



VK Company Limited unaudited results for Q1 2022

April 28, 2022. VK Company Limited (LSE, MOEX: VKCO, hereinafter referred to as "the Company" and together with its subsidiaries "VK" or "the Group"), today releases unaudited IFRS results and segment financial information for the three months ended 31 March 2022.

Performance highlights*

Results for the three months ended 31 March 2022:

- Q1 2022 Group Total Adjusted revenue grew 9% YoY to RUB 30,902m. Total IFRS revenue was up 10% YoY to RUB 30,577m.
- Q1 2022 Group Total Adjusted EBITDA declined 51% YoY to RUB 2,961m
- Q1 2022 Group Total Adjusted net loss was RUB (7,370m), compared to Q1 2021 Total Adjusted net loss of RUB (998m), including the following contributions from key strategic associates and joint ventures:
 - O2O JV: RUB (5,104m) in Q1 2022 vs RUB (3,313m) in Q1 2021, including RUB (1,763m) contribution from Citymobil in Q1 2022 vs RUB (1,278m) in Q1 2021;
 - AER JV: RUB (828m) in Q1 2022 vs RUB (478m) in Q1 2021;
 - Uchi Group: RUB 37m in Q1 2022 vs RUB 46m in Q1 2021;
 - Umskul: RUB 69m in Q1 2022 (the Group acquired the 25% stake in October 2021)
- Q1 2022 Group Total IFRS net loss was RUB (54,907m), compared to Q1 2021 Total IFRS net loss of RUB (2,457m), including the following contributions from key strategic associates and joint ventures:
 - O2O JV: RUB (9,301m) in Q1 2022 vs RUB (3,495m) in Q1 2021, including RUB (5,365m) contribution from Citymobil in Q1 2022 vs RUB (1,278m) in Q1 2021;
 - AER JV: RUB (1,228m) in Q1 2022 vs RUB (641m) in Q1 2021;
 - Uchi Group: RUB (34m) in Q1 2022 vs RUB 46m in Q1 2021;
 - Umskul: RUB 36m in Q1 2022 (the Group acquired the 25% stake in October 2021)

RUB millions	Q1 2021	Q1 2022	YoY, %
Adjusted revenue	28,290	30,902	9%
Revenue	27,735	30,577	10%
Adjusted EBITDA	6,071	2,961	-51%
Adjusted net loss	(998)	(7,370)	
Net loss	(2,457)	(54,907)	

* This release presents Adjusted revenue, Adjusted EBITDA, Adjusted net profit/loss, which are non-IFRS financial measures.

RUB millions	Q1 2021	Q1 2022	YoY, %
Online advertising Revenue	10,471	11,106	6%
<i>Adjustments:</i>			
Barter revenues	-	(15)	
Online advertising Adjusted revenue	10,471	11,091	6%
MMO games Revenue	9,399	9,506	1%
<i>Adjustments:</i>			
Changes in deferred revenues	25	487	
MMO games Adjusted revenue	9,424	9,993	6%



RUB millions	Q1 2021	Q1 2022	YoY, %
Community IVAS Revenue	4,359	4,893	12%
<i>Adjustments:</i>			
Changes in deferred revenues	118	(25)	
Community IVAS Adjusted revenue	4,477	4,868	9%
Education Technology services Revenue	1,740	2,822	62%
<i>Adjustments:</i>			
Changes in deferred revenues	412	(113)	
Education Technology services Adjusted revenue	2,152	2,709	26%
Other Revenue	1,766	2,250	27%
<i>Adjustments:</i>			
Changes in deferred revenues	-	(9)	
Other Adjusted revenue	1,766	2,241	27%

VK's net debt position excluding lease liabilities at the end of March stood at RUB 54,387m (RUB 70,689m including lease liabilities). Net Debt (including lease liabilities) to LTM Adjusted EBITDA was 2.46x as of the end of March.

Due to the ongoing suspension of trading of VK's GDRs on the London Stock Exchange, a "De-listing Event" for VK convertible bonds has occurred. The Company is developing a proposal to the bondholders to address the event and possible alternatives to the put option exercise together with the appointed advisors.

The Company has also announced a number of changes to the Board of Directors as well as the management team in year-to-date. The Board of Directors was enhanced with additions of a number of Russian Scientific Community Members, along with appointments of a number of senior leaders in areas such as AI, Information Security, Investments and Business Development, Marketing and others within the management team. VK has also added a new position of a dedicated ESG Manager as a reflection of its ongoing focus on the sustainable development agenda.

Given the still limited visibility and high level of uncertainty, the Company refrains from providing forward guidance and outlook at this stage. While there will be no regular results call at this time, VK welcomes any queries from its stakeholders using the Investor Relations contact details below and remains available for individual incoming call requests.

In our effort to further enhance our reporting quality, we transformed Group's aggregate segment financial information previously presented in the form of management (CODM) accounts starting from Q1 2022 results. In addition to IFRS-based disclosure, we will report 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.

In 2022 the Company changed its approach to allocation of corporate service expenses. Previous period (2021) was restated accordingly for comparison basis with related reference file available on the VK website: <https://vk.company/en/investors/materials/>. The Company analyzed functionality of key services and defined appropriate drivers to allocate expenses for each service. Previously the Company applied a single driver in allocation of all such expenses based on the share of each segment in direct costs.



Segmental highlights

Communications and Social segment

The segment's Adjusted revenue was up 9% YoY to RUB 14.6bn in Q1 2022, with advertising revenue and Community IVAS being the largest revenue components. The segment's IFRS revenue was up 10% YoY to RUB 14.6bn in Q1 2022. Adjusted EBITDA declined by 13% YoY to RUB 4.9bn in Q1 (with a margin of 34% vs 42% a year ago) due to higher personnel expenses and investments into music content.

Communications and Social Segment Performance – Q1 2022

RUB millions	Q1 2021	Q1 2022	YoY, %
Revenue	13,301	14,644	10%
<i>Adjustments:</i>			
Changes in deferred revenues	117	(34)	
Adjusted revenue	13,418	14,610	9%
External revenue	13,362	14,577	
Intersegment revenue	56	33	
Operating expenses	(7,804)	(9,701)	24%
Adjusted EBITDA	5,614	4,909	-13%
<i>Adj. EBITDA margin, %</i>	<i>42%</i>	<i>34%</i>	<i>-8pp</i>

VKontakte

VKontakte maintains its lead among social networks in Russia with an average MAU of 73.4mn (+1.3% YoY) and DAU of 47.2mn in Q1. March marked several new records, including Russia MAU of 75.8mn, peak Russia DAU of 50mn, along with global MAU exceeding 100mn for the first time (100.4mn, +2.4% YoY). As of March, mobile time spent on VKontakte was at 44.2 minutes per day and as high as 57.1 minutes per day for the most engaged age group, 12–24 y.o*.

The number of VK Mini Apps rose by 43% YoY in March to 42,000, with an average MAU of 41.8mn in Q1 (+8.4% YoY). In the meantime, in-app ad revenue of mini apps and games on the VK Mini Apps platform grew by 89% YoY in Q1.

VK Video (rolled out in October 2021) reached an all-time high of 2.45bn daily views in March with average daily views at 2.11bn for the quarter. In March, VK Video was scaled to Smart TVs. VKontakte saw growth in video views on the social network itself, with 957mn (+20% YoY) in average daily views in Q1, peaking at >1.3bn views in March.

VKontakte is seeing an increase in content creation and consumption in Russia. In March, the number of created communities increased by 68% YoY, while the number of confirmed friend requests was up 30% YoY. The number of newly registered users also rose by 63% YoY, and news feed views increased by 16% YoY.

Creators using VK Donut earned over RUB 67mn in Q1 (+25% QoQ), with the number of public pages using VK Donut up 1.6x YoY and the number of paid community subscribers up 2x YoY in Q1.

The total number of active businesses on VKontakte reached 2.4mn in March.

* Source: Mediascope, March 2022, Russia (all cities, age 12+), Mobile.



Odnoklassniki (OK)

Average Russia MAU stood at 38mn in Q1, with high engagement reflected in more than 8.9bn virtual gifts, 580mn postcards and 545mn stickers sent during the quarter. The number of new user registrations in March grew +17.8% YoY and the number of restored profiles grew +30.5% YoY, driven by the 25-45 y.o. age group, with new users demonstrating above average engagement.

Moments MAU reached 28.5mn in March (+1.7x YoY). The number of views stood at 450mn (+2.2x YoY) and reactions at 41mn (+2x YoY) in Q1.

Payments to game developers for advertising in their projects increased by 2.2x YoY in Q1.

Pulse and Relap (recommendation platforms)

In Q1, Pulse DAU stood at 7.6mn (+32% YoY), with MAU of 86.8mn (+40% YoY). Relap DAU stood at 7.4mn (+0.1% YoY) in Q1, with MAU of 100mn (+0.3% YoY). Combined Adjusted revenue reached RUB 559mn in Q1 (+224% YoY). Timespent per active user increased by 17% YoY to 13.5 minutes.

Games segment (represented by MY.GAMES)

MY.GAMES Bookings (Revenue adjusted for changes in deferred revenue or Adjusted revenue) increased by 5.3% YoY to RUB 11.5bn. ~94% of Bookings came from F2P games, with mobile share at 76% of the total in Q1 (versus 78% in Q1 2021).

The Games segment Adjusted EBITDA declined to RUB 0.2bn (versus RUB 2.1bn in Q1 2021) due to heavy user acquisition (UA) investments.

Average MAU stood at 27.9mn in Q1 (+33.6% YoY). The share of monthly paying users declined to 3.8% given the higher exposure to the hyper casual genre.

Games Segment Performance – Q1 2022

RUB millions	Q1 2021	Q1 2022	YoY, %
Revenue	10,925	11,061	1%
<i>Adjustments:</i>			
Changes in deferred revenues	26	474	
Bookings (Adjusted revenue)	10,951	11,535	5%
External revenue	10,927	11,498	
Intersegment revenue	24	37	
Operating expenses	(8,872)	(11,314)	28%
Adjusted EBITDA	2,079	221	-89%
<i>Adj. EBITDA margin, %</i>	<i>19%</i>	<i>2%</i>	<i>-17pp</i>



EdTech segment (represented by Skillbox Holding Limited), which includes Skillbox, Geekbrains, Skillfactory, Mentorama, Lerna

Adjusted revenue rose by 27% YoY to RUB 2.7bn in Q1 2022, while the segment's IFRS revenue was up 62% YoY to RUB 2.8bn. EdTech delivered an Adjusted EBITDA loss of RUB 0.4bn in Q1 compared to a loss of RUB 0.1bn in Q1 2021 due to weaker demand in March and accrued tax reserves in 1Q.

EdTech Segment Performance – Q1 2022

RUB millions	Q1 2021	Q1 2022	YoY, %
Revenue	1,740	2,826	62%
<i>Adjustments:</i>			
Changes in deferred revenues	412	(100)	
Adjusted revenue	2,152	2,726	27%
External revenue	2,152	2,712	
Intersegment revenue	-	14	
Operating expenses	(2,276)	(3,151)	38%
Adjusted EBITDA	(124)	(425)	243%
<i>Adj. EBITDA margin, %</i>	<i>-6%</i>	<i>-16%</i>	<i>-10pp</i>

The platforms reached 10.8mn in combined cumulative registered learners as of the end of March, up 1.5x YoY, with 0.5mn in new registrations during the quarter. The cumulative number of paying learners approached 383,000, up 1.9x YoY, with nearly 34,000 of new paying learners added during Q1.

New Initiatives segment

The segment's Adjusted revenue was up 15% to RUB 2.1bn in Q1, with B2B (including Cloud) being the main growth contributor. New Initiatives Adjusted EBITDA loss amounted to RUB 1.7bn (vs. the loss of RUB 1.3bn in Q1 2021), which implies a -78% margin.

New Initiatives Segment Performance – Q1 2022

RUB millions	Q1 2021	Q1 2022	YoY, %
Revenue	1,850	2,125	15%
Adjusted revenue	1,850	2,125	15%
External revenue	1,849	2,115	
Intersegment revenue	1	10	
Operating expenses	(3,117)	(3,786)	21%
Adjusted EBITDA	(1,267)	(1,661)	31%
<i>Adj. EBITDA margin, %</i>	<i>-68%</i>	<i>-78%</i>	<i>-10pp</i>

VK Clips (short video)

Daily views of VK Clips averaged 471mn (+111% YoY) in Q1, with a new record of 1bn daily views reached on 3 April. Content creators posted more than 4mn new Clips in Q1 (+154% YoY). In March, VK Clips launched a RUB 100mn grant program to support content creators.

Youla (classifieds)

Average MAU grew by 27% YoY reaching 42mn in Q1, stimulated by the ongoing rollout of VK Classifieds - 196,000 Groups in VKontakte are now able to show relevant listings via VK Classifieds.



Joint Ventures

O2O JV (equal 45.01% ownership between Sber and VK: Delivery Club 98%, Samokat 85%, r_keeper 99%, Local Kitchen 85%, Citymobil 97%, Citydrive 77%)

GMV of O2O JV reached RUB 56bn (+39% YoY) in Q1, with +84 YoY growth excluding Citymobil*. Adjusted EBITDA burn stood at minus RUB 6.4bn with e-grocery being the main investment area. At the same time, continuous focus on operational efficiency resulted in an Adjusted EBITDA margin of minus 11% (as % of GMV), an improvement versus minus 16% in Q1 2021.

	Q1 2021	Q1 2022	YoY, %
GMV, RUB mn	40,596	56,336	39%
Revenue, RUB mn	10,320	22,544	118%
Adjusted EBITDA, RUB mn	-6,476	-6,379	-1.5%
<i>Adj.EBITDA margin, as % of GMV</i>	<i>-16%</i>	<i>-11%</i>	<i>4.6%</i>

Key-asset highlights

Delivery Club generated RUB 4.8bn in revenue (+75% YoY) in Q1, with a 71% YoY growth in orders (to 30.2mn). 1P orders stood at 67% of total platform orders in Q1 (versus 59% in Q1 2021), while e-grocery orders amounted to 29% of total (versus 11% in Q1 2021), with a new milestone of 120,000+ in daily delivered orders from retail stores reached in March. Delivery Club's partner network reached almost 56,900 in March (+31% YoY), including around 9,500 retail stores.

As a result of the expanding offer and the ongoing improvements in the service level (with an average delivery time of 29.6 minutes in Moscow in March), the average frequency increased QoQ and YoY, with ~5.4 orders/active user in Q1 and the number of active customers up 19% YoY to 5.6mn.

	Q1 2021	Q1 2022	YoY, %
Revenue, RUB mn	2,770	4,842	75%
Number of orders, mn	17.6	30.2	71%
<i>Share of e-grocery orders</i>	<i>11%</i>	<i>29%</i>	
<i>Share of 1P orders</i>	<i>59%</i>	<i>67%</i>	
Number of vendors, thousands, end of period	43.3	56.9	31%
Active customers, mn	4.7	5.6	19%
Average frequency, orders	3.8	5.41	44%

Samokat grew revenue by 2.6x YoY (to RUB 15.3bn) in Q1, with 28.5mn in orders (+2.6x YoY), including up to 317,000 in daily orders in March. Samokat launched operations in 9 new cities in Q1, now available across 49 Russian cities with access to ~32% of the local population.

Samokat's dark store base reached 1,092 in March (+2.2x YoY), being among the largest globally.

The category base continues to expand with an addition of ready-to-eat food and Beauty in Moscow. The private label SKU base reached 764 and contributed almost 20% of revenue in Q1.



	Q1 2021	Q1 2022	YoY, %
GMV, RUB mn	6,872	17,941	161%
Revenue, RUB mn	5,899	15,312	160%
<i>Share of revenue from private label assortment</i>	16%	19%	
Number of orders, mn	11.1	28.5	157%
Number of dark stores	490	1,092	123%

Citydrive grew rides by 1.8x YoY in Q1 through its 9,375 car park with GMV more than doubling to RUB 1.3bn.

	Q1 2021	Q1 2022	YoY, %
GMV, RUB mn	614	1,318	115%
Number of rides, mn	1.6	2.9	83%
Number of cars, end of period	4,386	9,375	114%

**O2O JV has signed legally binding documents on the sale of Citymobil assets on April 15th. The deal is scheduled to be closed in Q2 2022.*



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Cautionary Statement regarding Forward Looking Statements and Disclaimers

This press release contains statements of expectation and other forward-looking statements regarding future events or the future financial performance of the Group. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "forecast", "intend", "will", "could", "may" or "might", the negative of such terms or other similar expressions including "outlook" or "guidance". The forward-looking statements in this release are based upon various assumptions that are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and may be beyond the Group's control. Actual results could differ materially from those discussed in the forward-looking statements herein. Many factors could cause actual results to differ materially from those discussed in the forward looking statements included herein, including competition in the marketplace, changes in consumer preferences, the degree of Internet penetration and online advertising in Russia, concerns about data security, claims of intellectual property infringement, adverse media speculation, changes in political, social, legal or economic conditions in Russia, exchange rate fluctuations, and the Group's success in identifying and responding to these and other risks involved in its business, including those referenced under "Risk Factors" in the Group's public filings. The forward-looking statements contained herein speak only as of the date they were made, and the Group does not intend to amend or update these statements except to the extent required by law to reflect events and circumstances occurring after the date hereof.



About VK

VK develops the ecosystem helping millions of people with their day-to-day needs online. More than 90% of the Russian internet audience use it every day.

The ecosystem enables people to keep in touch (using social networks OK and VKontakte, messaging apps and email service), play video games (via MY.GAMES), get and offer items and services (via Youla), order food and grocery delivery (via Delivery Club, Samokat and Local Kitchen), get a ride (with Citydrive), master new skills (at GeekBrains, Skillbox and other educational services), buy and sell at AliExpress Russia and fulfill other needs.

The VK ecosystem features a number of shared elements bringing the services together. Users can sign in to different services with a single VK ID account, pay and earn cash back with the VK Pay platform, get discounts and deals with VK Combo, access their favorite services via the VK Mini Apps platform — and the Marusya voice assistant can help with any task.

The company offers enterprises to employ its dynamic ecosystem to digitize their business processes, providing a range of solutions from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (REGULATION 596/2014/EU) AS IT FORMS PART OF UK DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.



Filing of the Annual Report for FY 2021 and Interim Condensed Consolidated Financial Statements for Q1 2021

The Group's Annual Report and audited consolidated financial statements for the year ended December 31, 2021 prepared in accordance with IFRS and accompanied by an independent auditor's report have been filed on the National Storage Mechanism appointed by the Financial Conduct Authority and can be accessed at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> or on the Group's website at <https://vk.com/company/media/files/vkarfy2021.pdf>

The Group's interim condensed consolidated financial statements for the three months ended 31 March 2021 prepared in accordance with IFRS and accompanied by an independent auditor's review report have been filed on the National Storage Mechanism appointed by the Financial Conduct Authority and can be accessed at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> or on the Group's website at <http://vk.com/company/media/files/vkifrsq12022.pdf>

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RUB millions	Three months ended 31 March		
	2021	2022	YoY, %
Revenue			
Online advertising	10,471	11,106	6.1%
MMO games	9,399	9,506	1.1%
Community IVAS	4,359	4,893	12.3%
Education technology services	1,740	2,822	62.2%
Other revenue	1,766	2,250	27.4%
Total revenue	27,735	30,577	10.2%
<i>Adjustments</i>			
<i>Barter revenues</i>	-	(15)	n/m
<i>Changes in deferred revenues</i>	555	340	-38.7%
Total adjusted revenue**	28,290	30,902	9.2%
Operating expenses			
Personnel expenses	(7,964)	(13,792)	73.2%
Agent/partner fees	(7,832)	(9,021)	15.2%
Marketing expenses	(5,799)	(7,468)	28.8%
Server hosting expenses	(203)	(210)	3.4%
Professional services	(343)	(281)	-18.1%
Other operating expenses, excl. D&A	(409)	(1,344)	n/m
Total operating expenses	(22,550)	(32,116)	42.4%
<i>Adjustments</i>			
<i>Share-based payment transactions</i>	306	4,159	n/m
<i>Other</i>	25	16	-36.0%
Adjusted EBITDA**	6,071	2,961	-51.2%
Adjusted EBITDA margin, %	21.5%	9.6%	
Net loss	(2,457)	(54,907)	n/m
Net loss margin	-8.9%	-179.6%	
Adjusted Net loss**	(998)	(7,370)	n/m
Adjusted Net loss margin	-3.5%	-23.8%	

(*) The numbers in this table and further in the document may not exactly foot or cross-foot due to rounding.

(**) Please refer to "Presentation of Segment Financial Information" for reconciliation of non-IFRS measures (Adj.revenue, Adj.EBITDA and Adj. net income/(loss) to IFRS



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 income statement, assuming 100% ownership in all of the Group's key operating subsidiaries, based on management reporting.

In our effort to further enhance our reporting quality and transparency, the Group's aggregate segment financial information previously presented in the form of management (CODM) accounts has been transformed starting from Q1 2022. 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 revenue, Adjusted EBITDA, Adjusted Net profit.

The composition of the reporting segments reflects the Group's strategy, the way the business is managed and units' interconnection within its eco-system. The Group has identified the following reportable segments on this basis:

- Communications and Social;
- Games;
- Education Technologies (EdTech); and
- New initiatives,

The Communications and Social segment includes email, instant messaging and portal (main page and media projects). It earns substantially all revenues from display and context advertising. This segment also aggregates the Group's social network V Kontakte and two other social networks (OK and My World) and earns revenues from (i) commission from application developers based on the respective applications' revenue, (ii) user payments for virtual gifts, stickers and music subscriptions and (iii) online advertising, including display and context advertising. It also includes Search and music services. These businesses have similar nature and economic characteristics as they are represented by social networks and online communications, common type of customers for their products and services and are regulated under a similar regulatory environment.

The Games segment contains online gaming services, including MMO, social and mobile games, games streaming and platform solutions operated by the Group under the MY.GAMES brand and within the MY.GAMES ecosystem. It earns substantially all revenues from (i) sale of virtual in-game items to users (f2p) or sale of digital copies of the games (b2p), (ii) royalties for games and gaming solutions licensed to third-party online game operators (iii) in-game advertising and (iv) revenues from streaming services and gaming platform services.

The EdTech segment includes the Group's online education platforms with educational courses and programs (such as GeekBrains, Skillbox and Skillfactory) and earns substantially all revenue from individuals for education technology services.

The New initiatives reportable segment represents separate operating segments aggregated in one reportable segment for their similar nature of newly acquired or newly launched and dynamically developing businesses. This segment primarily consists of Youla classifieds that earns substantially all revenues from advertising and listing fees, VK Clips with potential to become a major separate product with the planned launch of own application and target presence across the various Group's services, B2B new projects including cloud along with other services, that are considered insignificant by the CODM for the purposes of performance review.



Since Q1 2022 the Group has changed its approach to allocation of corporate services expenses. The Group has analyzed the functionality of key services and defined appropriate drivers to allocate expenses of each service. Previously the Group applied a single driver in allocation of all corporate services expenses, based on the share of each segment in direct costs.

Non-allocated items - Allocations exclude services that are mostly related to general group issues, as well as expenses that cannot be tied to a particular BU, such as PR, Investor Relations, Government Relations, and other services.

Operating Segments Performance – Q1 2022

RUB millions	C&S	Games	EdTech	New initiatives	Non-allocated	Eliminations	Group
Revenue	14,644	11,061	2,826	2,125	15	(94)	30,577
Adjustments							
Barter revenues	-	-	-	-	(15)	-	(15)
Changes in deferred revenues	(34)	474	(100)	-	-	-	340
Adjusted revenue	14,610	11,535	2,726	2,125	-	(94)	30,902
External revenue	14,577	11,498	2,712	2,115	-	-	30,902
Intersegment revenue	33	37	14	10	-	(94)	-
Total operating expenses	(9,701)	(11,314)	(3,151)	(3,786)	(4,258)	94	(32,116)
Adjustments							
Share-based payment transactions	-	-	-	-	4,159	-	4,159
Other	-	-	-	-	16	-	16
Adjusted EBITDA	4,909	221	(425)	(1,661)	(83)	-	2,961
<i>Adjusted EBITDA margin, %</i>	<i>33.6%</i>	<i>1.9%</i>	<i>-15.6%</i>	<i>-78.2%</i>	<i>-</i>	<i>-</i>	<i>9.6%</i>
Group Adjusted net loss							(7,370)
<i>Adjusted profit margin, %</i>							<i>-23.8%</i>
Including Share of loss of equity accounted associates and joint ventures:							
Aliexpress Russia JV							(828)
O2O JV							(5,104)
Umskul associate							69
Uchi.ru associate							37
Other							(41)

Operating Segments Performance – Q1 2021

RUB millions	C&S	Games	EdTech	New initiatives	Non-allocated	Eliminations	Group
Revenue	13,301	10,925	1,740	1,850	0	(81)	27,735
Adjustments							
Changes in deferred revenues	117	26	412	-	-	-	555
Adjusted revenue	13,418	10,951	2,152	1,850	-	(81)	28,290
External revenue	13,362	10,927	2,152	1,849	-	-	28,290
Intersegment revenue	56	24	-	1	-	(81)	-
Total operating expenses	(7,804)	(8,872)	(2,276)	(3,117)	(562)	81	(22,550)
Adjustments							
Share-based payment transactions	-	-	-	-	306	-	306
Other	-	-	-	-	25	-	25



Adjusted EBITDA	5,614	2,079	(124)	(1,267)	(231)	-	6,071
<i>Adjusted EBITDA margin, %</i>	<i>41.8%</i>	<i>19.0%</i>	<i>-5.8%</i>	<i>-68.5%</i>		<i>0.0%</i>	<i>21.5%</i>
Group Adjusted net loss							(998)
<i>Net Adjusted profit margin, %</i>							<i>-3.5%</i>
Including Share of loss of equity accounted associates and joint ventures:							
Aliexpress Russia JV							(478)
O2O JV							(3,313)
Uchi.ru associate							46
Other							801

Liquidity

As of 31 March 2022, the Group had RUB 19,086m of cash and RUB 73,473m of debt outstanding (excluding lease liabilities), therefore the Group's net debt position was RUB 54,387 million.

Presentation of Segment Financial Information

The Group aggregate segment financial information is derived from the financial information used by management to manage the Group's business by aggregating the segment financial data of the Group's operating segments and eliminating intra-segment and inter-segment revenues and expenses. Group aggregate segment financial information differs significantly from the financial information presented on the face of the Group's consolidated financial statements in accordance with IFRS. In particular:

- The Group's segment financial information excludes certain IFRS adjustments which are not analysed by management in assessing the core operating performance of the business. Such adjustments affect such major areas as revenue recognition, share-based payment transactions, disposal of and impairment of investments, fair value adjustments, amortisation and impairment thereof, net foreign exchange gains and losses, as well as irregular non-recurring items that occur from time to time and are evaluated for adjustment as and when they occur. The tax effect of these adjustments is also excluded from segment reporting.
- Segment revenues do not reflect certain other adjustments required when presenting consolidated revenues under IFRS. For example, segment revenue excludes barter revenues and adjustments to defer online gaming, social network and education revenues under IFRS.

A reconciliation of group adjusted EBITDA to IFRS consolidated loss before income tax expense of the Group for the three months ended 31 March 2021 and 2022 is presented below:

RUB millions	Q1 2022	Q1 2021
Group Adjusted EBITDA	2,961	6,071
Barter revenue	15	-
Changes in deferred revenues	(340)	(555)
Share-based payment transactions	(4,159)	(306)
Other	(16)	(25)
Depreciation and amortisation	(5,272)	(4,430)
Impairment of intangible assets	(1,009)	-
Share of loss of equity accounted associates and joint ventures	(10,568)	(3,289)
Finance income	256	130
Finance expenses	(6,757)	(962)
Other non-operating (loss)/income	(85)	39
Goodwill impairment	(9,256)	-



Net (loss)/gain on derivative financial assets and liabilities at fair value through profit or loss	(4,440)	1,299
Impairment of equity accounted associates and joint ventures	(12,825)	-
Loss on remeasurement of financial instruments	(150)	(174)
Expected credit loss allowance on restricted cash	(3,736)	-
Net foreign exchange loss	(1,724)	(600)
Consolidated loss before income tax expense under IFRS	(57,105)	(2,802)

A reconciliation of Group adjusted net loss to IFRS consolidated net loss of the Group for the three months ended 31 March 2021 and 2022 is presented below:

RUB millions	Q1 2022	Q1 2021
Group Adjusted net loss	(7,370)	(998)
Changes in deferred revenues	(340)	(555)
Share-based payment transactions	(4,159)	(306)
Other non-operating (loss)/income	(85)	39
Goodwill impairment	(9,256)	-
Impairment of intangible assets	(1,009)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(4,440)	1,299
Impairment of equity accounted associates and joint ventures	(12,825)	-
Loss on remeasurement of financial instruments	(150)	(174)
Expected credit loss allowance on restricted cash	(3,736)	-
Net foreign exchange loss	(1,724)	(600)
Amortisation of fair value adjustments to intangible assets	(841)	(1,006)
Net loss on financial liabilities at amortised cost	(5,626)	(216)
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(4,701)	(345)
Other	(38)	(119)
Tax effect of the adjustments	1,393	524
Consolidated net loss under IFRS	(54,907)	(2,457)



Interim Condensed Consolidated IFRS Statement of Financial Position

RUB millions	March 31, 2022	December 31, 2021
ASSETS		
Non-current assets		
Investments in equity accounted associates and joint ventures	33,935	48,921
Goodwill	129,344	138,600
Right-of-use assets	15,110	14,843
Other intangible assets	17,238	18,324
Property and equipment	18,035	15,798
Financial assets at fair value through profit or loss	6,749	6,903
Deferred income tax assets	6,688	5,157
Long-term loans issued	64	69
Advance under office lease contracts	461	462
Total non-current assets	227,624	249,077
Current assets		
Trade accounts receivable	16,771	20,688
Prepaid income tax	841	359
Prepaid expenses and advances to suppliers	3,167	2,353
Loans issued	107	109
Inventories	143	157
Other current assets	2,117	1,445
Cash and cash equivalents	19,086	23,737
Total current assets	42,232	48,848
Total assets	269,856	297,925
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	-	-
Share premium	80,616	79,397
Treasury shares	(1,039)	(1,044)
Retained earnings	35,279	89,985
Foreign currency translation reserve	5,182	1,578
Total equity attributable to equity holders of the parent	120,038	169,916
Non-controlling interests	109	346
Total equity	120,147	170,262
Non-current liabilities		
Deferred income tax liabilities	1,060	1,228
Deferred revenue	1,489	1,455
Non-current lease liabilities	10,915	11,327
Non-current financial liabilities at fair value through profit or loss	1,015	879
Long-term interest-bearing loans and bonds	23,410	50,810
Other non-current liabilities	579	522
Total non-current liabilities	38,468	66,221
Current liabilities		
Trade accounts payable	15,650	14,541
Income tax payable	2,857	3,208
VAT and other taxes payable	5,079	4,391
Deferred revenue and customer advances	18,831	17,980
Short-term portion of long-term interest-bearing loans and bonds	50,063	7,078
Current lease liabilities	5,387	4,121
Current financial liabilities at fair value through profit or loss	3,829	-
Other payables and accrued expenses	9,545	10,123
Total current liabilities	111,241	61,442
Total liabilities	149,709	127,663
Total equity and liabilities	269,856	297,925



Interim Condensed Consolidated IFRS Statement of Comprehensive Income

RUB millions	Three months ended March 31,	
	2022	2021
Online advertising	11,106	10,471
MMO games	9,506	9,399
Community IVAS	4,893	4,359
Education technology services	2,822	1,740
Other revenue	2,250	1,766
Total revenue	30,577	27,735
Personnel expenses	(13,792)	(7,964)
Agent/partner fees	(9,021)	(7,832)
Marketing expenses	(7,468)	(5,799)
Server hosting expenses	(210)	(203)
Professional services	(281)	(343)
Other operating expenses	(1,344)	(409)
Total operating expenses	(32,116)	(22,550)
Depreciation and amortisation	(5,272)	(4,430)
Impairment of intangible assets	(1,009)	-
Share of loss of equity accounted associates and joint ventures	(10,568)	(3,289)
Finance income	256	130
Finance expenses	(6,757)	(962)
Other non-operating (loss)/gain	(85)	39
Goodwill impairment	(9,256)	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(4,440)	1,299
Impairment of equity accounted associates and joint ventures	(12,825)	-
Loss on remeasurement of financial instruments	(150)	(174)
Expected credit loss allowance on restricted cash	(3,736)	-
Net foreign exchange loss	(1,724)	(600)
Loss before income tax expense	(57,105)	(2,802)
Income tax benefit	2,198	345
Net loss	(54,907)	(2,457)
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	1,002	229
Exchange difference on translation of foreign operations	2,602	387
Total other comprehensive income that may be reclassified to profit or loss in subsequent periods	3,604	616
Total other comprehensive income net of tax effect of 0	3,604	616
Total comprehensive loss, net of tax	(51,303)	(1,841)
Net loss, attributable to:		
Equity holders of the parent	(54,706)	(2,465)
Non-controlling interests	(201)	8
Total comprehensive loss, net of tax, attributable to:		
Equity holders of the parent	(51,102)	(1,849)
Non-controlling interests	(201)	8
Loss per share, in RUB:		
Basic loss per share attributable to ordinary equity holders of the parent	(242)	(11)
Diluted earnings per share attributable to ordinary equity holders of the parent	n/a	n/a



Interim Condensed Consolidated IFRS Statement of Cash Flows

RUB millions	Three months ended March 31, 2022	Three months ended March 31, 2021
Cash flows from operating activities		
Loss before income tax	(57,105)	(2,802)
Adjustments to reconcile loss before income tax to cash flows:		
Depreciation and amortisation	5,272	4,430
Impairment of intangible assets	1,009	-
Share of loss of equity accounted associates and joint ventures	10,568	3,289
Finance income	(256)	(130)
Finance expenses	6,757	962
Expected credit loss allowance on trade receivables	247	122
Expected credit loss allowance on restricted cash	3,736	-
Goodwill impairment	9,256	-
Net loss/(gain) on financial assets and liabilities at fair value through profit or loss	4,440	(1,299)
Impairment of equity accounted associates and joint ventures	12,825	-
Loss on remeasurement of financial instruments	150	174
Net foreign exchange loss	1,724	600
Cash settled and equity settled share-based payments	1,224	306
Other non-cash items	88	(26)
Change in operating assets and liabilities:		
Decrease in accounts receivable	4,785	1,464
(Increase)/decrease in prepaid expenses and advances to suppliers	(884)	28
Increase in inventories and other assets	(83)	(1,277)
Increase/(decrease) in accounts payable and accrued expenses	8	(55)
Decrease in other non-current assets	1	271
Increase in deferred revenue and customer advances	885	670
Increase in financial assets at fair value through profit or loss	(464)	(1,426)
Operating cash flows before interest and income taxes	4,183	5,301
Interest received	168	51
Interest paid	(1,579)	(842)
Income tax paid	(334)	(617)
Net cash provided by operating activities	2,438	3,893
Cash flows from investing activities		
Cash paid for property and equipment	(4,255)	(1,887)
Cash paid for intangible assets	(1,370)	(819)
Dividends received from equity accounted associates	-	461
Loans issued	(5,160)	(3,836)
Loans collected	75	-
Cash paid for acquisitions of subsidiaries, net of cash acquired	-	(192)
Cash paid for investments in equity accounted associates and joint ventures	(2,000)	(103)
Net cash used in investing activities	(12,710)	(6,376)
Cash flows from financing activities		
Payment of lease liabilities	(1,115)	(956)
Loans received	10,014	-
Loans repaid	(1,767)	(653)
Cash paid for non-controlling interests in subsidiaries	-	(24)
Dividends paid by subsidiaries to non-controlling shareholders	(36)	(53)
Net cash provided by/(used in) financing activities	7,096	(1,686)
Net decrease in cash and cash equivalents	(3,176)	(4,169)
Effect of exchange differences on cash balances	2,261	618
Change in expected credit loss allowance on restricted cash	(3,736)	-
Cash and cash equivalents at the beginning of the period	23,737	39,297
Cash and cash equivalents at the end of the period	19,086	35,746