Q&A: GDR conversion and other issues concerning the Company's securities

Update: August 28, 2024

The Company intends to update this Q&A as new information and/or events become available.

Mandatory conversion of GDRs

1. **Which GDR holders have the right to undergo the mandatory conversion?**

   In accordance with Article 5.20 of the Federal Law № 452-FZ, GDR holders have the right to undergo the mandatory conversion, in case

   - the rights to GDRs are registered by foreign organizations;
   - the GDR holders are unable to receive shares due to the introduction in relation to them and/or individuals associated with them and/or in relation to foreign organizations in which their rights to securities are registered, restrictive measures or unfriendly actions of foreign states, international organizations, foreign financial organizations.

2. **How can investors participate in the mandatory conversion?**

   Within 120 days from the date of commencement of the mandatory conversion, a GDR holder submit an application for the mandatory conversion of securities of a foreign issuer into shares of an international company and the required documents, in particular documents certifying right to own a corresponding number of GDRs, information about a foreign nominal holder of the rights to the GDRs, and information about higher nominal holders (foreign nominal holders) to the Registrar (MRZ) (in accordance with Articles 5.21, 5.22 of the Federal Law № 452-FZ).

   The rules of the mandatory conversion of securities of a foreign issuer and corresponding application forms can be found on the Registrar's website (rules, forms).

3. **What are the timeframes for the mandatory conversion?**

   The procedure and terms of the mandatory conversion are determined by the Decision of the Board of Directors of the Bank of Russia dated April 12, 2024. **The Company has set the date of commencement for the submission of applications for mandatory conversion for September 25, 2024** and notified the Registrar.

   The timeframe for submitting applications for the mandatory conversion: from September 25, 2024 to January 22, 2025.

   The final date for submitting applications for the mandatory conversion is January 22, 2025.

4. **Is it necessary to open a personal account only in the MRZ registrar for the conversion of GDRs?**

   In accordance with the requirements of the current legislation, the registrar, based on the results of reviewing the application for the mandatory conversion and the documents attached to it, makes one of the following decisions: (1) on the possibility of opening a personal account for the applicant and crediting the corresponding number of shares of the IPJSC to the specified account; or (2) on refusing to open a personal account for the applicant and crediting the corresponding number of shares of the IPJSC to the specified account. In the event of successful crediting of shares of the IPJSC upon completion of the mandatory conversion procedure, the shares may be withdrawn from the personal account in the register to a depository account in any of the Russian depositories, taking into account compliance with the requirements of the currency legislation of the Russian Federation.

5. What documents investors must submit to undergo the mandatory conversion?

In order to undergo the mandatory conversion, a GDR holder must submit to the Registrar, MRZ, the documents specified in this Decision of the Board of Directors of the Bank of Russia dated April 12, 2024 taking into account the requirements and forms determined by the Registrar, MRZ. Such documents include, in particular:

- an application for the mandatory conversion, which, among other things, expresses the applicant's consent to the provision of information about it to a foreign nominee holder. The form of the statement is published on MRZ's website;
- documents proving the right to hold a corresponding number of GDRs;
- documents on the validity and legality of the interest of the person who has applied for the mandatory conversion of GDRs,
- documents on the holder's actions in favor of the applicant;
- information on the foreign nominee holder keeping records of the holder's rights to the GDRs and on superior nominee holders;
- other documents as requested by the Registrar.

The rules of the mandatory conversion of securities of a foreign issuer and corresponding application forms can be found on the Registrar's website (rules, forms).

Most of these documents do not have strictly prescribed forms, and the set of documents may vary depending on the depository-accounting chain in relation to GDRs. Investors should provide the relevant documents available in the current circumstances.

6. Can the Registrar refuse to accept an application?

The law provides for the right of the Registrar to refuse the applicant to open an account and credit a corresponding amount of securities to it if there are reasonable doubts about the completeness and (or) credibility or insufficiency of information provided in the application for the mandatory conversion and the documents attached to it. (in accordance with Articles 5.25, 5.26 of the Federal Law № 452-FZ and the Decision of the Board of Directors of the Bank of Russia dated April 12, 2024 on establishing the procedure and timeframes for the mandatory conversion of securities of foreign issuers certifying rights in relation to shares of joint-stock companies with the status of an international company into shares of such joint-stock companies).

In the event of such a refusal, the applicant may re-apply within the 120-day application period (from September 25, 2024 to January 22, 2025).

7. In the course of the mandatory conversion, is it necessary to confirm possession of receipts as of the date of the incorporation of the Company in the Russian Federation (that is September 26, 2023)?

Among the document requirements for the mandatory conversion, there is no need to confirm ownership of the GDRs as of September 26, 2023 (part 6 of Article 5 of Federal Law No. 452-FZ).

However, the confirmation is required on the date specified in clause 2.5.2 of the Registrar's mandatory conversion rules. In accordance with the rules, the applicant must confirm ownership of securities on the date closest to the date of filing the application, starting from the date of the state registration of the international company (September 26, 2023) until the date of filing the application, within the period for filing applications for the mandatory conversion. In the event of unfriendly actions by foreign states and organizations or if restrictive measures have been introduced with respect to the person on whose account information is provided, or to the foreign organization in which the rights of the applicant (the person acting in the interests of the applicant) are taken into account, information may be provided on another date within a period not exceeding 6 months before the date of the introduction of the restrictions.

At the same time, other documents may be required for the subsequent execution of any transactions with shares received as a result of the mandatory conversion, which are determined by the relevant professional participant in the securities market that is responsible for the custody of these securities.

At the same time, other documents may be required for the subsequent execution of any transactions with shares, which are determined by the relevant professional participant in the securities market who is responsible for the custody of these securities.

8. **Where must investors submit applications for mandatory conversion?**

   The GDR holder must provide documents to the Registrar MRZ to undergo mandatory conversion.

   Legal address:
   105062, Moscow, Podsosensky per., 26, str. 2

   Postal address:
   101000, Moscow, Podsosensky per., 26, str. 2
   INN: 1901003859
   OGRN: 1021900520883

   Email: info@mrz.ru

9. **What is the conversion rate of VK's GDRs into the Company's shares?**

   Each GDR represents one ordinary share of VK.

10. **Is the conversion of GDRs into shares mandatory or can GDR holders declare off?**

    Following the state registration of VK as VK IPJSC, due to the requirements of the Russian Federation legislation, the Company terminated the depository agreement, and disclosed the corresponding information. Accordingly, the Company's GDRs no longer certify any rights of their holders in relation to the Company. For holders of GDRs whose rights are recognized in the Russian Federation, the conversion occurred automatically without any action on the part of GDR holders in 2023. Holders of GDRs within a foreign infrastructure shall apply to contractual (standard) conversion or submit documents for mandatory conversion. For the entire period of mandatory conversion, the standard conversion will be suspended.

11. **Can foreign GDR holders receive shares in their accounts with a foreign broker/depositary after the conversion?**

    In the process of conversion, shares can be received exclusively to the holder's account opened in the register of shareholders of VK IPJSC.

12. **Can foreign GDR holders convert their GDRs into shares using a brokerage account opened in Russia in the name of a third party?**

    No, GDR holders are not allowed to use third-party accounts. Personal, brokerage and bank accounts in the Russian Federation must be opened in the name of a person who owns the GDRs.

13. **Who can investors contact in case of additional questions regarding the mandatory conversion?**

    For further clarification, please contact MRZ by email: info@mrz.ru, or by phone: +7 495 234 4470.

Standard conversion of GDRs

1. **What are the timeframes for the standard conversion?**

   For the entire period of the mandatory conversion (from September 25, 2024 to January 22, 2025), the standard (contractual) conversion will be suspended. The actual possibility and period of resumption of the standard conversion following the forced conversion will be determined by the depositary bank, RCS Issuer Services S.AR.L.

2. **What is the procedure to undergo the standard conversion?**

   In case of the standard conversion, investors shall apply to their broker and/or the depositary bank for the conversion of the GDRs into ordinary shares, for a subsequent deconversion by the depositary bank.

   As a brief summary: to undergo the standard conversion, investors will need to open a personal account in the register of shareholders (MRZ), collect the required documents for the depositary bank (RCS Issuer Services S.A.R.L.), pay for the services of the depositary bank for the conversion, and submit a form on the absence of changes in the form of beneficial ownership.

Instructions to undergo the contractual (standard) conversion are presented in the Appendix.

3. What is the conversion rate of VK's GDRs into the Company's shares?

Each GDR represents one ordinary share of VK.

However, given the practice of mandatory conversions of other companies' shares, once the mandatory conversion process is finished, the conversion ratio may decrease (one GDR will correspond to less than one share).

4. Who can investors contact in case of additional questions regarding the standard conversion?

For further clarification, please contact the RCS depositary by email: operations@rcsgroup.lu, or by phone: +352 2033 4176.

Other issues concerning GDR conversion and shares

1. What happens if GDRs are not converted into shares?

If GDR holders did not use any type of conversion (automatic, standard or mandatory), pursuant to the terms of the deposit agreement, after the termination of depositary program the depositary bank has the right to sell the shares. In this case GDR holders will be entitled to demand the cash equivalent of the value of the GDRs from the depositary bank. In case the depositary bank sells the VK's shares subject to the issued GDRs, the proceeds shall be used to effect payment to the remaining depository receipt holders.

2. Will investors be able to sell their VK's shares after the conversion?

Residents of the Russian Federation can sell their shares after conversion. Shares of VK IPJSC are traded on the Moscow Exchange.

The issues of alienation of shares of Russian issuers by non-residents are subject to the Decree of the President of the Russian Federation dated March 3, 2022 № 95 and explanations thereto, the Decree of the President of the Russian Federation dated March 3, 2023 № 138 "On additional temporary economic measures related to the circulation of securities", the Decree of the President of the Russian Federation dated March 1, 2023 № 81 "On additional temporary economic measures to ensure the financial stability of the Russian Federation".

Bonds

1. What happened to the VK Eurobond listing on the London Stock Exchange in connection with the redomiciliation?

In October 2020, the Company issued VK's 5-year senior unsecured convertible bonds (ISIN XS2239639433) with a principal amount of USD 400 mn at a coupon of 1.625% per annum on the London Stock Exchange.

On August 10, 2023, the Board of Directors of the Company approved to delist VK's bonds from the London Stock Exchange.

The Company did buy back Eurobonds in 2022, as it had publicly announced. In 2022, VK bought back approximately 66% of the total convertible bond issue.

On October 19, 2023, VK subsidiary, Mail.Ru Finance LLC, completed the placement of Russian bonds (series 3O25) replacing VK's Eurobonds (ISIN XS2239639433), which are registered within Russian depositories (hereinafter referred to as the Bonds). The Bonds have similar parameters to the Eurobonds in terms of par value, coupon rate, coupon payment terms and maturity: each security par value of USD 200 mn, maturity date of October 1, 2025, and coupon yield of 1.625% p.a. (with payments in two instalments on October 1 and April 1). The Bonds settlement and payment of the Bonds coupons are made in rubles at the official USD/RUB exchange rate set by the Bank of Russia as of the date of the money transfer order.

2. **Will the Company buyback Eurobonds, the rights to which are not registered in Russian depositories?**

   These securities are available for OTC transactions only. Due to current regulation and difficulties in dealing with foreign stock market infrastructure, the Company has not made any decisions to resume the buyback of Eurobonds at present.

3. **Can a Eurobond holder receive coupon payments in rubles on securities which rights are not accounted for by Russian depositories?**

   According to the Decree of the President of the Russian Federation dated March 19, 2024 № 198, the holders of Eurobonds, the rights to which are accounted for by foreign organizations entitled under their personal law to record and transfer rights to securities and are not accounted for by Russian depositories, who have not received payments under the Eurobonds, are entitled **within 60 days following the next Eurobonds payment to send to the Company an application for making payments on Eurobonds, indicating the details of its bank account opened in rubles.**

   By virtue of clause 11 of this Decree, the procedure for execution by the debtor under the Eurobonds is determined specifically with respect to obligations arising after the effective date of this Decree (i.e. after March 19, 2024). As a result, the Decree does not apply to coupon payments for 2022-2023.

   The Decree applies only to Eurobonds acquired before March 1, 2022 or after March 1, 2022, provided that after March 1, 2022, the persons exercising rights on the securities were not foreign creditors listed in Decree № 198.

   The content of the application for making payments on Eurobonds and the requirements to the package of documents to be submitted are regulated by the Decision of the Board of Directors of the Bank of Russia dated April 12, 2024.

   The application and the package of documents may be sent to the address of VK IPJSC at the location of its representative under the contract of rendering services under Decree № 198, namely: 125167, Leningradsky prospekt 39, bld 79, Moscow, Russia.

   Questions regarding document submissions can be addressed to ir@vk.team.

   The National Settlement Depository (NSD) is a Russian depository which performs document verification in accordance with clause 11 of Decree № 198.

For more information, please contact:

Investor Relations
Email: ir@vk.team

Disclaimer

Investment in securities involve substantial risk. Returns from prior periods do not guarantee future returns. References to possible future returns are not promises or even estimates of actual returns an investor may achieve. The information contained herein is for information purposes only and is not to be relied upon as advice or interpreted as an investment consultation or recommendation according any legislation, including Russian legislation.

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

About VK

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

Security Name: **VK Company Limited – Regulation S**
Issuer's name (post-redomiciliation)**:** **VK International Public Joint-Stock Company**
DR ISIN: **US5603172082**
DR CUSIP: **560317208**

Instructions for GDR Cancellation (Conversion into Shares)

To surrender your GDRs for the receipt of the underlying Russian shares, you will need:

- to arrange to have the GDRs presented to RCS Issuer Services S.AR.L ("RCS") as depositary,
- valid delivery instructions for the Russian securities,
- an account at MRZ registrar only,
- confirmation of possession of the respective GDRs as of 26 September 2023[1],
- an attestation confirming that there will be no change in beneficial ownership, "The NCBO Attestation From".

Account at VK's Russian registrar MRZ:

General rules of dealing with the registrar are available in the note below (available only in Russian)[2].

1. **Documents that must be submitted to open a personal account (links to the Registrar's website):**

- List of documents to be submitted for opening of a personal account to an **Individual**:
http://www.mrz.ru/en/shareholders/services/opening-a-customer-account-for-an-individual/

- List of documents submitted for opening of a personal account to a **Russian legal entity:**
http://www.mrz.ru/for-clients/shareholders/services/rezidentu/

- List of documents submitted for opening of a personal account to a **non-Russian legal entity:**
http://www.mrz.ru/en/shareholders/services/opening-a-customer-account-for-a-non-resident-legal-entity-/

2. **Forms of documents** required for opening a personal account:
http://www.mrz.ru/for-clients/shareholders/documents-new/otkrytie-litsevogo-scheta/

Bilingual Russian and English forms are also available for the convenience of holders. In such case, translation into Russian of the information contained in the completed forms is not required. These forms are available here: http://www.mrz.ru/en/shareholders/documents/

3. If documents are issued outside of the Russian Federation, not prepared in Russian, certified by competent authorities of other states – please refer to comments here:
http://www.mrz.ru/en/shareholders/services/requirements-for-documents-executed-in-a-foreign-language-and-authentication-of-documents-executed-i/

[1] According to par. 6 of article 5 of the Russian Federal Law No. 452-FZ dated August 4, 2023, the holders of securities of a foreign issuer certifying rights in respect of shares of an international company, in order to obtain an appropriate number of shares of an international company as a result of redemption of securities of a foreign issuer certifying rights in respect of shares of an international company belonging to such holders, are determined as of the date of state registration of an international company (in the case of VK IPJSC it is September 26, 2023). In this regard, in order to ensure accrual of VK IPJSC shares to personal accounts opened in the shareholders register, VK GDRs holders should confirm their possession of GDRs as of September 26, 2023 by respective documents.

[2] This information is addressed to persons wishing to open personal accounts in the registers of shareholders, maintained by Interregional Registration Center regarding the most common issues and difficulties associated with opening personal accounts. The rules governing the opening of personal accounts in the registers of shareholders are contained in Regulations of the Bank of Russia dated June 29, 2022 No. 799-P "On the opening and maintenance by a holder of a register of holders of securities of personal accounts and accounts not intended for recording of rights to securities", as well as, in relation to registers held by Interregional Registration Center, in the Rules for maintaining a register of holders of securities issued by emission posted on the Registrar's website. http://www.mrz.ru/upload/files/rules/Правила_ВР_февраль_2023.pdf

4. Information regarding acceptable **methods of delivery of documents** to the Registrar:
http://www.mrz.ru/en/shareholders/services/methods-of-submission-to-the-registrar/

5. Information **regarding the procedure of signing documents** provided to the Registrar:
http://www.mrz.ru/en/shareholders/services/signing-procedure-for-documents-to-be-submitted-to-the-registrar/

With any questions regarding an account at the MRZ registrar, please contact info@mrz.ru **Tel. +7 495 234 4470**

Note: following a successful cancellation (conversion) of GDRs, the shares would be credited to owner's account at the registrar. An eligible owner would then be able to transfer the shares to a nominee, such as a broker or custodian capable of holding Russian **ISIN RU000A106YF0**.

The GDR Cancellation Process:

RCS will invoice the investor (via its broker or directly) for the cancellation fee of EUR 0.05 per GDR and the cable fee of EUR 35 per instruction.

RCS will need to receive the NCBO Attestation Form by e-mail (please see below).

RCS will process the share delivery instruction upon full payment of its fees.

Please note that MRZ Registrar will separately require a confirmation of possession of GDRs as of 26 September 2023, such as broker or custodian statement.

With any questions about the GDR cancellation process, please, reach out to RCS Depositary at operations@rcsgroup.lu **Tel: +352 2033 4176**

Depositary Receipt Cancellation – No Change of Beneficial Ownership Attestation (NCBO)

In accordance with current requirements in Russia, a Depositary Receipt (DR) cancellation transaction can take place, so long as there is no change of beneficial ownership.

We refer to a DR cancellation transaction with the following details:

Transaction Details: ____________________ ______________ ___________

Russian Issuer # DRs Cancelled DR ISIN

____________________________ ____________________________ __________

Executing bank/broker-dealer Account at Registrar receiving Shares in Russia Date

We certify that:

(1) Either:

(a) We are the beneficial owner of the DRs being cancelled and we are also the beneficial owner of the final account to which the resulting Shares in Russia will be credited, namely, that there will be no change of beneficial ownership as a result of this transaction,

OR

(b) We are a broker-dealer acting on behalf of our customer, and such customer has confirmed to us that it is the beneficial owner of the DRs being cancelled and it is also the beneficial owner of the final account to which the resulting Shares in Russia will be credited, namely, that there will be no change of beneficial ownership as a result of this transaction.

AND (2)

Either: (a) We were the beneficial owner of the DRs being cancelled as of September 26, 2023,

OR

(b) We are a broker-dealer acting on behalf of our customer, and such customer has confirmed to us that it was the beneficial owner of the DRs being cancelled as of September 26, 2023.

AND (3)

We, or if we are a broker-dealer acting behalf of a customer, our customer, represent, warrant and confirm that: (a) we are not a Sanctioned Person (as defined below)*; (b) we are not acting on behalf, or for the benefit, of a Sanctioned Person.

AND (4)

We, or if we are a broker-dealer acting on behalf of a customer, our customer represent, warrant and confirm that (a) the DRs being submitted for voluntary cancellation have not been exchanged for ordinary shares under Russian Federal Law No 452-FZ dated 04.08.2023 with respect to Automatic conversion and (b) instructions have not been submitted to the applicable Russian registrar to receive ordinary shares under Russian Federal Law No 452-FZ dated 04.08.2023 with respect to Forced conversion.

Very truly yours,

____

Name of Certifying Entity/Person By:

____

Name:

Title:

*- For the purposes of this document:

(i) a "Sanctioned Person" means any person or entity: (a) with whom dealings are restricted or prohibited by, or are sanctionable under, any Sanctions; (b) that is located, organized or resident in a country or territory with which dealings are broadly restricted, prohibited, or made sanctionable under any Sanctions; or (c) that is otherwise the subject or target of any sanctions administered or enforced by any Sanctions Authority, including by reason of a relationship of ownership or control with (a) or (b); provided that this definition shall not include any person to which subparagraphs (a) or (c) apply solely by virtue of its or its controlling persons' inclusion in: (1) the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-non-sdn-lists/sectoral-sanctions-identifications-ssi-list) (the "SSI List"), (2) Annexes III, IV, V and VI of Council Regulation No. 833/2014, as amended (the "EU Annexes"), (3) the "Current list of designated persons: Russia" published by the Office of Financial Sanctions Implementation of Her Majesty's Treasury of the United Kingdom (which as of the date hereof can be found at: https://www.gov.uk/government/publications/financial-sanctions-ukraine-sovereignty-and-territorial-integrity) (the "OFSI List") or 4) any other list maintained by a Sanctions Authority, with similar effect to the SSI List, the EU Annexes or the OFSI List;

(ii) "Sanctions" means any sanctions or other similar restrictive measures (including, for the avoidance of doubt, any sanctions or measures relating to any particular embargo or asset freezing) administered or enforced by any Sanctions Authority; and

(iii) a "Sanctions Authority" means competent governmental institutions and agencies of the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, the State Secretariat for Economic Affairs of Switzerland or the Swiss Directorate of International Law, the Hong Kong Monetary Authority or the Monetary Authority of Singapore.