



# Press Release

November 9, 2023

VK IPJSC (MOEX: VKCO, hereinafter referred to as "VK", or "the Company") releases operating results and segment information for Q3 and nine months of 2023.

## VK HIGHLIGHTS FOR NINE MONTHS OF 2023

VK key financial results for nine months of 2023

**+37%**

Revenue growth

**+47%**

Online advertising growth

**+46%**

Growth of the SME segment  
online advertising revenue

VK's revenue for nine months of 2023 grew by 37% YoY to RUB 90.3 bn. Revenue growth was mainly driven by a 47% YoY growth in online advertising revenue to RUB 55.4 bn. Revenue from online advertising in the medium and small business segment increased by 46% YoY, and the segment of large advertisers is also recovering. In Q3 2023, VK revenue grew by 37% YoY to RUB 33 bn.

VK key audience indicators for nine months of 2023<sup>1</sup>

**76 mn**

+16% YoY  
DAU

**3.4 bn**

+8% YoY  
Minutes per day,  
Time spent

**>95%**

Monthly audience reach within  
the Russian internet segment

Users of VK services accounted for more than 95% of the total monthly Russian internet segment audience at the end of September 2023<sup>1</sup>.

VK expanded its audience and user engagement rates over nine months of 2023:

- the average daily audience (DAU) of VK services increased by **16% YoY** to 76 mn users<sup>2</sup>;
- users spent **8% more** time on VK services compared to the same period last year. Daily time spent averaged 3.4 bn minutes<sup>2</sup>.

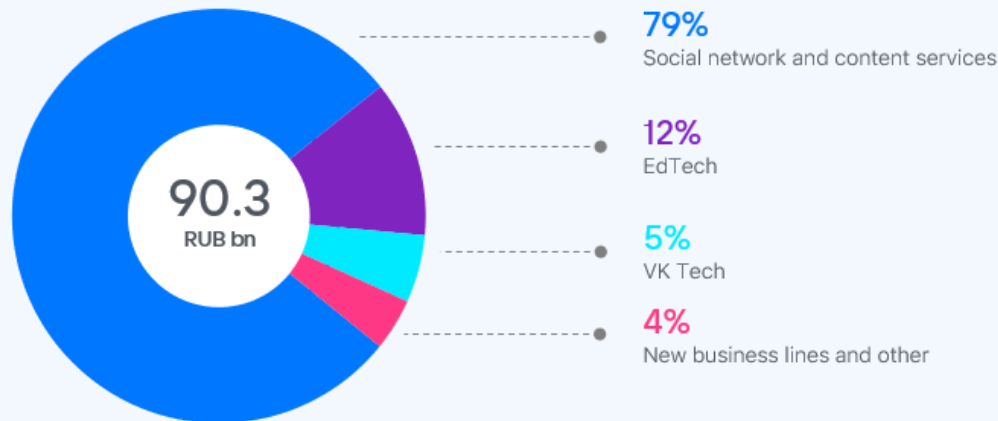
VK's revenue and audience performance indicators increased significantly over nine months of 2023 due to an increase in advertising revenue and the sustained growth of audience metrics across all key platforms of the Company. High demand for VK's educational services and B2B technologies remain essential drivers of the growth.

<sup>1</sup> Source: Mediascope, January-September 2023, Russia 0+, age 12+, desktop and mobile.

<sup>2</sup> Source: Mediascope, January-September 2023, Russia 0+, age 12+, desktop and mobile.

## RESULTS OF OPERATING SEGMENTS FOR NINE MONTHS OF 2023

Segment performance for nine months of 2023



The revenue of VK's key "Social networks & content services" segment increased by 39% YoY in nine months of 2023 to RUB 71.3 bn. The following were the primary drivers of the segment's revenue growth:

- **The growth of the VKontakte social network.** The average daily audience (DAU) of VKontakte in Russia in nine months of 2023 increased by 10% YoY to 53.5 mn users. At the same time, the average monthly audience (MAU) in Russia increased by 11% YoY to 83.7 mn users.<sup>3</sup> **Audience and engagement growth led to a 22% YoY increase in VKontakte's revenue for nine months of 2023.**
- **The acquisition of the Dzen platform** in September 2022. The daily audience of Dzen in nine months of 2023 reached 31.6 mn users<sup>4</sup>.

**"EdTech" segment revenue grew by 38% YoY in nine months of 2023 to RUB 11.1 bn.** Revenue growth in the segment was driven by increased demand for educational platform's courses and the consolidation of the online platform for schoolchildren Uchi.ru on February 17, 2023. In nine months of 2023, 119,000 new paying students joined Skillbox Holding Limited's educational platforms. At the same time, Uchi.ru's average MAU hit 3.2 mn people.

**The revenue of "VK Tech" segment in nine months of 2023 increased by 63% YoY to RUB 4.8 bn.** VK Workspace communication solutions and the services of the VK Cloud platform were the primary drivers of the segment's growth.

**"New business lines" segment is in the active investment phase.** It includes products and services such as the VK Play gaming platform, RuStore app store, and voice technologies. At the end of September 2023, 33.7 mn accounts had been registered on VK Play, and the project's average MAU reached 13.6 mn users in nine months of 2023. The average MAU of RuStore in the nine months of 2023 reached 12.1 mn users, while its average MAU in Q3 2023 was 16 mn users.<sup>5</sup> In nine months of 2023, VK doubled sales of smart devices to end consumers compared to the same period of 2022.

<sup>3</sup>Source: internal company data, unless otherwise specified.

<sup>4</sup>Dzen's nine-month audience figures are calculated based on March-September 2023 data due to changes in the calculation methodology from March 2023. Audience of dzen.ru and mobile applications. Source: Mediascope Cross Web, March-September 2023, Russia 0+, age 12+, desktop and mobile.

<sup>5</sup>Source: Mediascope Cross Web, January-September 2023 and Q3 2023, Russia 0+, age 12+, data based on Cross Web research implemented on an Android-only approach.

## SOCIAL NETWORKS &amp; CONTENT SERVICES SEGMENT

Audience performance of key segment assets in Q3 2023, Russia

 85 mn

VKontakte, MAU

 35.5 mn

Odnoklassniki, MAU

 31 mn

Dzen, DAU<sup>8</sup>

 49.5 mn

Mail, MAU<sup>9</sup>

### Social networks & content services segment performance

RUB bn	Q3 2022	Q3 2023	YoY	9M 2022	9M 2023	YoY
<b>Revenue</b>	<b>18.9</b>	<b>26.2</b>	<b>38.8%</b>	<b>51.1</b>	<b>71.3</b>	<b>39.4%</b>

Main projects: VKontakte, Odnoklassniki, Dzen, Mail.ru service and website, VK Music, VK Clips, VK Video, VK Messenger

The revenue of the "Social networks & content services" segment in nine months of 2023 increased by 39% YoY, reaching RUB 71.3 bn. The growth in online advertising revenue was the primary driver of the segment's revenue growth. Revenue growth of its largest asset VKontakte, in particular, reached 22%. The segment's revenue growth also includes the revenue from the Dzen and News projects since their acquisition in September 2022.

- The average **VKontakte** MAU in Q3 2023 grew by 10% YoY to 85 mn users, while the average DAU in Russia grew by 9% compared to Q3 2022 to reach 53.9 mn users.<sup>6</sup> VKontakte reached 85% of the Russian internet monthly audience in Q3 2023 on average, with 52% of Russian Internet users visiting the platform daily.<sup>7</sup>
- Average Russia MAU of **Odnoklassniki (OK)** was stable and amounted to 35.5 mn in Q3 2023. Audiences in Q3 sent 8.3 bn virtual gifts (+29% YoY), 448 mn postcards (+39% YoY), and 476 mn stickers. OK's original series have reached over 500 mn views in Q3 2023. OK also carried out a large-scale product update, launching an improved news feed with a focus on convenience of content consumption and improving the recommendation mechanism.
- **Dzen** platform average daily audience in Q3 2023 amounted to 31 mn users.<sup>8</sup> The number of active creators per week increased by 13% compared to Q2 2023, while the number of pieces of content on the platform increased by 9%. Dzen continued to launch new tools for users and creators in Q3 2023. In August 2023, the platform updated its main page, with its content now being presented in the form of a showcase, and article previews organized by format.
- **Mail.ru** average MAU reached 49.5 mn people in Q3 2023, while average DAU amounted to 16.5 mn.<sup>9</sup> Mail.ru email service revenue in Q3 2023 rose by 30% YoY to RUB 1.1 bn thanks to launching new advertising formats, such as dynamic remarketing, LeadAds, and premium design on the iOS platform.
- **Cloud Mail.ru** average MAU in Q3 2023 amounted to 20 mn people, and the average DAU was 2.2 mn people.<sup>10</sup> In total, 7.5 bn files were uploaded to the Cloud in Q3 2023. In August 2023, the Cloud service was launched for PC. The Cloud Mail.ru desktop client helped customers transfer files from other cloud storage services. Integration with 11 cloud services is available at the moment.

<sup>6</sup> Source: internal company data.


<sup>7</sup> Source: Mediascope, Q3 2023, Russia 0+, ages 12+, desktop and mobile devices.

<sup>8</sup> Audience of dzen.ru and mobile applications. Source: Mediascope Cross Web, Q3 2023, Russia 0+, ages 12+, desktop and mobile devices.

<sup>9</sup> Source: Mediascope Cross Web, Q3 2023, Russia 0+, ages 12+, desktop and mobile devices.

<sup>10</sup> Source: Mediascope Cross Web, Q3 2023, Russia 0+, ages 12+, desktop and mobile devices.

The number of views and subscribers of content services in Q3 2023

 **1.8 bn**  
+4% YoY

VK Video, views  
(excluding VK Clips)

 **949 mn**  
+32% YoY

VK Clips, views

 **43 mn**

VK Music, global MAU

- In Q3 2023, **VK Video** average daily views reached 1.8 bn. In Q3 2023, VK Video app became available for download on smartphones running Android and iOS, as well as on Samsung, LG TVs, as well as TVs running AndroidTV and AOSP. Since its official launch in September 2023, VK Video app has been installed more than 1.5 mn times on mobile devices. In Q3 2023, VK Video Originals videos views reached 703 mn and over 4.5 mn reactions.
- Daily views of **VK Clips** in Q3 2023 increased by 32% YoY to 949 mn. In Q3 2023, time spent for VK Clips increased by 100% YoY in part due to the new recommendation system. The number of posted clips increased by 78% YoY, while the number of content creators rose by 74%.
- Average global MAU for **VK Music** stood at 43 mn in Q3 2023, while this figure in Russia amounted to 39 mn users. Subscriber base growth at the end of September 2023 was 58% YoY. VK Music is actively developing its non-musical content. The Podcasts category, launched in January 2023, now offers over 20,000 projects. VK Music debuted its audiobook section in September 2023.
- VKontakte published a standalone **VK Dating** app for Android and iOS mobile devices in Q3 2023. Earlier, the service was a part of the VKontakte app. In Q3 2023, the average MAU of VK Dating reached 2.9 mn users, 51% more than in Q3 2022, while its revenue for the same period quadrupled.
- The average MAU of **VK Messenger** in Q3 2023 reached 64.4 mn users. The number of installations of VK Messenger standalone app reached 17.5 mn by the end of September 2023. Users sent over 1 bn animated reactions to messages in Q3 2023.
- **VK Calls** introduced new features based on machine learning and neural networks in August 2023, including text transcripts of calls and real-time automatic subtitles. VK Calls implemented gesture recognition in September, which can be used during video calls to send reactions.

## EDTECH SEGMENT

### EdTech segment performance

RUB bn	Q3 2022	Q3 2023	YoY	9M 2022	9M 2023	YoY
<b>Revenue</b>	<b>2.6</b>	<b>4.1</b>	<b>57.4%</b>	<b>8.1</b>	<b>11.1</b>	<b>37.7%</b>

Main projects: Skillbox, GeekBrains, SkillFactory, Mentorama, Lerna, Uchi.ru

The EdTech segment's revenue in nine months 2023 increased by 38% YoY reaching RUB 11.1 bn due to the growth in demand for courses, and as a result of the consolidation of the online platform for schoolchildren Uchi.ru.

- At the end of Q3 2023, the number of students registered on the educational platforms of **Skillbox Holding Limited** increased by 17% YoY to 14 mn<sup>11</sup>, including 539,000 students signing up in Q3 2023. The number of paying students rose by 40% YoY to 649,000. The average check in nine months of 2023 grew by 12% YoY and reached RUB 68,000. Skillbox Holding entered into a number of deals to consolidate educational assets in Q3 2023. In August 2023, Skillbox Holding acquired 51% in Kespa online English language school. In

<sup>11</sup> The student base was adjusted in Q2 2023 to more accurately reflect the number of students enrolled.

September Skillbox Holding agreed to increase its share in Skillfactory from 63.763% to 100%. The deal is expected to be completed in January 2024.

- The average MAU of **Uchi.ru** in Q3 2023 reached 2.1 mn people. In October 2022 – September 2023, 11 mn students, 6 mn parents, and 740,000 teachers were active on the platform's services. Meanwhile, the number of paying students amounted to 998,000, up by 19% YoY.

## VK TECH SEGMENT

### VK Tech segment performance

RUB bn	Q3 2022	Q3 2023	YoY	9M 2022	9M 2023	YoY
<b>Revenue</b>	<b>1.1</b>	<b>1.8</b>	<b>62.8%</b>	<b>2.9</b>	<b>4.8</b>	<b>63.3%</b>

*Main projects: VK Cloud, VK WorkSpace communication services*

**VK Tech's** revenue in nine months of 2023 increased by 63% YoY, reaching RUB 4.8 bn.

- The key growth drivers were **VK Workspace** communications services, with its revenue in nine months of 2023 rising 2.5-fold YoY, and services of the **VK Cloud** platform, with revenue growing by 58% YoY. Revenue from HR Tech services sales in the first nine months of 2023 rose 2.5-fold YoY.
- Revenue of **VK WorkSpace** communication platform services in Q3 2023 rose by 214% YoY, while sales of HR Tech services increased by 217% YoY.
- In September 2023, VK Tech launched a single partnership program for businesses. Support and training for integrators, developers, resellers will allow to scale up the expertise of implementing VK IT products.

### VK KEY CORPORATE EVENTS IN Q3 2023:

- On August 10, 2023, VK's shareholders and Board of Directors approved the decision to implement the re-domiciliation from the British Virgin Islands to the Russian Federation;
- On August 28, 2023, VK announced the signing of an agreement to increase its stake in the Tetrika online school to over 90%. VK merged the services of Tetrika and Uchi.Doma, which focus on private lessons with tutors in school subjects, exams preparation, and Olympiads for school students;
- On September 12, 2023, VK announced the delisting and cancellation of trading in global depository receipts and Eurobonds on the London Stock Exchange;
- On September 18, 2023, VK announced the completion of the transfer of the GDR program to a new depository bank;
- On September 26, 2023, VK announced the completion of registration in the Russian Federation;
- On September 27, 2023, VK announced the start of automatic conversion and termination of the depository agreements;
- On September 29, 2023, Mail.Ru Finance LLC (a subsidiary of VK) announced the placement of ZO25 series replacement bonds starting from October 2, 2023.



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