (for live webinar programs) or estimated based on historical customer activity patterns and studying behavior (for pre-recorded courses and professional training programs).

# 3.12.4 Other revenue

Other revenue mainly includes revenue from small space advertisement, non-advertising B2B big data services, implementation of software of data base and auxiliary services, receipt of registration fees and also revenue from the sale of hardware-software systems.

Hardware-software systems comprise a complex of technical services and software working together to perform one or more specialized tasks, the functional and technical characteristics of which are determined solely by the combination of software and hardware and cannot be implemented when they are separated.

Hardware-software systems consist of:

- Software (license) preinstalled while developing hardware-software systems;
- Hardware for software operation; and
- Hardware-software system service from the Group or from an integrator partner.

Hardware-software system is a complex of technical (server hardware) and software, the functional and technical characteristics of which are determined solely by the combination of software and hardware and cannot be implemented if they are separated. The transfer of control occurs at the moment of actual transfer of the hardware-software system to the buyer.

Revenue from the sale of hardware-software systems is recognized as simultaneously when ownership of the hardware-software systems passes to the buyer as part of other revenue from ordinary activities.

If a technical support certificate is sold, revenue is recognized over time in proportion to the validity period of the certificate.



# 3 Summary of significant accounting policies (continued)

### 3.13 Income taxes

#### **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in profit or loss.

### **Deferred income tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.14 Share-based payment transactions

Employees (including senior executives) of the Group and its associates (each of which a "share-based payment recipient"), may receive remuneration in the form of share-based payment transactions, whereby share-based payment recipients render services as consideration for equity instruments ("equity-settled transactions") or a cash equivalent thereof ("cash-settled share-based payments").

If the Group has a choice to settle share-based payments in cash or in equity, the entire transaction is treated either as cash-settled or as equity-settled, depending on whether or not the Group has a present obligation to settle in cash.

## 3.14.1 Equity-settled transactions

The cost of equity-settled transactions with share-based payment recipients for awards granted is measured by reference to the fair value of the awards at the date on which they are granted. The fair value is determined using an appropriate pricing model (binomial model, Black-Scholes model).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant share-based payment recipients become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income for a period recognised in profit or loss represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest based on estimated forfeiture rates or as actual forfeitures occur for groups of employee where we cannot make reliable estimates.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the share-based payment recipient as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the preceding paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 21).



# 3 Summary of significant accounting policies (continued)

# 3.14 Share-based payment transactions (continued)

## 3.14.2 Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model and the Black-Scholes model (further details of which are provided in Note 28). This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in *'Personnel expenses'* in the consolidated statement of comprehensive income.

## 3.14.3 Accounting for the change in form of settlement of share-based payments

As a result of modification of share-based payment awards from equity-settled to cash-settled the Group recognises a share-based payment expense which comprises as a minimum the following elements:

- The grant date fair value of the original equity-settled award; plus
- Any incremental fair value arising from the modification of that award; plus
- Any remeasurement of the liability between its fair value at modification date and the amount finally settled.

At the date of modification a liability is recognised based on the fair value of the cash-settled award as at that date and the extent to which the vesting period has expired.

The corresponding change is taken to equity only to the extent of the fair value of the original equity-settled award as at the date of modification. Any incremental fair value of the cash-settled award over the equity-settled award as at the modification date is expensed immediately on modification to the extent that the vesting period has expired. The remainder of any incremental value is expensed over the period from the date of modification to the date of settlement.

The total fair value of the cash-settled award is remeasured through profit or loss on an ongoing basis between the date of modification and the date of settlement.

## 3.15 Financial instruments

### 3.15.1 Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, financial assets through other comprehensive income or financial assets at amortised cost, as appropriate.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost as appropriate.

The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. At initial recognition, the Group measures trade receivables at their transaction price (as defined in IFRS 15) if the trade receivables do not contain a significant financing component in accordance with IFRS 15. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, directly attributable transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group's financial assets include cash and cash equivalents, short-term time deposits, trade and other receivables, financial investments in venture capital investees (as defined under 3.20), and derivative financial assets, mainly over equity instruments of the Group's investees. The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial liabilities, mainly over equity instruments of the Group's associates and subsidiaries. None of the derivative financial instruments held by the Group were designated as effective hedging instruments.



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# Notes to the Consolidated Financial Statements (continued)

#### 3 Summary of significant accounting policies (continued)

#### 3.15 **Financial instruments (continued)**

### 3.15.2 Subsequent measurement

The subsequent measurement of financial instruments depends on their classification. The Group classifies its financial assets and liabilities into the categories below in accordance with IFRS 9, as follows:

### 3.15.2.1 Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit and loss are carried in the consolidated statement of financial position at fair value. The changes in their fair value are recognised in the consolidated statement of comprehensive income under 'Net gain on financial assets and liabilities at fair value through profit or loss'.

### 3.15.2.2 Financial assets and liabilities at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

After initial recognition, interest bearing loans and borrowings and other financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in 'Finance expenses' in the consolidated statement of comprehensive income.

### 3.15.2.3 Contingent consideration

Contingent consideration recognised by the Group in a business combination to which IFRS 3 applies is subsequently measured at fair value with changes recognised in profit or loss under 'Net gain on financial assets and liabilities at fair value through profit or loss'.

Contingent consideration includes the liabilities shown in the consolidated statement of financial position under 'Other payables, accrued expenses and contingent consideration liabilities'.

## 3.15.3 Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group de-recognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

# 3.15.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



# 3 Summary of significant accounting policies (continued)

# 3.15 Financial instruments (continued)

### 3.15.5 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 24.

### 3.15.6 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables the Group applies a simplified approach in calculating ECLs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 3.15.6.1 Financial assets carried at amortised cost

For financial assets carried at amortised cost (loans and receivables), evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as a 'Bad debt expense' in 'Other operating expenses'. The allowance is estimated based on a combination of specific accounts and general ageing analysis.

Trade accounts receivable are recorded at the invoiced amount and are non-interest bearing. Credit is only granted to customers after a review of credit history.

# 3.16 Foreign currency translation

The consolidated financial statements are presented in RUB, which is the Group's presentation currency, and all values are rounded to the nearest million, except per share information and unless otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Group's Russian subsidiaries and associates as well as the Company itself is RUB.

Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the measurement currency rate of exchange ruling at the reporting date. All resulting differences are taken to the consolidated statement of comprehensive income and included in the determination of net profit as *'Net foreign exchange (losses)/gains'*. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction.

As at the reporting date, the assets and liabilities of the Company, its subsidiaries and joint venture with functional currencies other than the RUB are translated into the presentation currency of the Group (RUB) at the rate of exchange ruling at the reporting date and their operations are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income.

#### 3 Summary of significant accounting policies (continued)

#### 3.17 Impairment of non-financial assets and investments in equity accounted associates and joint ventures

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in earnings in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in earnings.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.18 Earnings per share

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The Group presents basic and diluted earnings per share ("EPS") data for its ordinary and Class A shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which may comprise share options granted to employees of the Group.

#### 3.19 **Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3.20 Financial investments in venture capital investees

Financial investments in venture capital investees, are the Group's investments in start-up Internet ventures and smaller Internet companies in Russia, Ukraine and Israel with ownership ranging from 1.5% to 50% and which gives the Group significant influence in some of these investments. They form the Group's venture capital portfolio and are monitored and managed exclusively on the basis of their fair values. The Group's involvement in the operating management of the investees is limited, and the possibility of the Group maintaining a specific financial investment in its investment portfolio in the long run is remote. Financial investments in such associates are carried in the consolidated statement of financial position at fair value even though the Group may exert significant influence over those companies. This treatment is permitted by IAS 28 Investments in Associates and Joint Ventures, which allows investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in consolidated statement of comprehensive income in the period of the change. Accounting policies of the Group with respect to financial investments in associates are discussed in more detail under Note 3.15 above as part of the Group's accounting policies with respect to financial assets.

#### 3 Summary of significant accounting policies (continued)

#### 3.21 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of comprehensive income.

In cases the Group ceases to classify the asset (or disposal group) as held for sale then the asset is measured at the lower of:

- Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale; and
- Its recoverable amount at the date of the subsequent decision not to sell.

The Group shows all the needed adjustments of the carrying amount of non-current asset which is no longer classified as held for sale in profit or loss from continuing activity in the period during which the criteria for asset classification as held for sale are no longer met. The consolidated financial statements should be adjusted accordingly for the periods from the moment of applying the asset classification (or disposal group) as held for sale.

#### 4 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the reporting dates and the reported amounts of revenues and expenses during the reporting periods. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### 4.1 **Judgments**

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

### 4.1.1 Investments in associates and joint ventures

The Company directly or indirectly owned up to 50% in certain of its investments. Based on its voting rights and restrictions in the respective governing documents, the Group made judgments about whether it has control or significant influence over these investments. Subsequently, these entities are either accounted for as subsidiaries (consolidated) or associates (accounted for under the equity method or as financial assets at fair value through profit or loss).

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

# 4 Significant accounting judgments, estimates and assumptions (continued)

## 4.1 Judgments (continued)

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within *'Impairment of equity accounted associates*' in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## 4.1.2 Consolidation of a structured entity

In November 2010, the Company established, as settlor, an employee benefit trust (the "Trust") under a Trust Deed dated November 11, 2010 ("Trust Deed"), the trustee of which is Mail.ru Employee Benefit Trustees Limited (the "Trustee"). The purpose of the Trust consists in holding trust funds for present and former employees and consultants and related persons long-term incentive plans.

## 4.1.3 Accounting treatment of share-based payments where the Group has a choice to settle in cash or equity

The Group has wide discretion over the manner of settlement of options issued and determines the accounting treatment of the options based on whether the Group has a present obligation to settle in cash. Specifically, any option holder granted an aggregate of 20,000 or more options was only allowed to exercise the respective portion options in the form of GDRs, while exercises by the optionees granted a smaller cumulative number of options can continue to be in GDRs or cash at the Group's discretion. The terms of the option plan and past exercise history make it reasonable to expect cash settlement of most of the smaller option exercises, even though the Group continues to have discretion over the way of option exercise settlement. Larger than cumulative 20,000 options per person continue to be accounted for as equity awards.

# 4.2 Estimates and assumptions

Significant estimates and assumptions reflected in the Group's consolidated financial statements include, but are not limited to the following:

- Revenue recognition;
- Fair value of financial instruments;
- Useful lives of intangible assets;
- Software development costs;
- Impairment of goodwill and other intangible assets;
- Fair value of assets and liabilities in business combinations; and
- Recoverability of deferred tax assets.

Actual results could materially differ from those estimates.

The key assumptions concerning the future events and other key sources of estimation uncertainty at the reporting date that have a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



# 4 Significant accounting judgments, estimates and assumptions (continued)

# 4.2 Estimates and assumptions (continued)

### 4.2.1 Revenue recognition

### EdTech

The pre-recorded courses and professional training programs are based on the pre-recorded content, which is available to a customer for unlimited period from the moment of getting access to the education platform and the purchased course or professional training program. Such courses and professional training programs do not include obligatory webinars, and customers have opportunity to study the materials in their own timeline.

The Group considers internally available historical data for the past 2 years to estimate the customers' period of studying. The Group analyzes the historical activity patterns of customers who purchased the pre-recorded courses and professional training programs. To assess the customers' period of studying for the pre-recorded courses and professional training programs, the Group calculates the length of the period starting from the date when the customer receives control of the education materials until the latest date the customer is active on the education platform, to arrive at the best estimate for period of studying. The Group applies stratified approach splitting the learners into strata by the period of studying based on the historical data. The Group recognizes revenue for each stratum rateably over the estimated period of studying.

### 4.2.2 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates and assumptions have to be made, and a degree of judgment has to be applied in establishing fair values. The judgments, estimates and assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The expected volatility in the pricing models used to measure the fair value of the derivative financial assets and liabilities is determined by reference to peer companies' historical volatility, as the issuers of the underlying equity instruments are not public. When determining risk-free rates to be used in the pricing models, regard is given to US Treasury bonds or Russian government bonds with maturities equal to the expected terms of the respective derivative financial instruments.

Detailed information on the fair values of the Group's financial instruments is available in Note 24.

### 4.2.3 Useful life of intangible assets

The Group estimates remaining useful lives of its intangible assets at least once a year at the reporting date. If the estimation differs from the previous estimations, the changes are accounted for in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.* These estimates may have a significant impact on the carrying value of intangible assets and amortisation, charged to earnings. The carrying value of intangible assets is disclosed in Note 7.

## 4.2.4 Software development costs

Software development costs are capitalised in accordance with the accounting policy described in Note 3.8.1 Initial capitalisation of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits (Note 7).

## 4.2.5 Impairment of goodwill and other intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from management forecast. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Notes 7 and 8.



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# Notes to the Consolidated Financial Statements (continued)

# 4 Significant accounting judgments, estimates and assumptions (continued)

# 4.2 Estimates and assumptions (continued)

### 4.2.6 Fair value of assets and liabilities in business combinations

At the acquisition date the Group recognises separately the identifiable assets, liabilities and contingent liabilities acquired or assumed in a business combination as well as contingent considerations at their fair values, which involves estimates. Such estimates are based on valuation methods that require considerable judgment in forecasting future cash flows and developing other assumptions.

### 4.2.7 Share-based payments

Management estimates the fair value of equity-settled stock options at the date of grant and the fair value of cash-settled options at each reporting date using the binominal, Black-Scholes models. The option pricing models were originally developed for use in estimating the fair value of traded options, which have different characteristics than the Group's stock options granted by the Company. The models are also sensitive to changes in the subjective assumptions, which can materially affect the fair value estimate. These subjective assumptions include expected volatility, dividend yield, risk-free interest and forfeiture rates.

### 4.2.8 Deferred taxes on undistributed earnings

Deferred tax is recognised based on estimated dividends distributions of Company's subsidiaries taking into account limitation of cash and cash equivalents available at the reporting date.

### 4.2.9 Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

## 4.2.10 Significant judgments in determining the rate for attracting additional borrowed funds

The Group obtained estimates of interest rates from banks and compared them to the interest swap rate for the currency of the lease agreement with a similar term, adjusted by the average credit spread for entities with a credit rating similar to the Group's. As of December 31, 2023, the rate was close to 10.8% for the weighted average lease term. The period for the discount rate is determined based on the weighted average lease period, which as of January 1, 2023 was 6.2 years. The discount rate applies to all leases.

## 5 Operating segments

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

In addition to IFRS-based disclosure, we have reported adjusted metrics, which are used in the management decision making process, with a clear transition between IFRS-based results and adjusted metrics to be provided, including within segmental disclosure.

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

Certain corporate expenses are considered non-allocated items: allocations now exclude services that are mostly related to general group issues, as well as expenses that cannot be tied to a particular business unit, such as Public Relations, Investor Relations, Government Relations, and certain other services. Comparative period numbers for each segment have also been restated in line with the current allocation approach for comparability purposes.

In order to bring segment disclosure closer to the current operating model, changes were implemented in the structure of the Company's segments. The "Social networks and content services" segment was renamed to "Social platforms and media content". Some business units including Mail and Cloud Mail.ru, VK Pay and VK ID, were transferred to the segment "Ecosystem services and other business lines". The segment "New business lines" was renamed to "Ecosystem services and other business lines", as included in the segment assets are aimed at meeting different audience needs. The allocation of expenses between segments was specified.

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# Notes to the Consolidated Financial Statements (continued)

# 5 Operating segments (continued)

The "Social platforms and media content" segment comprises services and products aimed at the development of social networks, creation and management of content. The segment includes social networks VKontakte and Odnoklassniki. Revenue is generated from commissions from application developers based on the respective applications' revenue, user payments for virtual gifts, stickers and music subscriptions, and the placement of online advertising. The segment also includes content platforms Zen, entertainment services VK Clips and VK Video. The main share of the revenue of these services is generated from online-advertising. This segment also includes such entertainment services as VK Music and VK Dating which mainly earn revenue for user payments. Also the segment "Social platforms and media content" also comprises "Sferum" developing within the project VK Messenger as a unite protected educational system for school children, teachers and parents.

The businesses within this segment have similar nature and economic characteristics as they are associated with social media, content and online communication services, offer products and services to similar customer groups, and regulated in a similar regulatory environment.

The "EdTech" segment includes the Group's online education platforms with educational courses and programs (including GeekBrains, Skillbox, Skillfactory, Uchi.ru and Tetrika). Almost all revenue is generated from individuals paying for education courses, as well as a small share of the B2B segment.

The "Technologies for business" segment is represented by VK Tech which includes cloud platforms and data management solutions, corporate communication services, tax monitoring platform, and other corporate software.

The "Ecosystem services and other business lines" segment includes Mail.ru, Cloud Mail.ru and products which were launched in 2022 and which are being constantly developed – application store for mobile devices RuStore and game platform VK Play. This segment is currently in an active investment stage.

The Group measures performance of its operating segments through a measure of earnings before interest, tax, depreciation and amortisation (adjusted EBITDA). Segment adjusted EBITDA is calculated as the respective segment's revenue less operating expenses (excluding depreciation and amortisation and impairment of intangible assets and share-based payments), including Group corporate expenses allocated to the respective segment.

Adjusted EBITDA is not a measure of financial performance under IFRS. The calculation of adjusted EBITDA by the Group may be different from the calculations of similarly labelled measures used by other companies, and it should therefore not be used to compare one company against another or as a substitute for analysis of the Group's operating results as reported under IFRS. Adjusted EBITDA is not a direct measure of the Group's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Group's financial commitments. Adjusted EBITDA may not be indicative of the Group's historical operating results, nor is it meant to be predictive of the Group's potential future results. The Group believes that adjusted EBITDA provides useful information to the users of the consolidated financial statements because it is an indicator of the strength and performance of the Group's ongoing business operations, including the Group's ability to fund discretionary spending such as capital expenditure, acquisitions and other investments and the Group's ability to incur and service debt.

The information about the breakdown of revenue from external customers by the customers' country of domicile and non-current assets by country is not available to the management of the Group, and it considers that the cost to develop such information would be excessive.

The statement of comprehensive income items for each segment for the year ended December 31, 2023, as presented to the CODM, are stated below :

Segments	Social platforms and media content	EdTech	Technologies for business	Ecosystem services and other business lines	Not allocated	Elimination of intragroup transactions	Group
Revenue	84,552	15,904	9,679	23,008	33	(406)	132,770
Total operating expenses	(77,062)	(15,728)	(7,044)	(26,547)	(7,410)	406	(133,385)
Adjustments Share-based payment transactions	_	_	_	_	1,110	_	1,110
Adjusted EBITDA	7,490	176	2,635	(3,539)	(6,267)	-	495

The statement of comprehensive income items for each segment for the year ended December 31, 2022, as presented to the CODM, are stated below (restated):

Segments	Social platforms and media content	EdTech	Technologies for business	Ecosystem services and other business lines	Not allocated	Elimination of intragroup transactions	Group
Revenue	62,502	11,222	5,778	18,989	31	(752)	97,770
Total operating expenses	(40,244)	(10,910)	(4,618)	(20,322)	(7,639)	752	(82,981)
Adjustments Share-based payment transactions	_	_	_	_	5,186	-	5,186
Adjusted EBITDA	22,258	312	1,160	(1,333)	(2,422)	-	19,975

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# 5 Operating segments (continued)

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Group adjusted EBITDA Share-based payment transactions Depreciation and amortisation Impairment of intangible assets Share of loss of equity accounted associates and joint ventures Finance income	495 (1,110) (23,714) – 684 10,288 (17,759)	19,975 (5,186) (18,113) (1,052) (16,994) 6,561
Depreciation and amortisation Impairment of intangible assets Share of loss of equity accounted associates and joint ventures	(23,714) - 684 10,288	(18,113) (1,052) (16,994) 6,561
Impairment of intangible assets Share of loss of equity accounted associates and joint ventures	- 684 10,288	(1,052) (16,994) 6,561
Share of loss of equity accounted associates and joint ventures	- 684 10,288	(16,994) 6,561
	10,288	6,561
Finance income		
	(17,759)	
Finance expenses		(12,379)
Recovery of reserves due to the expiration of the limitation period	906	-
Other non-operating gain	110	187
Goodwill impairment	-	(9,681)
Net loss on financial assets and liabilities at fair value through profit or loss	(1,838)	(10,486)
Profit from sale of subsidiaries	92	13
Impairment recovery of equity accounted associates	295	-
Impairment of equity accounted associates and joint ventures	-	(13,973)
Loss on remeasurement of assets held for sale	-	(283)
Gain on remeasurement of previously held interest in joint ventures and equity accounted associate	310	24,360
Loss on remeasurement of financial instruments	(4,584)	(123)
Expected credit loss allowance on restricted cash	(64)	(2,190)
Foreign exchange	1,681	9,867
Income tax expense	(83)	(3,149)
Net profit from discontinued operations	-	28,736
Net loss under IFRS	(34,291)	(3,910)
Effect of foreign exchange differences on translation of transactions of foreign joint ventures	_	1,002
Effect of foreign exchange differences on translation of transactions of foreign companies	3,509	(26)
Consolidated loss after income tax expense under IFRS	(30,782)	(2,934)

# 6 Lease contracts

# 6.1 The Group as a lessee

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the financial year ending December 31, 2023 and December 31, 2022:

	Right-of-use assets					
	Premises	Racks in data centers	Other	Total	Lease liability	
As at January 1, 2023	6,787	2,635	97	9,519	10,508	
Additions	2,478	4,519	466	7,463	5,645	
Depreciation charge	(1,871)	(2,044)	(107)	(4,022)	-	
Interest expense	-	_	_	_	958	
Payments	-	_	-	-	(4,721)	
Disposals	(1,726)	(926)	-	(2,652)	(2,737)	
As at December 31, 2023	5,668	4,184	456	10,308	9,653	

In 2023, lease liabilities payments of RUB 4,721 included payment of lease liability principal amount of RUB 3,763 and interest of RUB 958.

Disposals include the disposal of a right-of-use asset of RUB 674 and lease liabilities of RUB 727 as a result of the acquisition of CJSC Zinger (Note 6.2) and the decrease of the lease office spaces.

	Right-of-use assets							
	Premises	Racks in data centers	Other	Total	Lease liability			
As at January 1, 2022	12,027	2,801	15	14,843	15,448			
Additions	3,485	1,888	164	5,537	5,566			
Depreciation charge	(3,599)	(1,949)	(71)	(5,619)	-			
Interest expense	-	_	_	_	1,180			
Payments	-	-	-	-	(5,808)			
Disposals	(5,126)	(105)	(11)	(5,242)	(5,878)			
As at December 31, 2022	6,787	2,635	97	9,519	10,508			



# 6 Lease contracts (continued)

# 6.1 The Group as a lessee (continued)

In 2022, lease liabilities payments of RUB 5,808 include payment of lease liability principal amount of RUB 4,628 and interest of RUB 1,180.

Disposals include the disposal of a right-of-use asset of RUB 4,749 and lease liabilities of RUB 5,334 as a result of the acquisition of Linder JSC (Note 9.1), as well as the disposal of a right-of-use asset of RUB 226 and lease liabilities of RUB 241 as a result of the sale of subsidiaries (Note 13).

## 6.2 Group as a lessor

### Acquisition of CJSC Zinger

In May 2023, the Group acquired control under CJSC Zinger by purchasing a 100% stake for a cash consideration of RUB 2,500. CJSC Zinger owns long-term lease rights in the House of the company "Zinger" in St. Petersburg. Since 2010, it has been the headquarters of the VKontakte social network.

The main purpose of the purchase was to optimize the structure of the Group's lease payments, as well as to obtain additional income from subleasing premises. In accordance with IFRS 3 *Business Combination*, this acquisition is an acquisition of an asset.

As a result of the acquisition of CJSC Zinger, the Group acquired a long-term sublease agreement for part of the premises of the leased building and reviewed the terms of the sublease. The term of the sublease of the asset (until 2047) corresponds to the expected lease term of the underlying asset (until 2048). In accordance with IFRS 16 *Leases* this agreement is classified as a "Finance Lease".

The Group also recognized right-of-use assets in the amount of RUB 1,571 and other assets in the amount of RUB 54. Other assets mainly include advances received in the amount of RUB 23 and cash in the amount of RUB 77 (included in cash flows from investing activities).

The Group also recognized a liability for additional tax risks in the amount of RUB 114 and an asset in the form of a right to claim tax risks in a similar amount due to the existence of a seller's guarantee to indemnify claims.

The breakdown of components of the net investment in the lease and future cash flows as at December 31, 2023, are presented below:

#### Components of the net investment in the lease

	December 31, 2023
Future lease payments	3,082
Expected carrying amount on disposal	-
Less: unearned financial income	(2,190)
Net investment in the lease	892

Future cash flows

	December 31, 2023
During 2023	-
During 2024	64
During 2025	67
During 2026	71
During 2027	76
After 2027	2,804
Total undiscounted cash flows	3,082
Less: unearned financial income	(2,190)
Net investment in the lease	892

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# 7 Intangible assets

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	Goodwill	Trademark	Customer base	Game software and software development costs	Other software, licenses and other	Video content	Total
Cost							
At 1 January 1, 2022	149,844	15,986	21,857	18.675	19,836	_	226,198
Additions	_			1,847	5,731	_	7,578
Disposals	_	_	_	(3,967)	(997)	_	(4,964)
Reclassification to assets held for				(-,,	(***)		( ,, ,
sale	_	_	_	_	(271)	_	(271)
Additions due to acquisition of					()		()
subsidiaries	33.830	1.849	5,475	_	6,125	_	47.279
Disposal due to sale of subsidiaries	(6,334)	(598)	-	(14,257)	(96)	_	(21,285)
Translation adjustment	(0,004)	(313)	_	(1,930)	(664)	_	(2,907)
		(010)		(1,700)	(004)		(2,707)
At December 31, 2022	177,340	16,924	27,332	368	29,664	-	251,628
Additions	_	2	-	_	11,020	2,155	13,177
Disposals	-	(89)	-	(118)	(4,223)	-	(4,430)
Additions due to acquisition of							
subsidiaries	9,417	1,630	1,873	-	2,811	-	15,731
Disposal due to sale of subsidiaries	_	_	_	-	(42)	-	(42)
Translation adjustment	-	22	-	99	408	_	529
At December 31, 2023	186,757	18,489	29,205	349	39,638	2,155	276,593
Accumulated amortisation and impairment							
At January 1, 2022	(11,430)	(11,937)	(18,927)	(12,994)	(14,172)	-	(69,460)
Charge for the year	_	(1,141)	(1,391)	(976)	(4,799)	-	(8,307)
Disposals	-	_	-	3,963	962	-	4,925
Disposal due to sale of subsidiaries	-	220	-	9,273	235	-	9,728
Impairment	(9,681)	(120)	_	· _	(932)	_	(10,733)
Translation adjustment	_	108	-	449	140	_	697
At December 31, 2022	(21,111)	(12,870)	(20,318)	(285)	(18,566)	_	(73,150)
Charge for the year		(1,423)	(1,812)	(187)	(7,447)	(487)	(11,356)
Disposals		74	(1,012)	123	4.080	(407)	4,277
Disposal due to sale of subsidiaries	_	/4	_	125	4,080		4,277
Translation adjustment	-	(20)	-	_	(189)	-	(209)
	_	(20)	-	_	(109)	_	(209)
At December 31, 2023	(21,111)	(14,239)	(22,130)	(349)	(22,101)	(487)	(80,417)
Net book value							
At January 1, 2022	138,414	4,049	2,930	5,681	5,664	-	156,738
At December 31, 2022	156,229	4,054	7,014	83	11,098	-	178,478

# 7.1 Analysis of indicators of impairment of other intangible assets

The Group conducted an impairment test on other intangible assets as part of its testing of CGUs disclosed in Notes 7 and 8. For other CGUs, the Group did not identify any indicators of impairment.

# 7.2 Impairment of intangible assets

For the year ended December 31, 2023, the Group did not recognize any impairment of intangible assets.

In 2022, given the significant economic uncertainty in terms of market prospects on cloud gaming markets, as well as the expected increase in operating expenses related to the further development of the project, in particular the cost of servers, the Group recognised an impairment charge of RUB 906 against intangible assets related to Playkey cloud gaming.

In 2022, given the significant economic uncertainty, the Group recognised an impairment charge of RUB 43 against intangible assets related to the CGU Native Roll.

# 8 Goodwill

The table below shows movements in goodwill per groups of CGUs, corresponding to the Group's operating segments for each of the years ended December 31, 2023 and 2022:

Group of CGU's	Cost at January 1, 2022 (restated)	Disposal	Addition	Impairment	Cost at December 31, 2022 (restated)	Addition	Impairment	Cost at December 31, 2023
Vkontakte	98,272	_	4,616	_	102,888	300	_	103,188
Zen.Platform	-	-	28,584	-	28,584	-	-	28,584
Social Networks	20,989	-	630	-	21,619	-	-	21,619
Uchi.ru	-	-	-	-	-	4,476	-	4,476
YClients	-	-	-	-	-	3,292	-	3,292
Skillbox	2,008	-	-	-	2,008	-	-	2,008
Skillfactory	1,754	-	-	(636)	1,118	-	-	1,118
Tetrika	-	-	-	-	-	995	-	995
VK Art Lab	-	-	-	-	-	192	-	192
Skillbox English	-	-	-	-	-	162	-	162
Cube	12	-	-	-	12	-	-	12
Email, Portal and IM	4,258	-	-	(4,258)	-	-	-	-
Online Games	1,952	(1,952)	-	-	-	-	-	-
33 Slona	1,720	-	-	(1,720)	-	-	-	-
Pixonic	1,592	(1,592)	-	-	-	-	-	-
Worki	1,565	-	-	(1,565)	-	-	-	-
Deus Craft	840	(840)	-	-	-	-	-	-
Panzerdog	625	(625)	-	-	-	-	-	-
Ingame	592	(592)	-	-	-	-	-	-
Native roll	425	_	-	(425)	-	-	-	-
Relap	261	-	-	(261)	-	-	-	-
Bit Games	210	(210)	-	-	-	-	-	-
E-commerce	149	-	-	(149)	-	-	-	-
Swag Masha	130	(130)	-	-	-	-	-	-
Mamboo games	393	(393)	-	-	-	-	-	-
Mentorama	667	-	-	(667)	-	-	-	-
Total	138,414	(6,334)	33,830	(9,681)	156,229	9,417	-	165,646

During the year ended December 31, 2023, the Group recognised goodwill in the amount of RUB 9,417, including Didenok Star LLC (2022: RUB 33,830 including Medium Quality Production LLC) as a result of business combination (Note 12).

In 2023, the amount of cash paid for the acquisition of subsidiaries net of cash received was RUB 6,747 (2022: cash paid net of cash received was RUB 3,302) (Note 12).

During the year ended December 31, 2023, the Group did not recognise any disposal or impairment of goodwill. During the year ended December 31, 2022, the Group recognised recognised the disposal of goodwill of RUB 6,334 as a result of the sale of a subsidiary of MY.GAMES HOLDINGS LTD (Cyprus) (Note 13) and goodwill impairment of RUB 9,681.

The recoverable amount of goodwill has been determined based on value-in-use calculations as of October 1, 2023 and October 1, 2022.

Due to the full implementation of the subsidiary United Media Agency LLC in the VKontakte and Social Networks CGUs, the goodwill related to the UMA of CGUs was allocated between the VKontakte and Social Networks CGUs. Also due to the full implementation of the subsidiary Geekbrains LLC in the Skillbox CGUs, the goodwill related to the Geekbrains CGUs was allocated between the Skillbox CGUs.

In 1Q 2023, in accordance with the signed agreements with the seller, the Group adjusted the cash consideration for the acquisition of one of the subsidiaries, control of which was acquired in 4Q 2022. The consolidated statement of financial position was therefore adjusted for the lines "Other current assets" and "Goodwill".

# 8 Goodwill (continued)

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# 8.1 Impairment testing of goodwill

At October 1, 2023, value in use was determined using cash flow projections from financial budgets and forecasts approved by senior management covering a five-year period.

The major assumptions used in the DCF models at October 1, 2023 are presented below:

	Vkontakte	Zen.Platform	Social Networks	Skillbox	Skillfactory	Uchi.ru	YClients
Terminal growth rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Pre-tax discount rate	20.4%	20.6%	20.6%	22.5%	22.7%	22.0%	23.9%

The major assumptions used in the DCF models at October 1, 2022 are presented below:

	Vkontakte	Zen.Platform	Social Networks	Skillbox	Skillfactory	Geekbrains
Terminal growth rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Pre-tax discount rate	19.6%	19.7%	20.2%	25.2%	25.1%	25.8%

Determining value in use requires the exercise of significant judgment, including judgment about appropriate discount rates, terminal growth rates, the amount and timing of expected future cash flows. The cash flows employed in the DCF analysis are based on the Group's most recent budget and, for years beyond the budget, the Group's estimates, which are based on assumed growth rates. The discount rates used in the DCF analysis are intended to reflect the risks inherent in the future cash flows of the respective cash generating units.

# 8.2 Impairment of goodwill

During the year ended December 31, 2023, the Group did not recognise impairment of goodwill.

In 1Q 2022, given the challenging market environment caused by the current geopolitical situation and related sanctions, as well as the related uncertainty in particular, the Group concluded that these circumstances might significantly and adversely affect the advertising and accordingly, the Group revised its advertising revenue projections downwards. Additionally, the significant increase in market interest rates has been reflected in the discount rates used by the Group in discounted cash flow models.

As a result, the Group has recognised impairment of goodwill for a number of CGUs. The breakdown of the impairment charge recognised by the Group for the year ended December 31, 2022 against goodwill and the major assumptions are presented below:

Group of CGU's	Discount rate, %	Revenue growth, %	Impairment charge, RUB
Email, Portal and IM	23.4%-15.5%	5%	4,258
Relap	23.4%-15.5%	5%	261
E-commerce	24.0%	5%	149
33 Slona	24.0%	5%	1,720
Worki	24.0%	5%	1,565
Skillfactory	24.9%-17.0%	5%	636
Native roll	17.5%	5%	425
Mentorama	40%	5%	667
Total			9,681

# 9 Property and equipment

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	Servers and computers	Leasehold improvements	Furniture and office equipment	Assets under construction	Other property and equipment	Total
Cost						
At January 1, 2022	27,409	1,505	764	4,644	1,964	36,286
Additions	129	-	15,069	15,292	5	30,495
Reclassification	5,620	746	98	(6,960)	496	-
Disposals	(1,307)	-	2	(2)	(10)	(1,317)
Additions due to acquisition of subsidiaries	48	-	8	-	33	89
Disposal due to sale of subsidiaries	(547)	(201)	(44)	(170)	(57)	(1,019)
Translation adjustment	(218)	-	(6)	(32)	(15)	(271)
At December 31, 2022	31,134	2,050	15,891	12,772	2,416	64,263
Additions	14	-	240	19,988	28	20,270
Reclassification	15,331	303	166	(16,457)	657	-
Disposals	(1,415)	(7)	(47)	(64)	(299)	(1,832)
Additions due to acquisition of subsidiaries	94	-	-	-	2	96
Disposal due to sale of subsidiaries	(4)	-	-	-	(1)	(5)
Translation adjustment	69	-	7	-	-	76
At December 31, 2023	45,223	2,346	16,257	16,239	2,803	82,868
Accumulated depreciation and impairment						
At January 1, 2022	(18,563)	(465)	(414)	-	(1,046)	(20,488)
Charge for the year	(5,316)	(480)	(106)	-	(231)	(6,133)
Disposals	800	_	(3)	_	3	800
Additions due to acquisition of subsidiaries	(26)	-	-	-	(4)	(30)
Disposal due to sale of subsidiaries	451	130	24	-	41	646
Translation adjustment	176	-	7	-	9	192
At December 31, 2022	(22,478)	(815)	(492)	-	(1,228)	(25,013)
Charge for the year	(6,554)	(921)	(113)	_	(748)	(8,336)
Disposals	1,239	7	92	-	285	1,623
Additions due to acquisition of subsidiaries	(31)	-	-	-	(1)	(32)
Disposal due to sale of subsidiaries	2	-	-	-	-	2
Translation adjustment	(17)	-	(6)	-	-	(23)
At December 31, 2023	(27,839)	(1,729)	(519)	-	(1,692)	(31,779)
Net book value						
At January 1, 2022	8,846	1,040	350	4,644	918	15,798
At December 31, 2022	8,656	1,235	15,399	12,772	1,188	39,250
At December 31, 2023	17,384	617	15,738	16,239	1,111	51,089

As of December 31, 2023, property and equipment with a carrying value of RUB 14,957 (as of December 31, 2022: RUB 15,474) were pledged under loan agreements.

# 9.1 Acquisition of Linder JSC

In Q4 2022, the Group acquired control of Linder JSC by purchasing 100% of shares for a cash consideration of RUB 3,492. The amount of cash consideration was determined taking into account the debt of Linder JSC to the Group and third parties. The main purpose of the purchase is to acquire real estate, which is owned through a 100% share of Linder JSC in Achill LLC.

In accordance with IFRS 3 *Business Combinations*, the Group performed a concentration test and concluded that this acquisition constitutes an acquisition of an asset.

# 9.2 Analysis of indicators of impairment of property and equipment

The Group conducted an impairment test for property and equipment as part of its testing of CGUs disclosed in Note 8. The Group did not identify any indicators of impairment for other CGUs.



#### **Consolidated subsidiaries** 10

These consolidated financial statements include the assets, liabilities and financial results of the Company and its subsidiaries, whose main activity is providing Russian-language Internet services. The significant subsidiaries as at December 31, 2023 and 2022 are listed below:

		Ownersh	ip, %
Subsidiary	Main activity	December 31, 2023	December 31, 2022
VK Company LLC (renamed from Mail.Ru Group LLC)			
(Russia)	Holding entity	100.0%	100.0%
VK LLC (renamed from Mail.Ru LLC) (Russia)	Online portal services, development and		
	support of online games, social network	100.0%	100.0%
International Company LLC VK MGL Limited (renamed			
from MGL MY.COM (CYPRUS) LIMITED) (Cyprus)	Support of online games	100.0%	100.0%
Data Centre M100 LLC (Russia)	Hosting services	100.0%	100.0%
V kontakte LLC (Russia)	Social network	100.0%	100.0%
Skillbox LLC (Russia)	Education technologies	55.28%	56.25%
GeekBrains LLC (Russia)	Education technologies	55.28%	56.25%
Skillfactory LLC (Russia)	Education technologies	55.28%	35.87%
Uchi.ru LLC (Russia)	Education technologies	100.0%	-
Preprep.ru LLC (Russia)	Education technologies	85.97%	-
Zen.Platform LLC (Russia)	Social network, Online advertising	100.0%	100.0%
Medium Quality Production LLC (Russia)*	Media content production	51.0%	51.0%
Invite LLC (Russia)	Online advertising	100.0%	100.0%
ITR LLC (Russia)	Holding entity	100.0%	100.0%
YClients LLC (Russia)	CRM-system for automation of B2C		
	business operation	100.0%	-
* TO			

The Group consolidates 100% of MQP LLC on the totality of contractual relations. \*

The ownership percentages above represent the Company's effective indirect ownership in each subsidiary.

#### 11 Investments in equity accounted associates and joint ventures

The Group has investments in associates and joint ventures operating popular Internet websites and providing various services over the Internet. Investments in equity accounted associates and joint ventures as of December 31, 2023 and December 31, 2022 comprised the following:

		Voting	shares	Carryin	g value
	Main activity	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Joint ventures					
Aliexpress Russia Holding Pte. Ltd.	E-commerce platform	18%	18%	-	-
Tetrika (Russia)	Educational portal	-	60.67%	-	317
Associates					
Tochka JSC (Russia)	All-in-one services for small and medium-				
	sized entrepreneurship	25%	-	12,178	-
Uchi.ru LLC (Russia)	Educational portal	-	25%	-	2,950
Umskul LLC	Educational portal	25%	25%	1,076	959
Haslop Company Limited (Cyprus) and Russian subsidiaries	Provides content for www.love.mail.ru, one of the key services of the portal				
(collectively, "Mamba" JSC)	www.mail.ru managed by the Group	28.35%	28.35%	602	230
Other				53	129
Total				13,909	4,585

The above mentioned entities have the same reporting date as the Company. None of the entities were listed on a public exchange as of December 31, 2023.

# 11 Investments in equity accounted associates and joint ventures (continued)

Movement in investments in equity accounted associates and joint ventures for the years ended December 31, 2023 and December 31, 2022 is presented below:

	2023	2022
Investments in equity accounted associates and joint ventures as of January 1	4,585	48,921
Share in net loss of equity accounted associates and joint ventures	684	(16,994)
Gain of control over associates and joint ventures	(3,481)	_
Acquisition of shares in equity accounted associates	11,625	513
Gain on remeasurement of previously held interest in joint venture	310	24,360
Dividends received from equity accounted associates	(109)	(76)
Impairment recovery of associates and joint ventures	295	-
Impairment of equity accounted associates and joint ventures	_	(13,973)
Additional contribution to equity accounted joint ventures	_	2,701
Loans converted to the share capital of joint venture	_	5,888
Disposal of shares in equity accounted associates	_	(380)
Disposal of equity accounted joint venture	_	(47,377)
Foreign currency translation effect relating to joint venture	-	1,002
Investments in equity accounted associates and joint ventures as of December 31	13,909	4,585

In 4Q 2023, the Group acquired 25% shares of Tochka JSC (Note 12.8) for a cash consideration in the amount of RUB 11,625. In accordance with IAS 28, the Group accounts for the investment in Tochka JSC as an investment in equity accounted associates.

In 2023, the Group gained control over its associate Uchi.ru LLC (Note 12.1) and over joint venture Preprep.ru LLC (Note 12.5).

In 2022, the Group additionally contributed RUB 2,600 and converted loans receivable of RUB 5,858 and interest receivable of RUB 30 into the share capital of O2O JV. The Group's share in the JV remained unchanged as another investor also converted its loans receivable from the JV and contributed to the share capital for the same amount.

In 2022, the Group sold its stake in O2O Holding (JV) to another investor of this JV.

In 2022, the Group received the put notices from the holders of the put options in respect of its 10% of shares in Umschool LLC. In September 2022, the option agreement was cancelled by agreement of the parties. The Group's share in the Umschool remained unchanged.

In 2022, the Group acquired a 25% interest in Goodt LLC (hereinafter "GoodData") for a cash consideration of RUB 133. In accordance with IAS 28, the Group accounts for the investments in GoodData as an investments in equity accounted associates.

In 2022, the Group made additional contributions in the amount of RUB 101 in Digital Education (JV). The Group's share in the JV remained unchanged as another investor made additional contributions of the same amount.

## 11.1 Impairment of equity accounted joint ventures

In 2023, given significant changes having a positive impact in the market conditions and given the improvement of the economic performance of Mamba JSC, the Group recovered the previously recognized impairment in the amount of RUB 295.

In 2022, given the significant economic uncertainty particularly affecting on e-commerce markets, the Group recognised an impairment charge against AliExpress JV of RUB 9,866, including impairment of goodwill of RUB 4,468 that forms a part of the carrying value of the investments in AliExpress JV. As of December 31, 2022, the estimate has not changed.

In 2022, the management of O2O JV decided to discontinue operations related to Citymobil (Taxi services). Accordingly, the Group recognised an impairment charge of RUB 2,959 including impairment of goodwill of RUB 1,574 that forms a part of the carrying value of the investments in O2O JV.

In 2022, given the significant economic uncertainty, the Group recognised an impairment charge against Haslop Company Limited (Cyprus) and Uchi.ru LLC (Russia) equity accounted associates of RUB 295 and RUB 853, respectively.

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# Notes to the Consolidated Financial Statements (continued)

# 11 Investments in equity accounted associates and joint ventures (continued)

# 11.2 Tochka JSC

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	December 31, 2023	October 31, 2023
Current assets Non-current assets Current liabilities Non-current liabilities	312,832 21,029 (295,721) (4,069)	264,291 21,382 (249,827) (3,986)
Equity	34,071	31,860
Group's share in equity – 25% (as of December 31, 2022: 0%) Goodwill	8,518 3,660	7,965 3,660
Group's carrying amount of the investment	12,178	11,625

	November-December 2023	2022
Revenue	10,368	_
Cost of sales	(5,590)	-
Administrative and commercial expenses	(548)	-
Finance and other income/expenses	(1,063)	-
Profit before tax	3,167	-
Income tax expense	(956)	-
Profit for the year	2,211	-
Group's share of profit for the period	553	-

# 11.3 Umschool LLC

	December 31, 2023	December 31, 2022
Current assets	714	517
Non-current assets	224	334
Current liabilities	(1,895)	(2,219)
Non-current liabilities	(12)	(25)
Equity	(969)	(1,393)
Group's share in equity – 25%	(218)	(335)
Goodwill	1,294	1,294
Group's carrying amount of the investment	1,076	959
	2023	2022
Revenue	2,837	2,503
Cost of sales	(2,219)	(1,903)
Administrative and commercial expenses	(241)	(252)
Finance and other income/expenses	483	123
Profit before tax	860	471
Income tax expense	(3)	(2)
Profit for the year	857	469
Group's share of profit for the period	214	118

# 11 Investments in equity accounted associates and joint ventures (continued)

# 11.4 Uchi.ru LLC

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	December 31, 2023	December 31, 2022
Current assets	-	1,541
Non-current assets	-	4,061
Current liabilities	-	(1,686)
Non-current liabilities	-	-
Equity	-	3,916
Group's share in equity – 0% (as of December 31, 2022: 25%)	_	979
Goodwill	-	2,824
Impairment	-	(853)
Group's carrying amount of the investment	-	2,950
	2023	2022
Revenue	449	4,357
Cost of sales	(631)	(2,965)
Finance and other income/expenses	27	(1,667)
Loss before tax	(155)	(275)
Income tax expense	(1)	(8)
Loss for the year	(156)	(283)
Group's share of loss for the period	(39)	(71)

# 12 Business combinations and disposals

## 12.1 Uchi.ru LLC

In the 1 quarter of 2023, the Group acquired control over the online educational platform Uchi.ru LLC (hereinafter – "Uchi.ru") by increasing its shareholding to 100% (plus 75% to the 25% share as at December 31, 2022) in the equity of an associate accounted for a cash consideration of RUB 8,110. As a result of the acquisition, the written put option for a 75% stake in Uchi.ru became invalid, in accordance with IFRS 3, the fair value of this option is included in the consideration transferred.

If the Group acquired control of Uchi.ru on January 1, 2023, this would increase the consolidated revenue of the Group by RUB 449 and increase the consolidated net loss of the Group by RUB 156.

In 2023, the Group finalized the purchase price allocation of Uchi.ru LLC, which resulted in no change from provisional values.



#### 12 Business combinations and disposals (continued)

#### 12.1 Uchi.ru LLC (continued)

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

Right-of-use assets         Property and equipment         Other non-current assets         Trade accounts receivable and advances to suppliers         The right to claim compensation for tax risks         Other con-current assets         Cash and cash equivalents         Total assets         Other current assets         Tade accounts payable         VAT and other tax payables         Deferred revenue         Tax risks reserve         Deferred revenue         Tax risks reserve         Deferred tax liabilities         Othal net assets         Coodwill was calculated as the excess of:         (a)       The consideration transferred by the Group measured at fair value:         [1]       cash consideration         [2]       fair value of the previously owned stake at the acquisition date         [3]       fair value of the put option over acquisition of 75% interest at the acquisition date         [4]       The amount of non-controlling interest in Uch.ru LLC measured at the proportionate share of the identifiable net assets         Over:       Coerc         (c)       The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	Fair value
Property and equipment Other non-current assets Trade accounts receivable and advances to suppliers The right to claim compensation for tax risks Other current assets Cash and cash equivalents Total assets Cash and cash equivalents Total assets Cash and cash equivalents Total assets Cash and other tax payable VAT and other tax payables Deferred revenue Tax risks reserve Deferred tax liabilities Other payables, reserves and accrued expenses Total liabilities Total liabilities Codwill was calculated as the excess of: (a) The consideration [1] cash consideration [2] fair value of the previously owned stake at the acquisition date [3] fair value of the put option over acquisition of 75% interest at the acquisition date [4] Fair value of the put option over acquisition of 75% interest at the acquisition date [5] fair value of the put option over acquisition of 75% interest at the acquisition date [6] The consideration transferred (7) (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets Over: (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	4,120
Other non-current assets       Trade accounts receivable and advances to suppliers         The right to claim compensation for tax risks       Other current assets         Cash and cash equivalents       Cash and cash equivalents         Total assets       Cash and cash equivalents         Total assets       Cash and cash equivalents         Trade accounts payable       VAT and other tax payables         Deferred revenue       Tax risks reserve         Deferred tax liabilities       Other payables, reserves and accrued expenses         Total liabilities       3         Total net assets       2         Goodwill was calculated as the excess of:       3         (a) The consideration       Tax value of the previously owned stake at the acquisition date         [1] cash consideration       [2] fair value of the previously owned stake at the acquisition date         [3] fair value of the previously owned stake at the acquisition date       3         Fair value of the consideration transferred       7         (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       7	26
Trade accounts receivable and advances to suppliers         The right to claim compensation for tax risks         Other current assets         Cash and cash equivalents         Total assets         Total assets         OtAT and other tax payables         Deferred revenue         Tax risks reserve         Deferred revises         Other payables, reserves and accrued expenses         Total inabilities         Other payables, reserves and accrued expenses         Total net assets         Coodwill was calculated as the excess of:         (a)       The consideration         [1]       cash consideration         [2]       fair value of the previously owned stake at the acquisition date         [3]       fair value of the put option over acquisition of 75% interest at the acquisition date         [3]       fair value of the consideration transferred         7       fbi realue of the consideration transferred         7       (b)       The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets         Over:       (c)       The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	35
The right to claim compensation for tax risks Other current assets Cash and cash equivalents Total assets Cash and cash equivalents Cotal assets Cotal assets Cotal assets Cotal cash equivalents Cotal assets Cotal cash equivalents Cotal cash cash equivalents Cotal cash equiva	101
Other current assets       Cash and cash equivalents         Total assets       Cash and cash equivalents         Total assets       Cash and cash equivalents         Total assets       Cash and cash equivalents         Trade accounts payable       VAT and other tax payables         Deferred revenue       Tax risks reserve         Deferred tax liabilities       Cother payables, reserves and accrued expenses         Total net assets       Cash consideration transferred by the Group measured at fair value:         [1]       cash consideration         [2]       fair value of the previously owned stake at the acquisition date         [3]       fair value of the previously owned stake at the acquisition date         [3]       fair value of the consideration transferred         [4]       The consideration over acquisition of 75% interest at the acquisition date         [3]       fair value of the put option over acquisition of 75% interest at the acquisition date         [4]       The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets         Over:       Cover:         (c)       The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	85
Cash and cash equivalents       6         Total assets       6         Trade accounts payables       2         Deferred revenue       7         Tax isks reserve       2         Deferred tax liabilities       3         Other payables, reserves and accrued expenses       3         Total liabilities       3         Total net assets       3         Goodwill was calculated as the excess of:       3         (a) The consideration transferred by the Group measured at fair value:       1         [1] cash consideration       1         [2] fair value of the previously owned stake at the acquisition date       3         [3] fair value of the put option over acquisition of 75% interest at the acquisition date       7         (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       3         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       3	275
Total assets       6         Trade accounts payable       VAT and other tax payables         Deferred revenue       Tax risks reserve         Deferred tax liabilities       0         Other payables, reserves and accrued expenses       3         Total liabilities       3         Total net assets       3         Goodwill was calculated as the excess of:       3         (a) The consideration transferred by the Group measured at fair value:       1         [1] cash consideration       2         [2] fair value of the previously owned stake at the acquisition date       3         [3] fair value of the put option over acquisition of 75% interest at the acquisition date       4         [4] The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       2         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       7	7
Trade accounts payable       VAT and other tax payables         Deferred revenue       Tax risks reserve         Deferred tax liabilities       Other payables, reserves and accrued expenses         Total repayables, reserves and accrued expenses       3         Total net assets       3         Goodwill was calculated as the excess of:       3         (a) The consideration transferred by the Group measured at fair value:       1         [1] cash consideration       2         [2] fair value of the previously owned stake at the acquisition date       (a)         [3] fair value of the put option over acquisition of 75% interest at the acquisition date       (b)         The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       7	1,377
VAT and other tax payables Deferred revenue Tax risks reserve Deferred tax liabilities Other payables, reserves and accrued expenses Total liabilities Total net assets Goodwill was calculated as the excess of: (a) The consideration transferred by the Group measured at fair value: [1] cash consideration [2] fair value of the previously owned stake at the acquisition date [3] fair value of the previously owned stake at the acquisition date [3] fair value of the previously owned stake at the acquisition date [3] fair value of the consideration transferred 7 (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets Over: (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	6,026
Deferred revenue       Tax risks reserve         Deferred tax liabilities       Other payables, reserves and accrued expenses         Total liabilities       3         Total net assets       2         Goodwill was calculated as the excess of:       3         (a) The consideration transferred by the Group measured at fair value:       1         [1] cash consideration       2         [2] fair value of the previously owned stake at the acquisition date       3         [3] fair value of the put option over acquisition of 75% interest at the acquisition date       3         [4] The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       7	84
Tax risks reserve         Deferred tax liabilities         Other payables, reserves and accrued expenses         Total liabilities         Total net assets         Goodwill was calculated as the excess of:         (a) The consideration transferred by the Group measured at fair value:         [1] cash consideration         [2] fair value of the previously owned stake at the acquisition date         [3] fair value of the previously owned stake at the acquisition date         [3] fair value of the previously owned stake at the acquisition date         [4] Fair value of the consideration         [5] fair value of the previously owned stake at the acquisition date         [6] The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets         Over:         (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	54
Deferred tax liabilities         Other payables, reserves and accrued expenses         Total liabilities         Total net assets         Goodwill was calculated as the excess of:         (a) The consideration transferred by the Group measured at fair value:         [1] cash consideration         [2] fair value of the previously owned stake at the acquisition date         [3] fair value of the put option over acquisition of 75% interest at the acquisition date         [4] Fair value of the consideration transferred         [7] (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets         Over:         (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	1,351
Other payables, reserves and accrued expenses       3         Total liabilities       3         Total net assets       2         Goodwill was calculated as the excess of:       2         (a) The consideration transferred by the Group measured at fair value:       1         [1] cash consideration       2         [2] fair value of the previously owned stake at the acquisition date       3         [3] fair value of the put option over acquisition of 75% interest at the acquisition date       4         [4] The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       7	505
Total liabilities       3         Total net assets       2         Goodwill was calculated as the excess of:       2         (a) The consideration transferred by the Group measured at fair value:       [1] cash consideration         [2] fair value of the previously owned stake at the acquisition date       (a) The consideration transferred         [3] fair value of the previously owned stake at the acquisition date       (a) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	507
Total net assets       2         Goodwill was calculated as the excess of:       (a) The consideration transferred by the Group measured at fair value:       [1] cash consideration         [2] fair value of the previously owned stake at the acquisition date       [3] fair value of the put option over acquisition of 75% interest at the acquisition date       (c)         Fair value of the consideration transferred       7         (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         Over:       (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed       1	797
Goodwill was calculated as the excess of:         (a) The consideration transferred by the Group measured at fair value:         [1] cash consideration         [2] fair value of the previously owned stake at the acquisition date         [3] fair value of the put option over acquisition of 75% interest at the acquisition date         [3] Fair value of the consideration transferred         [4] (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets         Over:         (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	3,298
<ul> <li>(a) The consideration transferred by the Group measured at fair value: <ol> <li>cash consideration</li> <li>fair value of the previously owned stake at the acquisition date</li> <li>fair value of the put option over acquisition of 75% interest at the acquisition date</li> </ol> </li> <li>Fair value of the consideration transferred</li> <li>(a) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets</li> <li>Over:</li> <li>(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed</li> </ul>	2,728
<ul> <li>[1] cash consideration</li> <li>[2] fair value of the previously owned stake at the acquisition date</li> <li>[3] fair value of the put option over acquisition of 75% interest at the acquisition date</li> <li>(4)</li> <li>Fair value of the consideration transferred</li> <li>(5) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets</li> <li>Over:</li> <li>(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed</li> </ul>	
<ul> <li>[1] cash consideration</li> <li>[2] fair value of the previously owned stake at the acquisition date</li> <li>[3] fair value of the put option over acquisition of 75% interest at the acquisition date</li> <li>(4)</li> <li>Fair value of the consideration transferred</li> <li>(4)</li> <li>(5) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets</li> <li>Over:</li> <li>(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed</li> </ul>	
<ul> <li>[2] fair value of the previously owned stake at the acquisition date         <ul> <li>[3] fair value of the put option over acquisition of 75% interest at the acquisition date</li> <li>(a) fair value of the consideration transferred</li> <li>(b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets</li> </ul> </li> <li>Over:         <ul> <li>(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed</li> </ul> </li> </ul>	8,110
[3] fair value of the put option over acquisition of 75% interest at the acquisition date       (i)         Fair value of the consideration transferred       7         (b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets       7         Over:       (c)       The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	2,911
<ul> <li>(b) The amount of non-controlling interest in Uchi.ru LLC measured at the proportionate share of the identifiable net assets</li> <li>Over:</li> <li>(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed</li> </ul>	, (3,817)
assets Over: (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	7,204
assets Over: (c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	
(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	-
(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed	
	2.728
	,
Goodwill	4,476
Goodwill relates mainly to educational services and potential synergy with the Group's business. It is assumed that goodwill will not be deductible for income tax purposes.	;
Intangible assets are mainly represented by software, trademark and customer base and are amortised over 4-10 years.	

The right to claim compensation for tax risks is represented by the seller's obligation to partially compensate the Group for claims from tax authorities that may occur in the foreseeable future.

Cash paid (included in cash flows from investing activities)	(8,110)
Cash acquired (included in cash flows from investing activities)	1,377
Net cash flow on acquisition	(6,733)

Provisional fair value

# Notes to the Consolidated Financial Statements (continued)

#### 12 **Business combinations and disposals (continued)**

#### 12.2 **Didenok Star**

In the 1 quarter of 2023, the Group acquired control of the creative agency Didenok Star LLC. Didenok Star LLC specializes in influencer marketing and promotion in social networks.

Goodwill relates mainly to the Vkontakte and potential synergies with the Group's business (Note 8). It is assumed that goodwill will not be deductible for income tax purposes. At the date of acquisition Didenok Star LLC had no significant assets and liabilities.

## 12.3 Digital education

In the 1 quarter of 2023, the Group acquired control over the software developers of Digital Education LLC (hereinafter - "Sferum") by increasing its participation share to 99.41% (plus 49.41% to the 50% share as of December 31, 2022) in the equity accounted of the joint venture, by conversion of the issued interest-bearing loan into the authorized capital of Sferum in the amount of RUB 270 (RUB 250 the amount of the principal debt of the loan and RUB 20 accrued interest at the date of acquisition).

The group will continue to develop the Sferum as part of the VK Messenger project as a single technological environment for communication between schoolchildren, teachers and parents.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

		Provisional fair value
Prop Oth	ngible assets perty and equipment er current assets h and cash equivalents	172 18 30 68
Tot	al assets	288
Oth	er payables, reserves and accrued expenses	16
Tot	al liabilities	16
Tot	al net assets	272
Goo (a)	dwill was calculated as the excess of: The consideration transferred by the Group measured at fair value: [1] Fair value of the loan and accrued interests as of the date of acquisition	270
Fair	value of the consideration	270
(b)	The amount of non-controlling interest in Digital education measured at the proportionate share of the identifiable net assets	2
ove (c)	r The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured at final fair value	272
Goo	dwill	-
Inta	ngible assets are mainly represented by software and is amortized over 4 years.	
The	cash flows on acquisition were as follows:	
	h paid (included in cash flows from investing activities) h acquired (included in cash flows from investing activities)	- 68
Net	cash flow on acquisition	68

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# Notes to the Consolidated Financial Statements (continued)

# 12 Business combinations and disposals (continued)

# 12.4 VK Art Lab

In the 3 quarter of 2023, the Group gained control over VK Art Lab LLC (renamed from Nota-RTK LLC), acquired a 51% stake. The Group also signed options agreement to purchase the remaining 49% stake. In accordance with IFRS 10, the fair value of these options was accounted for deferred remuneration, and non-controlling interest was not recognised.

The main activity of VK Art Lab LLC is software development. The deal is aimed at the development of perspective products of the Group.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

	Provisional fair value
Property and equipment	1
Deferred tax assets	3
Cash and cash equivalents	69
Other current assets	8
Total assets	81
Trade accounts payable	5
VAT and other tax payables	9
Advances received	2
Other payables, reserves and accrued expenses	10
Total liabilities	26
Total net assets	55
Goodwill was calculated as the excess of:	
(a) The consideration transferred by the Group measured at fair value:	
[1] fair value of the put option over acquisition of 49% interest at the acquisition date	172
[2] the amount of actual settlement of pre-existing advance relations	75
Over:	
(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilit	ies assumed measured at
final fair value	55
Goodwill	192
Goodwill relates mainly to new business directions and potential synergies with the Group's bu deductible for income tax purposes.	siness. It is assumed that goodwill will not be
The cash flows on acquisition were as follows:	
Cash paid (included in cash flows from investing activities)	-

Cash paid (included in cash flows from investing activities) Cash acquired (included in cash flows from investing activities)	69
Net cash flow on acquisition	69

# 12 Business combinations and disposals (continued)

## 12.5 Tetrika LLC

In 3Q 2023, the Group gained control over Preprep.ru LLC (hereafter – Tetrika) by increasing its share from 60.67% to 85.97%.

The main product of Tetrika is an online-platform that allows children to study with tutors online. The deal is aimed at expanding the Group's presence on the online education market.

In 2023, the Group specified the price allocation of the acquisition of Tetrika, as a result, the fair value of net assets decreased by RUB 68, the net effect amount to the increase of goodwill by RUB 68. As at December 31, 2023, the Group did not finalise the purchase price allocation of Tetrika.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

	Provisional fair value
Intangible assets	644
The right to claim compensation for losses	112
Other non-current assets	18
Cash and cash equivalents	371
Other current assets	43
Total assets	1,188
Trade accounts payable	79
Deferred revenue	446
VAT and other tax payables	284
Other payables, reserves and accrued expenses	40
Total liabilities	849
Total net assets	339
Goodwill was calculated as the excess of:	
(a) The consideration transferred by the Group measured at fair value:	
[1] Fair value of the previously owned stake (60.67%) at the acquisition date	570
[2] Cash contribution to Tetrika (stake increase by 9.96%)	541
[3] Non-cash contribution in the form of net assets of the subsidiary "Uchi.doma" LLC to Tetrika (stake increase	
by 12.06%)	96
[4] Deferred cash consideration (stake increase by 3.28%)	70
Fair value of the consideration	1,277
(b) The amount of non-controlling interest in Tetrika LLC measured at the proportionate share of the identifiable	
net assets	57
over	
(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured at	
final fair value	339
Goodwill	995

Goodwill is mainly attributable to the educational services and potential synergy with the Group's business. Goodwill is not expected to be deductible for income tax purposes.

Intangible assets mainly include software, trademark and customer base and are amortised over the period of 3 to 5 years.

The right to claim compensation for losses is represented by the seller's obligation to partially compensate the Group for potential expenses that may occur in the foreseeable future.

Cash paid (included in cash flows from investing activities)	(541)
Cash acquired (included in cash flows from investing activities)	597
Net cash flow on acquisition	56



# 12 Business combinations and disposals (continued)

# 12.6 Skillbox English

In 3Q 2023, the Group obtained control over System KESPA LLC (hereafter – Skillbox English) by increasing its stake from 30.00% to 63.38%.

The main product of Skillbox English is a platform for conducting online English lessons. The deal is aimed at expanding the Group's presence on the online education market.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

	Provisional fair value
Intangible assets	70
Trade accounts receivable	7
Cash and cash equivalents	39
Other current assets	7
Total assets	123
Trade accounts payable	22
Deferred revenue	160
Loans and borrowings	62
VAT and other tax payables	7
Other payables, reserves and accrued expenses	13
Total liabilities	264
Total net assets	(141)
Goodwill was calculated as the excess of:	
(a) The consideration transferred by the Group measured at fair value:	
[1] Fair value of the previously owned stake (30%) at the acquisition date	35
[2] Cash consideration	38
Fair value of the consideration	73
(b) The amount of non-controlling interest in Skillbox measured at the proportionate share of the identifiable i	net assets (52)
over	
(c) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed mea	asured at
final fair value	(141)
Goodwill	162

Intangible assets mainly include software and content and are amortised over 3 years.

Cash paid (included in cash flows from investing activities)	(38)
Cash acquired (included in cash flows from investing activities)	39
Net cash flow on acquisition	1



#### 12 **Business combinations and disposals (continued)**

#### 12.7 **YClients LLC**

In 4Q 2023, the Group obtained control over VClients LLC (hereafter - VClients), having acquired a stake of 100%. VClients is the leading Russian SAAS-platform for B2C companies. The deal is aimed at the development of perspective services of the Group and the expansion of the customer base.

If the Group obtained control over YClients on January 1, 2023, it would increase the consolidated revenue by RUB 990 and increase the net loss by RUB 80.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

		Provisional fair value
Inta	ngible assets	1,550
	perty and equipment	10
•	it-of-use assets	45
	le accounts receivables and advances to suppliers	28
	h and cash equivalents er current assets	57 43
Oth		43
Tot	al assets	1,733
	le and other accounts payable	99
	erred revenue and advances received	603
	and other tax payables	17
	erred tax liabilities	237
Oth	er payables, reserves and accrues expenses	128
Tot	al liabilities	1,084
Tot	al net assets	649
God	dwill was calculated as the excess of:	
(a)	The consideration transferred by the Group measured at fair value:	
	[1] Cash consideration	2,737
	[2] Deferred consideration	1,204
Fair	value of the consideration	3,941
(b)	The amount of non-controlling interest in YClients measured at the proportionate share of the identifiable net assets	-
ove	r	
(c)	The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured at final fair value	649
<u> </u>	dwill	3,292

business directions and potential synergies with the Group's business. It is assumed that goodwill will not be es mainiy to new deductible for income tax purposes.

Intangible assets mainly include software, trademark and customer base and are amortised over the period of 4 to 5 years.

Cash paid (included in cash flows from investing activities) Cash acquired (included in cash flows from investing activities)	
Net cash flow on acquisition	57

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Provisional fair value

# Notes to the Consolidated Financial Statements (continued)

#### **Business combinations and disposals (continued)** 12

# 12.8 Tochka JSC

In 4Q 2023 the Group purchased 25% of shares of Tochka JSC (hereafter – Tochka) for a cash consideration in the amount of RUB 11,265. In accordance with IAS 28, the Group accounts for the investments in Tochka JSC as an investments in equity accounted associates.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as follows:

Goodwill	3,660
over (b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured at final fair value	7,965
Fair value of the consideration	11,625
Goodwill was calculated as the excess of: (a) The consideration transferred by the Group measured at fair value: [1] Cash consideration	11,625
Group's share in equity – 25%	7,965
Total net assets	31,860
Total liabilities	253,813
Other non-current liabilities Payables to customers, loans and borrowings Trade accounts payable Other payables, reserves and accrued expenses	174 242,972 1,823 5,032
Total assets Deferred tax liabilities	285,673 3,812
Intangible assets and property and equipment Deferred tax assets Other non-current assets Trade accounts receivable and advances to suppliers Other current assets Cash and cash equivalents and financial assets	20,507 567 308 1,197 4,157 258,937
	Provisional fair value

Goodwill in the amount of RUB 3,660 is included in the cost of investment in Tochka JSC.

Intangible assets are mainly represented by software and is amortised over 3 years.



# 12 Business combinations and disposals (continued)

## 12.9 Delivery Club

In 2022, the Group acquired control of Delivery Club LLC by purchasing 100% of the shares. At the date of acquisition of control, the Group estimated the probability of further sale of Delivery Club LLC as highly probable. Delivery Club LLC was classified as a "Disposal Group" (discontinued operation) in accordance with IFRS 5 as of the date of acquisition of control.

According to IFRS 5, if the disposal group is a newly acquired subsidiary, solely for the purpose of its further sale in the short term, that meets the criteria to be classified as held for sale on an immediate acquisition and, in respect of that acquisition, the fair value of the consideration transferred is greater than or equal to fair value of the net assets of the acquiree, then disclosure of the major classes of assets and liabilities is not required.

The fair value of the identifiable assets and liabilities of Delivery Club LLC as of the date of acquisition were as follows:

	Fair value
Assets held for sale	42,079
Liabilities directly associated with assets held for sale	(3,462)
Total identifiable net assets measured at fair value	38,617
The consideration transferred by the Group measured at fair value:	
[1] disposal of investment in O2O Holding (JV)	46,927
[2] cash consideration transferred to non-controlling shareholders	576
[3] loans conversion to the share capital of Delivery Club LLC, including accrued interest	1,477
[4] net-settlement payment	(10,363)
Fair value of the consideration transferred	38,617
The cash flows on acquisition were as follows:	
Cash paid (included in cash flows from investing activities)	(576)
Cash acquired (included in cash flows from investing activities)	1,489
Net cash flow on acquisition	913

#### 12 **Business combinations and disposals (continued)**

# 12.10 Zen.Platform

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In 2022, the Group completed the acquisition of the Zen and News content platforms from Yandex ("Zen.Platform"). At the same time, the Group sold to Yandex a 100% stake in the Delivery Club, a ready-to-eat and groceries delivery service, which it acquired from O2O Holding in September.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the acquisition date. Right-of-use assets were valued at an amount equal to the lease liability.

In 2023, the Group finalized the purchase price allocation of Zen. Platform, which resulted in the increase of the fair value of other current assets by RUB 222, the net effect amounted to the decrease of goodwill by RUB 222.

The fair value of the identifiable assets and liabilities of Zen.Platform LLC as of the date of acquisition were as follows:

	Fair value
Intangible assets	11,052
Property and equipment	21
Right-of-use assets	338
Deferred income tax assets	27
Prepaid expenses and advances to suppliers	74
Other current assets	309
Cash and cash equivalents	668
Total assets	12,489
Non-current lease liabilities	194
Trade accounts payable	41
Current lease liabilities	144
Deferred income tax liabilities	1,832
Other current liabilities	242
Total liabilities	2,453
Total identifiable net assets measured at fair value	10,036
Goodwill was calculated as the excess of:	
(a) The consideration transferred by the Group measured at fair value:	
[1] Fair value of the Group's disposed 100% of shares in Delivery Club LLC	38,620
Fair value of the consideration transferred	38,620
(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured	dat
final fair value	10,036
	28,584

Intangible assets are mainly represented by the authors' database, software and trademark, and are amortized over 8-11 years.

Cash paid (included in cash flows from investing activities)	(1,489)
Cash acquired (included in cash flows from investing activities)	668
Net cash flow on acquisition	(821)



#### 12 **Business combinations and disposals (continued)**

## 12.11 Foodplex, Interactive video technologies

In 2022, the Group acquired control of Foodplex LLC by purchasing 100% of shares and Interactive Video Technologies LLC by purchasing 80% of shares.

In 2023, the Group finalized the purchase price allocation of Foodplex LLC and Video Technologies LLC, which resulted in no change from provisional values.

# 12.12 Medium Quality Production (MQP)

In 4 quarter 2022, the Group acquired control of Medium Quality Production LLC ("MQP") by purchasing 51% of shares. The Group also signed a number of option agreements (received call options and written put options) to acquire the remaining 49% stake. In accordance with IFRS 10, the fair value of these options is recorded as deferred consideration and no non-controlling interest is recognised.

The main activity of MQP is the production of video content. The deal will allow the Group to strengthen its position in the video content market through exclusive shows and joint projects that will be produced specifically for VK Video platforms, VK Clips and other media resources of the Group.

In 2023, the Group finalized the purchase price allocation of MQP.

The fair value of the identifiable assets and liabilities of MQP as of the date of acquisition were as follows:

	Fair value
Intangible assets	2,081
Right-of-use assets	25
Property and equipment	18
Deferred income tax assets	2
Trade accounts receivable	153
Other current assets	66
Cash and cash equivalents	74
Total assets	2,419
Trade accounts payable	102
VAT and other taxes payable	93
Deferred income tax liabilities	244
Customer advances	758
Other payables, provisions and accrued expenses	167
Total liabilities	1,364
Total identifiable net assets measured at fair value	1,055

Goodwill relates mainly to the Vkontakte and Odnoklassniki social network and potential synergies with the Group's business. It is assumed that goodwill will not be deductible for income tax purposes.

Intangible assets are mainly represented by a trademark, software and video content, and are amortized over 1-5 years.

### 12.13 Invite

In 2022, the Group acquired control over a number of subsidiaries by acquiring from the parent company a 100% stake in Invite LLC (hereinafter "Invite"), a 75% stake in Invite License (hereinafter "Invite License"), as well as an 80% stake in Invite Music (hereinafter "Invite Music"), respectively, together making up a full-cycle creative agency specializing in influencer marketing and social media promotion for a total cash consideration of RUB 12.

According to IFRS 3 Business Combinations, all business combinations are ultimately controlled by the same party both before and after business combinations, and are accounted for by the Group as transactions under common control.

This acquisition did not have a material impact on the Group's financial position and operating results.



#### 13 Non-current assets held for sale and discontinued operations

#### 13.1 MY.GAMES (segment "Games")

In 2022, the Group signed a sale agreement and transferred control of its subsidiaries to MY.GAMES HOLDINGS LTD (Cyprus) and My.Games LLC on September 27, 2022 and December 12, 2022, respectively, for RUB 37,241.

The subsidiaries listed above belonged to the "Games" segment. In accordance with IFRS 5:

- MY.GAMES HOLDINGS LTD (Cyprus), My.Games LLC and their subsidiaries were classified as a "Disposal Group" (discontinued operations).
- Financial results related to the Disposal Group are presented separately in the consolidated statement of comprehensive income.
- Gain from the disposal of subsidiary is recognised in the consolidated statement of comprehensive income in the amount of the difference between:
  - The sale price of the subsidiary MY.GAMES HOLDINGS LTD (Cyprus) and My.Games LLC; and
  - Carrying amount of net assets and equity relating to MY.GAMES HOLDINGS LTD (Cyprus), My.Games LLC and its subsidiaries.

Breakdown of major classes from gain from the disposal of subsidiary:

Carrying amount of net assets relating to MY.GAMES HOLDINGS LTD (Cyprus), My.Games LLC and its subsidiaries	(11,781)
Non-controlling interests	1,663
Accumulated other comprehensive income, reclassified to profit or loss	7
Gain from the disposal of subsidiary	27.130

The effect of the disposal on cash and cash equivalents in 2022 is the amount of cash disposed of by the Segment.

#### Net cash flows from discontinued operations:

	2023	2022
Operating activities Discontinued operations	_	(253)
Net cash (used)/received from operating activities	-	(253)
Investment activities Discontinued operations	_	(2,497)
Net cash used in investing activities	-	(2,497)
Financial activities Discontinued operations Intragroup operations		_ (1,125)
Net cash used in financing activities	-	(1,125)
Net cash (outflow)/inflow from discontinued operations	-	(3,875)



#### 13 Non-current assets held for sale and discontinued operations (continued)

#### 13.1 MY.GAMES (segment "Games") (continued)

The financial results related to the Disposal Group (discontinued operations) are presented below:

	2023	2022*
Online advertising	-	3,039
MMO games	-	28,314
Community IVAS	-	448
Other revenue	-	454
Total revenue	-	32,255
Personnel expenses	-	(6,505)
Agent/partner fees	-	(7,941)
Marketing expenses	-	(11,395)
Server hosting expenses	-	(232)
Professional services	-	(207)
Other operating expenses	-	(768)
Total operating expenses, net	-	(27,048)
Depreciation and amortisation	-	(1,961)
Finance income	-	107
Finance expenses	-	(9)
Other non-operating gain	-	23
Net loss on financial assets and liabilities at fair value through profit or loss	-	(581)
Profit from sale of subsidiaries	-	27,130
Loss on remeasurement of financial instruments	-	(297)
Expected credit loss allowance on restricted cash	-	(1,285)
Foreign exchange	-	(476)
Profit before income tax expense from discontinued operations	-	27,858
Income tax expense	-	878
Net profit from discontinued operations	-	28,736

\* Income and expenses are recorded for the period from January 1, 2022 to the date of disposal of the respective subsidiaries of the Group

#### 13.2 Virtus.pro, EPICENTR (Cyprus), ESFORCE AGENCY, Foodplex, MGL Wallet

In 1Q 2023, the Group signed a number of sale agreements and transferred control of its subsidiaries: EPICENTR (Cyprus) Ltd., ESFORCE AGENCY Ltd. for a cash consideration of RUB 47.

The carrying amount of disposed net assets and equity amounted to RUB 14. As a result, the Group recognized a gain on the disposal of the subsidiary in the amount of RUB 61.

In 1Q 2023, the Group also signed a sale agreement and transferred control of a subsidiary Foodplex LLC for a cash consideration of 1 rouble. The carrying amount of disposed net assets and equity amounted to RUB 53. As a result, the Group recognized a loss on the disposal of the subsidiary in the amount of RUB 53.

In 4Q 2022, the Group also signed a binding agreement on the sale of its subsidiary MGL Wallet (Cyprus) Ltd for a cash consideration in the amount of EUR 1.2. The transfer of control over the entity depends on the conditions precedent, the fulfilment of which the Group expects in 3Q 2023. The carrying amount of disposed net assets and equity amounted to RUB 32. As a result, the Group recognized a gain on the disposal of the subsidiary in the amount of RUB 85.

In 4Q 2022, the Group signed a sale agreement and transferred control of the subsidiary to the organization Virtus.pro Ltd. for RUB 174. The carrying value of the disposed net assets and capital elements amounted to RUB 161. As a result, the Group recognized a gain on the disposal of the subsidiary in the amount of RUB 13.



#### 13 Non-current assets held for sale and discontinued operations (continued)

#### 13.2 Virtus.pro, EPICENTR (Cyprus), ESFORCE AGENCY, Foodplex, MGL Wallet (continued)

The breakdown of the significant classes of assets and liabilities held for sale as at December 31, 2023 and as at December 31, 2022 is following:

	December 31, 2023	December 31, 2022
Other non-current assets	-	5
Trade accounts receivable	-	43
Loans receivable	-	47
Prepaid income tax	-	4
Prepaid expenses and advances to suppliers	-	8
Other current assets	-	24
Cash and cash equivalents	-	161
Total assets held for sale	-	292
Trade accounts payable	_	(184)
VAT and other taxes payable	-	(2)
Deferred revenue and customer advances	-	(45)
Other payables and accrued expenses	-	(56)
Total liabilities directly associated with assets held for sale	-	(287)

### 14 Trade accounts receivable

As of December 31, 2023 and 2022 trade receivables comprised the following:

	December 31, 2023	December 31, 2022
Trade accounts receivable, gross	22,234	20,890
Other receivables (Note 13)	47,879	43,739
Allowance for expected credit losses	(5,938)	(357)
Total trade receivables, net	64,175	64,272

The movements in the allowance for expected credit losses of trade and other receivables were as follows:

Balance as of January 1, 2022	(882)
Charge for the year Disposal of provision due to sale of subsidiaries Accounts receivable written off	(89) 549 65
Balance as of December 31, 2022	(357)
Charge for the year Accounts receivable written off	(5,707) 126
Balance as of December 31, 2023	(5,938)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns and the likelihood of default over a given time horizon. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

In 2023, the Group created an allowance for expected credit losses for other receivables in the amount of RUB 4,207 due to the revision of a debt payment schedule.

Set out below is the information about the credit risk exposure on the Group's trade and other receivables as of December 31, 2023 and 2022 using a provision matrix:

		Trade accounts re	eceivable		
		Days past o	lue		
	<90 days	90-180	180-360	>360	Total
As of December 31, 2023					
Expected credit loss rate	0.03-3.35%	0.39-5.8%	0.95-7.01%	50%-100%	
Estimated total gross carrying amount					
at default	20,176	496	234	1,328	22,234
Expected credit loss	(6)	(4)	(3)	(885)	(898)



#### 14 Trade accounts receivable (continued)

		Trade accounts re	eceivable		
	Days pa		due		
	<90 days	90-180	180-360	>360	Total
As of December 31, 2022					
Expected credit loss rate	0.01-2.4%	0.45-6.25%	2.34-8.02%	9.68%-100%	
Estimated total gross carrying amount					
at default	18,425	670	1,296	499	20,890
Expected credit loss	(7)	(11)	(27)	(312)	(357)

The accounts receivable balances as of December 31, 2023 and 2022 mainly represented amounts due from online electronic payment systems and advertising customers.

The trade receivables are non-interest bearing and are generally settled in RUB on a 40-90 days basis. There is no requirement for collateral to receive credit.

Management considers that the carrying amount of the receivable balances approximated their fair value as of December 31, 2023 and 2022.

#### Cash and cash equivalents and short-term deposits 15

As of December 31, 2023 and 2022 cash and cash equivalents consisted of the following:

	Currency	December 31, 2023	December 31, 2022
Current accounts and cash on hand:	USD	89	262
	RUB	29,518	30,547
	EUR	56	317
	Other	295	90
Total current accounts and cash on hand		29,958	31,216
Deposit accounts with an original maturity of three months or less	RUB Other	21,201 135	17,543 _
Total deposit accounts with an original maturity of three months or less		21,336	17,543
Total cash and cash equivalents and short-term deposits		51,294	48,759

As at December 31, 2023, restricted cash amounted to RUB 1,982 (2022: RUB 1,513), the allowance for expected credit losses was formed in full. Balances are held by subsidiaries that operate in countries where exchange control apply.

#### 16 Other non-current assets, other payables, other current liabilities and accrued expense and other current assets

Other non-current assets consist of the following:

	December 31, 2023	December 31, 2022
Trade account receivable	-	1,694
Non-current net investments in lease (Note 6.2)	832	-
Loans issued	332	464
Total other non-current assets	1,164	2,158

Other payables and accrued expenses consist of the following:

	December 31, 2023	December 31, 2022
Payables to personnel	10,026	4,396
Accrued vacations	3,375	2,357
Contingent consideration liabilities (Note 24)	526	576
Liabilities of payment systems	1,002	1,945
Liabilities under the contract of assignment of debt*	-	984
Liabilities under cash pooling agreements	1,208	941
Deferred income on loan obligations (Note 24.3)	3,277	46
Accrued expenses	578	164
Liabilities for acquisition of interests in subsidiaries, associates and venture capital investees	3,174	266
Other current liabilities	582	135
Total other payables and accrued expenses	23,748	11,810



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## Notes to the Consolidated Financial Statements (continued)

#### Other non-current assets, other payables, other current liabilities and accrued expense and other 16 current assets (continued)

Other current assets consist of the following:

	December 31, 2023	December 31, 2022
Advances for single tax account	1,921	-
Other accounts receivable	176	98
Right of claim on compensation for losses (Note 12)	399	-
Advances for financial instruments	271	-
Current net investments in lease (Note 6.2)	60	-
VAT recoverable	-	2,493
Other taxes recoverable	-	630
Assets under a debt assignment agreement*	-	984
Buyout settlements	-	882
Total other current assets	2,827	5,087

In 1Q 2023, the corresponding assets and liabilities under the contract of assignment of debt were settled through netting.

#### 17 **Share capital**

#### Share capital and share issues 17.1

The charter capital of the Group consisted of 227,874,940 ordinary shares and 11,500,100 Class A shares with USD 0.000005 par value each as of December 31, 2023, while the number of authorised shares of the Company as of the same date consisted of 10,000,000,000 ordinary shares and 10,000,000,000 Class A shares. 13,238,213 shares of the Company were held in treasury by the Group as of December 31, 2023.

The charter capital of the Company consisted of 227,874,940 ordinary shares and 11,500,100 Class A shares with USD 0.000005 par value each as of December 31, 2022, while the number of authorised shares of the Company as of the same date consisted of 10,000,000,000 ordinary shares and 10,000,000,000 Class A shares. GDRs representing 13,238,213 shares of the Company were held in treasury by the Group as of December 31 2022

As of December 31, 2023 and 2022 all issued shares were fully paid.

#### Rights attached to the share classes as of December 31, 2023 and 2022

The Class A shares and the ordinary shares rank pari passu in all respects, but constitute separate classes of shares, i.e. each and every ordinary share and Class A share has the following rights:

- The right to an equal share in any dividend or other distribution paid by the Company to the holders of the shares, pari passu with all (i) other Class A shares and ordinary shares; and, for the avoidance of doubt, any dividend or other distribution may only be declared and paid by the Company to the holders of the Class A shares and the ordinary shares together, and not to the holders of one of those classes of shares only:
- (ii) The right to an equal share in the distribution of the surplus assets of the Company pari passu with all other ordinary shares and Class A shares upon the winding up of the Company.

Each Class A share has the right to twenty five votes and each ordinary share has the right to one vote at a meeting of members of the Company or on any resolution of members of the Company.

For additional details on the options over the shares of the Company outstanding as of December 31, 2023 and 2022, refer to Note 28.

#### Buyback and sale of own shares 17.2

In 4 quarter 2022, Prosus N.V., a shareholder of VK Company Limited (Note 1), withdrew from the shareholders by transferring shares free of charge to the Company. This transaction is accounted for as a buyback of own equity instruments for nil cash consideration.

The Company sold the received shares to Singularity Lab JSC, controlled by the Group's management, for RUB 24,895. The effect of this operation will be reflected in the consolidated financial statements as the actual repayment of receivables from Singularity Lab JSC.

. . . .

#### 17 Share capital (continued)

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#### 17.3 Non-controlling interests

	December 31, 2023	December 31, 2022
Skillbox LLC (Russia)	(1,345)	(1,063)
GeekBrains LLC (Russia)	(844)	(628)
Skillfactory LLC (Russia)	43	(122)
Other	(539)	(334)
Total	(2,685)	(2,147)

#### 18 Revenue

Contract balances comprise trade receivables presented as a separate line item in the consolidated statement of financial position. Contract liabilities comprise deferred revenue and customer advances presented as separate line items in the consolidated statement of financial position.

Detailed information on revenue from contracts with customers for the year ended December 31, 2023 is presented below in accordance with the requirements of IFRS 15:

Segments	Social platforms and media content	EdTech	Technologies for business	Ecosystem services and other business lines	Not allocated	Eliminations	Group
Timing of revenue recognition Services transferred at a point in time Services transferred over time	72,417 12,135	- 15,904	8,622 1,057	22,739 269	33	(406) _	103,405 29,365
Total revenue	84,552	15,904	9,679	23,008	33	(406)	132,770

Detailed information on revenue from contracts with customers for the year ended December 31, 2022 (restated) is presented below in accordance with the requirements of IFRS 15:

Segments	Social platforms and media content	EdTech	Technologies for business	Ecosystem services and other business lines	Not allocated	Eliminations	Group
Timing of revenue recognition Services transferred at a point in time Services transferred over time	51,989 10,513	_ 11,222	5,581 197	18,947 42	31 _	(752)	75,796 21,974
Total revenue	62,502	11,222	5,778	18,989	31	(752)	97,770

#### **19** Finance income and expenses

Finance income consists of:

	2023	2022
Deferred income on loan obligations	6,086	665
Interest on loans and deposits	4,095	800
Interest on financial lease	53	-
Modification of bond-secured loans	19	5,096
Dividends from venture capital investments	35	-
Total finance income	10,288	6,561
Finance expenses consist of:		
	2023	2022
Interest on loans and borrowings	15,797	10,833
Interest on lease liabilities	958	1,180
Bank charges and commissions	1,004	366
Total finance expenses	17,759	12,379

#### 20 Income tax

On July 14, 2022, Federal Law No. 321-FZ *On Amendments to Part Two of the Tax Code of the Russian Federation* ("the Law") was adopted, which expands the list of companies entitled to apply the tax benefits for IT companies. According to this law, the quantitative criterion for the share of IT revenue is reduced from 90% to 70%, which makes it possible to receive tax benefits. The new benefits come into effect for the periods from January 1, 2022 and are enforced until the end of 2024. IT benefits are fully applied by the companies of the Group that meet the criteria for their application, as of December 31, 2023.

On August 4, 2023, Federal Law No. 414-FZ On Windfall Tax was adopted. The Law establishes the procedure for determining and paying a one-off tax on excess (windfall) profits. The Law is effective from January 1, 2024.

According to the Law, Russian entities, permanent establishments of foreign entities and foreign entities that are deemed Russian tax residents (subject to a number of exceptions envisaged by the Law) shall file a windfall tax return with the tax authorities before January 25, 2024 and pay windfall tax calculated at a rate of 10% before January 28, 2024.

The tax base for windfall tax is determined as the amount by which the arithmetic mean of profits for 2021-2022 exceeds that for 2018-2019. The Law provides for a number of specific procedures for calculating the tax base, including specific procedures for companies that were members of a consolidated taxpayer group in those periods.

The Law also provides for the option of voluntarily making a "security payment" during the period from October 1 through November 30, 2023. The security payment will form a tax credit that the taxpayer can use to reduce the tax amount. The amount of such tax credit cannot exceed ½ of the amount of tax payable. The tax credit is assumed to be zero if the security payment is refunded (in full or in part) upon the taxpayer's claim.

The Group's management concluded that certain entities within the Group are liable to pay windfall tax. The Group has applied the option of reducing the tax amount by making an security payment. Therefore, in these consolidated financial statements, the Group recognized a windfall tax liability of RUB 104 within both current income tax expense and current tax liability.

The major components of income tax expense in the consolidated statement of comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Current income tax (benefit)/expense Deferred income tax expense/(benefit)	(405) 488	2,034 237
Total income tax expense/(benefit)	83	2,271

The reconciliation between theoretical income tax and the actual income tax for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Loss before income tax from continuing operations	(34,208)	(29,497)
Profit before income tax from discontinued operations	_	27,858
Loss before income tax	(34,208)	(1,639)
Theoretical tax at domestic rates applicable to individual group entities	(216)	5,971
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Non-deductible expenses	(645)	(2,808)
Non-taxable foreign exchange and other gains	2,326	1,998
Adjustments in respect of current income tax of previous period	6	(48)
Windfall tax	(104)	-
Tax accruals and penalties	232	(1,703)
Unrecognised deferred tax assets	(1,448)	(1,006)
Share of results of equity accounted associates and joint ventures	(1)	(3,320)
Expected credit loss on restricted cash	(16)	(494)
Goodwill impairment	-	(1,933)
Impairment of equity accounted joint ventures	-	(113)
Effect of applying tax benefits	(139)	(1,236)
Effect of profit from sale of subsidiaries	(15)	2,467
Other	(63)	(46)
Total income tax expense	(83)	(2,271)
Total income tax expense from continuing operations	(83)	(3,149)
Total income tax benefit from discontinued operations	_	878



#### 20 Income tax (continued)

Deferred income tax assets and liabilities as of December 31, 2023 and 2022 are summarised below:

	Consolidated statement	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	December 31, 2023	December 31, 2022	2023	2022	
Deferred tax liabilities arising from:					
Intangible assets book basis in excess of tax basis	(2,233)	(1,735)	643	1,791	
Property and equipment book basis in excess of tax basis	(448)	(396)	-	-	
Other	(100)	(10)	(100)	788	
Deferred tax liabilities netting	68	34	-	-	
Total deferred tax liabilities	(2,713)	(2,107)	543	2,579	
Deferred tax assets arising from:					
Tax credit carryforwards	70	401	(402)	(183)	
Deferred compensation and accrued employee benefits	155	149	(97)	(741)	
Accrued expenses	379	281	(684)	(242)	
Revenue recognition	9	9	(5)	(918)	
Unrealised intercompany profit	12	51	(30)	(10)	
Prepaid expenses	743	1,072	83	-	
Other	366	364	104	(722)	
Deferred tax assets netting	(68)	(34)	-	-	
Total deferred tax assets	1,666	2,293	(1,031)	(2,816)	
Net deferred tax assets	(1,047)	186	(488)	(237)	

The temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised, aggregate to RUB 73,680 (2022: RUB 91,874).

Deferred tax assets not recognized in the consolidated statement of financial position amounted to RUB 5,258 and RUB 3,777 as of December 31, 2023 and 2022.

Changes in net deferred tax assets/(liabilities) from January 1, 2022 to December 31, 2023 were as follows:

	2023	2022
Total deferred income tax assets, net at January 1	186	3,929
Deferred tax expense	(488)	(237)
Translation reserve	(2)	83
Effect of sale of subsidiaries (Note 13)	(2)	(1,495)
Effect of acquisition of subsidiaries (Note 12)	(741)	(2,094)
Total deferred income tax (liabilities)/assets, net at December 31	(1,047)	186

#### 21 **EPS**

#### 21.1 **Basic EPS**

Basic EPS amounts are calculated by dividing earnings/loss for the year attributable to equity holders of the parent by the weighted average number of ordinary and Class A shares outstanding during the year.

	2023	2022
Net loss attributable to equity holders of the Company	(33,716)	(3,144)
Weighted average number of ordinary and class A shares in issue and outstanding	226,150,707	226,146,782
Basic loss per share (RUB per share)	(149)	(14)

#### 21.2 Diluted EPS

Diluted EPS is calculated by adjusting the weighted average number of ordinary and Class A shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and RSUs granted by the Company (collectively forming the denominator for computing the diluted EPS).

#### 21 EPS (continued)

#### 21.2 Diluted EPS (continued)

For share options and RSUs, a calculation is done to determine the number of shares that would have been issued assuming the exercise of the share options and RSUs. The above number is added to the denominator as an issue of ordinary shares for no consideration. Net profit/loss attributable to equity holders of the parent (numerator) is adjusted for the charge that would arise if equity settlement took place.

The calculation of diluted EPS is summarised in the table below:

	2023	2022
Net loss attributable to equity holders of the Company Adjustment for the gains from cash settled option	(33,716) _	(3,144)
Adjusted net loss attributable to equity holders of the Company	(33,716)	(3,144)
Weighted average number of ordinary and class A shares in issue and outstanding Effect of equity-settled share based payments of the Company	226,150,707 _	226,146,782 5,809,355
Total diluted weighted average number of shares	226,150,707	231,956,137
Diluted EPS (RUB per share)	n/a	n/a

### 22 Commitments, contingencies and operating risks

#### 22.1 Operating environment of the Group

Most of the Group's operations are in Russia. Russia continues economic reforms and development of its legal, tax and regulatory frameworks.

Starting in February 2022, the European Union, the United States and a number of other countries introduced new sanctions against a number of Russian companies, individuals and certain sectors of the economy, blocking and freezing of assets, restrictions on interaction with the Russian financial sector, as well as export control mechanisms to limit receipts a wide range of goods and technologies in the Russian Federation. Some international companies announced the suspension of activities in Russia or the cessation of supplies of products to Russia. All this led to increased economic uncertainty and increased volatility in the stock, currency and consumer markets of the Russian Federation.

The Russian Federation also introduced temporary economic restrictive measures aimed at stabilizing the economy and financial system of the country, including a ban on a number of transactions with non-residents and settlements in US dollars and Euros, increasing the key rate of the Bank of Russia, etc. In the second half of 2023, the Bank of Russia raised the key rate from 7.5% to 16% in response to increased volatility in financial markets and rising inflation risks.

As far as the Company's management is aware, neither the Company nor any of its subsidiaries is directly subject to any sanctions announced to date by the US, UK or EU.

The Group continues to monitor the impact of changes in micro- and macroeconomic conditions on its operations and financial results, and regularly reviews its contingency plans. The Consolidated financial statements reflect management's assessment of the impact of the business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

#### 22.2 Taxation

Tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. These changes may be significant and affect the growth of the tax burden in the countries where the Group operates. In February 2023, The European Union decided to add Russia to its blacklist of non-cooperative jurisdictions on tax matters, which may lead to an increase in the tax burden in the countries of the Group's presence. The Group monitors regulatory changes in these countries and assesses the effect of the implementation of measures.

There is a risk of increasing tax liabilities due to unfavorable changes in tax legislation for the Group, ambiguous interpretation by regulatory authorities and challenging transactions and approaches that have not been challenged before. This may lead to additional taxes, fines, penalties, as well as regulations of the tax authorities, the impact of which on the financial statements of the Group may be significant. Tax audits may cover three calendar years of activity immediately preceding the year of the audit. Under certain conditions, earlier periods may also be subject to verification.

The Group estimates that the amount of possible risks associated with the above aspects, which are not required to be recognized in accordance with IFRS, may significantly exceed the amount of income tax, VAT and other taxes payable reflected in the consolidated statement of financial position at the reporting date. This assessment is provided in accordance with the IFRS requirement to disclose information about possible taxes and should not be considered as an assessment of the Group's future tax liability.



#### 22 Commitments, contingencies and operating risks (continued)

#### 22.2 Taxation (continued)

The Group estimates that the decrease of probable risks in the year ended December 31, 2023, associated with the above aspects in the amount of RUB 448 (for the year ended December 31, 2022: RUB 1,536), was stated in the line "Income tax expense" of the consolidated statement of comprehensive income.

#### 22.3 Legal proceedings

The Group has been and continues to be the subject of legal proceedings and adjudications from time to time, none of which has had, individually or in the aggregate, a material adverse impact on the Group. Management believes that the resolution of all current and potential legal matters will not have a material adverse impact on the Group's financial position or operating results.

#### 22.4 Data privacy

To become registered on a website operated by the Group, users have to input their personal data, which is then protected by the Group from access by third parties. Should such data become available to third parties as a result of hackers' attacks, the Group may become a party to litigation from its users. Management believes it takes all necessary steps to reduce the related risk to an acceptable level.

#### 22.5 Intellectual property rights

The Group may be subject to infringement claims from third parties in the future resulting from the technology and intellectual property used in the provision and marketing of its services. If the Group is found liable for infringement, it may be required to pay significant damages, and if it is unable to license or develop non-infringing technology on a timely basis, it may be unable to continue offering the affected services without risk of liability. Similarly, third parties may obtain and use the Group's intellectual property without authorisation. The validity, application, enforceability and scope of protection of intellectual property rights for many Internet-related activities are uncertain and still evolving, which may make it more difficult for the Group to protect its intellectual property and could have a material effect on its business, results of operations and financial condition. The Group has been subject to such proceedings. Although none of them was individually significant, similar potential claims may subject the Group to significant losses in the future, which currently cannot be reliably estimated.

#### 22.6 Development

Possible risks of opportunity to innovate, to provide popular products and services or to react quickly to changes in the market could affect the popularity of the Group's sites and, in turn, could affect the Group's revenue. Potential difficulties in developing competitive products and services which are compatible with new mobile devices could result in a failure to capture a significant share of an increasingly important market.

#### 22.7 Regulation

The Internet and its associated technologies are subject to government regulation. Substantial part of the Group's business is subject to Russian laws.

During 2023, the following laws came into force:

• Law On Amendments to the Federal Law On Protection of Competition ("Fifth Antimonopoly Package") in terms of improving antimonopoly regulation of "digital" markets.

The law establishes a ban for digital platforms on which transactions between sellers and buyers are made (marketplaces and aggregators of goods, if they have a significant impact on adjacent markets and their revenue for the last calendar year exceeds 2 billion roubles) from abuse of dominant position.

- Law On Amendments to the Code of Administrative Offenses of the Russian Federation in relation to owners of social networks, which are subject to liability in the form of fines for the following types of violations:
  - up to 1 million roubles for failure to fulfil obligations for the annual publication of reports, posting user documentation and informing users about changes to it, posting an electronic form for requests, as well as information about the owner of the social network and contact information (email);
  - up to 8 million roubles for failure to fulfil obligations to monitor and take measures to limit access to user documentation information;
  - up to 6 million roubles for failure to comply with the regulator's order to carry out monitoring.



#### 22 Commitments, contingencies and operating risks (continued)

#### 22.7 Regulation (continued)

- Law On Amendments to the Code of Administrative Offenses of the Russian Federation in relation to the owners of social networks, ABC, news aggregators and ad services:
  - up to 300 thousand roubles for failure to provide/untimely provision/provision of knowingly false data allowing to identify the owner of the service.
- Law On Amendments to the Code of Administrative Offenses of the Russian Federation in relation to MFCs, banks and other organizations that place biometrics in the EBS GIS:
  - up to 700 thousand roubles for processing personal data without the written consent of the subject, in cases where it is mandatory;
  - up to 1 million roubles for violation of the requirements for posting and updating biometric personal data in the Unified Biometric System.
- The Laws On Amendments to the Code of Administrative Offenses of the Russian Federation, which provide for:
  - Strengthening administrative liability for repeated violations related to manifestations of monopolistic activity in digital commodity markets;
  - The amount of fines for non-compliance with the decisions or instructions of the antimonopoly authorities is significantly increased up to RUB 1, but not more than 2% of the turnover.
- Law On Amendments to the Federal Law On Information, Information Technologies and Information Protection and the Law On Communications.

Owners of websites, information systems and computer programs operating on the territory of the Russian Federation are required to authorize Russian users in the following ways: by phone number, through the Unified Identification of Identification, through the EBS, as well as an information system owned by a citizen of the Russian Federation or a Russian company.

Hosting providers are required to notify Roskomnadzor about the start of work, comply with requirements for information protection and interaction with authorized bodies. The provision of hosting services is possible only after users have passed identification and (or) authentication in the prescribed manner.

• Law On Amendments to the Law On Information, Information Technologies and Information Protection (in terms of establishing the specifics of providing information using recommendation technologies).

The law establishes requirements for services that use recommendation systems, in particular, informing users about the use of recommendation technologies, posting the rules for operating recommendation technologies in the service, and others.

Roskomnadzor has the right to request from the owner of an information resource information related to the use of recommendation technologies, as well as the right to access the work of recommendation technology to assess compliance with established legal requirements.

The following bills are being considered in the State Duma of the Russian Federation:

- Bill *On Amendments to the Criminal Code of the Russian Federation.* The bill provides for criminal liability of up to 2 years of imprisonment for the knowingly illegal use (distribution) of leaked personal data, and up to 10 years of imprisonment for their use for mercenary motives associated with the movement of carriers of compromised personal data outside the Russian Federation.
- Draft law *On Amendments to the Federal Law On Personal Data.* The bill provides for the creation of a GIS, into which government agencies and commercial companies will be required to provide personal data in anonymized form. If it is impossible to anonymize them, personal data must be provided in collected (raw) form. In the future, such data, after depersonalization, is planned to be provided to government agencies and Russian companies developing AI.
- Bill *On Amendments to the Federal Law On Advertising.* According to the bill, advertising distributors are required to allocate at least 20% of the annual volume of advertising distributed to social advertising. Restrictions are being introduced on the display time of advertising in video games (in terms of duration, total duration and compliance of advertising with the age category of the game).
- Bills On Amendments to the Code of Administrative Offenses of the Russian Federation, which provide for:
  - establishment of differentiated fines for leakage of personal data (depending on the volume of leakage), up to 3% of the annual turnover of a legal entity;
  - increasing the existing liability for illegal processing of biometric personal data to 700 thousand roubles.

#### 22 Commitments, contingencies and operating risks (continued)

#### 22.8 Personnel

As competition in Russia's internet industry increases, the Group's business and operations could be adversely affected by difficulties in hiring, motivating and retaining highly-skilled people. Competition for senior managers is high. One or more could join a competitor, or set-up a competing company, with the result that operations and profitability could be affected by a loss of strategic direction, users, know-how and additional staff.

#### 22.9 Infrastructure and capacity

If the infrastructure in Russia were not able to support increased demand, the Group's services could be interrupted or the Group's systems damaged. A limited availability of third-party providers of network and server capacity could limit the Group's ability to offer certain services or to expand. Network or power failures could result in the loss of data and in a reduction in the number of users, which could have a material effect on the Group's business, results of operations and financial condition.

#### 22.10 Fund commitment

In April 2020 the Group entered into the venture capital fund MVOF L.P. (the Fund) as a limited partner. The purpose of the Fund is to carry on the business of investing and, in particular, of identifying, negotiating, making, monitoring the progress of and realising, exchanging or distributing investments. Main investment areas and geographic focus are the sectors of consumer internet, foodtech, EdTech, fintech, Al and modern software, and any other sectors which are generally complementary to such identified sectors in developed markets outside Russia. The Group has right to the share in the financial results of the Fund's investments in the proportion of its participation.

The Group does not control or exercise significant influence over the Fund according to IFRS criteria as the Group does not manage relevant activities of the Fund. Investments in the Fund are accounted for as financial assets at fair value through profit or loss.

As of December 31, 2023, the Group did not have remaining capital commitments (as of December 31, 2022 the total remaining capital commitments of the Group was RUB 5,767 (USD 82)). There were no contributions to the Fund's capital for the years ended December 31, 2023 and December 31, 2022.

Capital contributions to the Fund are made quarterly based on the capital call notices. Anticipated lifetime of the Fund is 10 years.

For the purposes of estimating the fair value of an investment in the MVOF L.P. venture fund, the Group takes into account the current characteristics of the asset, as well as the possibility of exiting the asset. At the moment there is a significant uncertainty about the ability to obtain future economic benefits from holding or selling the asset, and therefore the Group has decided to estimate the fair value of the investment in the fund at 0 (Note 24).

#### 23 Balances and transactions with related parties

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year ended December 31, 2023, excluding Directors and key management of the Group (see Notes 23.1 and 23.2). All related party transactions were made in accordance with contractual terms and conditions agreed between the parties.

The Group applies the exemption from the disclosure requirements of IAS 24 *Related Parties*, paragraph 18, in relation to related party transactions and outstanding balances with:

- A government that has control or joint control of, or significant influence over, the reporting entity; and
- Another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

### 23 Balances and transactions with related parties (continued)

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-	December			December 31, 2022		
	Amounts owed by related parties	Amounts owed to related parties	Amounts owed by related parties	Amounts owed to related parties		
Trade accounts receivable and Trade and other payable						
Equity accounted associates	45	30	75	27		
loint ventures	646	159	587	569		
Entities with significant influence over the Group						
including government related entities	2,373	723	1,003	410		
Loans issued and Loans received						
Equity accounted associates	175	-	109	-		
loint ventures	-	-	231	-		
Entities with significant influence over the Group						
including government related entities	-	154,252	-	90,620		
Advance under office lease contracts						
Entities with significant influence over the Group and						
government related entities	310	-	92	-		
	202	3	202	2		
	Sales to	Purchases from	Sales to	Purchases from		
	related parties	related parties	related parties	related parties		
Sales and Purchases	070		150	05		
Equity accounted associates	270	115	158	85		
Joint ventures	861	-	3,596	382		
Entities with significant influence over the Group	( 01 4	0.005	0.015	1004		
including government related entities	6,914	2,885	2,215	1,294		
-	2023		202			
	Finance income	Finance expenses	Finance income	Finance expenses		
Finance income and expenses						
Entities with significant influence over the Group	( 00 (	14.000		0 575		
including government related entities	6,086	14,233	-	2,575		
-	202		202			
	Cash balances on current accounts	Cash balances on deposit accounts	Cash balances on current accounts	Cash balances on deposit accounts		
Cash balances						
Cash balances on current and deposit accounts with						
government related banks	27,250	16,954	28,583	15,730		
		•		<u>_</u>		
-	202 Lease liabilities	3 Lease payments	202 Lease liabilities	2 Lease payments		
	at the end of the year	during the year	at the end of the year	during the year		
Lease						
Lease transactions with government related entities	3,855	1,690	2,807	2,901		

As of December 31, 2023, the Russian Federation has significant influence over Sogaz as one shareholder of MF Technologies and controls the other group of shareholders of MF Technologies.

Decisions over MF Technologies' relevant activities require consent of both groups of shareholders.

#### 23.1 Directors of the Company

For the year ended December 31, 2023, total cash remuneration of the members of the Board of Directors (each a "Director" and collectively, "Directors") of the Company amounted to RUB 139 (2022: RUB 131).

For the year ended December 31, 2023, no options over the shares of the Company were granted to Directors (2022: nil).

For the year ended December 31, 2023, no PSUs were forfeited by Directors (2022: 55,000 PSUs), and did not exercise any PSUs/RSUs over shares of the Company (2022: nil).

For the year ended December 31, 2023, there was no corresponding share-based payment expense (2022: negative RUB 29).



#### 23 Balances and transactions with related parties (continued)

#### 23.2 Key management of the Group

For the year ended December 31, 2023 total cash remuneration of the key management of the Group (excluding Directors) amounted to RUB 3,196 (2022: RUB 1,959).

For the year ended December 31, 2023, no PSUs/RSUs or options were granted to key executive employees of the Group (excluding Directors) (2022: nil).

For the year ended December 31, 2023, key management of the Group (excluding Directors) forfeited 670,350 PSUs (2022: 2,036,100) and did not exercise any PSUs/RSUs and options (2022: nil).

For the year ended December 31, 2023, the corresponding share-based payment expense amounted to negative RUB 2,464 (2022: RUB 1,628).

#### 24 Financial instruments

As of December 31, 2023 and December 31, 2022, the Group's financial instruments are presented by category in the table below:

	Category*	December 31, 2023	December 31, 2022
Financial assets at fair value through profit and loss			
Non-current			
Financial investments in venture capital investees	FAFVPL	471	118
Financial derivative under lease contract	FAFVPL	-	232
Financial assets at amortised cost			
Non-current			
Loans issued	FAAC	332	464
Other trade accounts receivable**	FAAC	-	1,694
Current			
Trade accounts receivable	FAAC	64,175	64,272
Loans issued and interest receivable	FAAC	3,193	3,029
Cash and cash equivalents	FAAC	51,294	48,759
Financial lease			
Net investment lease, long-term	Other	832	-
Net investment lease, short-term	Other	60	-
Total financial assets		120,357	118,568
	Category*	December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit and loss			
Current			
Contingent consideration payable	FLFVPL	526	576
Financial liabilities at fair value through profit or loss	FLFVPL	2,443	4,806
Deferred consideration for the acquisition of a subsidiary's non-controlling interest	FLFVPL	415	-
Non-current			
Financial liabilities at fair value through profit or loss	FLFVPL	3,948	3,982
Financial liabilities at amortised cost			
Current			
Trade accounts payable	FLAC	20,482	17,121
Other payables and accrued expenses	FLAC	23,222	11,234
Short-term portion of long-term interest-bearing loans and bonds	FLAC	52,954	88,742
Short-term lease liabilities	FLAC	3,725	3,216
Non-current			
Long-term interest-bearing loans and bonds	FLAC	115,208	35,775
Deferred income on loan liabilities	FLAC	12,442	-
Non-current lease liabilities	FLAC	5,929	7,292
Total financial liabilities		241,294	172,744

\* Financial instruments used by the Group are included in one of the following categories:

FAFVPL – financial assets at fair value through profit or loss;

FLFVPL – financial liabilities at fair value through profit or loss;

FAAC – financial assets at amortised cost; or

• FLAC – financial liabilities at amortised cost.

\*\* Long-term other trade accounts receivable are represented by the debt of the disposed subsidiaries of the "Games" segment (Note 13) to the Group for software.



#### 24 Financial instruments (continued)

None of the Group's financial investees are public companies and none of the Group's financial instruments are traded in active markets. Accordingly, fair values of the Group's financial assets and liabilities at fair value through profit or loss are determined using valuation techniques, including discounted cash flow models, comparison to similar instruments for which observable market prices exist, option pricing models and other relevant valuation models. Such valuation techniques require management to make certain assumptions about model inputs, including credit risk and volatility.

Fair value of cash and cash equivalents, short-term time deposits, short-term accounts receivable, other current assets, trade accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### 24.1 Financial assets at amortised cost

The Group classifies the following financial assets at amortised cost:

- The asset is held within a business model with the objective of collecting the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding;
- Trade account receivable; and
- Cash and cash equivalents.

#### 24.2 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2023 and December 31, 2022, the Group held the following financial instruments measured at fair value through profit or loss:

	December 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss Financial investments in venture capital investees Financial derivative under lease contract	471	- -	- -	471 _
Total financial assets measured at fair value through profit or loss	471	-	-	471
Financial liabilities measured at fair value through profit or loss Non-current financial derivative on put options over non-controlling				
interests of the Group's subsidiary Current financial derivative on put options over non-controlling	3,948	-	-	3,948
interests of equity accounted associate Deferred consideration for the acquisition of a subsidiary's non-	2,443	-	-	2,443
controlling interest	415	-	-	415
Contingent consideration payable	526	-	-	526
Total financial liabilities measured at fair value through profit or loss	7,332	-	-	7,332
	December 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial investments in venture capital investees	118	-	-	118
Financial derivative under lease contract	232	-	-	232
Total financial assets measured at fair value through profit or loss	350	-	-	350
Financial liabilities measured at fair value through profit or loss				
Non-current financial derivative on put options over non-controlling				
interests of the Group's subsidiary	3,982	-	-	3,982
Current financial derivative on put options over interests of equity				
accounted associate	4,806	-	-	4,806
Contingent consideration payable	576	-	-	576
Total financial liabilities measured at fair value through profit or loss	9,364	-	-	9,364

### 24 Financial instruments (continued)

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#### 24.2 Fair value hierarchy (continued)

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The balance of financial assets and liabilities at fair value through profit or loss measurements as of January 1, 2023 is reconciled to the balance of those measurements as of December 31, 2023 and as of January 1, 2022 and December 31, 2022:

Balance as of January 1, 2023	Gains/(losses) recognised in profit and loss	Purchases/ settlement	Business combination (Note 12)	Acquisition of non-controlling interests	Balance as of December 31, 2023
118	145	243	(35)	-	471
_	-	58	(58)	_	-
232	-	(232)	-	-	-
350	145	69	(93)	-	471
(3,982)	(1,958)	_	(172)	2,164	(3,948)
(4.00())	(050)		0 (10		(0.440)
,	( )	- 72	2,613	-	(2,443)
(576)	(23)	/3	-	-	(526)
-	248	-	-	(663)	(415)
(9.364)	(1 983)	73	2 441	1 501	(7,332)
	January 1, 2023 118 – 232 350	January 1, 2023         recognised in profit and loss           118         145           -         -           232         -           350         145           (3,982)         (1,958)           (4,806)         (250)           (576)         (23)           -         248	January 1, 2023         recognised in profit and loss         Purchases/ settlement           118         145         243           -         -         58           232         -         (232)           350         145         69           (3,982)         (1,958)         -           (4,806)         (250)         -           (576)         (23)         73           -         248         -	January 1, 2023         recognised in profit and loss         Purchases/ settlement         combination (Note 12)           118         145         243         (35)           -         -         58         (58)           232         -         (232)         -           350         145         69         (93)           ((3,982)         (1,958)         -         (172)           (4,806)         (250)         -         2,613           (576)         (23)         73         -           -         248         -         -	January 1, 2023         recognised in profit and loss         Purchases/ settlement         combination (Note 12)         non-controlling interests           118         145         243         (35)         -           -         -         58         (58)         -           232         -         (232)         -         -           350         145         69         (93)         -           (3,982)         (1,958)         -         2,613         -           (4,806)         (250)         -         2,613         -           -         248         -         -         (663)

During 2023, the Group signed a number of agreements as a result of which the Group recognized an increase of its share in Skillfactory LLC from 63.76% to 100%. The total deal amount was RUB 863 including cash paid in 3Q 2023 in the amount of RUB 200, and a floating forward contract was signed for the acquisition for the rest of the share.

The Group derecognized a non-current financial derivative on put option over non-controlling interest in Skillfactory LLC in the amount of RUB 2,164.

	Balance as of January 1, 2022	Gains/(losses) recognised in profit and loss	Purchases/ settlement	Reclassification from non-current to current	Disposal group (Note 13)	Balance as of December 31, 2022
Financial assets measured at fair value through profit or loss						
Financial investments in venture capital investees	5,992	(5,842)	21	-	(53)	118
Non-current convertible loans	585	(460)	478	(147)	(456)	-
Current convertible loans	-	(90)	71	147	(128)	-
Financial assets and derivatives under lease						
contracts	326	(94)	-	-	-	232
Total financial assets at fair value through profit or loss	6,903	(6,486)	570	_	(637)	350
Financial liability measured at fair value through profit or loss						
Non-current financial derivative on put options over non-controlling interests of the Group's						
subsidiary	(660)	(1,372)	(1,950)	-	-	(3,982)
Current financial derivative on put options over						
interests of equity accounted associate	-	(3,795)	(1,011)	-	-	(4,806)
Contingent consideration payable	(943)	367	-	-	-	(576)
Conversion option of the bonds issued	(219)	219	-	-	-	-
Total financial liabilities measured at fair value						
through profit or loss	(1,822)	(4,581)	(2,961)	-	-	(9,364)

### 24 Financial instruments (continued)

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#### 24.3 Interest-bearing loans and bonds

The table below represents the major loans and bonds as of December 31, 2023 and December 31, 2022:

Туре	Original currency	Type of rate	Average nominal interest rate	Maturity date	Outstanding amount as of December 31, 2023	Outstanding amount as of December 31, 2022
Unsecured loans	RUB	Fixed	7.010/	2024	4,414	10,490
Unsecured and secured loans	RUB	Floating	7.21%	2024-2029	89,472	81,454
Unsecured loans	USD	Fixed	2.75%	2024-2027	1,290	7,171
Unsecured loans	EUR	Fixed	2.83%	2027	196	238
Bonds	USD	Fixed	1.63%	On demand	9,913	9,836
Convertible bonds	USD	Fixed	1.63%	2025	2,653	-
Bonds	RUB	Fixed	4.25%	2026-2028	60,224	15,328
Total interest-bearing loans and bond	ds				168,162	124,517

Movements in loans and bonds, including related interest, for the years ended December 31, 2023 are presented below:

	January 1, 2023	Principal amount, proceeds	Principal amount, repayment	Interest, accruals, discounting	Interest, repayment	Reclas- sification from non- current to current	Foreign exchange differences	Deferred income on loan obligations	Modification of financial liabilities	Recognition of loans as a result of disposal of a subsidiary	Other	December 31, 2023
Current												
Interest bearing loans	78,880	-	(6,631)	10,156	(3,679)	(34,184)	202	(4,360)	-	-	-	40,384
Private placement bonds	-	-	-	3,193	(898)	-	-	-	-	-	-	2,295
MOEX replacement bonds	-	-	-	11	-	-	-	-	-	-	23	34
LSE convertible bonds	9,841	-	(68)	186	(67)	(2,843)	2,906	-	(19)	-	(23)	9,913
MOEX bonds	-	-	-	1,182	(1,182)	328	-	-	-	-	-	328
Other borrowings	21	3	(24)	2	(2)	-	-	-	-	-	-	-
Non-current												
Interest bearing loans	20,447	4,464	(7,747)	1,067	-	34,184	2,534	-	-	39	-	54,988
Private placement bonds	-	60,000	-	-	-	-	-	(17,399)	-	-	-	42,601
LSE convertible bonds	-	-	-	-	-	2,843	(224)	-	-	-	-	2,619
MOEX bonds	15,328	-	-	-	-	(328)	-	-	-	-	-	15,000
Total liabilities from												
financing activities	124,517	64,467	(14,470)	15,797	(5,828)	-	5,418	(21,759)	(19)	39	-	168,162

In 2Q 2023, the Group issued interest-bearing non-convertible bonds par value RUB 60,000 with a maturity period of 5 years by private placement. The Group will apply received funds toward the realization of its strategy, development of its current services and launch of new products. In accordance with IAS 20, the Group recognized a deferred income on loan obligations the amount of RUB 17,399.

Movements in loans and bonds, including related interest, for the years ended December 31, 2022 are presented below:

	January 1, 2022	Principal amount, proceeds	Principal amount, repayment	Interest, accruals, discounting	Interest, repayment	Reclas- sification from non- current to current	Foreign exchange differences	Other	Modification of financial liabilities	Recognition of loans as a result of disposal of a subsidiary	Recognition of loans resulting from the acquisition of a subsidiary (Note 9)	December 31, 2022
Current Interest bearing loans LSE convertible bonds	7,056 _ 22	10,394 _ 14	(18,220) (11,425)	3,368 272	(2,601)	76,481 33,974	171 (7,884)	(711) _	_ (5,096)	1,616 –	1,326 _	78,880 9,841 21
Other borrowings Non-current Interest bearing loans LSE convertible bonds* MOEX bonds	9,485 25,996 15,329	71,818 - -	(15) (538) – –	6 202 5,813 1,181	(6) _ (1,182)	_ (76,481) (33,974) _	- 1,160 2,165 -	- - -	- - -	- 5,104 - -	- 9,697 - -	20,447  15,328
Total liabilities from financing activities	57,888	82,226	(30,198)	10,842	(3,789)	-	(4,388)	(711)	(5,096)	6,720	11,023	124,517

\* Accrued interest on LSE convertible bonds includes RUB 403 interest expense and RUB 5,410 finance expense.

Due to the fact that the LSE convertible bonds liability of USD 405, where USD 400 – principal amount, 5 – interest payable, measured at amortised cost with effective interest rate of 5.5% (nominal interest rate is 1.625%) was reclassified from non-current to "on demand" category, the Group recognised finance expense of RUB 5,410.

During 2022, the Group repurchased part of the convertible bonds (nearly 66%) traded on the London Stock Exchange at a discount. As a result, the Group recognised income from modification of financial liabilities in the amount of RUB 5,096 as part of financial income.



#### 24 Financial instruments (continued)

#### 24.3 Interest-bearing loans and bonds (continued)

#### **Bonds refunding**

In October 2023, a company of the Group, Mail.Ru Finance LLC, placed "replacement" bonds on MOEX – Russian bonds repeating certain terms of the VK Company Limited Eurobonds, with a maturity date of October 1, 2025, interest rate – 1.625%, ISIN code – XS2239639433 (hereinafter – Eurobonds). Payment for the replacement bonds was made using Eurobonds within the Russian depository infrastructure. The replacement was made in the amount of USD 29.2, which is 7.3% of the originally issued Eurobonds.

The rest of the Eurobonds, which remain debt to foreign holders and are classified as "on demand". The terms of the replacement bonds are similar to the terms of the Eurobonds in terms of the amount of income on the bonds, the period for payment of such income, the maturity of the bonds and their nominal value.

Settlements on replacement bonds are made in Russian roubles at the Bank of Russia exchange rate on the date of the corresponding payment.

Obligations to service Eurobonds, which are accounted for in the Russian Federation, if the holders of such Eurobonds have not replaced them as part of the placement of replacement bonds of the Company, are currently fulfilled in accordance with the requirements of Decree of the President of the Russian Federation dated July 5, 2022 #430 *On Repatriation by Residents – Participants in Foreign Economic Activity Foreign Currency and the Currency of the Russian Federation* and the Decision of the Board of Directors of the Bank of Russia dated December 23, 2022 in full.

#### 24.4 Loans issued

During 2023, the Group did not issue any individually significant loans.

In January 2022, the Group granted loans to O2O JV in the amount of RUB 5,000 at the interest rate of 9.25% with maturity in February of 2022.

In February 2022, the Group converted loans receivable of RUB 5,000 and interest receivable of RUB 25 into the share capital of O2O JV.

In July 2022, the Group granted loans to O2O JV in the amount of RUB 858 at the interest rate of 12% with maturity in August of 2022.

In August 2022, the Group converted loans receivable of RUB 858 and interest receivable of RUB 5 into the share capital of O2O JV. The Group's share in the JV remained unchanged as the other investor also converted its loans receivable from the JV to the share capital in the same amount.

In August 2022, the Group granted loans to Delivery Club LLC in the amount of RUB 1,475 at the interest rate of 12% with maturity in November of 2022.

#### 25 Personnel expenses

Personnel expenses for years ended December 31, 2023 and 2022 consist of:

	2023	2022
Salary and related taxes	38,953	25,444
Share-based payments*	1,110	5,060
Provisions and other expenses	15,798	8,343
Total personnel expenses	55,861	38,847

\* In April, September and December 2023 the Group decided to make a replacement award offer to its employees holding RSUs or PSUs over the shares of the Company. The Group offered to replace RSUs/PSUs vesting in 2023 with rights to receive cash in the amount of RUB 2,198 (2022: RUB 2,581).

For the year ended December 31, 2023, the Group recognized expenses in the amount of RUB 1,253 (2022: RUB 1,980) in connection with the change in the form of remuneration. In addition, for the year ended December 31, 2023, the Group recognized income in the amount of RUB 143 (2022: RUB 3,079) for share-based payments settled in equity instruments.

Based on IFRS 2 requirements, the Group has reclassified the fair value of PSUs/RSUs and options modification from equity settled to cash settled, total amount was RUB 945 for the year ended December 31, 2023 (for the year ended December 31, 2022; RUB 600).



#### 26 Other operating expenses

Other operating expenses for the years ended December 31, 2023 and 2022 consist of:

	2023	2022
VAT and other taxes*	2,280	1,716
Change of expected credit loss allowance on trade receivables	1,500	72
Cost of sales	1,773	1,102
Travel expenses	727	274
Corporate events	953	354
Office maintenance	729	630
Charity	466	157
Security	118	106
Other operating expenses	1,026	644
Other operating expenses	9,572	5,055

\* As of December 31, 2023, the Group updated the assessment of tax risks and recognised expenses for VAT and other taxes of RUB 413 (2022: RUB 992) and also expenses for non-recoverable VAT write-off in the amount of RUB 585 (2022: RUB 80). In addition, the Group recognised RUB 1,121 (2022: RUB 1,143) expenses related to write-off of input VAT due to 5% limit established by the Tax Code of the Russian Federation.

#### 27 Financial risk management objectives and policies

#### 27.1 Introduction

The Group's principal financial liabilities mainly comprise interest-bearing loans and bonds, contingent consideration liability and trade accounts payable. The main purposes of these financial liabilities are to finance the Group's operations and, in the case of the contingent consideration, a business acquisition. The Group has short-term receivables, short-term time deposits, cash and cash equivalents and other current financial assets that arise directly from the Group's operations.

The Group also has a venture capital investment portfolio consisting of equity investments in Internet start-ups and smaller Internet companies and derivative contracts over the equity of the Group's venture capital investees.

The Group's senior management is responsible for identifying and controlling risks. These activities are supervised by the Board of Directors, the Group's governing body that is ultimately responsible for the Group's overall approach to risk management. The Board of Directors is developing risk management policies covering the following major aspects: identification and analysis of the risks the Group faces, setting appropriate risk limits and controls, and monitoring risks and adherence to limits. Risk management procedures and systems are contemplated to be reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Group's Audit, Risk, Compliance and Sustainable Development Committee has been established to oversee, inter alia, how management monitors compliance with the Group's risk management practices and procedures when these are approved by the Board of Directors.

#### 27.2 Liquidity and financial resources

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group monitors its risk of a shortage of funds using a liquidity planning tool. Management regularly monitors projected and actual cash flow information, analyzes the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of operating cash flows, bank loans and overdrafts. Other financial liabilities of the Group are mostly represented by trade payables with maturity less than one year.

The contractual maturities of the Group's financial liabilities are presented below:

Year ended December 31, 2023	Carrying amount	Contractual cash flows	Less than 3 months	3 to 12 months	1 to 3 years	> 3 years
Short-term and long-term interest-						
bearing loans and bonds	168,162	226,214	15,620	51,018	67,552	92,024
Trade accounts payable	20,482	20,482	20,482	-	-	-
Current and non-current lease liabilities	9,654	11,357	1,094	2,688	5,432	2,143
Contingent consideration liabilities	526	526	526	-	-	-
Other payables, accrued expenses	23,222	23,222	23,222	-	-	-
Total financial liabilities	222,046	281,801	60,944	53,706	72,984	94,167

## 27 Financial risk management objectives and policies (continued)

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### 27.2 Liquidity and financial resources (continued)

Year ended December 31, 2022	Carrying amount	Contractual cash flows	Less than 3 months	3 to 12 months	1 to 3 years	> 3 years
Short-term and long-term interest-						
bearing loans and bonds	124,517	154,687	4,915	10,432	79,295	60,045
Trade accounts payable	17,121	17,121	17,121	-	-	_
Current and non-current lease liabilities	10,508	13,287	1,024	2,354	5,657	4,252
Contingent consideration liabilities	576	576	576	-	-	-
Other payables, accrued expenses	11,234	11,234	11,234	-	-	-
Total financial liabilities	163,956	196,905	34,870	12,786	84,952	64,297

## 27.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial assets, which potentially subject the Company and its subsidiaries and associates to credit risk, consist principally of cash and cash equivalents, short-term time deposits, short-term receivables and convertible loans. The total of these account balances represents the Group's maximum exposure to credit risk.

The Group places its cash and cash equivalents with highly rated financial institutions, which are considered at the time of deposit to have minimal risk of default. The Group does not require collateral or other security to support the financial instruments subject to credit risk.

As of December 31, 2023, accounts receivable from the two largest customers collectively represented 13.5% of total trade accounts receivable of the Group (as of December 31, 2022: 22.7%). No customer accounted for more than 10% of revenue in 2023 or 2022. The Group provides credit payment terms to its customers in accordance with market practices and based on thorough review of the customer's profile and creditworthiness. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss beyond the allowance already recorded.

### 27.4 Capital management policy

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions.

### 27.5 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risks the Group is exposed to comprise two types of risk: currency risk (Note 27.6) and equity risk. The Group's financial instruments affected by market risk include payables, cash and cash equivalents, short-term time deposits, financial investments in associates and derivative financial instruments. The Group's equity risk arises from uncertainties about future values of the investment into unlisted securities.

#### 27.6 Foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in USD and EUR exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	in USD rate	(Negative)/positive effect on profit before tax
2023	' +30%	5,272
	' -10%	(1,757)
2022	' +25%	4,853
	' -25%	(4,853)
	Change in EUR rate	(Negative)/positive effect on profit before tax
2023		
2023	in EUR rate	on profit before tax
2023 2022	in EUR rate ' +30%	on profit before tax 351

## 28 Share-based payments

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## 28.1 Share-based payment arrangements of the Company and its subsidiaries

## 28.1.1 Option/RSU/PSU plans VK International Public Joint-Stock Company

During 2023 and 2022, the Company had the following unrealized option/RSU plans:

	2010 Option Plan	2015 RSU Plan	U Plan 2017 RSU Plan		
Adoption date	November 2010	February 2015	November 2017	March 2021	
Type of shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	
Number of options or RSU reserved	10,706,403	5,795,500	7,202,471	12,150,000	
Exercise price	Granted: Prior December 31, 2011 –	-	-	<ul> <li>0</li> <li>20 USD</li> </ul>	
	USD 19.60			• 20 05D	
	<ul> <li>Since December 31, 2011 – USD 17.50</li> </ul>				
Exercise basis	Prior to November 2011 – net share basis only	Shares or cash at the Group's discretion	Shares or cash at the Group's discretion	Shares or cash at the Group's discretion	
	Since November 2011 – net share basis or cash at the Group's discretion				
Expiration date	December 2022	December 2022	December 2026	December 2030	
Vesting period	Generally 4 years	Generally 4 years	Generally 4 years	Generally 4 years following the performance Year in which PSUs are granted	
Other major terms	• The options are not transferrable	The RSUs are not transferrable	• The RSUs are not transferrable	• The PSUs are not transferrable	
	<ul> <li>All other terms of the options under the 2010 Option Plan are to</li> </ul>	• All other terms of the options under the 2015 RSU Plan are to be	<ul> <li>Performance conditions</li> <li>Immediate vesting due to change</li> </ul>	<ul><li>Performance conditions</li><li>Continuous employment</li></ul>	
	be determined by the Company's determined by the Company's Board of Directors or Board of Directors or	<ul><li>of ultimate controlling party</li><li>All other terms of the options</li></ul>	<ul> <li>All other terms of the options under the 2021 PSU Plan are to be</li> </ul>		
		Remuneration Committee	under the 2017 RSU Plan are to be determined by the Company's Board of Directors or Remuneration Committee	determined by the Company's Board of Directors or Remuneration Committee	

#### 28.1.2 Changes in outstanding options VK International Public Joint-Stock Company

The table below summarises the number and weighted average exercise prices (WAEP) of and movements in share options and RSUs/PSUs in 2023 and 2022 for the Company:

	Number of options/RSU/PSU	WAEP
Outstanding as of December 31, 2021	10,265,098	2.31
Exercisable as of December 31, 2021	2,101,800	12.43
Available for grant as of December 31, 2021	5,858,244	0.72
Granted during the year	209,736	0.06
Exercised during the year	20,000	27.96
Cancelled during the year	2,046,536	21.09
Forfeited during the year	2,453,975	16.07
Outstanding as of December 31, 2022	5,954,323	10.56
Exercisable as of December 31, 2022	2,176,267	16.76
Available for grant as of December 31, 2022	10,149,019	0.83
Granted during the year	-	-
Exercised during the year	-	-
Cancelled during the year	2,622,467	11.51
Forfeited during the year	1,266,890	15.78
Outstanding as of December 31, 2023	2,064,966	15.58
Exercisable as of December 31, 2023	1,121,925	14.37
Available for grant as of December 31, 2023	14,038,376	2.28

In 2023 and 2022, the weighted-average share price for exercised options and RSUs/PSUs was USD 3.54 and USD 22.03, respectively.

#### 28 Share-based payments (continued)

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#### 28.1 Share-based payment arrangements of the Company and its subsidiaries (continued)

The range of exercise prices for options and RSUs/PSUs outstanding as of December 31, 2023 and 2022 is presented in the table below:

Exercise price	December 31, 2023	December 31, 2022
-	420,986	416,375
17.5	255,700	508,117
19.6	190,080	538,175
20	1,198,200	1,891,600

#### 28.1.3 Valuations of share-based payments VK International Public Joint-Stock Company

The valuations of all equity-settled options and RSU/PSU granted during 2023 and 2022 are summarised in the table below:

		Share price	Fair value, total	Fair value per option/RSU
Option plan / grant date	Number of options	(USD)	(million RUB)	(RUB)
2021 PSU Plan / 2022	209,736	0.86	59	282

The valuations of all cash-settled options as of December 31, 2023 are summarised in the table below:

		Ri	sk-free interest				Fair value per	
	Dividend yield	Volatility,	rate,	Expected term,	Share price	Fair value, total	option	
Number of options	%	%	%	years	(USD)	(million RUB)	(RUB)	Valuation method
387,230	0%	32%	1.04%	n/a	11.59	-	-	Binomial model

The valuations of all cash-settled options as of December 31, 2022 are summarised in the table below:

		R	isk-free interest				Fair value per	
	Dividend yield	Volatility,	rate,	Expected term,	Share price	Fair value, total	option	
Number of options	%	%	%	years	(USD)	(million RUB)	(RUB)	Valuation method
387,230	0%	32%	1.04%	n/a	11.59	_	-	Binomial model

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options/RSUs/PSUs is indicative of future trends, which may not necessarily be the actual outcome.

#### 28.2 Share-based payment arrangements of Skillbox Holding Limited

#### 28.2.1 Option plans Skillbox Holding Limited

In 2023 and 2022, Skillbox Holding Limited has the following unrealized option plans for the management and directors of the company:

	Option plan A	Option plan B	Option plan C
Adoption date	October 1, 2021	October 1, 2021	October 1, 2021
Type of shares	Ordinary shares	Ordinary shares	Ordinary shares
Number of options	2,588,235	2,588,235	2,588,236
Exercise price	0.1	254	254
Currency	EUR	RUB	RUB
Exercise basis	Shares	Shares	Shares
Expiration date	December 31, 2031	December 31, 2031	December 31, 2031
Vesting period	1 part – granting date 2 part – 1 year from granting date 3 part – 2 years from granting date 4 part – 3 years from granting date 5 part – 4 years from granting date	1 part – vesting condition is linked with increase of market price and certain operating results 2 part – 1 year from the date when vesting condition for 1 part of option plan are met	1 part – vesting condition is linked with increase of market price and certain operating results 2 part – 1 year from the date when vesting condition for 1 part of option plan are met
		3 part – 2 years from the date when vesting condition for 1 part of option plan are met	3 part – 2 years from the date when vesting condition for 1 part of option plan are met
		4 part – 3 years from the date when vesting condition for 1 part of option plan are met	4 part – 3 years from the date when vesting condition for 1 part of option plan are met
		5 part – 4 years from the date when vesting condition for 1 part of option plan are met	5 part – 4 years from the date when vesting condition for 1 part of option plan are met



### 28 Share-based payments (continued)

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#### 28.2 Share-based payment arrangements of Skillbox Holding Limited (continued)

#### 28.2.2 Outstanding options Skillbox Holding Limited

The table below summarises the number and weighted average exercise prices (WAEP) of and movements in share options of Skillbox Holding Limited in 2023:

	Number of options	WAEP (EUR)	WAEP (RUB)
Outstanding as of December 31, 2022	7,482,270	0.1	254
Granted during the year Forfeited during the year	1,024,597 5,463,529	n/a 0.1	n/a 254
Outstanding as of December 31, 2023	994,144	0.1	254
Exercisable as of December 31, 2023 Available for grant as of December 31, 2023	345,644 569,494	0.1 0.1	254 254

The range of exercise prices for options outstanding as of December 31, 2023 is presented in the table below:

Currency	Exercise price	December 31, 2023	December 31, 2022
EUR	0.1	2,018,741	2,545,448
RUB	254	-	2,348,586
RUB	254	-	2,588,236

#### 28.2.3 Valuations of share-based payments Skillbox Holding Limited

The valuations of all equity-settled options for Skillbox Holding Limited granted in 2023 and 2022 are summarised in the table below:

	Option plan 2	Option plan 3
Grant date	July 1, 2022	July 1, 2022
Number of options	585,257	213,360
Exercise price	254	254
Currency	RUB	RUB
Expiration date	December 31, 2031	December 31, 2031
Option pricing model	Black-Scholes model	Black-Scholes model
Stock price	-	-
Expected volatility	52.40%	52.40%
The risk-free interest rate	8.30%	8.30%
Expected dividends	not expected	not expected
Fair value per option (RUB)	41-48	41-48
Fair value, total (RUB thousand)	25,988	9,474

For the year ended December 31, 2023, the Group recognised RUB 107 income related to equity-settled share-based payment (2022: RUB 378). The expense was included in "Personnel expenses" in the consolidated statement of comprehensive income.

#### 28.3 Share-based payment expense

For the year ended December 31, 2023, the Group recognised RUB 1,110 in share-based payment expenses (2022: RUB 5,186), The expense was included under "Personnel expenses" in the consolidated statement of comprehensive income.

#### 29 Events after the reporting period

In February 2024 the Group executed a call option to acquire 16.3% of the non-controlling interest in Medium Quality Production LLC.

In February 2024 the Group paid off a deferred consideration in the amount of RUB 1,200 for the acquisition of YClients.

In February 2024 the Bank of Russia revoked the banking license of Qiwi Bank JSC. The management believes that this event will not have a significant impact on the Group.

# VK's contribution to the UN Sustainable Development Goals

Targets of the UN Sustainable Development Goals

## Goal 3. Ensure healthy lives and promote well-being for all at all ages

3.8. Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and a medicines and vaccines for all

3.13. Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction, and managem

## Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

4.1. By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to rele

4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education

4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational entrepreneurship

4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training indigenous peoples and children in vulnerable situations

4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, glob of culture's contribution to sustainable development

4a. Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all

	VK's contribution, link to the report section
	To achieve this goal, VK implements employee care programmes and holds awareness and educational events to reduce morbidity
access to safe, effective, quality and affordable essential	C Social package and comfortable working conditions
ment of national and global health risks	C Social package and comfortable working conditions
	C Charity services
	VK develops online education services, including learning projects for schoolchildren, higher education programmes drafted jointly with high- profile universities, advanced training and skill development courses
elevant and effective learning outcomes	C EdTech
on, including university	C Inclusion
al skills, for employment, decent jobs and	C Educational initiatives
ning for the vulnerable, including persons with disabilities,	C Support of creative communities and creators
	C VK charity projects
g, among others, through education for sustainable obal citizenship and appreciation of cultural diversity and	
e and effective learning environments for all	



Targets of the UN Sustainable Development Goals

Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent wor

8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativ growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.5. By 2030, achieve full and productive employment and decent work for all women and men, including young people and people value

8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in parti employment

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

9.3. Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial service value chains and markets

9b. Support domestic technology development, research and innovation in developing countries, including by ensuring a cond diversification and value addition to commodities

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build levels

16.1. Significantly reduce all forms of violence and related death rates everywhere

16.5. Substantially reduce corruption and bribery in all their forms

16.10. Ensure public access to information and protect fundamental freedoms in accordance with national legislation and inter

	VK's contribution, link to the report section
ork for all	VK takes steps to expand its team with best-in-class professionals. The Company seeks to improve working conditions and remuneration
tivity and innovation, and encourage the formalization and	C VK for employees
	C Educational initiatives
	C Support of creative communities and creators
	C VK Tech
persons with disabilities, and equal pay for work of equal	C Our approach
	C Employee profile
	C Recruitment and onboarding
	C Employee training and development
rticular women migrants, and those in precarious	C Our approach
	VK fosters business development by providing services for small, mediu large companies
ices, including affordable credit, and their integration into	C VK Tech
	C VK Ads
onducive policy environment for, inter alia, industrial	C VK Tech
	C VK Ads
Id effective, accountable and inclusive institutions at all	
	VK promotes a corporate culture of respect for human rights, openness, equal opportunities. VK's projects help highlight social issues
	equal opportunities. VK's projects help highlight social issues
ernational agreements	equal opportunities. VK's projects help highlight social issues
ernational agreements	<ul> <li>equal opportunities. VK's projects help highlight social issues</li> <li>A safer online environment</li> <li>Ethics and compliance</li> </ul>
ernational agreements	<ul> <li>equal opportunities. VK's projects help highlight social issues</li> <li>A safer online environment</li> <li>Ethics and compliance</li> <li>Cybersecurity</li> </ul>
ernational agreements	<ul> <li>equal opportunities. VK's projects help highlight social issues</li> <li>A safer online environment</li> <li>Ethics and compliance</li> <li>Cybersecurity</li> <li>Safe Internet</li> </ul>

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# Stakeholder engagement and communication channels

[2-29]

Stakeholder	Interests	Performance indicators	Communication channels [2-25], [2-26]
Users	Quality of products and services, information security, personal data protection, high quality of services, environmental and social initiatives, support, comfortable environment, innovation	Satisfaction level, monthly/daily active users, engagement, revenue dynamics	Information sharing via mass media, corporate website, official social profiles, support service, feedback, surveys, personal user account, e newsletters
Employees	Career prospects, corporate culture, competitive salaries, fair working conditions, training and development, information transparency and feedback, social package, compliance with business ethics rules, anti-corruption measures	Improvement of remuneration, social support, career and professional development, and health and safety systems. Staff turnover rate, employee feedback, and results of satisfaction surveys	Corporate website, regular meetings with managers, whistleblowing h satisfaction surveys, corporate events, advanced training and profess development programmes
Shareholders	Business sustainability, financial results, strategy, investment efficiency, information transparency, compliance with business ethics rules, and anti- corruption measures	Shareholder satisfaction as regards meeting their interests and requirements, shareholder return, reliable disclosure of information, high level of corporate governance, and return on investments	General Meetings of Shareholders, VK page on the website of Interfa TsRKI (Corporate Information Disclosure Centre), the Investors section of the corporate website, investor relations via e-mail at ir@vk.team
NGOs	Social responsibility, environmental performance, cooperation and partnership, contribution to socially important projects and initiatives	Implementation of joint projects, social and environmental investments, participation in socially important projects, social reporting	Joint events, programmes and research, press releases, social partner projects; social responsibility reports; sponsorship support
Partners	Transparent procurement, information security, fulfilment of financial obligations, win-win cooperation, innovative solutions, and quality performance of works and services	Transparency of procurement activities, long-term contracts, number of renegotiated contracts, quality control of suppliers' performance	Contractual relations, working meetings, business discussions, comp procurement procedures, participation in industry unions and associa conferences and forums
State	Compliance with legal and environmental requirements, payment of taxes and fees, social and economic development of the country and its regions, environmental protection, job creation, development of the Russian IT sector	Legal compliance, job creation, participation in IT projects, tax payments to the budget	Participation in meetings and working groups, federal and regional programmes and conferences







# **GRI Standards Index**

Statement of use	VK publishes the information listed in this GRI Content Index for the period 01.01.2023 to 31.12.2023,						
Indicator number	Description	Report Section	Excluc reasor				
GRI 1 (2021): Foundat	GRI 1 (2021): Foundation (contains no indicators)						
GRI 2 (2021): General	Disclosures						
2-1	Organizational details	C VK in brief					
		C Contacts					
2-2	Entities included in the organization's sustainability reporting	C About the Report					
2-3	Reporting period, frequency and contact point	C About the Report					
		C Contacts					
2-4	Restatements of information	C About the Report					
2-5	External assurance	C About the Report					
2-6	Activities, value chain and other business relationships	C VK in brief					
		C VK business model and areas for development					
		C Results overview					
		C VK for users and partners					
		C Responsible supply chain					
2-7	Employees	C Employee profile					
		🖸 Databook					

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ons for exclusion	Comments

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Indicator number     Description     Report Section     Excluded information and reasons for exclusion     Comments       2-8     Workers who are not employees     © Employee profile     >     >       2-9     Governance structure and composition     © Corporate governance framework     >     >       2-10     Nomination and selection of the highest governance bodies     © Governance bodies     The chair of VK's highest corporate governance body is not a VK top manager       2-11     Chair of the highest governance body     © Governance bodies     The chair of VK's highest corporate governance body is not a VK top manager       2-12     Role of the highest governance body in overseeing the management of impacts     © ESG and sustainable business development     >       2-13     Delegation of responsibility for managing impacts     © ESG and sustainable business development     >       2-13     Delegation of responsibility for managing impacts     © ESG and sustainable business development     >	
2-9       Governance structure and composition <sup>C</sup> Databook <sup>C</sup> Corporate governance         framework <sup>C</sup> Governance bodies          2-10       Nomination and selection of the highest governance body <sup>C</sup> Governance bodies          2-11       Chair of the highest governance body <sup>C</sup> Governance bodies          2-12       Role of the highest governance body in overseeing the         management of impacts <sup>C</sup> Governance bodies <sup>C</sup> ESG and sustainable         business development <sup>C</sup> Governance bodies <sup>C</sup> Governance bodies <sup>C</sup> ESG and sustainable         business development <sup>C</sup> Governance bodies <sup>C</sup> ESG and sustainable         business development <sup>C</sup> Governance bodies <sup>C</sup> Risk management <sup>C</sup> Risk management <sup>C</sup> SG ond sustainable         business development <sup>C</sup> Governance bodies <sup>C</sup> Risk management <sup>C</sup> Risk development	
2-9       Governance structure and composition       C Corporate governance framework         2-0       Nomination and selection of the highest governance body       G Governance bodies         2-10       Chair of the highest governance body       G Governance bodies         2-11       Chair of the highest governance body       G Governance bodies         2-12       Role of the highest governance body in overseeing the management of impacts       E SG and sustainable business development         2-13       Delegation of responsibility for managing impacts       E SG and sustainable business development         2-13       Delegation of responsibility for managing impacts       E SG and sustainable business development	
ranework       Covernance bodies         2-10       Nomination and selection of the highest governance body       Covernance bodies         2-11       Chair of the highest governance body       Covernance bodies         2-12       Role of the highest governance body in overseeing the management of impacts       CSC and sustainable business development         2-12       Role of the highest governance body in overseeing the management of impacts       CSC and sustainable business development         2-13       Delegation of responsibility for managing impacts       CSC and sustainable business development         2-13       Delegation of responsibility for managing impacts       SSC and sustainable business development	
2-10       Nomination and selection of the highest governance body       C Governance bodies         2-11       Chair of the highest governance body       C Governance bodies         2-12       Role of the highest governance body in overseeing the management of impacts       C ESG and sustainable business development         2-12       For the highest governance body in overseeing the management of impacts       C ESG and sustainable business development         C Governance bodies       C Governance bodies       C Risk management         2-13       Delegation of responsibility for managing impacts       C ESG and sustainable business development	
2-11       Chair of the highest governance body       Covernance bodies       The chair of VK's highest corporate governance body is not a VK top manager         2-12       Role of the highest governance body in overseeing the management of impacts       Covernance bodies       Covernance bodies         2-12       Role of the highest governance body in overseeing the management of impacts       Covernance bodies       Covernance bodies         2-13       Delegation of responsibility for managing impacts       ESG and sustainable business development       Covernance bodies         2-13       Delegation of responsibility for managing impacts       Covernance bodies       ESG and sustainable business development	
2-12       Role of the highest governance body in overseeing the management of impacts <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Governance bodies <sup>(2)</sup> Risk management <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Governance bodies <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Governance bodies <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Governance bodies <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Governance bodies <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Risk management <sup>(2)</sup> Risk management <sup>(2)</sup> Risk management <sup>(2)</sup> ESG and sustainable business development <sup>(2)</sup> Risk management <sup>(2)</sup> Risk	
management of impacts       business development         ESG and sustainable       business development         Governance bodies       Governance bodies         Risk management       Risk management         2-13       Delegation of responsibility for managing impacts       ESG and sustainable	
2-13       Delegation of responsibility for managing impacts       C ESG and sustainable business development	
2-13       Delegation of responsibility for managing impacts       C ESG and sustainable business development	
2-13 Delegation of responsibility for managing impacts business development	
business development	
C Governance bodies	
2-14 Role of the highest governance body in sustainability C About the Report reporting	
2-15 Conflicts of interest C Governance bodies	
C Ethics and compliance	
2-16 Communication of critical concerns Covernance bodies In the reporting year, the Board of Directors did not consider any critical matters relative impacts.	ed to negative impacts
2-17 Collective knowledge of the highest governance body C ESG and sustainable	
business development	
C Governance bodies	

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Statement of use	Statement of use VK publishes the information listed in this GRI Content Index for the period 01.01.2023 to 31.12			
Indicator number	Description	Report Section	Excluc reasor	
2-22	Statement on sustainable development strategy	C VK Business model and areas for development		
		C ESG and sustainable business development		
		C Our approach		
		C Responsible supply chain		
		C Corporate governance principles and practice		
		C VK's contribution to the UN Sustainable Development Goals		
2-23	Policy commitments	C ESG and sustainable business development		
		C Our approach		
		C <sup>3</sup> Inclusion		
		C Responsible supply chain		
		C Risk management		
		C Ethics and compliance		
2-24	Embedding policy commitments	C Inclusion		
		C Responsible supply chain		
		C Ethics and compliance		

23, in accordance with the GRI Standards.

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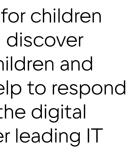


Statement of use	VK publishes the information listed in this GRI Content I	ndex for the period 01.01.2023 to 31	.12.2023, in accordance with th	e GRI Standards.
Indicator number	Description	Report Section	Excluded information and reasons for exclusion	Comments
2-25	Processes to remediate negative impacts	C Responsible supply		
2-26	Mechanisms for seeking advice and raising concerns	<ul> <li>chain</li> <li>C Risk management</li> <li>C Ethics and compliance</li> <li>C Stakeholder engagement and communication channels</li> </ul>		VK's whistleblowing hotline is the primary channel for submitting and reviewing grievances from employees, partners, shareholders and other stakeholders. The Compliance Department is responsible for receiving, registering and reviewing grievances, and forwardi responses to their respective authors. Appropriate response measures were taken to address all the received grievances and necessary recommendations were provided to bridge the identified gaps.
2-27	Compliance with laws and regulations	C GRI Standards index		In 2023, there were no material <sup>1</sup> breaches of applicable laws and regulations.

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Statement of use	VK publishes the information listed in this GRI Content Index for the period 01.01.2023 to 31.12.2023, in accordance with the GRI Standards.			
Indicator number	Description	Report Section	Excluded information and reasons for exclusion	Comments
2-28	Membership associations	C GRI Standards index		1. Alliance for Digital Child Protection and the Digital Childhood Ethics Charter VK is a member of the Alliance for Digital Child Protection. Its mission is to develop a safe online space for children where, regardless of age and location, they can communicate and make friends, learn and develop, and discover new opportunities and entertainment. The Media Leaders Alliance seeks to establish a dialogue with children and young people to better understand their digital needs and interests in receiving information. This will help to respond more effectively to new challenges and jointly develop clear rules of conduct and moral compasses in the digital environment. VK also participated in the development of the Digital Childhood Ethics Charter with other leading IT and media companies.
				<ul> <li>2. Artificial Intelligence Alliance and AI Code of Ethics</li> <li>VK is a member of the Artificial Intelligence Alliance, which brings together leading technology companies to jointly develop their competencies and accelerate the use of artificial intelligence in education, research and business practices.</li> <li>The Alliance drafted an AI code of ethics that proclaims a humanistic approach in the development of AI technologies, the principles of non-discrimination, data security and cybersecurity, identification of AI in human communication and respect for human autonomy of will, responsibility for the consequences of the use of AI.</li> <li>Commitment to the Code of Ethics will be a key element of social responsibility for companies that develop and deploy AI technology in Russia.</li> </ul>
				<ul> <li>3. The Big Data Association and the Data Usage Code of Ethics</li> <li>VK is a member of the Big Data Association, which is dedicated to creating common principles and standards for the processing, storage, transmission and use of big data. These developments serve as the basis for the big data policies of each member Company</li> <li>The priorities of the Association are to develop a business-oriented strategy for big data market development, to improve the technical and operational efficiency of interaction between industry players, and to form a code of ethics for using big data to protect the interests of users.</li> <li>The Data Usage Ethics Code, which has been developed by data market participants together with the government and members of the public, is a set of industry standards of professional and ethical conduct that participants, acting in good faith and reasonably, voluntarily recognise and undertake to comply with. It sets out the basic principles of stakeholder interaction (government, citizens, businesses), creates the basis for subsequent regulatory initiatives in the field of data, and formulates universal rules defining the boundaries of acceptable behaviour for the entire professional community. The provisions of the Code apply to the circulation of all types of data, from user to industrial, and contain principles of professional ethics in their collection, processing, use and storage.</li> </ul>









Statement of use	VK publishes the information listed in this GRI Content Index for the period 01.01.2023 to 31.12.2023, in accordance with the GRI Standards.			
Indicator number	Description	Report Section	Excluded information and reasons for exclusion	Comments
2-28	Membership associations	C GRI Standards index		<ul> <li>4. Anti-Piracy Memorandum</li> <li>VK, along with other IT companies and rights holders, signed an anti-piracy memorandum that created a regist links to pirated content. Search engines are required to check the register every five minutes and remove links appear in it within six hours. The registry keeper checks the eligibility of links sent in by rights holders.</li> <li>5. Memorandum on Digital Market Openness The Memorandum on Digital Market Openness was signed by VK, the Federal Antimonopoly Service of Russia other significant IT businesses. It comprises guidelines for ethical business practices while fostering competit</li> </ul>
				abiding with Russian law. Principles include treating competitors neutrally, avoiding questionable language in p rules, ensuring free access to information on how searches are ranked.



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Statement of use	VK publishes the information listed in this GRI Content	t Index for the period 01.01.2023 to 3 <sup>.</sup>	I.12.2023, i
Indicator number	Description	Report Section	Exclude reasons
2-29	Approach to stakeholder engagement	C Stakeholders and stakeholder engagement	t
		C Stakeholder engagement and communication channels	;
2-30	Collective bargaining agreements	C GRI Standards index	

GRI 3 (2021): Materia	l Topics	
3-1	Process to determine material topics	C About the Report
3-2	List of material topics	C About the Report
1. Use of innovations	to protect personal data	
3-3	Management of material topics	C Personal data protection
		C Risk management
GRI 418 (2016): Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	C GRI Standards index
2. Information securi	ty and minimisation of incidents related to information securit	y breaches
3-3	Management of material topics	C Information security
		C Risk management
3. Development of d	igital content services to satisfy users' daily needs	
3-3	Management of material topics	C Results overview

3, in accordance with the	GRI Standards.
ided information and ons for exclusion	Comments
	Employees of VK have an opportunity to exercise their right to freedom of association in full and take part collective negotiations.
	VK supports association of employees under professional or other public organisations. The Company value and supports employee initiatives promoting self-improvement, experience sharing, and participation in value communities.
	The Company does not enter into collective bargaining agreements, including with trade unions.
	In 2023, there were no user data leaks.



Statement of use	VK publishes the information listed in this GRI Content Inc	dex for the period 01.01.2023 to	31.12.2023
Indicator number	Description	Report Section	Exclu reaso
4. Impact of Interne <sup>-</sup>	t content on the moral values of society		
3-3	Management of material topics	A safer online environment	
		C VK for society	
GRI 203 (2016): Indir	ect Economic Impacts		
203-1	Infrastructure investments and services supported	C Charity services	
5. Improvements in s	service quality		
3-3	Management of material topics	C Results overview	
		C Inclusion	
		🖒 Safe Internet	
6. Decent working c	onditions and fair compensation		
3-3	Management of material topics	C VK for employees	
		C Ethics and compliance	
GRI 401 (2016): Empl	loyment		
401-1	New employee hires and employee turnover	C Recruitment and onboarding	
401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	Social package and comfortable working conditions	
401-3	Parental leave	🖸 Databook	
GRI 405 (2016): Dive	ersity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	C Employee profile	
		C Governance bodies	
405-2	Ratio of basic salary and remuneration of women to men	🖒 Databook	

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Statement of use	VK publishes the information listed in this GRI Content Inde	x for the period 01.01.2023 to 31.	12.2023,
Indicator number	Description	Report Section	Exclud reason
GRI 406 (2016): Non-	discrimination		
406-1	Incidents of discrimination and corrective actions taken	C Ethics and compliance	
GRI 408 (2016): Chilc	l Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	C GRI Standards index	
GRI 409 (2016): Force	ed or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	C GRI Standards index	
7. Talent pool enlarge	ement, youth engagement		
3-3	Management of material topics	C VK for employees	
GRI 404 (2016): Train	ing and Education		
404-1	Average hours of training per year per employee	🖒 Databook	
404-2	Programs for upgrading employee skills and transition assistance programs	C Employee training and development	
404-3	Percentage of employees receiving regular performance and career development reviews	C Employee training and development	
8. Occupational heal	th and safety in the Company and across the supply chain		
3-3	Management of material topics	C Safe working conditions	
GRI 403 (2018): Occu	pational Health and Safety		
403-1	Occupational health and safety management system	C Safe working conditions	
403-2	Hazard identification, risk assessment, and incident investigation	C Safe working conditions	
403-3	Occupational health services	C Safe working conditions	

in accordance with the	GPI Standards
3, in accordance with the	GRI Standards.
ded information and ons for exclusion	Comments
	The Company has the VK Supplier Code of Conduct in place, which obliges suppliers to comply with appli laws and expressly prohibits forced, compulsory and child labour.
	The Company has the VK Supplier Code of Conduct in place, which obliges suppliers to comply with applic laws and expressly prohibits forced, compulsory and child labour.
	The occupational health and safety system covers not only all employees of VK, but contractor workers wh included in the scope of the system (provided that they work at the Company's facilities).



itement of use	VK publishes the information listed in this GRI Content Ind			
dicator number	Description	Report Section	Excluded information and reasons for exclusion	Comments
03-4	Worker participation, consultation, and communication on occupational health and safety	C Safe working conditions		
03-5	Worker training on occupational health and safety	C Safe working conditions		
103-6	Promotion of worker health	C Our approach		
		C Social package and comfortable working conditions		
403-8	Workers covered by an occupational health and safety management system	C GRI Standards index		100%
103-9	Work-related injuries	C Safe working conditions		
03-10	Work-related ill health	C GRI Standards index		In 2023, the Company recorded no instances of occupational diseases or related fatalities.
GRI 414 (2016): Supj	olier Social Assessment			
14-1	New suppliers that were screened using social criteria	C Responsible supply chain		
9. Fostering domes	tic demand for hi-tech products			
3-3	Management of material topics	C Results overview		
0. Development of	innovative products, including digital solutions for businesse	es		
3-3	Management of material topics	C Results overview		
1. Promotion of sci	ence and education through joint projects with universities ar	nd research centres		
3-3	Management of material topics	C EdTech		
		C Educational initiatives		

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Statement of use	VK publishes the information listed in this GRI Content Index	n listed in this GRI Content Index for the period 01.01.2023 to 31.		
Indicator number	Description	Report Section	Excluc reasor	
Additional GRI indicat	ors			
GRI 204 (2016): Procu	rement Practices			
204-1	Proportion of spending on local suppliers	C Responsible supply chain		
GRI 205 (2016): Anti-c	orruption			
205-3	Confirmed incidents of corruption and action taken	C Ethics and compliance		
GRI 302 (2016): Energy	y			
302-1	Energy consumption within the organization	Power consumption and energy efficiency		
302-4	Reduction of energy consumption	Power consumption and energy efficiency		
GRI 303 (2018): Water	and Effluents			
303-1	Interactions with water as a shared resource	C Water consumption		
GRI 305 (2016): Emiss	ions			
305-1	Direct (Scope 1) GHG emissions	C Greenhouse gas emissions		
305-2	Energy indirect (Scope 2) GHG emissions	C Greenhouse gas emissions		
GRI 306 (2020): Waste	9			
306-1	Waste generation and significant waste-related impacts	🖒 Waste management		
306-2	Management of significant waste-related impacts	🖸 Waste management		

23, in accordance with the	GRI Standards.			
uded information and ons for exclusion	Comments			

# SASB Standards Index

SASB: Internet Media & Services (2018)	
TC-IM-130a.1	(1) Total energy consumed, (2) percentage grid electric
TC-IM-130a.2	(1) Total water withdrawn, (2) total water consumed, pe or Extremely High Baseline Water Stress
TC-IM-130a.3	Discussion of the integration of environmental considences needs
TC-IM-220a.1	Description of policies and practices relating to behave
TC-IM-220a.4	(1) Number of law enforcement requests for user inform was requested, (3) percentage resulting in disclosure
TC-IM-230a.1	(1) Number of data breaches, (2) percentage involving number of users affected
TC-IM-230a.2	Description of approach to identifying and addressing
TC-IM-330a.2	Employee engagement as a percentage
TC-IM-330a.3	Percentage of gender and racial/ethnic group represe and (3) all other employees
SASB: Software & IT Services (2018)	
TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electric
TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, pe or Extremely High Baseline Water Stress
TC-SI-130a.3	Discussion of the integration of environmental considences needs
TC-SI-220a.1	Description of policies and practices relating to behave

ricity, (3) percentage renewable	C Power consumption and energy efficiency
percentage of each in regions with High	C Water consumption
derations into strategic planning for data center	C Our approach
avioral advertising and user privacy	C Personal data protection
rmation, (2) number of users whose information	C Databook
g personally identifiable information (PII), (3)	In 2023, there were no user data leaks
ng data security risks	C Information security
	C Risk management
	C Internal communications and engagement
entation for (1) management, (2) technical staff,	C Employee profile
ricity, (3) percentage renewable	C Power consumption and energy efficiency
percentage of each in regions with High	C Water consumption
derations into strategic planning for data center	C Our approach
avioral advertising and user privacy	C Personal data protection

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2	U	2	3



SASB: Internet Media & Services (2018)	
TC-SI-220a.4	(1) Number of law enforcement requests for user inforn was requested, (3) percentage resulting in disclosure
TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving number of users affected
TC-SI-230a.2	Description of approach to identifying and addressing
TC-SI-330a.2	Employee engagement as a percentage
TC-SI-330a.3	Percentage of gender and racial/ethnic group represer and (3) all other employees
TC-SI-550a.2	Description of business continuity risks related to disru

ermation, (2) number of users whose information	C Databook
g personally identifiable information (PII), (3)	In 2023, there were no user data leaks
ng data security risks	C Information security
	C Risk management
entation for (1) management, (2) technical staff,	C Internal communications and engagement
sruptions of operations	C Risk management

t	2023	3		

# Methodologies used to collect and compile indicators

Energy consumption by offices and data centres (electricity and heat)	Million kWh Gcal
Direct and indirect greenhouse gas emissions (Scopes 1 and 2)	Tonnes of $CO_2$ equi

Total number of employees by type of employment contract, employment type, and	People
gender	

Personnel structure by gender, age and position

People

Indicator

uivalent

Unit of measurement

## Calculation methodology

Electricity and heat consumption by offices and data centres of the Group in the reporting period.

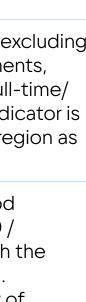
The indicator is calculated as the total consumption of purchased electricity and heat by owned and leased offices and data centres

Calculations of direct GHG emissions from diesel fuel and natural gas consumed by offices and data centres comply with Order of the Ministry of Natural Resources and Environment of Russia Nº 371 On Approving Methods for Quantitative Assessment of Greenhouse Gas Emissions and Absorption dated 27 May 2022, while also relying on the IPCC Guidelines to determine refrigerant emissions.

Indirect greenhouse gas emissions from power consumption by offices and data centres are assessed in accordance with the Concept for Calculating and Disclosing Greenhouse Gas Emission Ratios for the Energy System of the Russian Federation (developed in 2022 by the NP Market Council association in collaboration with JSC ATS). For calculating indirect greenhouse gas emissions from heat energy consumption by offices and data centres, we used ratios specified in PNST 646-2022 (Green Standards. Green Products. Green Technologies. The indicator is disclosed in accordance with the requirements of GRI 305-1 Direct (Scope 1) GHG Emissions and GRI 305-2 Energy Indirect (Scope 2) GHG Emissions

The Group's total headcount in the reporting period. Number of full-time employees, excluding external part-time employees and contractors performing work under civil law agreements, as of the end of the reporting period. Data is broken down by type of employment (full-time/ part-time), type of contract (temporary/permanent) and gender (male/female). The indicator is disclosed in accordance with the requirements of GRI 2-7 but without breakdown by region as required by the standard

Management (top and line managers) and employee headcount in the reporting period (as of the end of the reporting period). Data is broken down by age (under 30 / 30–50 / over 50 years) and gender (male/female). The indicator is disclosed in accordance with the requirements of GRI 2-7 but without breakdown by region as required by the standard. The indicator is disclosed in accordance with the methodology of GRI 405-1 Diversity of Governance Bodies and Employees







Indicator	Unit of measurement
Average hours of training per year per employee with breakdown by gender	Hours
Charitable donations	RUB million
Payments under the Bug Bounty vulnerability discovery programmes	RUB million

## Calculation methodology

The indicator is calculated as the total number of training hours provided to employees divided by the average headcount and includes both synchronous (mandatory trainings and training programmes) and asynchronous training (additional activities at the discretion of employees, which include taking online courses, watching videos and reading articles). Average synchronous training hours per year per employee are broken down by gender. The collection of data on asynchronous training hours by gender is currently impracticable. The indicator is disclosed in accordance with the requirements of GRI 404-1 Average Hours of Training per Year per Employee

The indicator is calculated as the amount of own charitable donations made by Group companies in the reporting period, as well as funds raised by VK Dobro and Code of Good

The indicator is calculated as the amount of remuneration paid to users for finding bugs and vulnerabilities on the Group's websites under the Bug Bounty vulnerability discovery programmes excluding VAT

2023	



