Mail.ru Group

Quarterly presentation (Q2 2020)
Exposed to multiple verticals stimulated by lockdowns

- MRG is exposed to segments like online games, ecommerce, food delivery (including e-grocery), online education, cloud digital payments, which saw a boost in engagement, revenues and margins during the peak of the pandemic.
- Albeit the ongoing post-lockdown normalization, COVID-19 has likely served as a trigger for structurally higher long-term penetration level and faster adoption across multiple verticals.

- We managed to avoid having exposure to verticals, which might have been structurally adversely impacted by COVID-19 and could be at highest risk from potential second wave shocks, which makes us relatively comfortable in our outlook despite still limited visibility.
Most major markets were largely offline – this will change

- Below markets account for ~90% of consumer spending and all of them are seeing **digital disruption**, following the COVID-19 outbreak and related lockdowns
- The pandemic will fuel further digitalization across markets and industries, which will mean **larger TAM for Internet cos**

<table>
<thead>
<tr>
<th>Market segment</th>
<th>Consumer spending</th>
<th>Digital status</th>
<th>Examples of global digital disruptors</th>
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<tbody>
<tr>
<td><strong>Housing</strong></td>
<td>![Icon1] Rent &amp; mortgage 65%, Interior &amp; maintenance 16%, Energy 18%</td>
<td>![Icon2] $3.1T</td>
<td>![Icon3] $8.2T</td>
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<tr>
<td><strong>Health</strong></td>
<td>![Icon5] Govt funded 64%, Insurance premiums 22%, out-of-pocket 14%</td>
<td>![Icon6] $1.9T</td>
<td>![Icon7] $7.8T</td>
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<tr>
<td><strong>Food</strong></td>
<td>![Icon9] Groceries 53%, Alcohol &amp; tobacco 30%, Restaurants 17%</td>
<td>![Icon10] $2.4T</td>
<td>![Icon11] $6.0T</td>
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<tr>
<td><strong>Mobility</strong></td>
<td>![Icon13] Car purchase 34%, Fuel &amp; maintenance 56%, Public 10%</td>
<td>![Icon14] $1.2T</td>
<td>![Icon15] $5.0T</td>
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<tr>
<td><strong>Education</strong></td>
<td>![Icon17] Govt funded 87%, Out-of-pocket 13%</td>
<td>![Icon18] $1.0T</td>
<td>![Icon19] $5.0T</td>
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<tr>
<td><strong>Travel</strong></td>
<td>![Icon21] Flights 33%, Packaged travel 33%, Hotel 33%</td>
<td>![Icon22] $0.6T</td>
<td>![Icon23] $3.0T</td>
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<tr>
<td><strong>Fashion</strong></td>
<td>![Icon25]</td>
<td>![Icon26] $0.6T</td>
<td>![Icon27] $2.2T</td>
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Source: Dealroom, Eurostat, World Bank, Internal data
COVID-19 impacts across the key revenue lines in Q2 & QTD

### Online Advertising (31% of Q2 revenues)
- Adverse impacts, which started in mid-March, have carried into Q2, with April being most impacted month
- Gradual improvement started in mid-April, stimulated by the removal of lockdowns and ongoing reopening of businesses
- Impacts continue to vary by sector. Verticals, which saw a sharp adverse impact initially but have since seen an improvement include: jewelry, finance, gifts and souvenirs. Verticals, which have been resilient throughout Q2 include FMCG, household goods, health and medicine, telcos and games. Some of the currently worst performing verticals are travel, real estate, transport, sport and fitness. Our largest verticals are FMCG and eCommerce
- SMEs (< 25% of our advertising revenue) have held up relatively well
- Direct response advertisers have been returning to spend faster than brand advertisers with the depth of decline also more shallow
- CPMs/CPCs have seen a rebound off April lows, but with sizeable discrepancies between performance (~70% of our ad revenues) vs brand ad units. Programmatic pricing has recovered most
- We continued to expand advertiser base through Q2, including across SMEs
- The slope of forward recovery remains uncertain & dependent on consumer behavior, lagging verticals and broader macro and virus-related developments

### MMO Games (40% of Q2 revenues)
- Being a purely online business, gaming has been among the key beneficiaries from COVID-19 related lockdowns
- Traditional home platforms like PC and Console saw the biggest spike in engagement, with solid performance across mobile
- Peak in DAU/CCU and monetization was seen in April during the peak of lockdowns globally and has been moderating since. Q2 also showed an unusually low CAC given ad market weakness, especially in April
- Discretionary nature of gaming could adversely impact but our focus on F2P & mobile makes us relatively well-positioned

### Community IVAS (18% of Q2 revenues)
- Stay-at-home behavior resulted in elevated online engagement, including around exchange of stickers, gifts and social games. Trends have been normalizing since the peak of lockdowns, with performance now in line with typical seasonality

### Other (11% of Q2 revenues)
- Edtech: business saw elevated engagement during lockdowns. Platforms saw moderation in activity in June with the share of active students back to March levels, although the total number of active and paying users still up significantly YoY basis
- B2B incl Cloud: enhanced digitalization of industries and move to remote work should result in higher demand
- Classifieds*: Following an adverse impact on engagement during the peak of lockdowns in March and early April, MAU has since recovered and returned to growth, at ~27m (+6% YoY), with new listings and contacts growing at 23% and 15% respectively in June. General classifieds is the largest vertical and it tends to be more resilient in a weak macro environment

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*Also booked in advertising revenues*
Ongoing ad market recovery, but pace is subject to macro

- Advertising market has **bottomed in April** (assuming no further shocks) and the depth of the decline was **more shallow than we envisioned**
- At the same time, **Russian economy is expected to decline by 4%+ in 2020** (CBR: 4-6%, Ministry of Economic Development: 4.8%, Fitch: 5.8%, IMF: 6.6%), with a range of ultimate outcomes remaining rather broad
- Being a function of GDP, this suggests a **range of outcomes for the local advertising market**, including digital, with a number of market participants suggesting that a negative outcome remains a possibility (current consensus: -1%)
- However, consensus remains that digital will outperform other ad channels in 2020 and should deliver strong growth in 2021, given the expected 3-4%+ economic recovery
- Our goal remains to continue to gain advertising market share over the medium term and hence our ongoing adtech investments, which already resulted in a likely broader market outperformance during the most challenging macro quarter

**Advertising market projections for 2020 (overall, digital), % YoY**

![Graph showing advertising market projections for 2020](image)

**Current consensus:**
- GDP growth: **-4.4%**
- Overall advertising: **-10%**
- Digital advertising: **-1%**

Adtech initiatives & SMB: an ecosystem of simple and efficient tools

- **Dynamic product ads** launched using a few clicks in VK owing to algorithms, which:
  - Select ecommerce products to advertise given their expected performance
  - **Determine** the right audience to show ads to
  - Use embedded dynamic remarketing mechanics to stimulate completion of a purchase

- Highly efficient targeting with easy setup:
  - “Interested audience” determined by an algorithm
  - >3x higher CTR in comparison with manual setup

- **Mini App ads for developers** promoting their Mini App instead of community + raise awareness of VK Mini Apps platform

- **Expansion of CRM features**, accelerating communication with potential customers

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**SMB advertising revenues**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>Q1</td>
<td></td>
<td>+41%</td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td>+16%</td>
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<tr>
<td>Q3</td>
<td></td>
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<tr>
<td>Q4</td>
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Sources: Internal data
Adtech & performance advertising: efficiency in focus

- Developments in targeting tools:
  - In-app actions in look-alike targeting: 80% of advertisers continue using the product after trial run*
  - To expand reach of contextual targeting, setup simplified with keyword synonyms: 60% of new targeting lists created using this tool
  - Unique targeting on the basis of musical preferences

- Improvements in attribution tools:
  - Conversions additionally tracked by a day of ad impression

- New statistics for ad campaigns:
  - ROMI (Return on Marketing Investment) and share of ad spend
  - Calculated for each ad campaign target or for a campaign as a whole

Notes: * on the basis of preliminary tests across sample of advertisers; ** based on auction spending across myTarget and VK
Sources: Internal data

Growth in share of key ad products (as % of total ad revenues)**

<table>
<thead>
<tr>
<th></th>
<th>2Q'19</th>
<th>2Q'20</th>
<th>+190%</th>
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</thead>
<tbody>
<tr>
<td>Contextual targeting</td>
<td>+70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dynamic remarketing</td>
<td>+4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>oCPM</td>
<td></td>
<td></td>
<td>+190%</td>
</tr>
</tbody>
</table>
• VK maintains its leadership among domestic social networks, with 73mn MAU (+4.8% YoY) in Russia, including 67mn on mobile (+7.4% YoY) as of June
• We continue to focus on time spent and stickiness, with time spent at the peak of lockdowns up 14% YoY to 40 minutes, including 20.5% growth on mobile, and sticky factor at 57%, highest among peers*


2016 2017 2018 2019 YTD
Smart Feed with Ads, Stories, VK Live, Money Transfers VK Music, Discover Section, Ads Network Voice & Video Calls, VK Pay, VK Mini Apps Platform QR Code Platform, Mobile App Redesign, AliExpress Integration, Advertising Account Redesign New Services Section (2nd Tab), Ecommerce Platform, VK Clips, VK Donut, Voice Message Speech Recognition, VK Taxi, VK Food

Source: Internal data * Source: Mediascope, April 2020, Russia (all cities, age 12+), Desktop & Mobile
VK: product enhancements stimulate further growth

- Despite all the COVID-related challenges, VK have successfully reorganized its processes and managed to carry out ~60 major updates during Q2 alone while working remotely
- As a result of our efforts, during the lockdown we were able to offer users products and services that could help them with essential tasks related to working from home, distance learning, leisure and communication. For example, our rapidly growing Mini Apps platform could be used for booking taxis and ordering food. Hence, the use of VK products was especially high at the peak of the lockdown (April)
- VK’s audience and engagement continued to grow after the ease of lockdowns, with daily audience in Russia up by 7% YoY in June, which means healthy retention
- This, combined with our ongoing improvements in advertising technologies as a whole and special products for SMBs in particular, resulted in 8%+ YoY revenue growth for VK in Q2

Some Q2 highlights:

- ~60 Major updates
- +45% Daily calls YoY
- +41% Video views YoY
- +17% Messages sent YoY

Peak engagement stats (April in comparison to March):

- +20% Number of daily calls
- +13% Daily messages sent
- +50% Live stream views
- +12% Game platform DAU

Source: Internal data
VK: Key content consumption results

- VK remains highly competitive across the key content consumption formats
- We are actively investing in our Stories and Video products, among others, in 2020 in order to continue to grow engagement and time spent following the lockdown removal in Russia

### Story Views (bn)

- Q3 2017: 5.4
- Q2 2018: ~4x
- Q2 2019: 20.2

### Video Views (bn)

- Q3 2017: 5.4
- Q2 2018: ~4x
- Q2 2019: 20.2
- Q2 2020: 80.6

Source: Internal data
VK Mini Apps: rapid expansion continues

• For the past two years, we have been making improvements to the Mini Apps technology, developing our own Mini Apps (e.g. VK Food and VK Taxi) and working on establishing relationships with 3P developers

• All these investments are starting to pay off, with:
  ✓ Mini Apps DAU up by 30% QoQ in Q2
  ✓ MAU hitting a new record of 36mn (in April), having moderated at 30mn in June, which is above the pre-covid 27mn MAU seen in March
  ✓ The platform can now address even more user needs as the number of active services increased to 19,700, which drives further usage growth

Source: Internal data
VK Mini Apps: internally developed app example of VK Taxi

• VK Taxi, based on Citymobil, is being further integrated into the VK App
• A widget for booking taxis is now available, with users having no need to even need launch the Mini App to book a taxi as this feature is available from the main screen of the VK App in just a few taps
• Taxis can now be booked from community pages as well. That way, users can go directly to a store, beauty salon or bank by booking a taxi right on the organization's VK page
• Thanks to these and other updates, the number of VK Taxi booked monthly rides exceeded 700,000 in June, which is up ~2x vs April and is looking to reach 1m+ in July

Source: Internal data
VK Connect: Group’s unified ID is being actively rolled out

- VK Connect, the single **sign-on platform for all Mail.ru Group products formed on the basis of VK**, was officially rolled out in June
- After logging into any service with VK Connect, users can access any other MRG product in just one tap without having to enter login credentials
- The VK Connect account page is available on VK and has already been rolled out for **Marusia** (April) virtual voice assistant and **Delivery Club** (May) apps and is in the process of being rolled out for **Youla**
- Share of VK Connect sign-ins in Marusia is already at 58%, with a 68% conversion rate for DC
- VK Connect will soon become available for **Citymobil** and other Mail.ru Group’s projects
- In the future, the single ID will also allow users to connect to **third-party services** as well

Source: Internal data
Combo loyalty program: broader integration with the VK Platform

• The goal of Combo is to **improve user acquisition and retention** as well as **boost usage** across the Group’s ecosystem projects by covering a wide range of customer needs with the best offers on the market

• **Doctis** telemedicine service has been provided as a special offer for Combo subscribers soon, with **Samokat** coming soon

• **Capsule smart speaker** is now available at a discount for Combo subscribers

• **Full integration with the VK Mini Apps** platform was launched in May

• **VK Connect** integration is coming soon

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**Current product offer**

- VK
- Combo

**Mail.ru Group**

- VK
- Dianful
- VK Connect
- Badoo
- [Other logos] (including McDonald’s)

**External partners**

- [Other logos] (including McDonald’s)

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**Key initial results**

- **GMV uplift for included services**
- **Increase in the number of used MRG services**

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*Source: Internal data*
VK Clips: major new launch in the short video format

- Clips is an important new VK product aimed at increasing user engagement on mobile platforms.

- Clips is an **endless feed of short vertical videos**, with themes ranging from entertainment to education and duration of up to 1 minute.

- With the service’s features, **any user can create content on a near-professional level** without needing specialized skills or expensive equipment. One key feature of VK Clips is that users are able to control the recording of a clip using **AR mechanics**. Users can show special gestures to start shooting a clip or enable effects.

- Aside from VK content creators, several hundred celebrities have already become clip creators.

- During the first month since launch, **>44mn unique users** watched clips, with the **total number of watched clips exceeding 3bn**.

- On average, **Clips gain 6.5mn likes and 108k comments daily**, with the latest record of 200+mn in daily views.

**VK Clips – results of the first month**

- **3.1B eyes**
- **44M users**
- **116M likes**
- **1.7M comments**

Source: Internal data
VK Donut: new product for content monetization

- In cooperation with our internal Boosty.to service, we launched VK Donut: a platform for community content monetization
- Users can now buy paid subscriptions to support their favorite communities on a regular basis
- This provides content creators with a new way to earn money, and subscribers receive exclusive content, early access to new material, the ability to leave comments or participate in private contests, special offers or meetups
- **Money is transferred to a VK Pay account or a payment card, with the platform fee set to 5%**

Source: Internal data
VK: major enhancement to Group’s ecommerce offer

- Users and SMBs use VK community features to sell and promote their products
- We are now actively developing **internal tools for stores on VK** and, through them, plan to bring a significant portion of the rising ecommerce turnover to the VK platform
- We became the first social network in Russia to launch **product delivery through CDEK and Boxberry**. With this new feature, making purchases in VK communities is more convenient, which means that selling products on VK will be even more lucrative
- **Payment offer has also been enhanced** with customers able to make purchases using credit cards as well as VK Pay account balance
- VK has since **partnered with VEB** in supporting businesses in the Far East to shift their businesses online using VK and its enhanced ecommerce offers
- We continue to see social commerce as one of the largest growth opportunities for VK looking ahead and will continue to invest into related product development in H2

Source: Internal data
New music recommendations

- We are actively working on our music recommendations and the related technology. Group’s music offer is becoming increasingly personalized, with increasing value for >3.5mn active paying subscribers within our music ecosystem (VK, OK, Boom)

- VK introduced a new format of music recommendations, which has moved to the separate “For You” tab. In this tab, users can find the “Artists for you” block and two playlists. Song and artist recommendations are formed taking into account users’ interests, preferred genres and track history

- There are two 100-track playlists: “Today”, which is updated every day and a weekly updated list

- In the “Artists for you” block, users can find artists that they are certain to like and tracks that they have recently listened to

- Upcoming concert announcements of users’ favorite groups or artists will be added soon
OK: unique social and entertainment platform

- Russia MAU is stable at 42 mn in Q2, with mobile MAU up by 6.3% YoY, having hit a new milestone of 35 mn in Q2
- The lockdown regime in Russia peaked in April, which resulted in a spike in user activity. For example, the number of video views in April has grown YoY by 27% with a new record of 1 bn+ in daily views at peak
- Overall, OK users sent >14bn virtual gifts in Q2, which marked a 44.7% YoY increase
- OK Live app MAU increased by 76% YoY and number of live videos created was up 29% QoQ
- In order to retain users post the pandemic OK continues to enhance its communication services, including the ability to extend video calls to non-OK registered users using a link
- OK users can also now upload their own sticker sets on the messaging platform: during the first week users uploaded 5x more sticker sets than were already on OK platform

14 bn virtual gifts sent in Q2
1 bn in daily video views at peak in Q2
230+ mn audio and video calls in Q2

Source: Internal data
OK & its unique monetization model

• Thanks to engagement growth due to the lockdown regime IVAS was the main driver of OK revenue in Q2

• At the same time, a gradual exit from lockdown regime also led to a positive trend in OK’s Q2 ad revenue within certain segments in Q2. For example, outstream video ad revenue grew by >7% QoQ and the “carousel” ecommerce ad format also had positive dynamics, with related revenue +15% MoM in June

• OK is also seeing a gradual recovery of the advertising market and the return of major advertisers which led to an avg CPM growth of 9% MoM in June and +21% versus April

• In the meantime, OK continues to develop business platform for SMEs, with revenue from internal ads manager having tripled YoY in Q2. As of now, over 1mn users run business through their OK pages, which we see as a major future monetization opportunity

Source: Internal data

~1mn
SMB pages on OK, 2Q20

SMB ads revenue, Q2

2020
2019

April
May
June
OK: lockdown-supported mobile gaming platform growth in Q2

- OK’s gaming platform has been among key contributors to IVAS revenue growth for the Group in Q2
- COVID-19 triggered a spike in mobile games time spent, up 40% YoY in May
- In total, during the main lockdown months of April and May users spent over the 51 000 years on mobile games within OK
- Mobile game MAU was 31% in Russia YoY in May, with mobile game downloads up 58.8% YoY
- OK paid RUB360mn to mobile game app developers as of 5M20, up 80% YoY
- Moreover, developers’ advertising revenues were up 87% YoY despite the pandemic

Source: Internal data
OK as a symbol of rising synergies within the Group

- As a sign of increasing cross-selling and integration within the Group, **OK technology and neural networks were used to launch Videocalls Mail.ru**, a free video calling service supporting up to 100 participants. No MRG registration is required to connect to the call.

- The new service is already integrated with **Mail.ru email** and **Calendar** services, with ability to create a conf call link, send an invite, set up a reminder. They are also accessible from the **main page of Mail.ru Group’s portal service**.

- In early Q3 OK also **launched business platform called “Robby”** for moderation and content classification for different types of business. The technology is unique on the Russian market and based on **neural networks and crowdsourced service**, capable of **processing up to 600 mn units of content per day**.

- As an internal product Robby was integrated into multiple Mail.ru Group’s projects such as OK, Youla, Citymobil, myTarget, ICQ, MY.Games and is **now also available for external clients**.

Source: Internal data
Marusia voice assistant and Capsule smart speaker update

- Marusia has been the first Group’s app to adopt VK Connect authorization flow, while platform for developers has been launched on VK Developers site allowing to create third-party skills for Marusia.

- Marusia is now integrated with Delivery Club, with users able to do repeat orders by voice.

- Marusia has been integrated in Mail.ru Android app, while its web version has been integrated and is now available to ~10% of portal’s Main page users.

- Marusia controls devices from 7 different Smarthome Platform Vendors – Rostelecom, Redmond, Elari, Aquara, Hiper IOT, DIGMA, MiMiSmart.

Capsule smart speaker powered by Marusia was released on April 22nd

- Product is sold through Mail.ru own online store Capsula.mail.ru and is available across the major retail chains (e.g. Mvideo, DNS, OZON, Wildberries, Aliexpress, Samokat, Svyaznoy, Megafon, Citylink, Technopark, Redmond).

- We have also partnered with Rostelecom and Capsule is promoted by the Operator across its 13.2mn broadband subscriber base. Capsule also enables voice control of Rostelecom’s WINK video OTT service.

Source: Internal data
More than just email – in the center of users’ daily life

Our e-mail service remains the largest in Russia/CIS and top-5 globally

Major strategic focus areas remain unchanged, with many new features introduced during Q2:

• Smart
  ✓ New Settings interface was rolled out to 100% of web users
  ✓ “Email to Self” feature was enabled by 6% of DAU
  ✓ Search quality increased by 12% by adding instant email search and interface changes, which are being rolled out to users

• Useful
  ✓ Saw a 34% increase in processed payments in Q2
  ✓ Launched Apple Pay and Google Pay for payment notifications and QR-code supported payments

• Secure
  ✓ New anti-phishing alerts for suspicious emails went live
  ✓ New promo to check that the user still owns his phone number generates 1mn profile updates daily

Source: *Mediascope, Web Index, Russia 0+, 12+, April 2020, **Mediascope, Web Index, Russia 100+, 12-64, April 2020
MY.GAMES: COVID-enhanced performance in Q2

- MY.GAMES revenue rose by 46% YoY in Q2 (to RUB11 018mn), with significant acceleration versus 13.4% YoY in Q1
- Share of international revenues rose to 74% (up from 70% in Q2 2019), on track towards our goal of 80%+ in 2022
- The share of mobile revenue is also increasing, at 67% in Q2, also nearing our 80% target

Major growth acceleration in Q2 was driven by:

- Unusually strong engagement across the portfolio, especially during the peak of lockdowns in April and especially across PC and console – traditional stay-at-home platforms
- Multiple new launches in March – May (World Above: Cloud Harbor, Warface Breakout, Dino Squad)
- Benefit from consolidation of Belngame in Q1 with contribution from their Zero City mobile title
- Temporary RUB weakness
  - April 2020 marked the peak in MMO Games revenue growth (>60%)
  - This started to moderate in May, with further normalization in June, moving our growth rates to the usual Q2-Q3 trends, with the traditional seasonal decrease in audience activity

Source: Internal data
MY.GAMES is the driver of international revenues for the Group

- MRG was among the top-3 European mobile app publishers in terms of revenues in 2019, being the only Co headquartered in Russia among the top-10. This progress was driven largely by the games segment,
- **International** gaming revenue share stood at **74%** and accounted for >**30% of the Group revenue**
- International gaming revenues showed a **$400mn run rate in Q2**, supported by lockdowns
- Related revenue streams support the Group during the period of RUB weakness, which occurred during Q2, for example

Source: Internal data

![ MMO Games revenue split, $mn ](#)

- International
- Local revenue

Q1 2015: 32
Q2 2015: 30
Q3 2015: 27
Q4 2015: 31
Q1 2016: 25
Q2 2016: 25
Q3 2016: 25
Q4 2016: 23
Q1 2017: 27
Q2 2017: 34
Q3 2017: 45
Q4 2017: 51
Q1 2018: 53
Q2 2018: 54
Q3 2018: 57
Q4 2018: 68
Q1 2019: 66
Q2 2019: 74
Q3 2019: 80
Q4 2019: 83
Q1 2020: 74
Q2 2020: 103
MY.GAMES: MAU growing, albeit normalizing towards pre-COVID level

MAU continues to grow, with normalization towards typical seasonal trends following a lockdown-lead spike in Q2

- The number of global **registered users** in MY.GAMES games **rose by 26.4% YoY to ~700mn** in Q2

- **Traditionally, there is a seasonal decrease in the active audience in games in Q2.** Yet, given the lockdowns globally happening in Q2 we saw a **10.3% increase in MAU QoQ (+11.1% YoY)**

- **Peak month for active audience was April**, which coincided with the peak in lockdowns globally (ex China)

- MAU growth was driven by **attraction of new players** as well as **increased engagement of our core audience**

- **MAU trends have since normalized towards March level** as lockdowns have been taken down globally

- Ignoring the temporary COVID-related MAU spike, our **focus international markets** have seen a record **57% growth since Jan 2019**, which is what will continue to drive our revenue growth, looking ahead*

*Source: Internal data * US, GR, GB, IT, FR, CH, JP, KR
MY.GAMES & COVID effect on installations and CPM in Q2

• MY.GAMES saw strong lockdown-driven effects on both revenue as well as costs in Q2

• Platform saw a sharp increase in engagement and monetization, with a spike in new installations, which benefited from reduced pricing across the main advertising platforms following the initial COVID-19 shocks across digital advertising markets globally in March and April. This resulted in attractive CAC opportunities

• Since the second half of May advertisers began to gradually return to the advertising market, contributing to the return of prices to their usual seasonal values, which has carried into July

• Given the COVID effect, profitability peak of 2020 in Games might be skewed towards Q2

Source: Internal data
MY.GAMES: Key current portfolio developments

- Our legacy and new titles have been performing well. Our focus remains on mobile and the top-5 revenue-generating mobile games in Q2 were War Robots, Hustle Castle, Left to Survive, Love Sick: Interactive Stories, and Zero City.

**War Robots (M) - Top-3**
Reached a milestone of **169mn in downloads** with a new record in monthly revenue (~RUB1bn) and EBITDA (~RUB0.5bn) achieved in May.

**Hustle Castle (M) - Top-3**
Saw a **53.5% increase in registrations in April** and has **64m in downloads**. In light of COVID, it reached another monthly revenue record of ~RUB800mn, while remaining among our highest EBITDA contributors.

**Love Sick (M) - Top-10**
Increased installs by **5.6x QoQ** in Q2, with **~18mn downloads** since its launch last Feb and a daily peak of ~RUB6.7mn in revenues seen in April.

**Left to Survive (M):**
Reached **25mn downloads** and hit a monthly revenue record of RUB184mn in June.

**Warface: GO (M):**
F2P mobile title launched in January, has **9m downloads**.

**Conqueror’s Blade (PC):**
2.7mn registered users in Q2 - in March (+70% MoM) and April (+63% MoM). May saw revenues grow 16% vs April, and 150% vs Jan-Feb.

Source: Internal data
MY.GAMES: Key franchise development progress - Warface

- Being in its ninth year of operation, **Warface** is the most diversified franchise of MY.GAMES, available across **5 platforms** on PC, console and mobile. It also demonstrates our ability to deliver consistent revenue growth despite maturity and high base, with Warface also being a top-3 revenue generator for MY.GAMES.

- In May we launched **Warface: Breakout**, a premium P2P tactical first-person shooter on Xbox One and PlayStation 4, latest addition to the Warface franchise family. Breakout was developed by Allods, an internal studio which has already successfully transferred the original Warface to PlayStation 4, Xbox One and Nintendo Switch.

- **Warface's** Switch audience reached 2m since its launch on Feb 18.

- We will continue to invest into further scaling of Warface.

Source: Internal data. * Forecast represents revenue estimate for FY 2020. MAU in 2020 is actual as of H1 2020
MY.GAMES: Key franchise development progress - Hustle Castle

- **Hustle Castle** (HC) remains among the most successful in-house developed gaming projects, with its game mechanics used in new products (Zero City, American Dad) to form a strong franchise and boost our expertise in RPG strategies.

- Operating all 3 products in one Studio Nord studio hub allows not only to optimize expenses, but also to get maximum benefits from new content and monetisation updates.

MY.GAMES: recent launches and pipeline

- Our key launches tend to be concentrated in H1 due to favorable competitive environment and ad pricing.
- Given the explosive user activity in Q2 we increased frequency and depth of in-game events across all our mobile titles, refined tutorials to simplify entry for new users and increase engagement, improved marketing performance through A/B test extension and more tailored offers. We tried to deliver a vast variety of content while facing the challenge of meeting publishing commitments while working remotely.
- We managed to deliver 3 new products on time in Q2, along with successfully integrating Belngame studio consolidation and its Zero City title. Our focus on mobile and fully online distribution made us relatively well positioned and therefore allowed to fully benefit from the period of elevated user engagement.

We have 15 games in development across PC/consoles & mobile, with 6 suitable for release in the next 6-9 months.

The decision on launches will be made on the basis of post-lockdown market and user conditions. Our goal is to continue to meet budget expectations, with consistent growth and attractive margins.

Source: Internal data
MY.GAMES: latest releases

- **Warface: Breakout** (May, PS4 and Xbox One) – 1st person tactical competitive shooter with buy-to-play (B2P) monetization, targeting mostly to NA&EU players
- June - Dec 2020 – launch of 3 seasons with content updates and gameplay improvements and potential for a PC version launch

- **World Above: Cloud Harbor** (April): F2P casual mobile game developed by ITT Studio, developers of Hawk, Juggernaut Wars, Evolution 1 & 2 mobile games
- Key gameplay – merging objects and collecting dragons in the world with unique weather mechanics and terrain transformation, great 3D art, exciting story related to Vikings epos. >1m installs and was among top-10 revenue generators in June

- **Dino Squad** (April, OBT launch) – dynamic mobile PvP shooter by Pixonic Studio, author of the world’s mobile hit War Robots
- Key gameplay – collection and upgrade of various armored dinosaurs and compete vs other players in multiplayer battles

Source: Internal data
MY.GAMES STORE development continues

- MY.GAMES Store is the central part of MY.GAMES gaming ecosystem, which aggregates the entire gaming audience of the company on a PC platform. It also broadens our B2B access and helps build related relationships.
- **The beta version of MY.GAMES Store was launched in Dec** to empower internal and 3P developers with a broad range of technical and analytical tools, so they can take control of their publishing experience, maximize the effectiveness of their ad campaigns, scale their game, and boost their own revenue and audience.
- MY.GAMES Store in June offered a new additional developer-friendly **revenue share option** entitling developers to 90% of the revenues on traffic they bring in themselves, with the traditional 70% share remaining for traffic generated by the platform.

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Play alone</td>
<td>Group play</td>
</tr>
<tr>
<td>Buy software</td>
<td>In-game monetization</td>
</tr>
<tr>
<td>Buy hardware</td>
<td>Rent access</td>
</tr>
<tr>
<td>Non-spectator</td>
<td>Spectator</td>
</tr>
<tr>
<td>Software made for hardware</td>
<td>Software for all devices</td>
</tr>
</tbody>
</table>

Source: Internal data
Youla: ongoing recovery after April’s COVID-related decline

New listings

Deals

Source: Internal data
Youla: positioned for growth in a weak macro and longer term

**Total revenues (RUBbn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>1H 2020 actual</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.1</td>
<td>2.1</td>
<td>2.7</td>
<td>2.7-3.0</td>
<td></td>
</tr>
</tbody>
</table>

**Revenues**
- **Target for 2020: RUB 2.7-3bn**
- Strong pipeline of Group’s ecosystem integrations, as well as B2B focused developments to drive growth

**Generals & Services:**
- The largest by share in revenues and less cyclical
- Both have been the least impacted by COVID-19

**Real estate:**
- Growing penetration in regions and with initiatives in B2B stream to support growth
- Revenues have recovered to pre-COVID level

**Jobs:**
- Focus on blue-collars, which may show solid performance even in weak macro fueled by further migration to online (as was seen in 2015)
- Strong recovery following lockdown cancelations (# of vacancies in June exceeded that of pre-COVID level)

**EBITDA**
- **Target for 2020: proportionate loss at or below 2019 level**
- Flexibility in cost saving in response to revenue growth slowdown (with Q2 being an example of that)
- Marketing cost savings are subject to revenue performance
- Continued investments in product & tech to execute on strategic roadmap
- R&D cost savings through deployment of Group’s tech expertise
- Access to internal sources of traffic by integrations with MRG ecosystem

**Verticals revenue split**

Source: Internal data
Youla & Worki: Recent product developments

Storefront for shops and pro-sellers
- Store information with ratings
- Option to subscribe for new product notifications
- Product catalogs searchable using category filters or search bar, filters by price or publication date

Video in Stories on Youla
- New promotion feature for sellers
- Diverse listing related content for buyers
- Direct video upload with no need to use 3rd party video platforms like on other classifieds
- Deploys OK tech expertise

Video interviews on Worki
- Remote interviews without leaving the platform
- Deploys MRG tech expertise
Worki: deepening integration with the Group

Cross-posting of vacancies
- 14x more views from access to combined reach of 2 platforms

Subscription for vacancies directly from email service
- Personalized job compilations and notifications
- Access to 30m+ MAU

Mini App for recruiters in VK
- Convenient tool for sourcing candidates in both HR communities in VK attracting millions of subscribers and Worki database from one window

Source: Internal data
Heavy presence in digital professions vertical in edtech

- Following consolidation of Skillbox in Q4 2019, we acquired a minority stake in SkillFactory (18.31%) in Q1, with an option to further increase our stake. Our edtech ecosystem now includes Skillbox and Geekbrains, where we hold control, as well as minority stakes in Algoritmika and SkillFactory.
- Our online education products generated a combined ~RUB 1bn in revenues in Q2, growing by 265% YoY YoY.
- Albeit growth is expected to moderate as the COVID-19 demand spike normalized post lockdowns, online education market in Russia is expected to expand by 50% in 2020 and we aim to outperform the broader market.
- Our platforms are seen as capturing >40% market share within digital professions online segment.

Sources: company data, SkyEng market research, Netology market research, Interfax data for 2019.
Our edtech assets provide training products for almost all types of digital professions

<table>
<thead>
<tr>
<th>Business model</th>
<th>Data Science and Analysis</th>
<th>Programming</th>
<th>Marketing</th>
<th>Design</th>
<th>Management</th>
<th>Games/Video</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geekbrains</strong></td>
<td>✓</td>
<td>✓ Main focus</td>
<td>✓ Main focus</td>
<td>✓</td>
<td>✓ Main focus</td>
<td>✓</td>
</tr>
<tr>
<td>(control)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Skillbox</strong></td>
<td>✓</td>
<td>✓ Main focus</td>
<td>✓ Main focus</td>
<td>✓</td>
<td>✓ Main focus</td>
<td>✓</td>
</tr>
<tr>
<td>(control)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Skillfactory</strong></td>
<td>✓ Main focus</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>(minority stake)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Access to educational ecosystem
- Scheduled regular webinars with experts
- Access to content and tasks after webinar
- Webinars used mostly for Q&A and as a marketing tool

Source: Internal data
Focus on diversity across educational mechanics

- With a goal to achieve high student engagement and strong retention

**Educational process**

- **Pre-recorded video lessons / Webinars**
  - Unlimited access to educational materials / Access to online classes (webinar) with teachers

- **Self-study and homework**
  - Every study block is accompanied with homework tasks
  - Homeworks are reviewed by a teacher/mentor

- **Mentor**
  - Live-chat/consultation with mentors – any questions and/or experience exchange

- **Final big project task**
  - Final big project task allows to apply new skill to solve business problems
  - Some tasks come from real large businesses (partners)

**Outcome**

- **Employment**
  - New skills make job search easier for students
  - Companies are establishing own career centers to help students find a job

Source: Internal data
Mail.ru Cloud Solutions (MCS) – new releases:
• Kubernetes federation with Amazon Web Services
• Arenadata DB (is a distributed DB based on using massively parallel processing principle)

Key projects:
• Completed the 1st phase of the State Unified Cloud Platform
• Private Cloud for X5 Retail Group
• Cloud Migration of the Enterprise Infrastructure in Philip Morris International
• Start of cooperation with Transneft
• Higher School of Economics migration (TOP1 University in Russian Federation by Forbes 2020) project around distance learning

Major new customers:
• Auchan
• Sollers (leading Russian automotive company)
• Magnit (№4 «200 largest private companies in Russia 2019» by Forbes Russia)

B2B updates from Mail.ru Digital Technologies

Tarantool – new releases:
• Tarantool Cartridge v. 2.0.0 – our framework for distributed applications development
• Tarantool Data Grid, our product for fast and simple development of data processing microservices went live with version 1.6.3.
• Tarantool Training program has started in Q2, with 100+ engineers and architects participating

New projects:
• Customer Information Profile (CIP) project in X5
• Customer Profiles project with VTB

Sources: Internal data
Solid M&A track record across verticals

- No M&A has taken place in Q2, although it is part of ongoing operations, especially for MY.GAMES through MRGV
- We report using pro-forma, with ~30% revenue CAGR for the Group for the past 10yrs on organic basis

### Revenue growth since the acquisition

- **VK (w/o Music)**: 5x growth from Q3 14 to Q2 20
- **Music**: 1.7x growth from Q1 19 to Q2 20
- **GeekBrains**: 15x growth from Q3 16 to Q2 20
- **SkillBox**: +38% growth from Q4 19 to Q2 20
- **Pixonic**: 6x growth from Q3 16 to Q2 20
- **Bit Games**: +7% from Q1 18 to Q2 20
- **Panzerdog**: +9% from Q2 19 to Q2 20
- **SwagMasha**: 1.7x growth from Q3 19 to Q2 20

Source: Internal data
DC is the food delivery market leader in terms of users...

- Following the ease of lockdowns starting in May there was slight moderation in usage, a bit more aligned with typical seasonality (Q2-Q3 being the low season)

Source: Mediascope, Russia, mobile apps only, cities 100k+, age 12-64.
...and downloads

Downloads, iOS and Android combined, ths

Source: AppAnnie
New benchmark of 16mn orders reached in Q2, with a balance between 3P and 1P

1P orders

1P/3P orders split

Source: Internal data
Continued growth of all the key metrics

**Geographic expansion**

- Cities of presence, 1P
  - Q2 2019: 18*
  - Q2 2020: 82*

- Overall geographic coverage 1, 3P+1P
  - Q2 2019: 132
  - Q2 2020: 208

**Active users**

- DC active users3, mln
  - Q2 2019: 1,8
  - Q2 2020: 4,3
  - YoY: x 2.5

**Restaurants**

- Number of restaurants2, ths
  - Q2 2019: 11,0
  - Q2 2020: 24,6

**Revenue**

- RUB mn
  - 0,4 0,4 0,4 0,6 0,9 0,9 1,2 1,5 1,8 2,5
  - Q1 2018-Q2 2020

---

1 – Including city-like districts
2 – Restaurants capable of taking orders during the last month of reporting period
3 – Users with at least 1 order during the period
* If calculated as cities and 149, if calculated as localities, including city-like districts (vs 50 as of Q2 2019), which is the basis for calculation of overall geographic reach.
Samokat: egrocery business surge

- O2O JV completed acquisition of 75.6% stake in Samokat express delivery platform present in Moscow and St Petersburg and consolidated financial statements of Samokat since May 2020
- Samokat reached 3.6mn orders in Q2 (+42x YoY) approaching 45,000 in daily orders, operating in Moscow, Saint-Petersburg and related regions
- Samokat revenue was up 3.5x QoQ and 70.9x YoY in Q2 to >RUB 2bn and the number of dark stores now exceeds 230
- Samokat increased delivery zones in partnership with YouDrive. Integration with Citymobil and AliExpress is ongoing

Source: Internal data
Despite the COVID outbreak in Q2 CM continued to gain share while improving unit economics

CM grew its share in Moscow as well as in the market as a whole

And significantly progressed on its path towards positive unit economics

Drivers of unit economics improvement

- Optimizations in driver and client subsidies
- Introduction of a new dispatch system
- Increasing client bills due to more aggressive surge and higher tariffs

Contribution per trip, 2019-2020

Citymobil share uplift: +10 pp YoY

Source: 1 – Moscow Department of Transport; 2 – UBS
CM: back to pre-COVID level

CM has not only outperformed pre-COVID levels, but also reached a new peak in terms of orders.

Weekly orders, March-June 2020

Start of self-isolation period

New record in weekly orders

Initiatives in main app and new sources of growth boosted rides in Q2

#vsedomoy
A federal promotion campaign which stimulated demand in the period when business was hit the most

Delivery
Launched in early April

New launches
Tyumen (population of >500k) and several smaller launches in Moscow and Spb region in June expanded reach and brought new clients and rides

Source: Internal data
CM growth support from outside of the main app

Delivery became an important value driver both B2B and C2C

Delivery monthly rides, 2020
- Apr 2020 [Launch]
- May 2020
- June 2020

Selected partners:
- Delivery Club
- СБЕР МАРКЕТ
- docdoc
- самокат

VK Taxi gained strong momentum thanks to consistent collaboration with VK Team

VK Taxi monthly rides, 2020
- Q4 '19
- Q1 '20
- Q2 '20

Delivery monthly rides, 2020
- x 1.7

Legend:
- >66K orders in peak days
- Start of active promotion, rebranding, further product improvements
- Branded VK Taxi cars were launched in July
- Pilot launch
- Major product modifications, no promotion

Source: Internal data
## CM in 2020: growth, efficiency & O2O JV synergies

### Business priorities

<table>
<thead>
<tr>
<th><strong>Key goals for 2020</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expanding market share in existing cities and launches in select <strong>new geographies</strong></td>
</tr>
<tr>
<td>• Targeting solid <strong>#2 position</strong> in Russia</td>
</tr>
<tr>
<td>• Finding growth <strong>outside of the main app</strong> (incl. VK Taxi, Delivery, Delivery Club, YouDrive integrations etc.)</td>
</tr>
</tbody>
</table>

### Scale

<table>
<thead>
<tr>
<th><strong>Path to profitability</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increasingly focusing on further improvement in <strong>unit economics</strong> across all markets</td>
</tr>
<tr>
<td>• Targeting <strong>positive unit economics</strong> (&gt;50% GMV positive by the end of 2020)</td>
</tr>
</tbody>
</table>

### Synergies

<table>
<thead>
<tr>
<th><strong>Path to profitability</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• New <strong>marketing &amp; product synergies</strong> with both ecosystems</td>
</tr>
<tr>
<td>• Leveraging <strong>R&amp;D capabilities</strong> of both ecosystems (2GIS geo platform, AI, computer vision)</td>
</tr>
<tr>
<td>• Rolling out a new fleet product in collaboration with <strong>SberLeasing</strong></td>
</tr>
</tbody>
</table>

Source: Internal data
AER JV – cross-border and local business expansion

- Platform’s DAU: 8.8mn in June (+17% YoY)
- Registered users: >130mn (+10% YTD)
- GMV: 30%+ MoM and up 60% versus April in June, with a goal to reach $10bn in overall GMV in 2022-23 with ~50mn in annual customers
- Local GMV share: ~20% (>14,000 sellers, 2mn SKUs) vs ~10% in Oct 2019 and a target of ~50% in 2022-23
- Average check: +38% in June
- Ongoing logistics/customer experience improvements:
  - +3 direct flights from China to Moscow with a goal to offer 10-day avg delivery from China vs typical 50-60 day delivery <2yrs ago
  - AliExpress Plus users can already receive orders from China within 10-15 days and next-day from local sellers
  - The number of pick-up points rose by >3x in 12M
  - ~450 programmers joining by FY21 to fully localize customer support functions
  - AliExpress LIVE: with >110mn views since March and RUB125mn in related purchases during the first month
  - Ongoing social integrations with Mail.ru Group.

Source: Internal data
## Q2 & H1 2020 revenue and profitability update

- Revenue growth accelerated in 2Q, mainly driven by MMO Games, which grew by 47.7% (to RUB10.1bn, supported by lockdowns. In the meantime, online advertising declined by 5.2% YoY given the adverse COVID effects on the broader local economy and business outlook.

- EBITDA margin stood at 29.5% in 2Q, supported by Games, despite the ongoing investments into the core.

### Q2 and H1 2020 Revenue and profitability review

<table>
<thead>
<tr>
<th>RUB MN</th>
<th>Q2 2019 actual</th>
<th>Q2 2020 actual growth, %</th>
<th>Y-o-Y</th>
<th>H1 2019 actual</th>
<th>H1 2020 actual</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>20,210</td>
<td>25,373</td>
<td>25.5%</td>
<td>39,755</td>
<td>47,703</td>
<td>20.0%</td>
</tr>
<tr>
<td>Online advertising</td>
<td>8,417</td>
<td>7,983</td>
<td>-5.2%</td>
<td>16,244</td>
<td>16,536</td>
<td>1.8%</td>
</tr>
<tr>
<td>MMO games</td>
<td>6,859</td>
<td>10,132</td>
<td>47.7%</td>
<td>13,290</td>
<td>17,305</td>
<td>30.2%</td>
</tr>
<tr>
<td>Community IVAS</td>
<td>3,898</td>
<td>4,550</td>
<td>16.7%</td>
<td>8,099</td>
<td>9,196</td>
<td>13.5%</td>
</tr>
<tr>
<td>Other revenue</td>
<td>1,036</td>
<td>2,708</td>
<td>161.4%</td>
<td>2,122</td>
<td>4,666</td>
<td>120.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>7,194</td>
<td>7,475</td>
<td>3.9%</td>
<td>12,698</td>
<td>13,204</td>
<td>4.0%</td>
</tr>
<tr>
<td>EBITDA margin, %</td>
<td>35.6%</td>
<td>29.5%</td>
<td></td>
<td>31.9%</td>
<td>27.7%</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>3,193</td>
<td>3,455</td>
<td>8.2%</td>
<td>6,026</td>
<td>5,659</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Net profit margin, %</td>
<td>15.8%</td>
<td>13.6%</td>
<td></td>
<td>15.2%</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>-1,586</td>
<td>-2,035</td>
<td>28.3%</td>
<td>-3,079</td>
<td>-4,133</td>
<td>34.3%</td>
</tr>
<tr>
<td>% of revenue</td>
<td>-7.8%</td>
<td>-8.0%</td>
<td>-7.7%</td>
<td>-8.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Internal data
Note 1: Net profit includes the impairment of Skyforge in the amount of RUB 630m in Q2 2019
Q2 2020: performance across operating segments

<table>
<thead>
<tr>
<th></th>
<th>Communications and Social</th>
<th>Games</th>
<th>New initiatives</th>
<th>Eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total segment revenue</td>
<td>11,737</td>
<td>11,018</td>
<td>2,686</td>
<td>(68)</td>
<td>25,373</td>
</tr>
<tr>
<td>Y-o-Y growth</td>
<td>0.7%</td>
<td>46.0%</td>
<td>138.5%</td>
<td>-40.0%</td>
<td>25.5%</td>
</tr>
<tr>
<td>Total operating expenses*</td>
<td>6,016</td>
<td>8,656</td>
<td>3,294</td>
<td>(69)</td>
<td>17,897</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>5,721</td>
<td>2,362</td>
<td>(608)</td>
<td>1</td>
<td>7,475</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>48.7%</td>
<td>21.4%</td>
<td>-22.6%</td>
<td></td>
<td>29.5%</td>
</tr>
<tr>
<td>Net profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,455</td>
</tr>
<tr>
<td>Net profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13.6%</td>
</tr>
</tbody>
</table>

Source: Internal data

*Total operating expenses include Group corporate expenses allocated to the respective segment.
## H1 2020: performance across operating segments

### H1 2020 operating segments performance

<table>
<thead>
<tr>
<th>RUB MM</th>
<th>Communications and Social</th>
<th>Games</th>
<th>New initiatives</th>
<th>Eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total segment revenue</strong></td>
<td><strong>24,263</strong></td>
<td><strong>18,914</strong></td>
<td><strong>4,667</strong></td>
<td>(141)</td>
<td><strong>47,703</strong></td>
</tr>
<tr>
<td><strong>Y-o-Y growth</strong></td>
<td>4.7%</td>
<td>30.4%</td>
<td>109.5%</td>
<td>-1.6%</td>
<td>20.0%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong>*</td>
<td>11,846</td>
<td>16,032</td>
<td>6,762</td>
<td>(141)</td>
<td>34,499</td>
</tr>
<tr>
<td><strong>Segment EBITDA</strong></td>
<td><strong>12,417</strong></td>
<td><strong>2,882</strong></td>
<td>(2,095)</td>
<td>0</td>
<td><strong>13,204</strong></td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>51.2%</td>
<td>15.2%</td>
<td>-44.9%</td>
<td></td>
<td>27.7%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>5,659</strong></td>
</tr>
<tr>
<td><strong>Net profitability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>11.9%</strong></td>
</tr>
</tbody>
</table>

Source: Internal data

*Total operating expenses include Group corporate expenses allocated to the respective segment.*
Headcount evolution

- Despite the recent COVID-19 and related macro shock, we have not changed our approach to hiring across the core units, with **headcount up ~16% YTD**
- **Group's headcount reached ~7.4k as of Q2 2020** given organic expansion of the Group, with no M&A activity during the quarter. Some of the business units most actively growing their headcount included VK, B2B, Voice technology as well as online education team and select games studios
- Headcount does not include as ESForce, which remains as asset held for sale

### Total headcount, eop

<table>
<thead>
<tr>
<th>Month</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-17</td>
<td>4,419</td>
</tr>
<tr>
<td>Dec-18</td>
<td>5,567</td>
</tr>
<tr>
<td>Dec-19</td>
<td>6,217</td>
</tr>
<tr>
<td>Mar-20</td>
<td>6,753</td>
</tr>
<tr>
<td>Jun-20</td>
<td>7,344</td>
</tr>
</tbody>
</table>

Source: Internal data
• ~50% of Mail.ru Group’s GDRs are listed on LSE, with trading of GDRs now also available on the Moscow Exchange in RUB through a local listing since July.

• Blue-chip shareholder base includes Prosus (since 2006, initially through Naspers), Tencent (since 2010) and most recently Alibaba (since 3Q19) as well as Sberbank (as of 4Q19).

Source: Public data. Free-float number includes 1.2% held by Mail.ru Employee Benefit Trustees Limited.
## MRG shareholder structure details

<table>
<thead>
<tr>
<th></th>
<th>prosus</th>
<th>Alibaba Group</th>
<th>Tencent</th>
<th>MFT</th>
<th>Freefloat</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td>27.6%</td>
<td>10.0%</td>
<td>7.4%</td>
<td>5.2%</td>
<td>49.8%</td>
</tr>
<tr>
<td><strong>Voting</strong></td>
<td>12.3%</td>
<td>4.4%</td>
<td>3.3%</td>
<td>58.3%*</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

Source: Public data as of March 31, 2020, calculated on fully diluted basis, accounting for DRs sitting in employee benefit trust (non-voting)

Naspers holding is done through Prosus since 3Q19

* USM/MegaFon votes (~54%) within MFT have been delegated to the CEO of Mail.ru Group (Russia) – Boris Dobrodeev since October 2018

MFT shareholder structure: MegaFon (45%), Sberbank (36%), Rostec (10%), USM (9%)
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