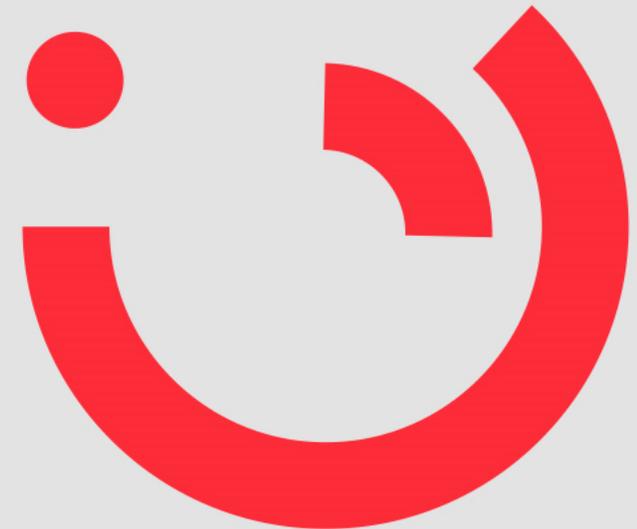


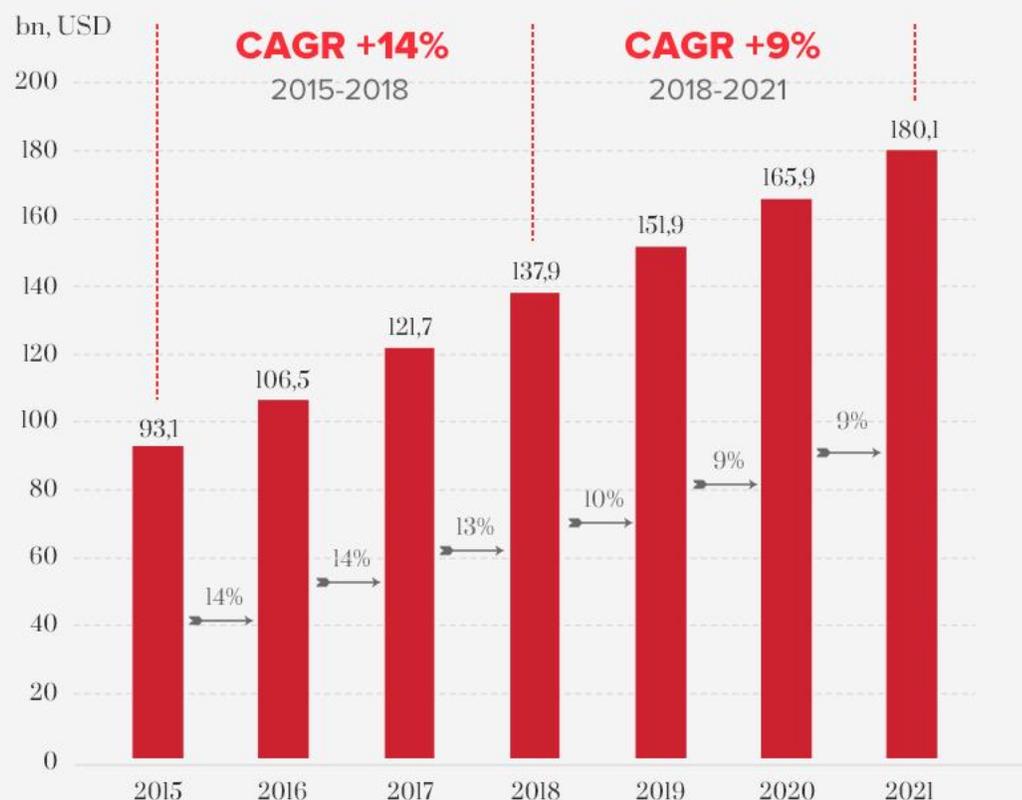
Mail.Ru Group – Games Business Overview & Strategy



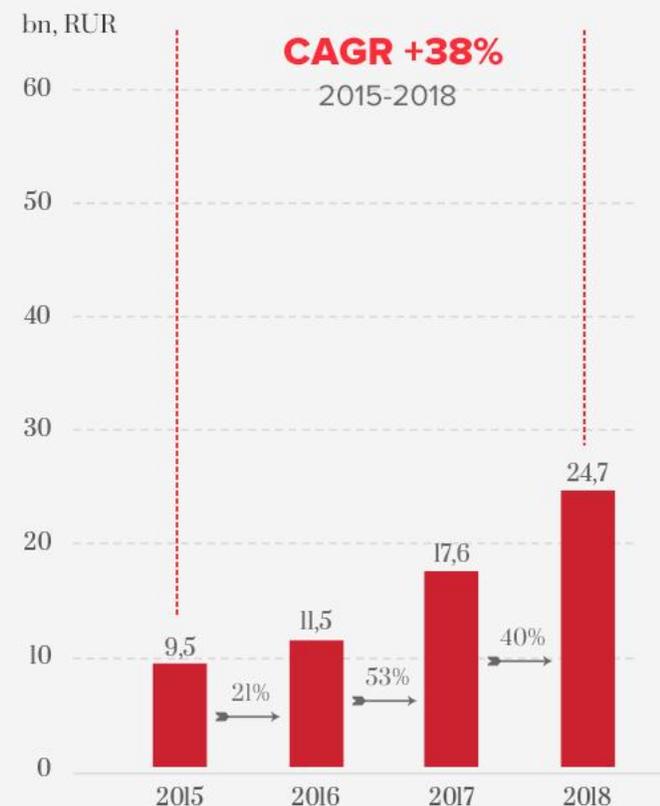
Games Market Value

Our gaming business grows about 3 times faster than the market

Global Games Market Value*



Games Business Revenue

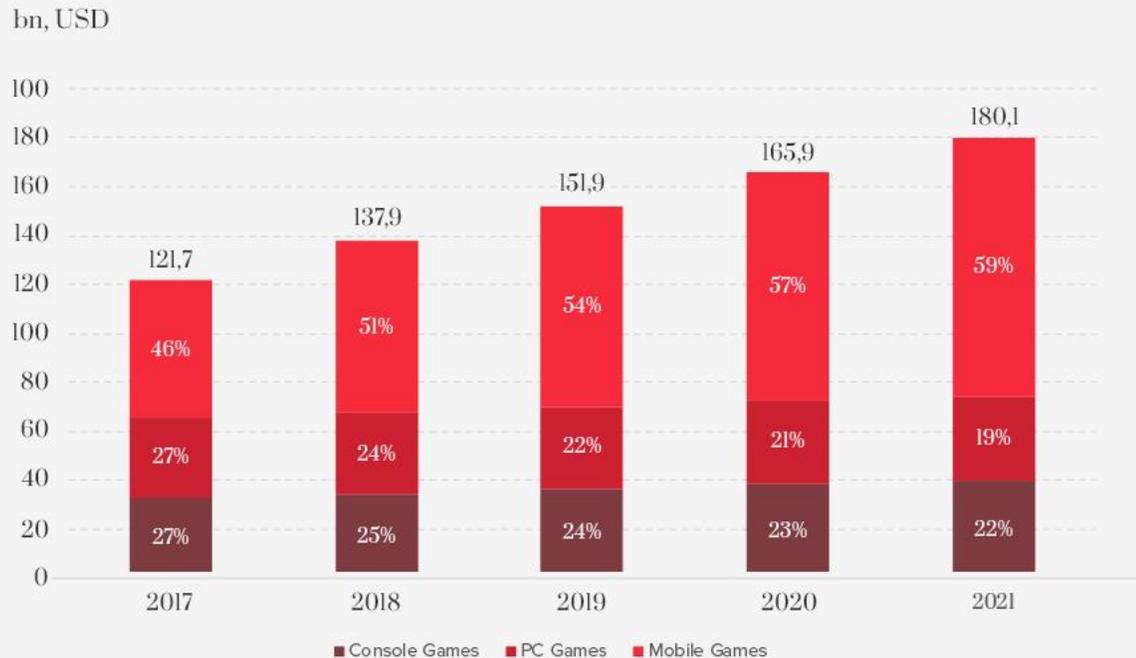


* Source: Newzoo, April 2018

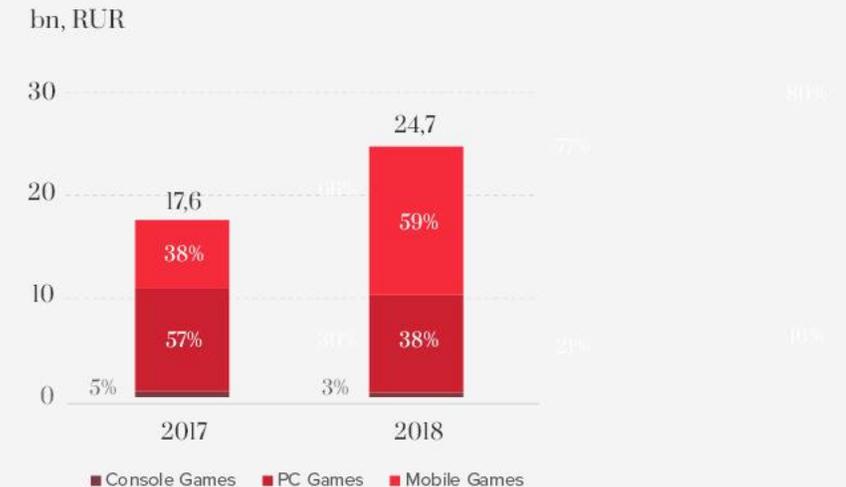
Value Split by Platform

Games market grows with mobile segment while PC&Consoles market is stable.
Our business growth is driven by mobile as well with targeted 80%
of mobile revenue by 2022

Market Value Split*



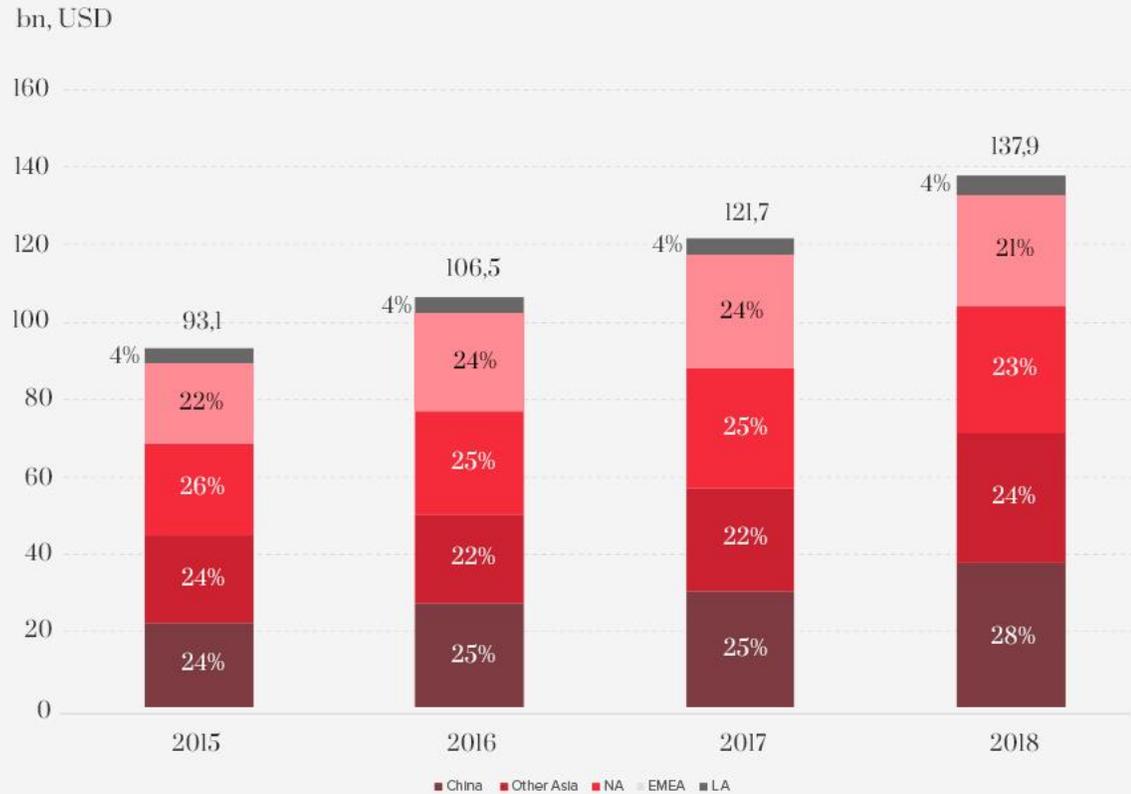
MRG Games Revenue Split



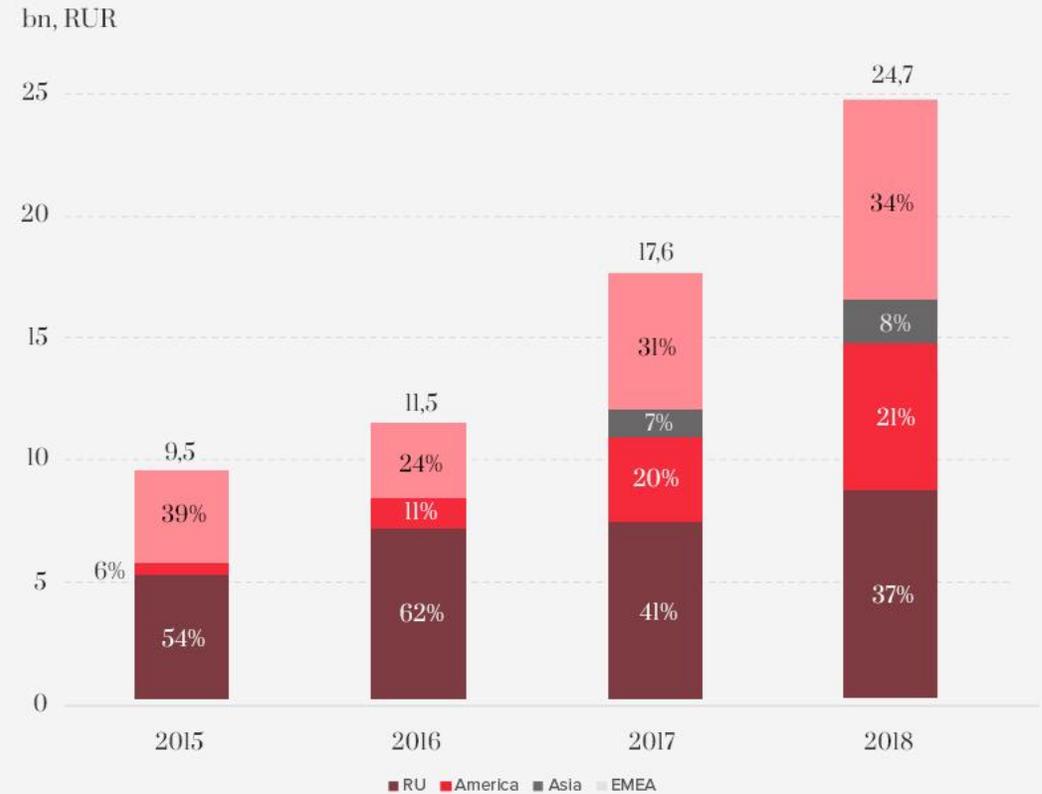
* Source: Newzoo, April 2018

Value Split By Regions

Market Value Split*



MRG Games Revenue Split



* Source: Newzoo

Gamer Profile

66% of worldwide population are gamers and the share is moderately but stable increasing YoY



Internet User



Gamer

Gender

more men in games

Age Group

younger audience, but 75% are aged 25+

Marital Status

doesn't differ from Internet user

Occupation

doesn't differ from Internet user

Income

higher income

	Internet User			Gamer		
	men	women		men	women	
Gender	48%	52%		55%	45%	
Age Group	14% aged 12-24	31% aged 25-34	21% aged 35-44	25% aged 12-24	33% aged 25-34	20% aged 35-44
Marital Status	31% single	60% married	10% divorced	38% single	54% married	6% divorced
Occupation	13% manager	9% businessman	20% clerk	13% manager	9% businessman	20% clerk
Income	42% low	26% average	15% high	30% low	48% average	22% high

* Source: RADAR Research, November 2017

Gaming Industry Trends



Competition landscape for platforms heating up with emerging Epic Games Store, upcoming Google Stadia, Apple Arcade



China's (biggest game market so far) regulations will change developers' strategies at home and abroad



Cloud gaming and streaming techs would provide easier access to high-quality games changing gaming patterns



With growing audience of e-sports enthusiasts up to 456 million in 2019, the industry will rise up

Games Business Overview

10

regionals offices (RU, NA, EU)

1500

in-house employees

16

years of gaming experience

512 mln

registrations* in games

25 mln

MAU in games

5 mln

DAU in games

10 / 13

studios
in-house / MRGV

64 / 15

games in live operation
in-house / MRGV

10 / 11

games in development
in-house / MRGV

* Since 2010

Key Leaders of Games Division



**Vasily
Maguryan**

Head of
Games Division



**Ilya
Karpinsky**

Deputy Head of
Games Division
and MRGV Director



**Elena
Grigoryan**

Marketing & PR
Director



**Alexey
Izotov**

Head of
Global Operation
Department



**Vladimir
Markov**

Head of
Studio Nord



**Aleksandr
Enin**

Head of
IT Territory Studio



**Ivan
Fedyanin**

Head of
Fast Forward Studio



**Konstantin
Brysin**

Head of
Pushkin Studio



**Marina
Sokolova**

Head of
Whalekit Studio



**Aleksandr
Prokhorov**

Head of
Allods Studio



**Vladimir
Rozov**

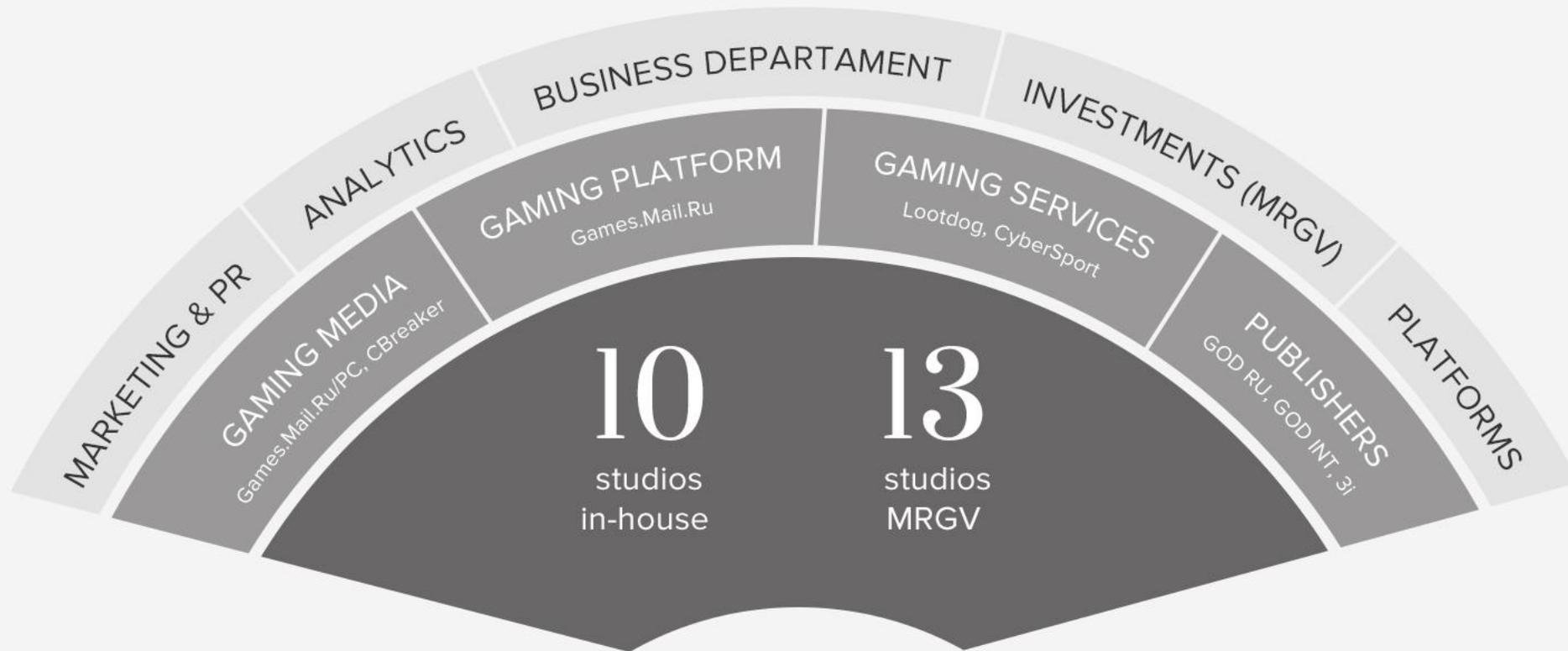
Head of
BIT.Games Studio



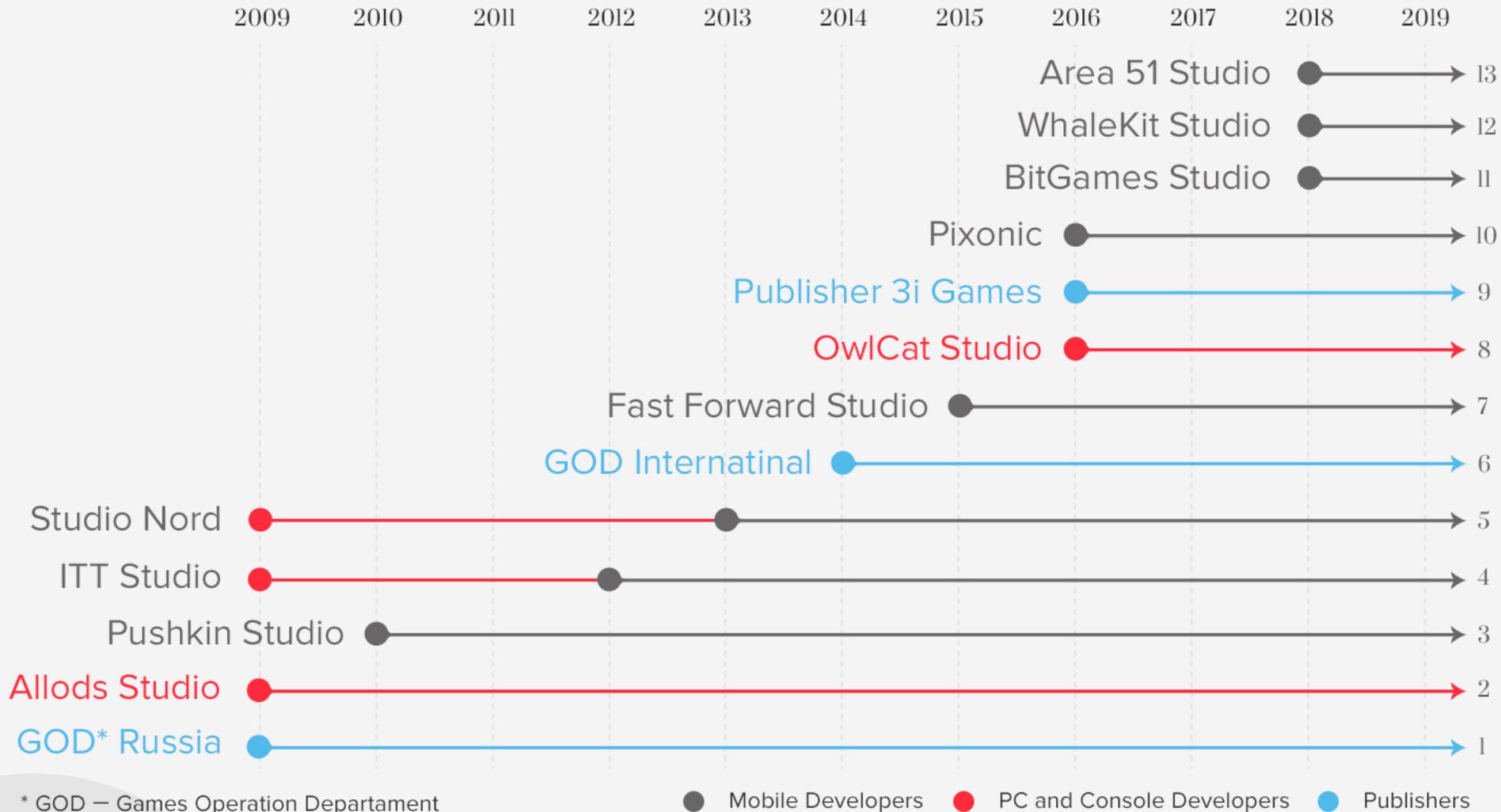
**Philipp
Gladkov**

Head of
Pixonic

Ecosystem of Gaming Business



Games Studios Portfolio



* GOD – Games Operation Departament

Strategic Approach

Central Structure

- Responsible for infrastructure development (platforms, analytics, marketing, network solutions)
- Provides financial support and expertise in game development and publication
- Attracts the best talents and teams via MRGV
- Creates a unique ecosystem for all gaming industry professionals (developers, publishers, services and gamers)

Studios

- Independent development and project selection
- KPI based on Revenues and EBITDA

Games Business 360° Strategy

Developing

72 titles launched*

Hustle Castle



10 titles in development

Licensing

55 titles launched



LOSTARK

CONQUEROR'S
BLADE



2 titles in pipeline

Acquiring

2 studios



Investing

13 studios in portfolio



27 studios in investigation

* Since 2014

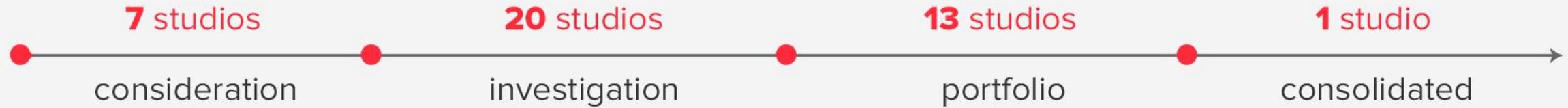
Basic Principles

- Seed and A-round investments
- Support in development and marketing
- Acquisition of 51-100% of studio upon hitting target product metrics

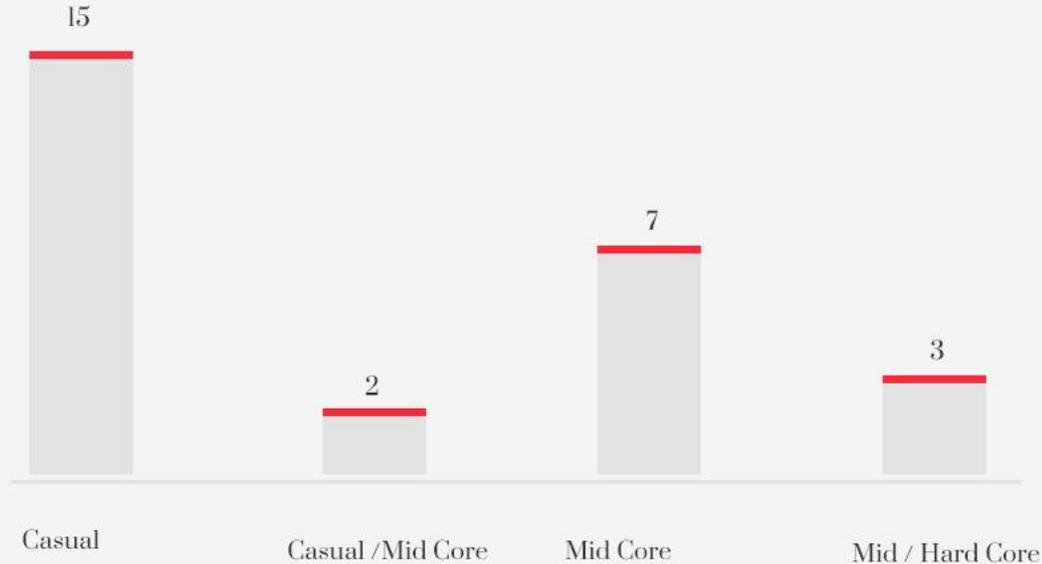
Key Goals

- Access to new talents in development
- Access to all project metrics on every stage of development and publishing
- Scale of company's games portfolio with consolidation of proven products

MRGV Line-Up

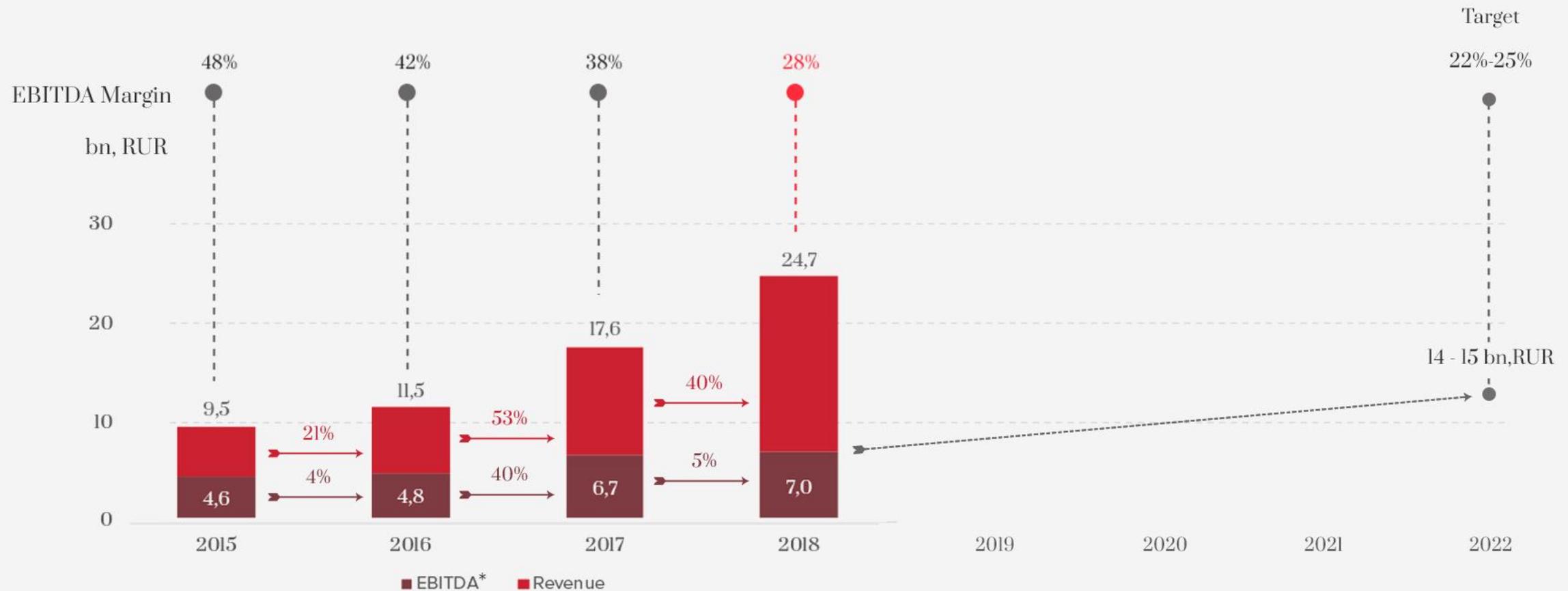


Genres Split



- MRGV studios' genres split ensures covering the promising niches that are not the key competences of our in-house studios
- As a result our MRGV portfolio focuses on casual gaming (match 3, farmes) while in-house studios are concentrated on mid-core games genres

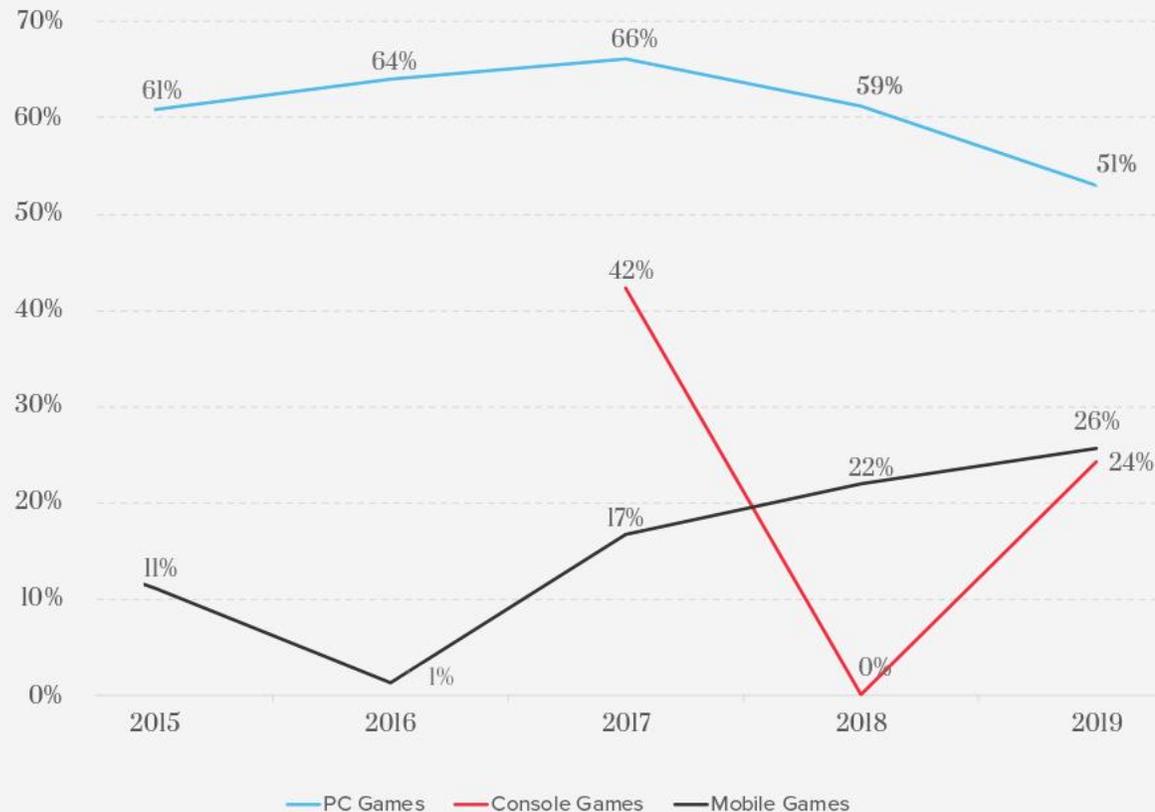
Business Financial Indicators



* Ex. corporate allocations

Split by Platform

EBITDA* Margin



EBITDA 2018 - WF PC international launch

EBITDA 2019 - New PC releases launch campaigns

EBITDA 2016 - War Robots launch

EBITDA 2017 - Hustle Castle dev & launch

EBITDA 2018 - WF consoles dev & launch

* Ex. corporate allocations

Comparable Game Companies

Company name	Market cap, USD mln	EV/Revenue		EV/EBITDA		EBITDA margin 2014-2018 avg.
		2019	2020	2019	2020	
US & EU						
ACTIVISION BLIZZARD	34,945	4.9x	4.4x	12.9x	11.2x	38%
ELECTRONIC ARTS	29,315	4.9x	4.6x	14.9x	13.5x	23%
TAKE-TWO INTERACTIVE SOFTWARE	10,484	3.3x	3.4x	13.4x	12.6x	13%
UBISOFT ENTERTAINMENT	10,285	4.1x	3.8x	8.4x	7.5x	41%
ZYNGA	5,066	3.3x	2.8x	17.0x	13.8x	-7%
GLU MOBILE	1,595	2.9x	2.5x	22.3x	15.0x	-10%
ATARI	101	3.4x	3.1x	na	na	36%
KING DIGITAL ENTERTAINMENT*	na	na	na	na	na	33%
GAMELOFT*	na	na	na	na	na	4%
US & EU average		3.8x	3.5x	14.8x	12.3x	19%
Asia						
NETEASE	35,530	2.2x	1.9x	16.2x	13.8x	30%
NEXON	13,436	3.7x	3.4x	8.7x	7.9x	37%
NETMARBLE	10,109	2.9x	2.7x	13.4x	11.7x	22%
NCSoft	9,573	4.5x	3.6x	11.5x	8.6x	36%
GUNGHO ONLINE ENTERTAINMENT	3,163	2.4x	2.5x	8.4x	9.5x	43%
IGG	1,732	1.8x	1.6x	6.5x	5.6x	29%
COM2US	1,208	1.3x	1.2x	4.1x	3.5x	38%
CHANGYOU.COM	857	1.2x	1.3x	4.8x	4.9x	23%
WEBZEN	658	2.9x	2.6x	9.1x	7.8x	32%
GAMEVIL	286	2.8x	2.4x	53.7x	33.3x	-1%
NEOWIZ	271	0.9x	0.8x	6.9x	6.4x	14%
BOYAA INTERACTIVE	212	na	na	na	na	36%
Asia average		2.4x	2.2x	13.0x	10.3x	28%
Global average		3.0x	2.7x	13.7x	11.0x	24%

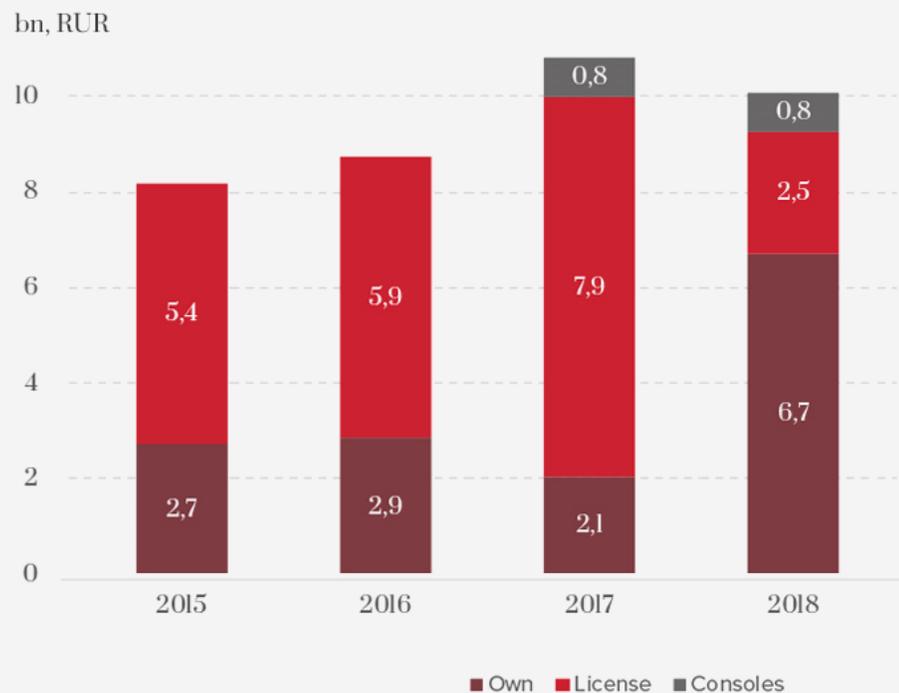
Note: King and Gameloft were acquired by Activision Blizzard and Vivendi in Feb-16 and Jul-16 respectively.

Source: Bloomberg.

Date: April, 2019

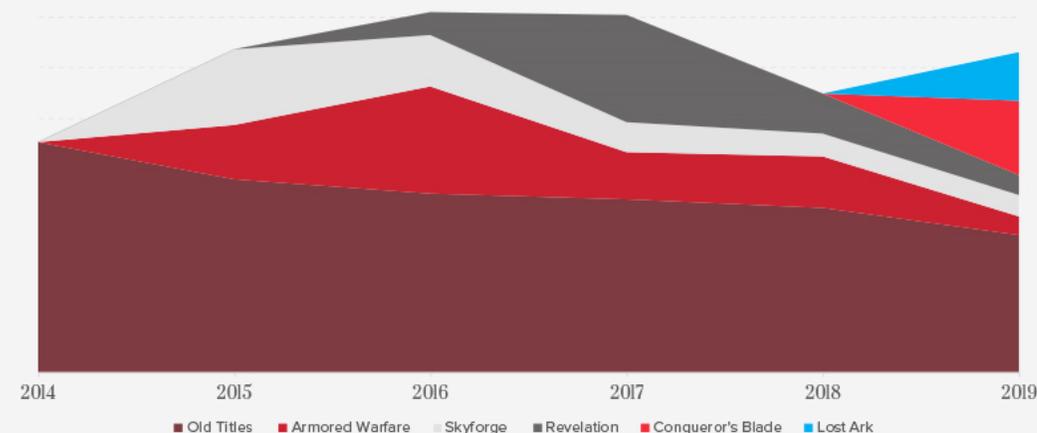
PC & Consoles Segment Structure

Revenue Split



* Launch year

Top PC Games Revenue

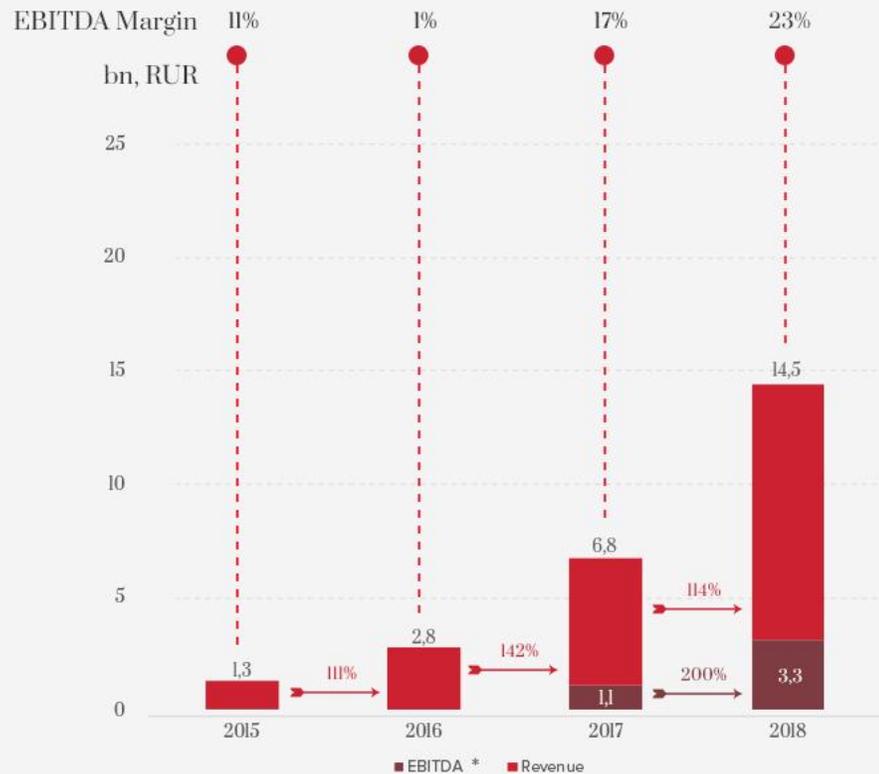


Cost Structure

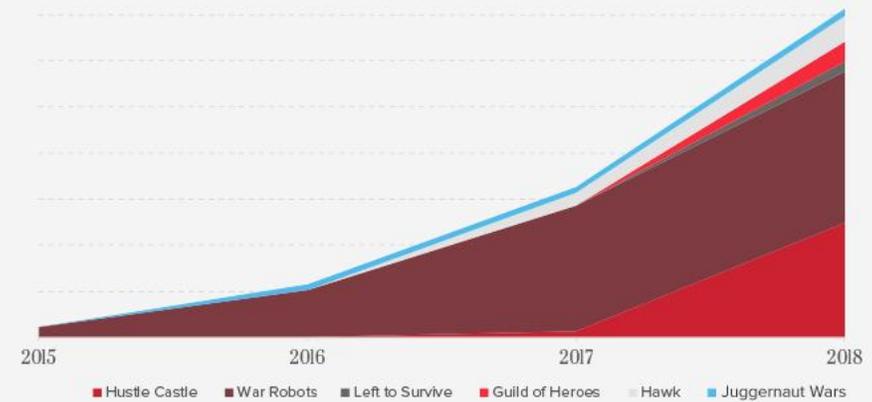
	Licensing	Own
Royalty	20% - 25%	-
Person. exp.	17% - 6%	35%
Market. exp.	30% - 5%	30% - 5%
EBITDA	28%* - 64%	35%* - 60%

Mobile Segment Structure

Revenue and EBITDA



Top Mobiles Games Revenue



Cost Structure

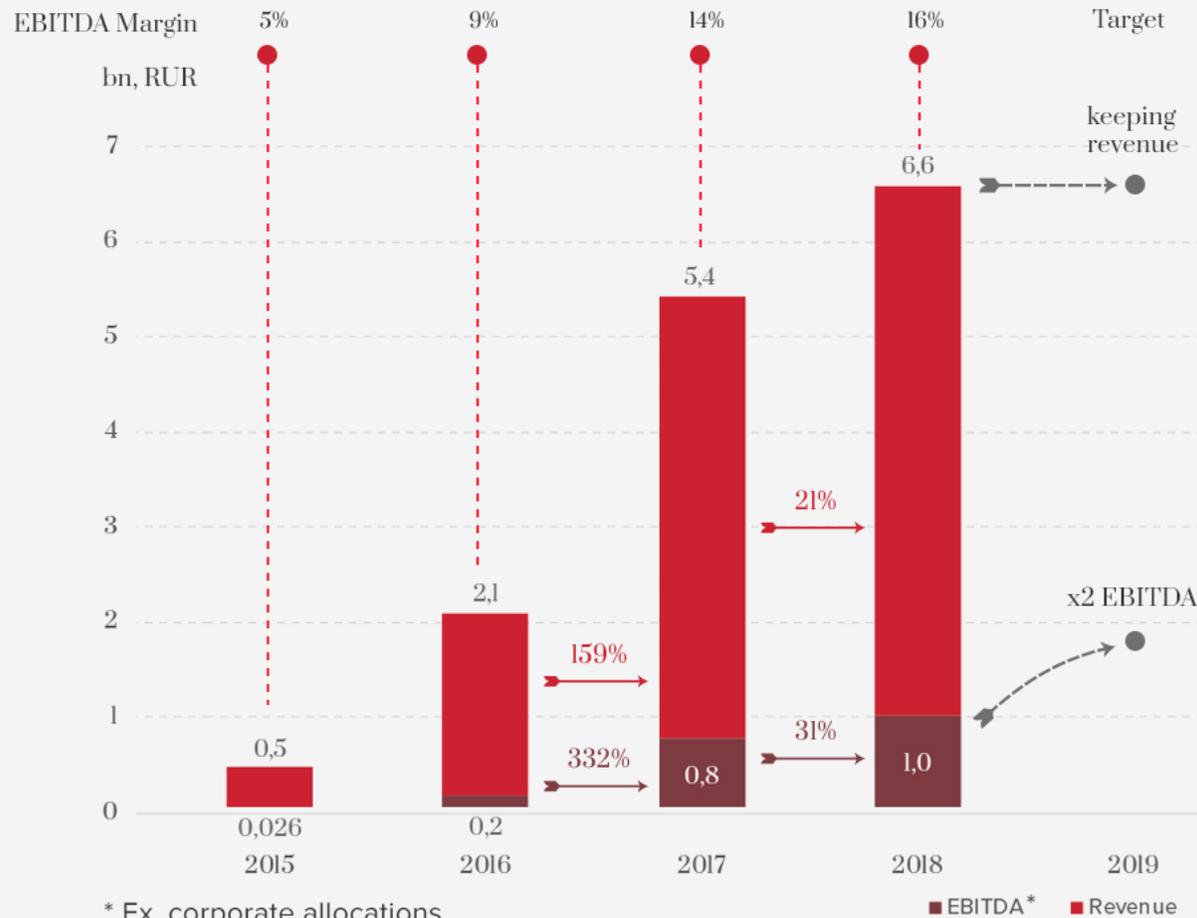
Platform fee	30%
Personal expences	10%
Marketing expences	30%-40%
EBITDA	20%-30%

* Ex. corporate allocations

War Robots Case Study:

mature mobile games deliver healthy EBITDA

Financial Indicators

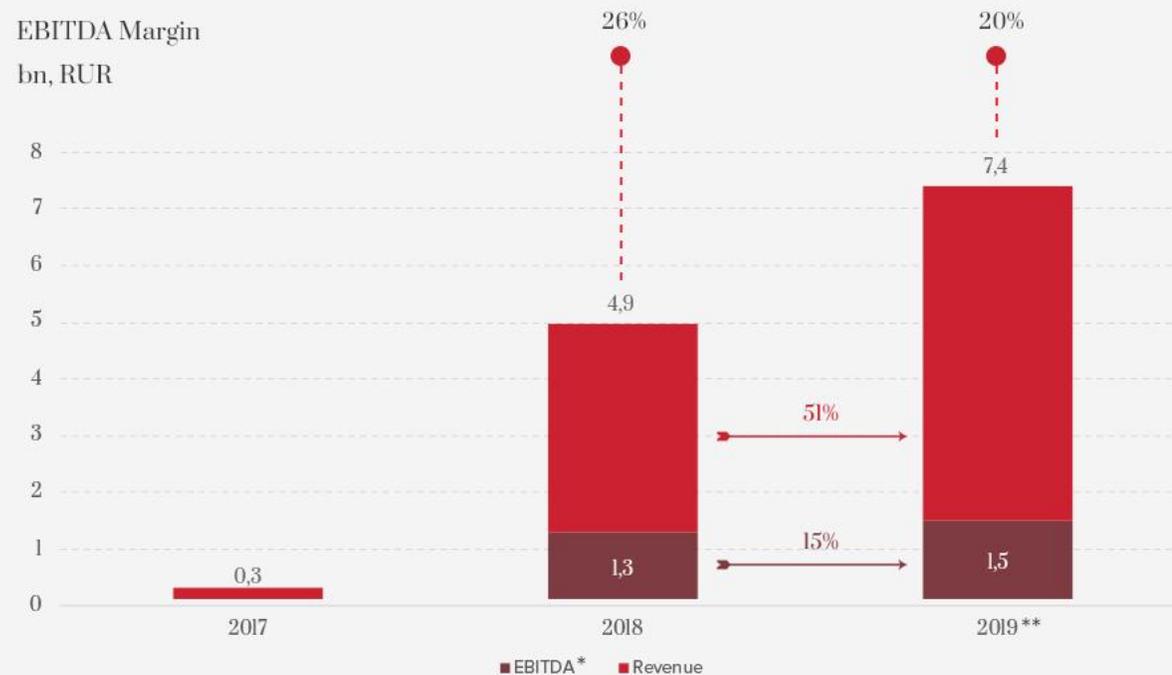


- 4 years in operation
- the project has been receiving high user ratings, and its audience has been growing steadily to reach 130 mln installs
- 96% of revenue generated outside of Russia
- high retention and monetization indicators

Hustle Castle Case Study:

our top revenue-generating game

Financial Indicators



Product Profile

- Launched in Nov' 17 (17 months)
- 40 mln installs
- 8,3 bn RUR Revenue

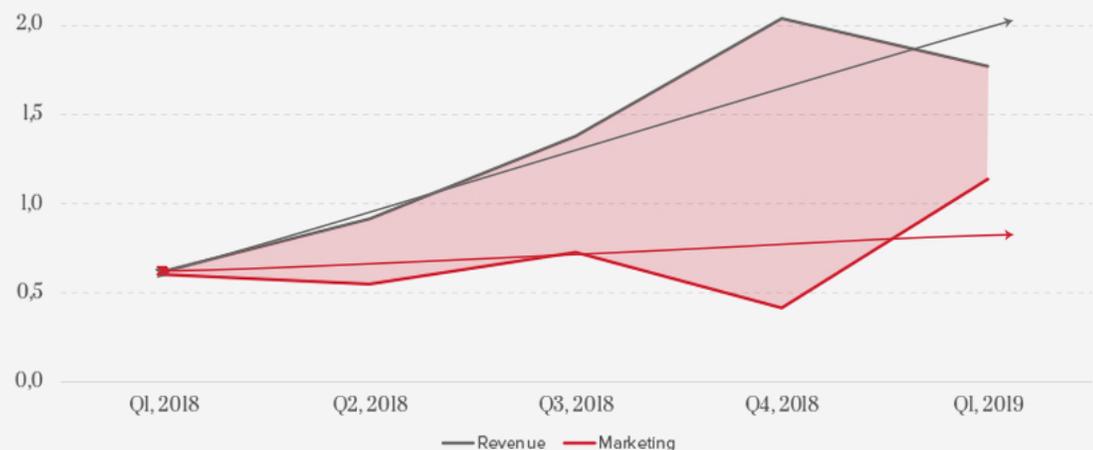
* Ex. corporate allocations

** Forecast

Hustle Castle Case Study:

turning investments into EBITDA

bn, RUR

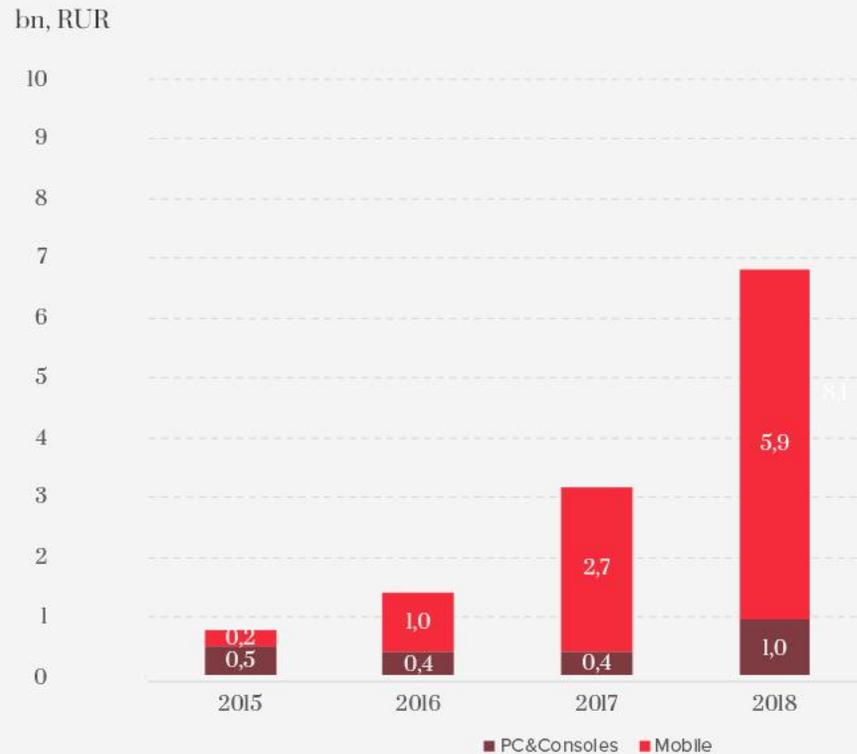


2018 P&L	Cost	Share, %
Revenue	4955	
Platforms Fee	-1332	-27%
Personal Expences	-161	-3%
Marketing Expences	-2140	-43%
EBITDA	1312	26%

Cohort 2018	Installs	Mark Cost	Net Rev 3m	Net Rev 12m	ROMI 3m	ROMI 12m
Q1 Cohort	5 070 556	445	557	935	125%	210%
Q2 Cohort	7 137 428	539	667	1 085	124%	201%
Q3 Cohort	7 299 592	715	885	1 283	124%	179%
Q4 Cohort	5 380 209	441	931	1 136	211%	258%
	24 887 785	2 140	3 040	4 439	146%	212%

Marketing Investments

Marketing Split by Platform



User Acquisition Team

Traffic Managers	Production	Analytics
34 (+proven agencies)	9 (+outsource)	5

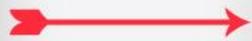
- Shortterm goals for the team
- Daily KPI for each TM (installs/ROI)
- Automated ROI prediction for each cohort
- Instant response to any UA campaign - keeping / scaling / stopping
- Daily update of TM plans
- Daily adjustment of marketing spend depending on the result of the past period

Risk Minimization Approach

Successful Game Mechanics Re-usage



War Robots



Dino Squad



Hustle Castle



to be announced soon



Zero City

MRGV



Guild of Heroes



to be announced soon

Franchise Development



Warface



PC

+



Console

+



Mobile



Evolution



Mobile1

+



Mobile2



SF



PC

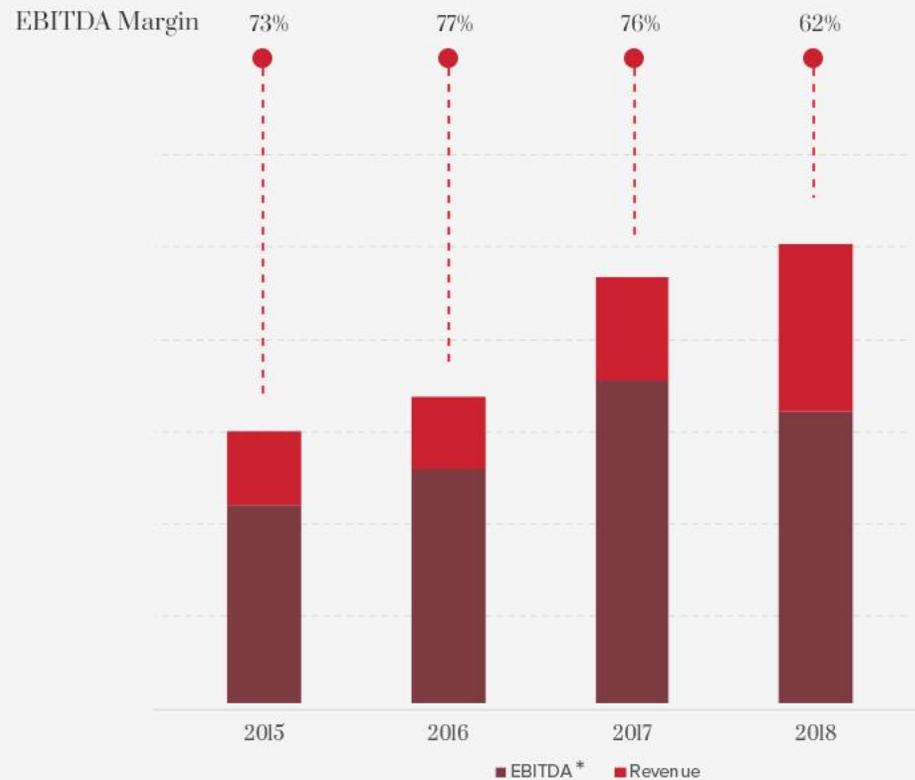
+



Console

Warface Franchise

Revenue and EBITDA



Key Milestones

- 2017 - 2018 WF PC International launch
- 2018 - Development and launch consoles versions
- 2019 - Development and launch 2 mobile games (not announced yet)

* Ex. corporate allocations

New Releases of 2019

MRGV



LostArk



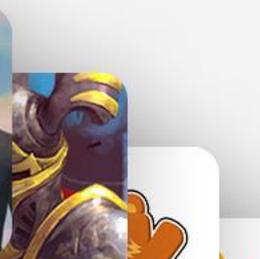
Conqueror's
Blade



WF mobile 1



WF mobile 2



AfterMath



Boom Riders



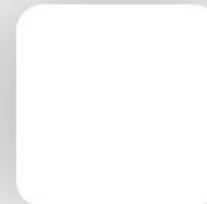
Space
Justice



Bombastic
Brothers



Evolutions 2

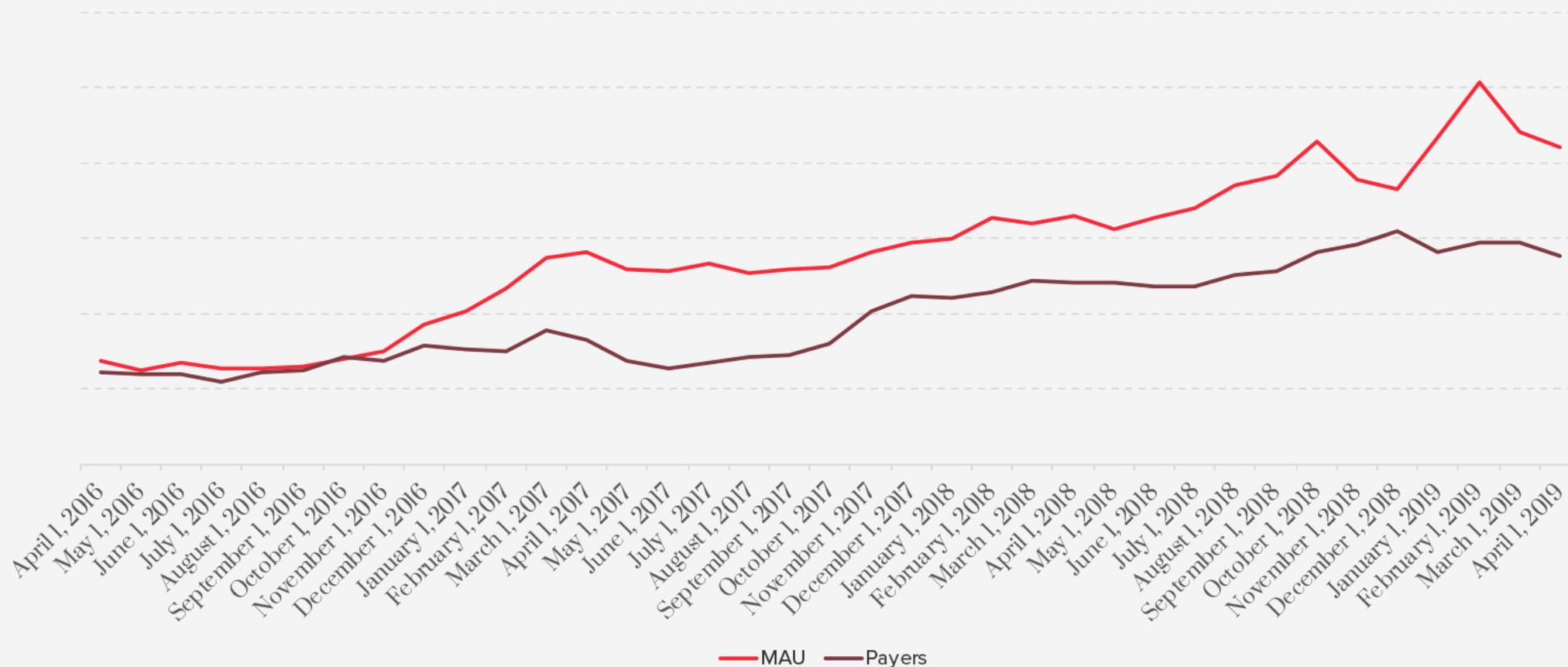


to be
announced
soon

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

Paying Users Across Gaming Portfolio

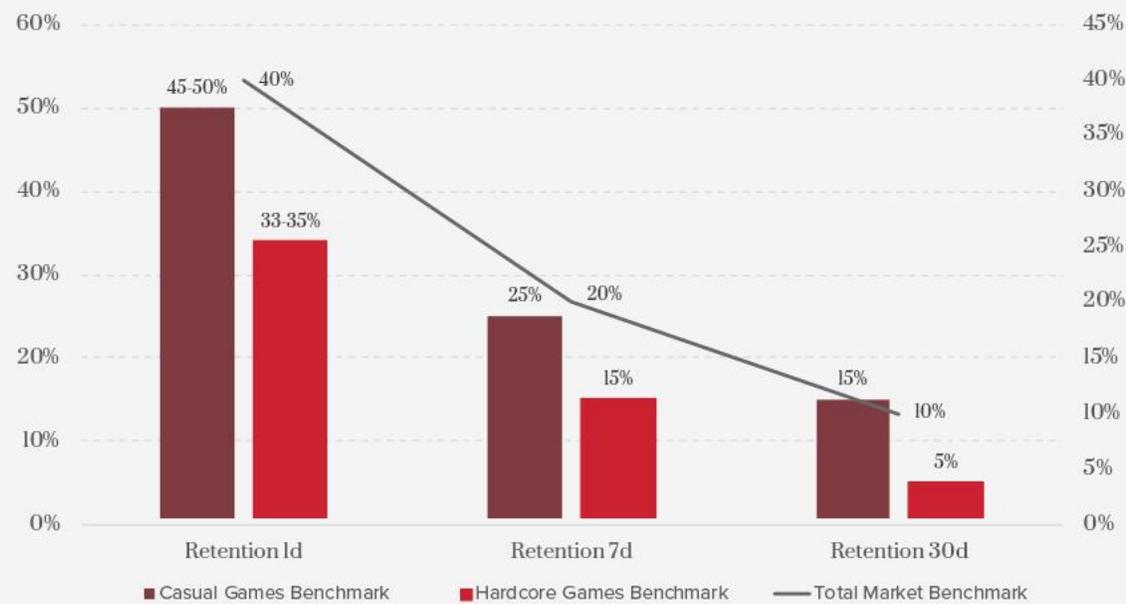
The number of paying users is steadily growing with number of titles and active audience growing



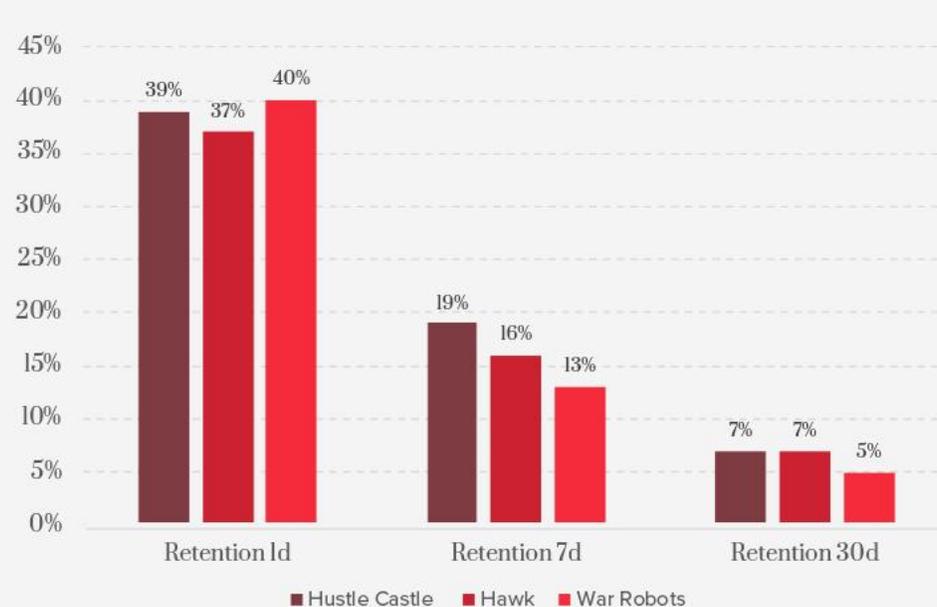
Retention

Creating a game that keeps players entertained for days and months is key to success for a free to play game

Retention – Market Benchmark

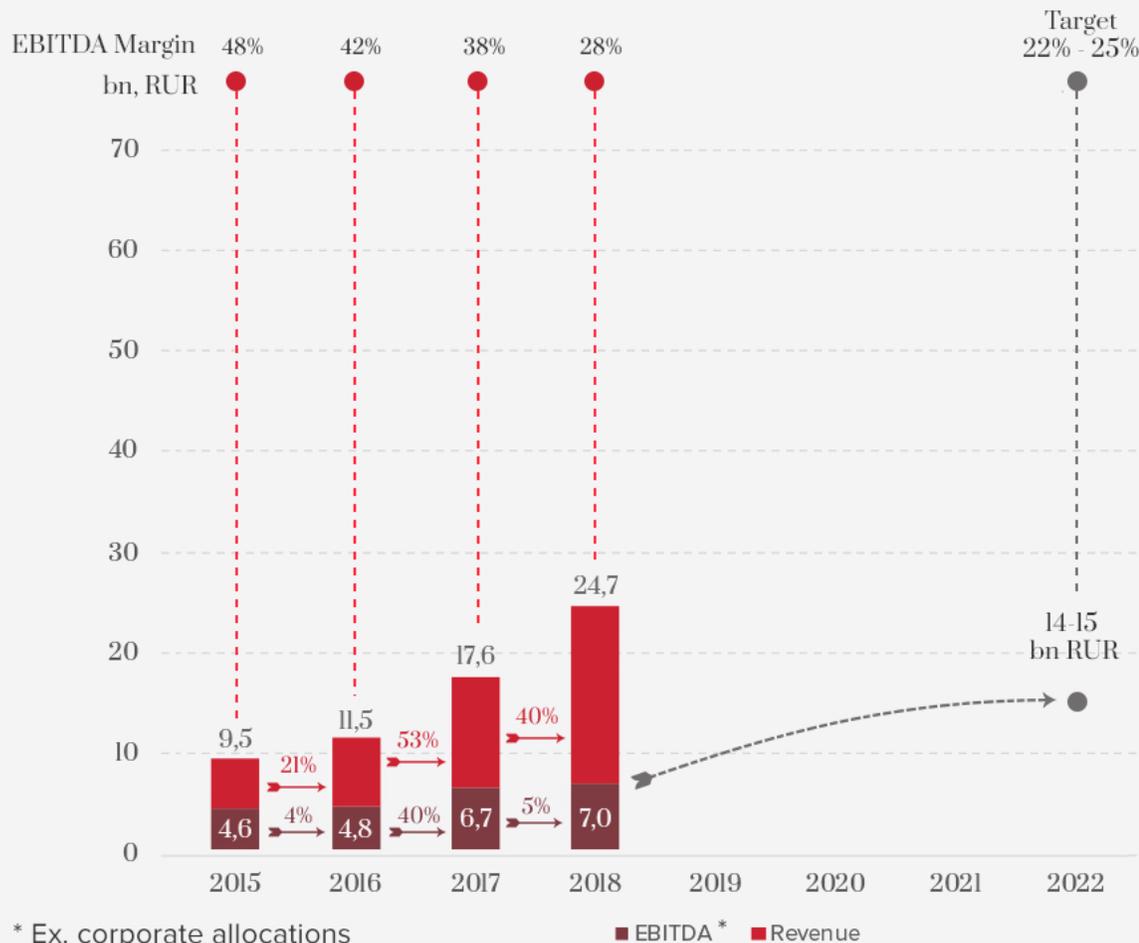


Retention – Games Portfolio



Strategic Directions

Revenue and EBITDA



- Steady growth of international games revenue to achieve 80% of total revenue by 2022
- Use our key expertise in free-to-play (F2P) gaming to develop multiplatform F2P games based on successful product franchises or proved game mechanics
- Utilize our core expertise in online-shooting and RPG games and continue exploring new promising genres with in-house development and M&A projects

Global Gaming Powerhouse

- 16 years of profound industrial experience
- Growing 3 times faster than the market
- Competitive margin metrics for the gaming industry
- Diversified portfolio of gaming products and services
- High-professional team with years of strong core expertise in highly-demanded F2P gaming
- 360° strategy keeping the best products in our portfolio



Contacts

Tatiana Volochkovich

Mail.Ru Group, Director of Investor Relations

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

Mobile: +7 905 594 6604

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



Disclaimer

This presentation has been prepared by Mail.ru Group Limited (the “**Company**”) and comprises the written materials for a presentation to syndicate research analysts or certain institutional investors.

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “will”, “may”, “should” and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements appear in a number of places in this presentation and may include statements regarding: strategies, outlook and growth prospects; future plans, expectations, projections and potential for future growth; plans or intentions relating to acquisitions; future revenues and performance; liquidity, capital resources and capital expenditures; economic outlook and industry trends; the impact of regulatory initiatives; competitive strengths and weaknesses; and the strengths of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management’s examination of historical operating trends, data contained in Company records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and you are cautioned not to place any undue influence on any forward-looking statement. No one undertakes to publicly update or revise any such forward-looking statement.

Investment in the GDRs may involve substantial risk. References to future returns are not promises or even estimates of actual returns an investor may achieve. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. The information herein reflects the Company’s judgement of the prevailing conditions as of this date, all of which are subject to change. Past performance or experience does not necessarily give a guide for the future. Neither the delivery of this presentation nor any further discussions with any recipient shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This presentation does not constitute or form a part of, and should not be construed as, an offer or invitation to subscribe for or purchase any securities of the Company and neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

The Company’s shares and GDRs have not been and will not be registered under the U.S. Securities Act of 1933, as amended. Securities may not be offered or sold in the United States absent registration under that Act or an available exemption from it, and the Company does not intend to make a public offer of any securities in the United States

Within the member states of the European Economic Area (the “**EEA**”) this presentation is only addressed to and directed at persons who are “qualified investors” (“**Qualified Investors**”) within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this presentation is being distributed only to, and is directed only at (i) Qualified Investors who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (ii) persons to whom it may otherwise lawfully be communicated (all such persons in this paragraph collectively being referred to as “**Relevant Persons**”). This presentation must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this presentation relates is available only to Relevant Persons or will be engaged in only with Relevant Persons.

The information and opinions contained in this presentation are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information or opinions contained in this presentation or their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this presentation by the Company and no liability is accepted by us for the accuracy or completeness of any such information or opinions.

The information in this presentation is being circulated on a confidential basis, and is neither to be disclosed to any other person, nor copied or reproduced, in any form, in whole or in part without the Company’s prior consent.

By accepting delivery of this presentation you agree to be bound by the foregoing terms and acknowledge that you will be solely responsible for your own assessment of the market, the market position of the Company and the GDRs and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business



@ mail.ru
group