



Mail.ru Group Limited unaudited results for Q2 2021

July 29, 2021. Mail.ru Group Limited (MAIL, hereinafter referred to as "the Company" and together with its subsidiaries "Mail.ru Group" or "the Group"), one of the largest companies in the Russian-speaking Internet market, today releases unaudited IFRS results and segment financial information for the three and six months ended 30 June 2021.

Performance highlights*

Results for the three months ended 30 June 2021:

- Q2 2021 Group aggregate segment revenue grew 17.4% YoY to RUB 29,991m
- Q2 2021 Group aggregate segment EBITDA declined 10.5% YoY to RUB 6,662m
- Q2 2021 Group aggregate net profit from consolidated subsidiaries declined 33.2% YoY to RUB 2,288m
- Q2 2021 Group aggregate net loss including key strategic associates and joint ventures was RUB (2,129m), compared to Q2 2020 net profit of RUB 1,256m, including the following contributions:
 - O2O JV: RUB (3,903m) in Q2 2021 vs RUB (1,883m) in Q2 2020;
 - AER JV: RUB (489m) in Q2 2021 vs RUB (288m) in Q2 2020;
 - Uchi.ru Group: RUB (25m) in Q2 2021

Results for the six months ended 30 June 2021:

- H1 2021 Group aggregate segment revenue grew 22% YoY to RUB 58,281m
- H1 2021 Group aggregate segment EBITDA declined 2.5% YoY to RUB 12,733m
- H1 2021 Group aggregate net profit from consolidated subsidiaries declined 23.3% YoY to RUB 4,234m
- H1 2021 Group aggregate net loss including key strategic associates and joint ventures was RUB (3,928m), compared to H1 2020 net profit of RUB 1,089m, including the following contributions:
 - O2O JV: RUB (7,216m) in H1 2021 vs RUB (3,898m) in H1 2020;
 - AER JV: RUB (967m) in H1 2021 vs RUB (533m) in H1 2020;
 - Uchi.ru Group: RUB 21m in H1 2021

* Performance highlights are based on the Group aggregate segment financial information, which is different from IFRS accounts. See "Presentation of Aggregate Segment Financial Information".

Commenting on the results of the Group, Dmitry Grishin, Chairman of the Board, and Boris Dobrodeev, CEO (Russia) of Mail.ru Group, said:

We have continued to progress towards our 2021 guidance target after the Group saw overall revenues grow by 17.4% (to RUB 29,991m), whilst combatting highly differing base effects across our various businesses during the quarter in light of last year's pandemic-related lockdowns. We saw a particularly strong performance from our core online advertising business and Education Technology services, but also managed to finish slightly ahead in terms of the absolute level of revenues delivered by MY.GAMES vs Q2 2020, despite the base for the MMO Games revenue stream (+48% YoY on a pro-forma basis in Q2 2020).

Q2 revenue split:

- Advertising: +38.8% YoY to RUB 11,249m
- MMO: -6.0% YoY to RUB 9,523m
- Community IVAS: -2.3% YoY to RUB 4,447m
- Education Technology services: +87.8% YoY to RUB 2,167m
- Other: 62.5% YoY to RUB 2,605m

Advertising grew 38.8% YoY in Q2, accelerating for the fourth quarter in a row (Q3 2020: 5%, Q4 2020: 10.2%, Q1 2021: 22%). Among services, VK remains the growth engine, with its 35% total revenue growth

in Q2, despite the certain adverse IVAS effect. In terms of products and client segments, performance advertising was the major driver for the Group's advertising revenues, growing by 69% YoY (vs 41% in Q1), with active demand coming from the SMB advertiser sub-segment, which grew by 56% YoY. Within advertising formats, we continue to have major ambitions in video, with 84% growth of in-stream video advertising revenue in Q2.

MMO Games saw a 6.0% YoY contraction in Q2, but with the overall Games segment (represented by MY.GAMES) slightly surpassing Q2 2020 in absolute revenues (+1% YoY, RUB 11.1bn), despite the base effect, no new internal game launches and no significant studio acquisitions year-to-date as well as IDFA related changes. EBITDA was RUB 2.7bn with a margin of 24%, a major improvement on 13.2% in Q1, with MY.GAMES on track to deliver **YoY improvement in profitability in 2021, along with further organic growth.**

Community IVAS saw a slight contraction in Q2 (-2.3%) given the strong performance seen in Q2 2020 (~17% YoY) when it was stimulated by lockdowns. In Q2 2020 we saw a boost in social games and elevated activity around the exchange of stickers and virtual gifts as people tried to stay connected and safely share emotions through online alternatives. Music was less of a growth driver in Q2 2020 given the lower user movement. In Q2 2021 we saw normalised engagement. IVAS is almost fully booked within our largest Communications & Social segment (C&S) and social networks in particular. IVAS performance within VK was better than within OK given that music is the largest component of VK IVAS revenues. Despite the certain IVAS headwind, strong advertising recovery and ongoing solid engagement across the key products allowed C&S to significantly accelerate revenue growth to 22% YoY from 8.2% YoY in Q1. Despite the slow 1H start, **we expect growth in IVAS in 2021.**

EdTech (Skillbox and GeekBrains) revenues demonstrated 1.9x YoY revenue growth in Q2 (to RUB 2.2bn), despite the challenging lockdown-related base effect, supported by active ongoing course offer expansion. **EdTech revenues are expected to exceed RUB9bn in 2021 with an improvement in EBITDA margin in 2H,** following the Q2 profitability low point (-38% EBITDA margin).

Youla saw strong revenue growth of 64% YoY in Q2 (to RUB931mn), with an EBITDA loss of RUB185mn, which means a continued reduction in EBITDA burn (20% of revenues versus 39% in Q2 2020). **Youla remains on track to deliver RUB3.6-3.9bn in revenues in 2021 and make further progress towards break-even, expected in 2022.**

Overall, the Group remains on track to deliver RUB127-130bn in revenues in 2021.

Some of the key development areas within the consolidated scope of the Group remain video, including VK Clips, VK Combo, VK Connect, VK Pay as well as the mini apps and social commerce, among other initiatives. This is reflected in our personnel and marketing cost dynamics. EBITDA stood at RUB 6.7bn in Q2 2021, with a margin of 22.2%. This marks a decline versus 29.1% delivered in Q2 2020 when businesses such as games and online education saw a highly supportive backdrop for organic traffic inflow given the pandemic. As a result, Games and EdTech segments delivered peak quarterly margins for 2020 in Q2 2020 (21.4% and 23.9% respectively). This does not change our guidance of an **improvement in EBITDA margin YoY on the Group level in 2021.**

Our net debt position excluding lease liabilities at the end of June stood at RUB 22,145m, with the effective interest rate at 7.0%. We will continue to manage treasury operations using the most efficient products available, including bank lines and corporate debt.

Financial and operational highlights around our most material non-consolidated assets among associates and joint ventures including AliExpress Russia JV and O2O JV can be found below in the "Joint Ventures" section of the press release.

Segmental highlights

Communications and Social segment

The segment's revenue was up 22% YoY to RUB 14,115m in Q2 2021 driven by advertising revenue growth, while Community IVAS performance was muted given the elevated base of 2Q 2020. EBITDA increased by 4% YoY to RUB 5,834m in Q2 (with a margin of 41.3% vs 48.5% a year ago) due to the decline in high margin Community IVAS revenue, VK personnel growth, as well as ongoing product investments, including VK Combo and music.

Communications and Social Segment Performance – Q2 2021 & H1 2021

RUB millions	Q2 2020	Q2 2021	YoY, %	H1 2020	H1 2021	YoY, %
Revenue						
External revenue	11,611	14,011		24,008	27,373	
Intersegment revenue	-1	104		-1	160	
Total revenue	11,610	14,115	22%	24,007	27,533	15%
Total operating expenses	5,983	8,281	38%	11,774	15,734	34%
EBITDA	5,627	5,834	4%	12,233	11,799	-4%
<i>EBITDA margin, %</i>	<i>48%</i>	<i>41%</i>	<i>(7.1)pp</i>	<i>51%</i>	<i>43%</i>	<i>(8.1)pp</i>

VK

VK maintains its local social networking leadership, with an average Russia MAU of 72mn and DAU of 47mn (+1% YoY) in Q2 and 65.2% of users accessing VK every day. Mobile time spent stood at 35 minutes per day as of May, including 53 minutes per day for the most engaged 12–24 age group.

The number of services available on the VK Mini Apps platform rose by 74% YoY in Q2 to above 34,200, with MAU +28% YoY in June (to 38.4mn) and DAU +60% YoY (to 5.1mn). 15 apps have MAU over 1mn (+15.3% YoY), including own/partner apps such as AliExpress, VK Food, VK Taxi, VK Classifieds, VK Health, and VK Work. Among the major milestones, VK Taxi celebrated its second anniversary, with 30mn rides (+15x YoY) completed by more than 2.3mn unique users during the 12 months ended in June.

VK has become the first social network to integrate a virtual voice assistant into its app in a cross-integration with Marusia, making many VK services more accessible and easier to use. Using voice commands, users can play their favourite songs and listen to podcasts, find other users and communities, or call their friends.

Communication offer and related technology enhancements continue, with the rollout of unlimited duration group video calls for up to 2,048 simultaneous participants, an unprecedented number for a social network. The group call functionality includes screen sharing in 4K resolution, hand raising, noise cancellation and other typical features for a quality experience. VK started to test calls from Groups and launched “disappearing” and “quiet” message distribution options. VK enabled support for messages in Android Auto and launched Favorites for users to be able to save notes, favourite messages or files.

Entertainment and video focus remains, with a total video MAU of 75mn (globally, including VK Clips) in June and the number of daily video views exceeding 1bn. The VK Mobile Games catalogue grew by 371% YoY, with +11% YoY growth in mobile games audience in Q2.

VK introduced the ability to automatically create chats exclusively for donors in communities that use VK Donut, our community content monetization platform with a 10% platform fee. 18% of such communities have enabled chats within a month. Content creators using VK Donut earned >RUB 84mn since its launch in late June 2020.

VK continues to enhance its tools for business with the launch of a unified platform for SMBs, where all the key tools are available in one place, whether to launch a marketplace or to advertise its own product or

services within VK. Social commerce progress continues, with Multimarket, a single B2B platform for managing stores on VK, OK, AliExpress and Youla, now also allowing to manage store catalogues via mobile devices.

OK

Average Russia MAU stood at 38.1mn in Q2. Users sent ~10bn virtual gifts, 660mn postcards and more than 482mn stickers during the quarter, with the number of stickers per each 100 messages doubling YoY in H1, stimulated by the rollout of stickers with sound in April.

Moments MAU reached 25mn in June (+2.1x YTD), with the number of views and reactions up by 2.5x and 2.7x respectively during the period. In Q2, new mechanics such as the publication of "Moments" from VK Mini Apps as well as thematic contests for users were added, set to drive further engagement growth.

Average DAU in mobile games rose by 15% YoY, with penetration exceeding 10% of OK's overall mobile DAU. OK paid RUB 500mn to mobile game developers (+40% YoY) in Q2, with payments to developers for advertising in their projects increasing by 2.6x.

Engagement in groups continues to rise, with the number of related publications up by 24.6% YoY in Q2. Video remains in major focus. In June OK finished airing its first original series "Five Plus", with 10 original episodes having collected more than 59mn views from 9mn viewers on OK's video platform. Also, OK started to distribute the series on third-party platforms on a revenue share basis.

SMB platform development is ongoing, with new features being added to OK Ads Manager (internal ad creation tool for SMBs), including the ability for legal entities to top up personal accounts in OK Ads Manager or the rollout of a recommendation service for business profiles.

Games segment (represented by MY.GAMES)

MY.GAMES revenues stayed largely flat in Q2 given the covid base effect (1% YoY to RUB 11.1bn). ~95% of revenues came from F2P games, with mobile share at 77% in Q2 (vs 71% in Q2 2020). War Robots, Warface, Hustle Castle, Rush Royale and Grand Hotel Mania were the largest revenue contributors for the quarter. The Games segment Q2 EBITDA stood at RUB 2.7bn, delivering 13.1% YoY growth, with a margin of 24% (versus 13.2% in Q1 2021), with the segment on track to deliver margin improvement for 2021, along with further organic growth, despite the base effect.

Games Segment Performance – Q2 2021 & H1 2021

RUB millions	Q2 2020	Q2 2021	YoY, %	H1 2020	H1 2021	YoY, %
Revenue						
External revenue	10,992	11,102		18,676	22,029	
Intersegment revenue	26	28		43	52	
Total revenue	11,018	11,130	1%	18,719	22,081	18%
Total operating expenses	8,660	8,463	-2%	15,817	17,971	14%
EBITDA	2,358	2,667	13%	2,902	4,110	42%
<i>EBITDA margin, %</i>	<i>21%</i>	<i>24%</i>	<i>2.6pp</i>	<i>16%</i>	<i>19%</i>	<i>3.1pp</i>

Average MAU stood at 21.4mn in Q2 with a 4.7% share of paying monthly users, roughly unchanged versus the level seen in Q2 2020, during the peak of lockdowns and therefore player engagement. MY.GAMES aims to further improve conversion to paying users through promotions tailored to specific player behaviours. The share of revenue coming from markets outside Russia & CIS stood at 74% (unchanged from Q2 2020), with the US, Germany and the UK having the largest share of international revenue.

Despite not releasing new internal products during the quarter MY.GAMES enjoyed a resilient Q2 by supporting its existing portfolio with >30 product updates and spreading existing titles to other platforms like web, Huawei Appgallery and EGS as well as expanding its portfolio with new IP consolidations, of Global City (Red Brix Wall studio) and Love Choice (Game Garden studio) to drive further portfolio diversification into attractive city builder and stories genres respectively, albeit with marginal financial contribution from these games at this stage. There are 20 new titles in active development across PC, console and mobile platforms, set to support future growth.

Mobile

The top-5 revenue-generating titles in Q2 remained War Robots, Hustle Castle, Rush Royale, Grand Hotel Mania and Left to Survive, with Rush Royale continuing its climbing to the top in terms of monetisation.

War Robots (2014, Pixonic studio) shooter reached 197mn users in June, with average monthly revenue of ~RUB 800mn in Q2 and significant positive EBITDA contribution.

Hustle Castle (2017, Nord studio) RPG title offers >70mn downloads, with ~RUB 400mn in monthly revenue in Q2. The Nord Studio also operates Zero City (~19mn downloads, >RUB 150mn in monthly revenue). American Dad! Apocalypse Soon also performed well, with ~9mn in cumulative downloads as of the end of Q2.

The Grand Hotel Mania (2020, Deus Craft studio) time management game approached 12mn installs, with ~RUB300mn in monthly revenue in Q2.

Left to Survive (2018, Whalekit studio) shooter reached 38mn downloads and exceeded RUB 200mn in monthly revenue in Q2, with >20% YoY growth along with almost 2x EBITDA improvement. Another title from this studio, Warface: Global Operations (2020), reached 18mn downloads.

Rush Royale (2020, IT Territory studio) tower defence game reached ~9mn downloads since its launch in December with monthly revenue nearing RUB 400mn in June, which makes it one of the most successful launches in MY.GAMES history.

Tacticool (2019, Panzerdog) top-down pvp mobile shooter game reached ~20mn downloads and achieved a new monthly revenue record of RUB 150mn+ in April with >50% YoY revenue growth.

PC & Console

The Warface (2013, PC/console/mobile) first-person shooter franchise reached 117.4mn players worldwide across all platforms and remains a top-3 revenue generator for MY.GAMES. Warface cross-play became available on the console, connecting over >24mn of its players across PlayStation 4, Xbox One, and Nintendo Switch to the same server. Warface was also added to Epic Games Store, broadening the distribution of this key franchise title.

Allods Team has announced a new title – Blast Brigade vs. the Evil Legion of Dr. Cread, a 2D action-adventure platformer with metroidvania elements. It's coming in early access in September.

Lost Ark (PC, licensed from Smilegate) MMORPG released an update on Russian language servers and also announced an update with a 19th new class Demon Hunter on Russian language servers.

Tactical action MMO Conqueror's Blade (2019, PC, licensed from Booming Tech) reached 3.4mn in users and showed >50% YoY revenue growth in Q2 post another game update rolled out in March.

Free-to-play MMO Skyforge (2017, PC, Allods Team) reached 13mn in registered users.

In Q2 MY.GAMES continued to port its mobile titles to PC on MY.GAMES Store as part of internal cross-selling and cross-integration, with Hustle Castle, Rush Royale and War Robots ported in Q2.

EdTech segment

Currently, consolidated EdTech assets (Skillbox, GeekBrains) are focused on professional education and are being integrated under Skillbox to maximise internal efficiencies. The segment continued to demonstrate solid performance in Q2 despite challenging Covid base effects, with revenue rising by 1.9x YoY to RUB 2.2bn.

The platforms exceeded 971,000 in combined cumulative registered students as of the end of June, up 1.9x YoY. The cumulative number of paying students approached 238,000, up 2.3x YoY, with nearly 31,000 new paying students added during the quarter.

The platforms launched 143 new courses and programs (professions and faculties) during Q2, including in design (28), management (23), programming and gaming (52), marketing (18), multimedia (12) and others (10), with the overall number of available courses surpassing 1,047. The average check was largely flat at RUB 57,800 in Q2 (+1.5% YoY) despite the ongoing product matrix diversification, including through shorter duration and therefore cheaper courses.

EdTech delivered an EBITDA loss of RUB 0.8bn in Q2 2021 compared to a positive RUB 0.3bn contribution in Q2 2020 due to active course offer expansion, which resulted in personnel and content development cost increase. We also saw higher marketing expenses given no lockdown stimulated organic traffic inflow seen in Q2 2020, along with the negative effect of a change in the tax regime.

We expect EdTech revenues to exceed RUB 9bn in 2021 with an improvement in EBITDA margin in 2H, following the Q2 profitability low point (-38% EBITDA margin).

EdTech Segment Performance – Q2 2021 & H1 2021

RUB millions	Q2 2020	Q2 2021	YoY, %	H1 2020	H1 2021	YoY, %
Revenue						
External revenue	1,154	2,172		1,892	4,324	
Intersegment revenue	-	1		-	1	
Total revenue	1,154	2,173	88%	1,892	4,325	129%
Total operating expenses	878	3,000	242%	1,553	5,149	232%
EBITDA	276	-827	n/m	339	-824	n/m
<i>EBITDA margin, %</i>	<i>24%</i>	<i>-38%</i>	<i>(62.0)pp</i>	<i>18%</i>	<i>-19%</i>	<i>(37.0)pp</i>

New Initiatives segment

The segment's revenue was up 51% to RUB 2.7bn in Q2 driven mainly by Youla. New Initiatives EBITDA loss amounted to RUB 1.0bn (vs. RUB 0.8bn in Q2 2020), which implies a -37% margin (-45.5% in Q2 2020) due to the ongoing improvement in Youla profitability.

New Initiatives Segment Performance – Q2 2021 & H1 2021

RUB millions	Q2 2020	Q2 2021	YoY, %	H1 2020	H1 2021	YoY, %
Revenue						
External revenue	1,786	2,706		3,173	4,555	
Intersegment revenue	11	12		25	13	
Total revenue	1,797	2,718	51%	3,198	4,568	43%
Total operating expenses	2,614	3,730	43%	5,612	6,920	23%
EBITDA	-817	-1,012	24%	-2,414	-2,352	-3%
<i>EBITDA margin, %</i>	<i>-45%</i>	<i>-37%</i>	<i>8.2pp</i>	<i>-75%</i>	<i>-51%</i>	<i>24.0pp</i>

Youla

Youla's growth accelerated to 64% YoY in Q2 with RUB 931mn in revenue for the quarter, driven by the rising share of B2B sales. MAU grew by 15% YoY reaching 31mn in June, stimulated by the ongoing integration of Youla and VK via VK Classifieds, with 50,000+ Groups in VK already able to show relevant listings via VK Classifieds versus ~16,000 as of FY 2020.

Revenue of the Jobs vertical, formed on the basis of VK Work (former Worki), grew by ~3.6x YoY, with related DAU rising by 60% YoY, and the number of new CVs increasing by 170% YoY in Q2. In Q2 VK Work launched a dedicated tariff for large clients, which boosted their average check by 52% within just 2 months. VK Work has been integrating with Youla, with 5%+ in new CVs and 10% of new applications per day coming from Youla since the launch of such options in mid-April.

Overall, **Youla is well on track to deliver RUB3.6-3.9bn in revenues in 2021**. In the meantime, EBITDA loss as a proportion of revenue continued to decline, at -20% in Q2 versus -39% in Q2 2020, with **Youla continuing to progress towards break-even, expected in 2022**.

VK Connect

Since its launch last June, 40.7mn people have used VK Connect for authentication, not counting authentication on vk.com, with their number growing 39% QoQ in Q2. 24 Group services now use VK Connect for authentication, including most recently our email service, cloud and portal.

VK Clips

The VK Clips short video product celebrated its 1st anniversary in June, with 6mn+ clips having been published by 1.6mn content creators within the first year and the overall Clips video inventory exceeding 25,000 hours.

DAU reached 20mn in June (+2.5x YoY). Engagement continues to rise, with daily video views exceeding 300mn on average in Q2 (+3x YoY) and a new daily record of 350mn views seen in June.

Time spent per user in Clips grew by 36% YTD (as of the end of 1H), with the number of users spending 10+ minutes per day on Clips rising by 24% during the same period.

Product enhancements continue, with the recent launch of Duets, new personalised recommendations, technological improvements to the Clips Player. Further product development and engagement increase will continue to be prioritised in 2021.

Pulse and Relap (recommendation platforms)

The average number of people who used both of our recommendation platforms reached 55mn per month (+31% YoY) in Q2. In Q2 Pulse DAU stood at 8.7mn (+131% YoY), with MAU of 74mn (+86% YoY). Relap DAU stood at 6.2mn (-2% YoY) in Q2, with MAU of 80mn (-17% YoY), driven by the change in the cookie-collection policy of the major internet browsers. Looking at hits, Relap grew by 11.4% YoY to 1.4bn. The two platforms' combined revenue reached RUB 288mn in Q2 (+137% YoY).

Joint Ventures

O2O JV (equal ownership with Sberbank and Mail.ru Group)

GMV of O2O JV reached RUB 45bn (+75% YoY) in Q2. The business remains in an active investment phase, with an EBITDA margin (to GMV) at -20%, albeit with a continuous focus on operational efficiency.

Food-tech, including Delivery Club (98%), Samokat (85%), r_keeper (99%) and Local Kitchen (85%)

Despite the elevated covid base experienced in Q2, Delivery Club finished with RUB 3.6bn in gross revenue (+42% YoY), with 30% growth in orders YoY to 20.8mn and share of egrocery orders at 13.5% of the total. 1P stood at 65% of total platform orders as of June.

Delivery Club is present across 323 localities, with a connected partner network exceeding 45,000 (+84% YoY) in June (including 5,200 retail stores). More than 20,000 restaurants are now using the takeaway option.

Delivery Club continues to enhance its customer offer, with the launch of cashless tips for restaurant sit-ins as well as deliveries from cafes at gas stations, city guide promo service etc. As a result of the expanding offer and the ongoing improvements in the service, the average frequency increased QoQ as well as YoY, with ~4.3 orders/active user in Q2.

Samokat grew gross revenues by 3.9x YoY (to RUB 8.0bn) in Q2, with 15.6mn in completed orders (+4.3x YoY), including up to 200,000 in daily orders in June.

Throughout Q2 Samokat launched operations across 12 new cities, available across 20 Russian cities with access to ~25% of the local population as of the end of June. Further regional expansion is planned for 2H.

Samokat's dark store base reached 699 in June (+3.3x YoY). The private label SKU base further expanded to 500 and contributed >16% of revenue in Q2. Integration of new value-added customer features continues along with the launch of sales of ready-to-eat meals.

Local Kitchen prepared and delivered 1.7mn in orders (+1.7x YoY) with RUB 848mn in gross revenue (+1.5x YoY) in Q2 from its 44 kitchens across Moscow (average for Q2).

Mobility, including Citymobil (97%) and Citydrive (former YouDrive) (77%)

In Q2 Citymobil completed 50mn rides across 80 Russian localities, having doubled its GMV YoY (to RUB 15.4bn), supported by the ongoing growth in B2B rides (+3.4x YoY) and Premium segment rides (+5.3x YoY).

On the platform side, further improvements into incentive allocation algorithms were made driving down the cost per incremental trip. The algorithms for calculating ETA and RTA have also been improved, while Novosibirsk has become the first city to fully integrate 2GIS routing.

Citymobil continues to expand its delivery business, with 3x YoY growth and 18,000 rides in peak days in June. More than 1,000 SMB clients and Mvideo, as a B2C partner, joined Citymobil in Q2, with an improvement in contribution profit per delivery ride of 25% QoQ.

In April customer offering was further enhanced with the full integration of e-scooters into the Citymobil app, with more than 750,000 trips completed during Q2. In May, Citymobil in collaboration with the VK mini apps platform launched the first e-scooter rental via a social network – Prokat VKontakte.

Citydrive (former YouDrive) has now been fully integrated into Citymobil as part of its expanding multi-mobility offer. Citydrive grew rides by 8.7x YoY in Q2 (+3x YoY in H1) through its 4,771 car park mainly located in St Petersburg. GMV grew +7.0x YoY in Q2 to RUB 730mn (+4x YoY in H1).

AliExpress Russia (AER) JV (15% stake held by Mail.ru Group)

AER continues its diversification, with the local marketplace GMV growing 2x YoY during the calendar Q2, including ~5x YoY growth in local marketplace orders, reflecting the focus on category diversification, including into high frequency but lower AOV areas.

The number of local sellers exceeded 61,000 in June (+3.5x YoY), with the number of local SPUs (Standardised product units) growing by 5x YoY. Including the cross-border business, the platform now offers a total of 160mn SPUs from 330,000+ sellers. **The target is to reach ~30mn in total buyers, with local GMV to approach 50% of the total by the end of AER's FY2022 (by April 2022).**

AER continues to improve the level of service and value proposition for buyers and sellers, with some of the latest developments including:

- Expansion of local offers via integration with Otto Group, Sadovod, Podruzhka among others and with the rollout of new categories, including pharmacy in partnership with Vse Apteki
- Broadening of the express delivery offer (2-hour delivery) via geographic expansion to now 28 cities and integrations with retailers, including Metro, Auchan and Vkusvill in "Eat!" (channel for e-grocery and FMCG), with express delivery service up 2.3x QoQ
- Release of the localised mobile app for Russia/CIS
- Launch of an affiliate AE Platform, helping media, bloggers, sites and individuals to monetise their AER traffic and earn commissions for orders done through their promotional links
- AER started to open branded pick-up points across Russian Post offices, with four PUDOs already launched in Moscow (include fitting-rooms and areas to screen orders, also offering simple return procedure) and a plan to open at least 2,000 branded pick-up points by the end of FY2022
- Local sellers of AER can now also drop off parcels in 5,000 Russian Post offices and 165 Russia Post's regional sorting centres. Russian Post is set for next-day delivery of orders from the cities with population of over 1mn to the nearest large locations
- Launch of exports of goods from Russian sellers into Europe, starting from children's goods category

**Conference call and webcast:**

The management team will host an analyst and investor conference call and webcast at 15:00 Moscow time (13:00 UK, 8:00 NY), on the same day, including a Question and Answer session.

Conference call details:

Date: Thursday, July 29

Time: 15:00 (Moscow), 13:00 (London), 8:00 (New York)

Dial-in Numbers (recommended option to be able to ask questions*):

From the UK/International: +44 (0) 330 336 9128 (local access) / 0800 358 6377 (toll free)

From Russia: +7 495 213 1767 (local access) / 8 800 500 9283 (toll free)

From the US: +1 929 477 0324 (local access) / 800 479 1004 (toll free)

Confirmation Code: 110610

Webcast (recommended option to be able to listen and view related slides):

<https://www.webcast-egs.com/mailru20210729>

*We recommend participants to dial at least 5 minutes prior to the start of the conference call.

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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 Mail.ru Group

Mail.ru Group develops the VK 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 VK, messaging apps and email service), play video games (via MY.GAMES), get and offer items and services, browse jobs and hire talent (via Youla and VK Jobs), order food and grocery delivery (via Delivery Club, Samokat and Local Kitchen), get a ride (with Citymobil and 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 Connect 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.

Filing of the Interim Condensed Consolidated Financial Statements for Q2 and H1 2021

The Group's interim condensed consolidated financial statements for the three and six months ended 30 June 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://corp.mail.ru/media/files/mail.rugroupifrsq22021.pdf>.

Group Aggregate Segment Financial Information*

RUB millions	Q2 2020	Q2 2021	YoY	H1 2020	H1 2021	YoY
Group aggregate segment revenue (1)						
Online advertising	8,105	11,249	38.8%	16,685	21,720	30.2%
MMO games	10,131	9,523	-6.0%	17,150	18,947	10.5%
Community IVAS	4,550	4,447	-2.3%	9,196	8,924	-3.0%
Education Technology services	1,154	2,167	87.8%	1,891	4,319	128.4%
Other revenue**	1,603	2,605	62.5%	2,827	4,371	54.6%
Total Group aggregate segment revenue	25,543	29,991	17.4%	47,749	58,281	22.1%
Group aggregate operating expenses						
Personnel expenses	5,756	7,776	35.1%	11,205	15,435	37.8%
Agent/partner fees	6,623	8,630	30.3%	12,549	16,450	31.1%
Marketing expenses	4,289	5,374	25.3%	8,381	11,174	33.3%
Server hosting expenses	198	207	4.5%	365	410	12.4%
Professional services	218	385	76.6%	391	720	84.3%
Other operating (income)/expenses, excl. D&A	1,015	957	-5.7%	1,798	1,359	-24.5%
Total Group aggregate operating expenses	18,099	23,329	28.9%	34,689	45,548	31.3%
Group aggregate segment EBITDA (2)	7,444	6,662	-10.5%	13,060	12,733	-2.5%
<i>margin, %</i>	<i>29.1%</i>	<i>22.2%</i>		<i>27.4%</i>	<i>21.8%</i>	
Depreciation and amortisation (3)	2,758	3,396	23.1%	5,344	6,820	27.6%
Share of loss of key JVs and equity associates	2,171	4,417	103.5%	4,431	8,162	84.2%
Other non-operating income (expense), net	-495	-479	-3.2%	-998	-1000	0.2%
Profit before tax (4)	2,020	-1,630	n/m	2,287	-3,249	n/m
Income tax expense (5)	764	499	-34.7%	1,198	679	-43.3%
Group aggregate net profit from consolidated subsidiaries (6)	3,427	2,288	-33.2%	5,520	4,234	-23.3%
<i>margin, %</i>	<i>13.4%</i>	<i>7.6%</i>		<i>11.6%</i>	<i>7.3%</i>	
Group aggregate net profit/(loss) (7)	1,256	-2,129	n/m%	1,089	-3,928	n/m%
<i>margin, %</i>	<i>4.9%</i>	<i>-7.1%</i>		<i>2.3%</i>	<i>-6.7%</i>	

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

(**) Including Other IVAS revenues.

- (1) Group aggregate segment revenue is calculated by aggregating the segment revenue of the Group's operating segments and eliminating intra-segment and inter-segment revenues. This measure differs in significant respects from IFRS consolidated net revenue. See "Presentation of Aggregate Segment Financial Information" below.
- (2) Group aggregate segment EBITDA is calculated by subtracting Group aggregate segment operating expenses from Group aggregate segment revenue. Group aggregate segment operating expenses are calculated by aggregating the segment operating expenses (excluding the depreciation and amortisation) of the Group's operating segments including allocated Group's corporate expenses, and eliminating intra-segment and inter-segment expenses. See "Presentation of Aggregate Segment Financial Information".

- (3) Group aggregate depreciation, amortisation and impairment expense is calculated by aggregating the depreciation, amortisation and impairment expense of the subsidiaries consolidated as of the date hereof, excluding amortisation and impairment of fair value adjustments to intangible assets acquired in business combinations.
- (4) Profit before tax is calculated by deducting from Group aggregate segment EBITDA Group aggregate depreciation, amortisation and impairment expense and adding/deducting Group aggregate other non-operating incomes/expenses primarily consisting of interest income on cash deposits, interest expenses, dividends from financial and available-for-sale investments and other non-operating items.
- (5) Group aggregate income tax expense is calculated by aggregating the income tax expense of the subsidiaries consolidated as of the date hereof. Group aggregate income tax expense is different from income tax as would be recorded under IFRS, as it is adjusted for the tax effect of differences in profit before tax between Group aggregate segment financial information and IFRS.
- (6) Group aggregate net profit from consolidated subsidiaries is the (i) Group aggregate segment EBITDA; less (ii) Group aggregate depreciation, amortisation and impairment expense; less (iii) Group aggregate other non-operating expense; plus (iv) Group aggregate other non-operating income; less (v) Group aggregate income tax expense.
- (7) Group aggregate net profit is the (i) Group aggregate net profit from consolidated subsidiaries; less (ii) Share of loss of key JVs and equity associates. Group aggregate net profit differs in significant respects from IFRS consolidated net profit. See "Presentation of Aggregate Segment Financial Information".

Operating Segments

The composition of the reporting segments reflects the Group's strategy, the way the business is managed and units' interconnection within its eco-system. From the first quarter of 2021 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 Vkontakte (VK) 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 (UMA). 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 similar regulatory environment.

The Games segment includes online gaming services, including MMO, social and mobile games operated by the Group. It earns substantially all revenues from (i) sale of virtual in-game items to users, (ii) royalties for games licensed to third-party online game operators and (iii) in-game advertising.

The Education Technologies (EdTech) segment includes our consolidated education businesses presented by GeekBrains and Skillbox. The businesses earn substantially all revenues from education technology services.

The New initiatives segment primarily consists of Youla classifieds earning 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, which are considered insignificant by the CODM for the purposes of performance review and resource allocation.

Each segment's EBITDA is calculated as the respective segment's revenue less operating expenses (excluding depreciation and amortisation and impairment of intangible assets), including our corporate expenses allocated to the respective segment.

Operating Segments Performance – Q2 2021

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	14,011	11,102	2,172	2,706	-	29,991
Intersegment revenue	104	28	1	12	(145)	-
Total revenue	14,115	11,130	2,173	2,718	(145)	29,991
Total operating expenses	8,281	8,463	3,000	3,730	(145)	23,329
EBITDA	5,834	2,667	(827)	(1,012)	-	6,662
<i>EBITDA margin, %</i>	<i>41.3%</i>	<i>24.0%</i>	<i>-38.0%</i>	<i>-37.2%</i>	<i>0.0%</i>	<i>22.2%</i>
Net profit from consolidated subsidiaries						2,288
<i>Net profit from consolidated subsidiaries margin, %</i>						<i>7.6%</i>
Share of loss of equity accounted associates and joint ventures						(4,417)
Aliexpress Russia JV						(489)
O2O JV						(3,903)
Uchi.ru						(25)
Net loss						(2,129)
<i>Net loss margin, %</i>						<i>-7.1%</i>

Operating Segments Performance – Q2 2020

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	11,611	10,992	1,154	1,786	-	25,543
Intersegment revenue	(1)	26	-	11	(36)	-
Total revenue	11,610	11,018	1,154	1,797	(36)	25,543
Total operating expenses	5,983	8,660	878	2,614	(36)	18,099
EBITDA	5,627	2,358	276	(817)	-	7,444
<i>EBITDA margin, %</i>	<i>48.5%</i>	<i>21.4%</i>	<i>23.9%</i>	<i>-45.5%</i>	<i>0.0%</i>	<i>29.1%</i>
Net profit from consolidated subsidiaries						3,427
<i>Net profit from consolidated subsidiaries margin, %</i>						<i>13.4%</i>
Share of loss of joint ventures						(2,171)
Aliexpress Russia JV						(288)
O2O JV						(1,883)
Net loss						1,256
<i>Net loss margin, %</i>						<i>4.9%</i>

Operating Segments Performance – H1 2021

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	27,373	22,029	4,324	4,555	-	58,281
Intersegment revenue	160	52	1	13	(226)	-
Total revenue	27,533	22,081	4,325	4,568	(226)	58,281
Total operating expenses	15,734	17,971	5,149	6,920	(226)	45,548
EBITDA	11,799	4,110	(824)	(2,352)	-	12,733
<i>EBITDA margin, %</i>	<i>42.9%</i>	<i>18.6%</i>	<i>-19.1%</i>	<i>-51.5%</i>	<i>0.0%</i>	<i>21.8%</i>
Net profit from consolidated subsidiaries						4,234
<i>Net profit from consolidated subsidiaries margin, %</i>						<i>7.3%</i>
Share of loss of equity accounted associates and joint ventures						(8,162)
Aliexpress Russia JV						(967)
O2O JV						(7,216)
Uchi.ru						21
Net loss						(3,928)
<i>Net loss margin, %</i>						<i>-6.7%</i>

Operating Segments Performance – H1 2020

RUB millions	Communications and Social	Games	EdTech	New initiatives	Eliminations	Group
Revenue						
External revenue	24,008	18,676	1,892	3,173	-	47,749
Intersegment revenue	(1)	43	-	25	(67)	-
Total revenue	24,007	18,719	1,892	3,198	(67)	47,749
Total operating expenses	11,774	15,817	1,553	5,612	(67)	34,689
EBITDA	12,233	2,902	339	(2,414)	-	13,060
<i>EBITDA margin, %</i>	<i>51.0%</i>	<i>15.5%</i>	<i>17.9%</i>	<i>-75.5%</i>	<i>0.0%</i>	<i>27.4%</i>
Net profit from consolidated subsidiaries						5,520
<i>Net profit from consolidated subsidiaries margin, %</i>						<i>11.6%</i>
Share of loss of joint ventures						(4,431)
Aliexpress Russia JV						(533)
O2O JV						(3,898)
Net profit						1,089
<i>Net profit margin, %</i>						<i>2.3%</i>

Liquidity

As of 30 June 2021, the Group had RUB 23,798 million of cash and cash equivalents and short-term time deposits and RUB 45,943 million of debt outstanding (excluding lease liabilities). The Group's net debt position was RUB 22,145 million.

Presentation of Aggregate 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.
- In 2021 the Group changed the approach to the presentation and composition of reporting segments in order to better reflect the Group's strategy and the way the business is managed. From the first quarter of 2021 the Group has presented reportable segments based on the consolidation scope as determined in accordance with IFRS, a change from previously applying a pro forma approach to acquisitions, disposals and assets held for sale.
- 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 aggregate segment revenue to IFRS consolidated revenue of the Group for the three months ended 30 June 2021 and 2020 is presented below:

RUB millions	Q2 2021	Q2 2020
Group aggregate segment revenue, as presented to the CODM	29,991	25,543
Adjustments to reconcile revenue as presented to the CODM to consolidated revenue under IFRS:		
Differences in timing of revenue recognition	(303)	(2,456)
Consolidated revenue under IFRS	29,688	23,087

A reconciliation of group aggregate segment EBITDA, as presented to the CODM, to IFRS consolidated loss before income tax expense of the Group for the three months ended June 30, 2021 and 2020 is presented below:

RUB millions	Q2 2021	Q2 2020
Group aggregate segment EBITDA, as presented to the CODM	6,662	7,444
Adjustments to reconcile EBITDA as presented to the CODM to consolidated loss before income tax expenses under IFRS:		
Differences in timing of revenue recognition	(303)	(2,456)
Net loss on venture capital investments	-	(43)
Share-based payment transactions	(432)	(504)
Expected credit loss on consideration receivable	(473)	-
Other	(5)	(28)
EBITDA	5,449	4,413
Depreciation and amortisation	(4,413)	(3,565)
Share of loss of equity accounted associates and joint ventures	(5,441)	(2,518)
Finance income	246	85
Finance expenses	(955)	(630)
Other non-operating (loss)/income	(61)	49
Net gain on derivative financial assets and liabilities at fair value through profit or loss	26	(541)
Loss on remeasurement of financial instruments	(124)	(68)
Impairment of equity accounted associates	-	(38)
Net foreign exchange gain	812	436
Consolidated loss before income tax expense under IFRS	(4,461)	(2,377)

A reconciliation of Group aggregate net (loss)/profit to IFRS consolidated net loss of the Group for the three months ended 30 June 2021 and 2020 is presented below:

RUB millions	Q2 2021	Q2 2020
Group aggregate net (loss)/profit, as presented to CODM	(2,129)	1,256
Adjustments to reconcile net (loss)/profit as presented to the CODM to consolidated net loss under IFRS:		
Share-based payment transactions	(432)	(504)
Differences in timing of revenue recognition	(303)	(2,456)
Amortisation of fair value adjustments to intangible assets	(1,017)	(808)
Net gain/(loss) on financial instruments at fair value through profit or loss	26	(541)
Net loss on financial liabilities at amortised cost	(216)	-
Loss on remeasurement of financial instruments	(124)	(68)
Net foreign exchange gain	812	436
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(1,024)	(347)
Impairment of equity accounted associates	-	(38)
Other non-operating (loss)/income	(61)	49
Expected credit loss on consideration receivable	(473)	-
Other	(20)	(120)
Tax effect of the adjustments	(16)	384
Consolidated net loss under IFRS	(4,977)	(2,757)

A reconciliation of Group aggregate segment revenue to IFRS consolidated revenue of the Group for the six months ended 30 June 2021 and 2020 is presented below:

RUB millions	H1 2021	H1 2020
Group aggregate segment revenue, as presented to the CODM	58,281	47,749
Adjustments to reconcile revenue as presented to the CODM to consolidated revenue under IFRS:		
Differences in timing of revenue recognition	(858)	(3,040)
Consolidated revenue under IFRS	57,423	44,709

A reconciliation of Group aggregate segment EBITDA to IFRS consolidated loss before income tax expense of the Group for the six months ended 30 June 2021 and 2020 is presented below:

RUB millions	H1 2021	H1 2020
Group aggregate segment EBITDA, as presented to the CODM	12,733	13,060
Adjustments to reconcile EBITDA as presented to the CODM to consolidated loss before income tax expenses under IFRS:		
Differences in timing of revenue recognition	(858)	(3,040)
Net gain/(loss) on venture capital investments	5	(84)
Share-based payment transactions	(738)	(933)
Expected credit loss on consideration receivable	(473)	-
Other	(30)	(54)
EBITDA	10,639	8,949
Depreciation and amortisation	(8,843)	(6,948)
Share of loss of equity accounted associates and joint ventures	(8,730)	(5,341)
Finance income	376	204
Finance expenses	(1,917)	(1,241)
Other non-operating (loss)/gain	(22)	38
Net gain/(loss) on derivative financial assets and liabilities at fair value through profit or loss	1,320	(330)
Goodwill impairment	-	(6,430)
Gain on remeasurement of previously held interest in equity accounted associate	-	46
Loss on remeasurement of financial instruments	(298)	(177)
Impairment of equity accounted associates	-	(260)
Net foreign exchange gain	212	94
Consolidated loss before income tax expense under IFRS	(7,263)	(11,396)

A reconciliation of Group aggregate net loss/profit to IFRS consolidated net loss of the Group for the six months ended 30 June 2021 and 2020 is presented below:

RUR millions	H1 2021	H1 2020
Group aggregate net loss/profit, as presented to CODM	(3,928)	1,089
Adjustments to reconcile net loss as presented to the CODM to consolidated net loss under IFRS:		
Share-based payment transactions	(738)	(933)
Differences in timing of revenue recognition	(858)	(3,040)
Amortisation of fair value adjustments to intangible assets	(2,023)	(1,599)
Net gain/(loss) on financial instruments at fair value through profit or loss	1,320	(330)
Net loss on financial liabilities at amortised cost	(432)	-
Goodwill impairment	-	(6,430)
Gain on remeasurement of previously held interest in equity accounted associate	-	46
Loss on remeasurement of financial instruments	(298)	(177)
Net foreign exchange gain	212	94
Differences in recognition of net share in loss of equity accounted associates and joint ventures	(568)	(910)
Impairment of equity accounted associates	-	(260)
Other non-operating income/(loss)	(22)	38
Expected credit loss on consideration receivable	(473)	-
Other	(134)	(182)
Tax effect of the adjustments	508	705
Consolidated net loss under IFRS	(7,434)	(11,889)

Consolidated IFRS Statement of Financial Position

RUB millions	June 30, 2021	December 31, 2020
ASSETS		
Non-current assets		
Investments in equity accounted associates and joint ventures	31,684	41,948
Goodwill	135,670	135,670
Right-of-use assets	15,305	15,618
Other intangible assets	19,512	19,623
Property and equipment	13,509	11,651
Financial assets at fair value through profit or loss	5,215	2,305
Deferred income tax assets	3,853	2,924
Long-term loans issued	11,626	422
Advance under office lease contract	449	249
Total non-current assets	236,823	230,410
Current assets		
Trade accounts receivable	15,036	16,707
Prepaid income tax	190	358
Prepaid expenses and advances to suppliers	1,241	853
Short-term deposits	3,619	-
Loans issued	798	2,441
Inventories	128	98
Other current assets	1,485	1,247
Cash and cash equivalents	20,179	39,297
Assets held for sale	2,810	-
Total current assets	45,486	61,001
Total assets	282,309	291,411
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	-	-
Share premium	77,884	77,101
Treasury shares	(1,044)	(1,071)
Retained earnings	95,775	103,103
Foreign currency translation reserve	671	1,195
Total equity attributable to equity holders of the parent	173,286	180,328
Non-controlling interests	1,326	1,663
Total equity	174,612	181,991
Non-current liabilities		
Deferred income tax liabilities	1,258	1,379
Deferred revenue	2,003	1,871
Non-current lease liabilities	11,981	11,338
Non-current financial liabilities at fair value through profit or loss	2,121	3,506
Long-term interest-bearing loans and bonds	37,902	41,497
Other non-current liabilities	265	265
Total non-current liabilities	55,530	59,856
Current liabilities		
Trade accounts payable	11,598	10,923
Income tax payable	2,359	2,673
VAT and other taxes payable	3,018	2,259
Deferred revenue and customer advances	17,665	16,912
Short-term portion of long-term interest-bearing loans	5,920	3,718
Current lease liabilities	3,621	3,861
Other payables, accrued expenses and contingent consideration liabilities	6,519	9,218
Liabilities directly associated with assets held for sale	1,467	-
Total current liabilities	52,167	49,564
Total liabilities	107,697	109,420
Total equity and liabilities	282,309	291,411

Consolidated IFRS Statement of Comprehensive Income

RUB millions	Q2 2021	Q2 2020	H1 2021	H1 2020
Online advertising	11,250	8,106	21,721	16,687
MMO games	9,362	8,188	18,761	15,013
Community IVAS	4,532	4,456	8,891	8,977
Educational technology services	2,011	713	3,751	1,163
Other revenue	2,533	1,624	4,299	2,869
Total revenue	29,688	23,087	57,423	44,709
Net (loss)/gain on venture capital investments	-	(43)	5	(84)
Personnel expenses	(8,209)	(6,260)	(16,173)	(12,138)
Agent/partner fees	(8,628)	(6,621)	(16,460)	(12,547)
Marketing expenses	(5,375)	(4,294)	(11,174)	(8,384)
Server hosting expenses	(207)	(198)	(410)	(365)
Professional services	(386)	(219)	(729)	(399)
Other operating expenses	(1,434)	(1,039)	(1,843)	(1,843)
Total operating expenses	(24,239)	(18,631)	(46,789)	(35,676)
EBITDA	5,449	4,413	10,639	8,949
Depreciation and amortisation	(4,413)	(3,565)	(8,843)	(6,948)
Share of loss of equity accounted associates and joint ventures	(5,441)	(2,518)	(8,730)	(5,341)
Finance income	246	85	376	204
Finance expenses	(955)	(630)	(1,917)	(1,241)
Other non-operating income/(loss)	(61)	49	(22)	38
Goodwill impairment	-	-	-	(6,430)
Net gain/(loss) on derivative financial assets and liabilities at fair value through profit or loss	26	(541)	1,320	(330)
Impairment of equity accounted associates	-	(38)	-	(260)
Gain on remeasurement of previously held interest in equity accounted associate	-	-	-	46
Loss on remeasurement of financial instruments	(124)	(68)	(298)	(177)
Net foreign exchange gain	812	436	212	94
Loss before income tax expense	(4,461)	(2,377)	(7,263)	(11,396)
Income tax expense	(516)	(380)	(171)	(493)
Net loss	(4,977)	(2,757)	(7,434)	(11,889)
Attributable to:				
Equity holders of the parent	(4,863)	(2,668)	(7,328)	(11,745)
Non-controlling interest	(114)	(89)	(106)	(144)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations:				
Differences arising during the period	(1,140)	(247)	(524)	(116)
Total other comprehensive loss net of tax effect of 0	(1,140)	(247)	(524)	(116)
Total comprehensive loss, net of tax	(6,117)	(3,004)	(7,958)	(12,005)
Attributable to:				
Equity holders of the parent	(6,003)	(2,915)	(7,852)	(11,861)
Non-controlling interest	(114)	(89)	(106)	(144)
Loss per share, in RUR:				
Basic loss per share attributable to ordinary equity holders of the parent	(27)	(12)	(35)	(54)
Diluted loss per share attributable to ordinary equity holders of the parent	n/a	n/a	n/a	n/a

Consolidated IFRS Statement of Cash Flows

RUB millions	Six months ended June 30, 2021	Six months ended June 30, 2020
Cash flows from operating activities		
Loss before income tax	(7,263)	(11,396)
Adjustments to reconcile loss before income tax to cash flows:		
Depreciation and amortisation	8,843	6,948
Expected credit loss allowance on trade receivables	345	376
Loss on remeasurement of financial instruments	298	177
Net (gain)/loss on financial assets and liabilities at fair value through profit or loss	(1,320)	330
Goodwill impairment	-	6,430
Gain on remeasurement of previously held interest in equity accounted associate	-	(46)
Finance income	(376)	(204)
Finance expenses	1,917	1,241
Share of loss of equity accounted associates and joint ventures	8,730	5,341
Net foreign exchange gain	(212)	(94)
Cash settled and equity settled share based payments	783	933
Other non-cash items	(17)	(61)
Net (gain)/loss on venture capital investments	(5)	84
Impairment of equity accounted associates	-	260
Change in operating assets and liabilities:		
Decrease in accounts receivable	803	1,406
(Increase)/decrease in prepaid expenses and advances to suppliers	(423)	648
(Increase)/decrease in inventories and other assets	(818)	417
Increase/(decrease) in accounts payable and accrued expenses	825	(1,385)
Decrease/(increase) in other non-current assets	219	(111)
Increase in deferred revenue and customer advances	894	2,969
Increase in financial assets at fair value through profit or loss	(3,301)	(218)
Operating cash flows before interest, income taxes and contingent consideration settlement	9,922	14,045
Dividends received from venture capital investments	4	-
Interest received	91	260
Interest paid	(1,490)	(1,241)
Income tax paid	(1,330)	(1,598)
Net cash provided by operating activities	7,197	11,466
Cash flows from investing activities		
Cash paid for property and equipment	(4,083)	(2,762)
Cash paid for intangible assets	(2,907)	(1,459)
Dividends received from equity accounted associates	877	29
Loans issued	(9,564)	(209)
Loans collected	(1)	482
Cash paid for acquisitions of subsidiaries, net of cash acquired	(1,595)	(17)
Short-term time deposits	(3,886)	(630)
Cash paid for investments in equity accounted associates and joint ventures	(113)	(257)
Net cash used in investing activities	(21,272)	(4,823)
Cash flows from financing activities		
Payment of lease liabilities	(1,577)	(1,852)
Loans repaid	(1,306)	(1,312)
Cash paid for non-controlling interests in subsidiaries	(20)	-
Dividends paid by subsidiaries to non-controlling shareholders	(211)	(235)
Net cash used in financing activities	(3,114)	(3,399)
Net (decrease)/increase in cash and cash equivalents	(17,189)	3,244
Effect of exchange differences on cash balances	(178)	460
Cash and cash equivalents at the beginning of the period relating to continuing operations	39,297	9,782
Change in cash related to asset held for sale	(1,751)	(137)
Cash and cash equivalents at the end of the period	20,179	13,349