



Mail.ru Group Limited
Audited IFRS results for FY 2020

March 4, 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 audited IFRS results and segment financial information for the year ended 31 December 2020.

Performance highlights*

- ▶ On a pro-forma basis, for the three months ended 31 December 2020:
 - Q4 2020 Group aggregate segment revenue grew 25.0% YoY to RUB 32,979m
 - Q4 2020 Group aggregate segment EBITDA decreased 25.4% YoY to RUB 7,313m
 - Q4 2020 Group aggregate net profit declined 68.8% YoY to RUB 1,768m
- ▶ On a pro-forma basis, for the twelve months ended 31 December 2020:
 - FY 2020 Group aggregate segment revenue grew 21.2% YoY to RUB 107,427m
 - FY 2020 Group aggregate segment EBITDA decreased 7.3% YoY to RUB 26,974m
 - FY 2020 Group aggregate net profit declined 32.1% YoY to RUB 10,014m

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

*** ESForce was reconsolidated as of FY 2020 financial results, with figures ex ESForce available on page 13.*

**** Net profit does not include the Group's share in the net results of associates and joint ventures. The Group's share in the net results of key JVs (AER and O2O), prepared based on principles used for the segment financial information of the Company's consolidated operations, was a RUB 4,362m loss in Q4 2020 and RUB 11,929m loss for FY 2020.*

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

"While 2020 had a number of obvious challenges, this did not stop our commitment to scale our business. We continued to provide our customers with convenient, safe and unifying products and technologies, with the aim of creating value for our shareholders.

Our Group revenues grew by 21.2% on a pro-forma basis in 2020, with revenues exceeding RUB 107bn for the year. This is above the target of LFL revenue growth in the high-teens we provided during the Q3 2020 results, and exceeds the 18-20% revenue growth target (to RUB 103-105bn) we set for 2020, ahead of the pandemic. Q4 2020 revenue growth was 25.0%, driven mainly by the rising scale of MY.GAMES (+27.1% YoY to RUB 11.1bn), the rapid expansion of online education (+3.1x YoY to RUB 2.6bn) and most recently, a noticeable recovery in our advertising-driven businesses, with Communications & Social segment revenues up 9.6% YoY in Q4 to RUB 16.2bn vs 1.5% growth as of Q3 2020.

Total revenues in Q4 2020 grew 25.0% YoY to RUB 32,979m
Advertising revenues in Q4 2020 grew 10.2% YoY to RUB 12,777m
MMO revenues in Q4 2020 grew 23.1% YoY to RUB 9,802m
Community IVAS revenues in Q4 2020 grew 12.5% YoY to RUB 4,904m
Other revenues in Q4 2020 grew 121.7% YoY to RUB 5,496m

Despite the adverse backdrop within the advertising market, our advertising revenue continued to grow throughout 2020, up by 10.2% in Q4 (vs 5.3% in Q3) and delivered 5.3% growth for the year. We have outperformed the broader digital advertising market consistently for the prior five years and believe 2020 was no exception.

VK remains a key pillar behind our performance, with revenues rising 17.2% YoY in Q4 versus 12.9% in Q3, whilst the number of active advertisers on VK grew by 30% YoY in Q4. Despite the pandemic and its largely advertising driven business model, **VK revenues grew by 14.9% in 2020 to RUB 25.4bn. Having grown revenues by 5x+ since 2014, it remains on track to double by the end of 2022 when compared to its 2018 revenue base of RUB 18.4bn.**

MY.GAMES continued to outgrow the global games market¹ with 30.4% YoY growth in 2020 (to RUB 40.8bn), including 27.1% growth in Q4 (to RUB 11.1bn). 2020 resulted in some exceptional circumstances for our games division with 47% growth in Q2, for example. However, despite this high base, our franchise and other existing titles as well as pipeline projects are expected to result in **double-digit organic growth for MY.GAMES in 2021**. Moreover, we continue to expect **MY.GAMES EBITDA to double versus its 2018 level of RUB 5bn in 2022, with 2021 set to demonstrate considerable progress towards the set goal.**

Youla continued its growth, having delivered RUB 3bn in revenues in 2020 (+43.0% YoY), with an improvement in the level of EBITDA burn (RUB -2.2bn). We are targeting **~RUB 3.6-3.9bn in revenues from Youla in 2021 with strong progress towards break-even.**

Consolidated online education services represented by Skillbox and GeekBrains grew revenues 3.1x YoY in Q4 (to RUB 2.6bn), **delivering RUB 6.1bn in revenues in 2020 versus the RUB 5+bn target.** We anticipate **growth in excess of 30% from online education in 2021** despite predicting that the market will see a certain level of post-covid normalization. **The business is, and continues to be profitable.** Given its already significant scale and proven profitability, online education assets will form a **separate reporting segment going forward.**

We have been investing heavily across the consolidated businesses to take advantage of the acceleration in online penetration, which occurred across multiple verticals of our presence. The pandemic acted as a major catalyst for this. In 2020, we launched 9 new games, invested in 7 games studios, started beta-tests of our Cloud gaming platform, launched sales of Capsula (smart speaker), rolled out VK Connect (unified ID), launched VK Combo (loyalty program), enhanced our audio and video calling offer across projects, updated the Boom app (music), successfully completed multiple major cross-integrations including between Youla and VK, enhanced the capabilities of VK Pay (virtual wallet), significantly scaled VK Mini Apps, launched multiple experiments within social commerce, invested into high-potential businesses like Uchi.ru Group, Tetrika and Skillfactory within online education, and more.

As a result of the above and the revenue mix, Q4 EBITDA was -25.4% YoY and -7.3% YoY to RUB 27.0bn for 2020 with 25.1% margin, **arriving within the set guidance of mid-20s.**

The cash-generating capacity of our business remains strong. Our net debt position excluding lease liabilities at the end of December stood at RUB 9.4bn. In Q4 2020, we refinanced some of the prior bank loans, and as a result, the effective interest rate across all outstanding bank loans payable stood at 7.0% as of the year-end, compared to 7.4% as of the end of Q3. In October, we have also completed the placement of \$400mn in 5-year convertible bonds, with an annual coupon of 1.625% and 42.5% conversion premium (versus the \$28 placement price). We will continue to manage treasury operations using the most efficient products available, including bank lines and corporate debt, and for this purpose we are in the process of obtaining a local credit rating to be able to further increase the available tools for optimizing the cost of debt going forward.

Looking ahead, our strategic priorities remain unchanged: 1) focus on the core and build a leading Internet ecosystem with VK in the centre; 2) continue to outperform the broader digital advertising market to better align our market share with our leading positions in audience reach and time spent; 3) further internationalize and scale our games business while seeing the margin benefits as economies of scale kick in and transition towards mobile largely completes; 4) scale New Initiatives while progressing them towards break-even, where Youla is among the near-term focus areas.

Guidance:

Overall, we are currently **expecting revenue growth in the range of 18-21% in 2021 (to ~RUB127-130bn), with an improvement in EBITDA margin YoY.**

We would like to remind the market that businesses within mobility, food-tech and ecommerce are developed within JVs and their equity is accounted for, meaning that they, therefore, do not contribute to the above guidance.

Corporate governance:

We continue to evolve as a public company. Beyond our business ambitions, we strive for increasing transparency, stronger alignment in our interest with those of our shareholders as well as higher liquidity of our shares, among the major key goals. Last year, we successfully completed a local listing, with the liquidity of our GDRs rising by >600% YoY in 2020, with Mail.ru Group admitted to the major MSCI indices in December 2020. We introduced regular ESG reporting. Going forward, we will provide more granular segmental disclosure, including through the introduction of Online Education into a separate reporting segment. Additionally, following extensive conversations with the analyst and investor community, we will no longer be reporting on a pro-forma basis, effective starting from the Group's 2021 financial year. And we do not intend to stop here, with further ESG-related enhancements to come in 2021 and beyond. The business continues to value the feedback from our stakeholders on any further areas of improvement.

1 Newzoo, Global Games market report, November 2020

Segmental highlights

Communications and Social

The Communications and Social segment revenues grew 9.6% in Q4 2020 to RUB 16.2bn, with a 4.7% increase to RUB 52.7bn for the year, driven by continued growth in key engagement metrics, particularly within the VK social network and most recently, in the recovery of the advertising market, with online advertising accounting for ~60% of segment's revenues. Communications and Social EBITDA decreased by 15.0% YoY in Q4 2020 to RUB 6.6bn with a 9.6% decline to RUB 24.6bn for the year due to ongoing product and ecosystem investments. This drove an increase in personnel expenses and marketing expenses as well as agent and partner fees.

VK

VK maintains its leadership among domestic social networks, with Russia MAU of **73.4mn (+4.5% YoY)** and DAU **(+2.2% YoY)**¹. VK reaches **47.7%** of Russian internet users every day, with its monthly reach having grown from **74.3%** in December 2019 to **77.1%** in December 2020². People visit VK **15 days** per month on average with a sticky factor of **55.3%**, the highest among social networks used in Russia. Mobile time spent stands at **36.8 minutes** per day as of December, including **60 minutes** per day for the 12–24 age group³.

The number of services on the VK Mini Apps platform rose by **11,000 to 25,000**, with MAU **+67%** YoY in December to **39mn**. **30 Mini Apps** had an MAU of **1mn+** in December, up from 12 Mini Apps in January. These services include AliExpress, VK Food, VK Taxi and VK Work, among others. VK Taxi shows the platform's potential, with >2mn having used the service in 2020. The VK Food app, which was relaunched in July, accounted for >10% of new Delivery Club customers in Q4.

Since its launch in June, **17.3mn people have used VK Connect for authentication, not counting authentication on vk.com**. In 2020, on average this number was growing by **70% MoM**. **12 Group services** including Delivery Club, Citymobil, LocalKitchen, Marusia, OK, VK Combo, Classifieds, email, BOOM have been at least partially integrated with VK Connect, with a further rollout in 2021.

VK is highly focused on enhancing its video offering. In Q4, users uploaded **11% more videos YoY** to VK (excluding short videos from Clips), with the number of daily video views reaching a new record of **900mn** in December. Livestream MAU stood at **45mn** in December.

VK Clips had ~31bn views within the first 6 months from launch, whilst **3.5mn+** clips have been published by **1.1mn** content creators and **75.6mn people** have watched clips as of the end of 2020. The number of views per day reached a new peak of **230mn** in December, with DAU now exceeding **16mn**. We will continue to invest in the platform in 2021, including in Professional User Generated Content ('PUGC') and other exclusive content. We see significant monetization potential in Clips and are actively conducting experiments on CPM-based ad targeting, methods of sharing revenue with PUGC creators, and the ability to make purchases right inside Clips.

Voice messages remain the most popular type of attachment on VK's messenger, with its MAU **+10%** in 2H 2020 to **33mn**. The number of messages delivered daily rose by **50% YoY** to **15bn** in December, with the number of voice messages sent **+10% YoY** in December.

The VK Mobile Games catalogue grew **3x YoY**, with **2x YoY** mobile games audience growth in December and average session length rising to **20 minutes**. In-game payments on mobile using internal VK currency grew **2.5x YoY** in Q4.

Content creators who joined the VK Donut community content monetization platform, earned RUB **>25mn** within the first 5 months of its launch, with the number of paying subscribers growing by **30%** each month.

VK maintains its focus on communities and SMBs, having launched a simplified webpage builder that allows users to create webpages in just a few clicks. Over **300k webpages** have been created since the feature's launch. VK also launched a Recommend button in communities, allowing users to help their favourite brands or content creators grow and show them to their friends. Within a month of the feature's launch, **1.5mn groups** received at least one recommendation (~**400,000** of them being SMBs), with users providing **~200,000** recommendations every day. The VK Ad Network is actively growing. This VK tool allows administrators to have ads displayed in their communities. Over **10,000 content creators** have already joined the network, with the most successful ones generating **RUB ~1mn** per month in revenue. As a result of this and other product updates, the number of active communities rose by **23% YoY** in December.

Social commerce remains a key focus, with the launch of courier delivery on VK Store, including delivery via VK Taxi. B2C transactions completed through VK Store grew **from 8% to 23%** of total VK ecommerce GMV, including deals completed on merchant's websites.

Key focus investment areas for 2021 are video, including Clips; video and audio calls for personal and professional use; music; social commerce; and ecosystem products, including VK Combo, VK Connect, VK Pay and Mini Apps.

¹ Mediascope, December 2020

² Mediascope, December 2020

³ Mediascope, December 2020

OK

Russia MAU stood at 40mn in December, with the total number of unique mobile-only users rising by **11% YoY**.

IVAS, including games, remains the main driver of OK's revenue, with OK users having sent 52.8bn virtual gifts (+18% YoY) and 6bn postcards and stickers (+67% YoY) in 2020. Active product updates continued in Q4: 1) Moments photo and video stories format was launched in October, with MAU exceeding 11mn in December; 2) "Okno" video chat based dating service was released in November; 3) Marathons, a service which allows the sharing of photos related to particular topics, was rolled out in November.

Games DAU rose by 24.3% YoY in 2020, with related total time spent up by 32.4% YoY. Total payments to mobile games developers stood at RUB 970mn in 2020 (+62% YoY), with payments to all game developers exceeding RUB 3.3bn in 2020. Payments to developers for advertising grew by 60% YoY in Q4.

OK's video platform exceeded a 1bn record in daily views in 2020, with views of live broadcasts up by 50% and video uploads up 19% YoY.

Engagement in groups continues to rise, with the number of group publications up by 46% YoY in 2020. In December, OK and Boosty.to launched a subscription service for exclusive content in OK groups and a donation service for creators, with commission set at 5%.

Ecosystem-related product launches continued in Q4, integrating **VK Mini Apps into OK** in December.

In Q4 OK and AliExpress Russia relaunched a social marketplace, which enables product demos not only in the goods section but also inside newsfeeds or while watching videos, alongside a personalized shopping feed. Order tracking and support are now also available inside OK, with a 56% QoQ increase in related ecommerce orders in Q4.

OK continues to focus on growing its advertising revenue share, with **the number of advertisers in OK up by 34.8% in 2020** and OK continuing to invest in its SME solutions. The number of SME advertisers in the OK Ads Manager (internal ad creation tool) grew by 77% YoY in Q4, with SME revenue doubling YoY in 2020.

Further ecosystem integrations and social commerce will be among the main focus areas in 2021.

Games segment

MY.GAMES grew revenues by 30.4% YoY in 2020 (to RUB 40.8bn) vs an estimated 20% growth of the global games market¹, with the segment accounting for 38% of the Group's revenues in 2020. MY.GAMES revenues increased by 27.1% in Q4 (to RUB 11.1bn) with only one mobile launch (Rush Royale) in late December. **~98% of revenues came from F2P games, with mobile share at 76% in Q4.** The number of registered users reached 770mn in December (+165mn in 2020). **Average MAU continues to rise, at 21mn in Q4 2020 (+8.8% YoY) versus 14.8mn back in Q4 2017, with a 5.3% share of paying users.** Further internationalization remains in focus, with **77% of revenues coming from outside Russia/CIS** (versus 76% in Q3).

Games segment EBITDA in 2020 stood at RUB 6.3bn (28% YoY growth) with a margin of 15.4% given the ongoing shift into mobile, a large number of new launches, acquisitions of early-stage studios as well as active year-round marketing, including during the peak Q4 season, in light of elevated covid-related demand and our focus on retention of covid-acquired users.

MY.GAMES Venture Capital (MGVC) successfully completed two consolidations in 2020, which added two revenue generating titles to our portfolio, with Belngame studio growing monthly revenues by 95% within 7 months since consolidation and **Deus Craft revenues reaching RUB 1.2bn in Q4 (+44% QoQ).** MY.GAMES made 12 new minority investments in 2020 with 35 studios in the MGVC portfolio and options for acquisition of control in place in most of them, which provides room for further growth through M&A. At the same time, **the newly acquired and consolidated studios contributed ~9% to MY.GAMES revenues in 2020**, with the vast majority of MY.GAMES growth being organic.

Mobile

Mobile games remain the top driver for MY.GAMES growth with **five in-house mobile launches in 2020.** The top-5 revenue-generating games in Q4 2020 were: War Robots, Hustle Castle, Grand Hotel Mania, Left to Survive and Zero City.

War Robots (~7 years old, Pixonic studio) released a significant update (Remastered version, October 2020), which helped scale related game downloads to 184mn as of December. The project maintains the lead in terms of revenue generation with an average monthly revenue of ~RUB 900mn in Q4 and significant positive EBITDA contribution.

Hustle Castle (~3 years old, Nord Studio) reached 69mn downloads, with ~RUB 500mn in monthly revenue in Q4. Nord Studio also operates Zero City (~16mn downloads, >RUB 150mn in monthly

revenue), which achieved a monthly revenue record in December.

Grand Hotel Mania (July 2020, Deus Craft) time management title reached 7.7mn installs, with ~RUB 400mn in monthly revenue as of December.

Left to Survive (~3 years old, Whalekit studio) reached 30mn downloads and has surpassed lifetime RUB 4bn in revenue. Another title from this studio, Warface: Global Operations (~1 year-old), reached 15m downloads.

Rush Royale mobile game in the tower defence genre was launched by IT Territory studio in mid-December 2020 and reached 0.7mn downloads with revenue approaching RUB 100mn already in December.

PC & Console

The Warface franchise reached 109mn players worldwide across all platforms and remains a top-3 revenue generator for MY.GAMES with further geographic expansion in 2020 (e.g. Turkey). Warface on consoles reached 23mn installs, with presence and now all cross-play available across PlayStation, Xbox and Nintendo.

Season V: Legacy of Fire came to Conqueror's Blade (PC, 2+ year old) in October with the game also expanding into the Turkish market. Its user base reached 2.8mn.

Free-to-play MMO Skyforge (PC, Allods Team) reached 12mn registered users, with the title becoming the second MY.GAMES product expanded to Nintendo Switch (February 2021).

New Initiatives

The New Initiatives segment revenue in Q4 2020 grew 101.5% YoY to RUB 5.9bn, with 95.5% growth to RUB 14.3bn for the year. Among the key drivers were the rising scale of online education as well as the continued progress of Youla, Pulse, B2B, including Cloud and other new initiatives. New Initiatives EBITDA loss remained largely flat YoY in Q4 at RUB 0.7bn and at RUB 3.9bn for the year (30.2% YoY), with the main areas of spend being Youla and MRG Tech Lab projects, including in areas like voice and hardware. EBITDA loss as a share of revenues of New Initiatives decreased from 40.7% in 2019 to 27.1% in 2020 due to higher positive contribution from Online Education.

Online Education

Online Education (EdTech), represented by the consolidated Skillbox and GeekBrains businesses, remains the largest contributor to the New Initiatives segment, with related revenues exceeding RUB 2.6bn in Q4, growing 3.1x YoY. **For 2020, EdTech generated RUB 6.1bn in revenues, exceeding the set RUB 5bn target, while also being profitable.**

GeekBrains and Skillbox had 700,000 **registered students** as of December 2020, **up 4x times YoY**. The number of **paying students** reached 170,000 as of December, adding 103,000 new paying students during 2020 (**+2.5x YoY**), including 45,000 in Q4 with a 38% average share of monthly active users among paying students.

Skillbox and GeekBrains platforms launched over 200 new courses and programs (professions and faculties) during the quarter, including in creative jobs (landscape design, music and sound design, etc.), analytics and big data, VR/AR, cybersport and management, with the overall number of available courses reaching 761 in December. The average check stood at RUB 58,000 in Q4 (-3% YoY), with an average duration per course at ~12 months.

Despite the expected post-covid normalization, we anticipate further strong growth from **EdTech in 2021, with RUB 8-9bn in expected revenue** from the currently consolidated assets.

Youla



Youla delivered 43% YoY revenue growth in Q4 (RUB 1,015mn), driven by B2B sales and overall traffic growth, triggered by the rising collaboration with VK.

For 2020, **Youla delivered RUB 3bn in revenues, at the top of the RUB 2.7-3bn guidance**, with **EBITDA loss as a proportion of revenue below 2019 level** (RUB 2.2bn or 73% of revenue in 2020 versus 95% in 2019).

Deeper integration with VK continues, with the December launch of VK Classifieds. Listings, published in VK or on Youla, are now available on both platforms and sellers can place ads in relevant groups within VK. More than 16,000 VK groups started to use the new feature within less than a month. Such cross-integration resulted in **Youla MAU rising 22% YoY (to 33mn) in December 2020**.

The “VK Jobs” section launched in VK in Q3 on the basis of Worki continued to demonstrate solid traction, with Worki DAU rising by 1.7x and the number of new CVs increasing by 3.2x YoY in Q4. The Jobs vertical now contributes 18% of Youla classified revenues.

In 2021, we target RUB 3.6-3.9bn in revenue from Youla with a focus on progressing towards **break-even, which we anticipate in 2022**.

Pulse and Relap (recommendation platforms)

The number of people who used both of our recommendation platforms reached 62mn per month (+47% YoY) in Q4. Relap DAU rose to 8mn (+40% YoY) in December, with MAU of 109 mn (+33% YoY), while Pulse DAU rose to 6 mn (+75% YoY), with a MAU of 62 mn (+40% YoY) and a **combined revenue that exceeded RUB 200mn in Q4**.

Cloud & B2B Software Development

Our **B2B-technology business exceeded RUB 1bn in quarterly revenue in Q4 2020**, with growth of 200%+ YoY. Mail.ru Group's **cloud business grew multiple times YoY, approaching RUB 1bn in annual revenue**.

Key Partnerships

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

O2O JV showed impressive growth in 2020 despite the lockdown pressures, particularly in the mobility business. Following consolidations of Samokat and Local Kitchen in 2020, O2O JV perimeter includes: Delivery Club, Citymobil, Youdrive, Samokat, Local Kitchen, Foodplex (R-keeper brand), with **2020 GMV on a pro-forma basis exceeding RUB 118bn (+2.3x YoY) and GMV run-rate of more than RUB 170bn as of December**.

Food-tech, including Delivery Club (98.1%), Samokat (85.1%), Foodplex (99.1%) and Local Kitchen (84.7%)

Delivery Club maintains its leadership position on the local restaurant delivery market with gross revenue growth of 2.1x YoY (to RUB 3.1bn) and 2.0x order growth YoY (to 18mn) in Q4, including a **9% share of non-restaurant orders. The service outperformed set guidance for 2020, having grown revenues 2.3x YoY to RUB 10bn, with the delivery of 60mn orders (2.2x YoY)**.

Delivery Club is present across 299 localities covering >50% of the Russian population, with the share of 1P at 59% of total orders as of December. The platform's network reached 39,000 (+2.8x YoY) in December, with more than 7,000 restaurants using the takeaway option.

Delivery Club continues to broaden its e-grocery offer, with express (within 15 minutes, 1,500-3,000 SKUs), quick (within 30-40 minutes, 15,000+ SKUs) as well as longer delivery (15-40k SKUs) options available from food retail chains in more than 100 Russian cities (with ~3,000 in connected stores) and

further expansion planned for 2021. 71% of e-grocery orders in 2020 were executed on a marketplace basis.

Having been first-to-market with e-grocery, take-away and pharma delivery initiatives, Delivery Club continued to broaden its offer in Q4 with the launch of deliveries of meal kits as well as non-prescription medicine with “Vse Apteki” (connected to 30,400 pharmacies across Russia) of Mail.ru Group. Further integrations with Foodplex (also part of O2O JV) and other diversification initiatives are expected in 2021.

Additional recent ecosystem-related integrations include: 1) the updated VK Food mini-app brought ~10% of new users to DC in Q4; 2) Citymobil drivers now also service the JV’s e-grocery deliveries.

Delivery Club continues to demonstrate improvement in unit economics, driven by rising sales density, strong financial discipline and further technological enhancements. Despite the high covid-related base, **Delivery Club targets solid double-digit growth in 2021 and a further improvement in unit economics, with the marketplace as well as non-QSR own delivery orders already contribution positive.**

Samokat online express retail service grew gross revenues 19x YoY (to RUB 4.3bn), with 8.5mn in orders (+12.3x YoY) in Q4 and up to 100,000 in daily orders in December 2020. **For 2020, Samokat delivered 18mn in orders (+15x YoY) and generated RUB 9bn in revenue (+23x YoY).**

In October, Samokat launched operations in Kazan, which marked the fourth city of operation after Moscow, St Petersburg and Nizhny Novgorod. The platforms have plans to expand further regionally in 2021.

Samokat’s dark store base reached 400 in December vs 80 a year ago. The private label SKU base expanded to 340 out of 2,600 in total and contributed to >11% of revenue in 2020. Samokat is testing a larger dark store format with a significantly higher SKU base as well as dark store kitchen and other value-added service options, with the plan for further market share gains on the local e-grocery market in 2021, with **annualized revenue at RUB 20bn as of December.**

Local Kitchen, a dark kitchens operator specializing in on demand home food, serviced 1.9mn in orders (2.7x YoY) and generated RUB 0.9bn in revenues (2.9x YoY) in Q4 from its 45 kitchens across Moscow as of December (versus 29 in January). **For 2020, the service generated 5.2mn in orders (3.4x YoY) and RUB 2.6bn in revenues (+3.7x YoY).** The platform aims to broaden its Moscow presence as well as expand geographically in 2021, with **annualized revenue at RUB 3.9bn as of December.**

Mobility, including Citymobil (95.4%) and YouDrive (77.3%)

Citymobil increased rides and GMV by 20% QoQ in Q4, reaching **185mn in rides and RUB 46bn in GMV for 2020**, with ~3x YoY growth on both metrics and up to 30% market share in select regions. Citymobil has continued its expansion into B2B and Higher Classes growing rides in both segments by 70% QoQ.

The platform updated its dispatch and surge pricing algorithms, resulting in significant improvement in completion rates, driver utilization and ETAs throughout 2020. On the supply side, Citymobil launched a fuel platform that allows its drivers to refuel directly in the driver app at attractive price points.

Citymobil continued to expand its C2C/B2C delivery adding new partners (including Samokat within the O2O ecosystem) and growing rides by more than 75% QoQ with up to 20,000 in daily orders.

As part of its multimodal vision, Citymobil launched full consolidation with YouDrive, with technological and operational integrations planned for 2021.

VK Taxi continued its rapid growth, with over 2 million clients using the mini-app in 2020. Citymobil is now also a social commerce delivery partner of Mail.ru Group. On the supply side, Citymobil and Sberleasing launched a special leasing program for taxi fleets with hundreds of vehicles already provided to partners. Integration with 2GIS mapping service is ongoing as part of the navigation improvement initiative.

Despite the COVID-shock and unparalleled growth in 2020 **Citymobil has marginally improved EBITDA burn as a proportion to gross revenue in 2020 and plans to significantly improve unit economics in 2021.**

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

AER continues to scale, with 29.1m MAU and 8.8m DAU. The platform continues to improve the level of customer service and its overall value proposition:

- **The number of local sellers increased by 7x in 2020, exceeding 35,000 by January 2021**
- **Assortment offered by local sellers rose by >3.6x YoY exceeding 5.5mn SKUs. Combined, cross-border and domestic businesses of AER are offering >100mn SKUs from >150,000 sellers**
- Burkhard Binder, co-founder and former Managing Director of LaModa, joined as a Vice President of AER, responsible for the development of local fashion category
- AliExpress Plus express delivery service (2-day local delivery, max 15-day China delivery) simplified its returns policy also making it free of charge. **As of Q4, the share of AliExpress Plus GMV increased to 38% of total**
- AER has updated its integration with OK in Q4, with related GMV rising by 56% QoQ. In the meantime, 120,000 new buyers joined AER via VK during the latest 11/11 sales event. AER and Mail.ru Group also launched virtual storefronts and integration with Pulse recommendation service, with **>8mn people interacting with AER monthly through OK and VK**
- AER continues to develop its live streaming offer where it was first-to-market. During 2020, AER increased its own live streams coverage to 50mn views inside the AliExpress app and over 210mn within social media networks
- AER has hired >300 IT-specialists in 2020 and has now fully localized its contact centres for Russian customers and the majority of SaaS related to search and recommendations
- AER has expanded payment methods available for Russian customers, including Google Pay
- AER has expanded the geography of its express delivery marketplace service with FMCG products to the regions, starting with Kazan
- AER launched an express self pick-up option from stores of local sellers in January 2021, already available in Moscow, St Petersburg, Kazan and other major Russian cities. Delivery to pick-up points is free-of-charge for users
- **The network of available pick-up points (including parcel lockers) has increased to 18,000**

AliExpress Russia key logistic partner Cainiao has allocated a total of RUB1.7bn since June 2020 for target investment into point of sales development in Russia, including via installation of 2,000+ automated parcel lockers to provide additional capacity for AER orders. Cainiao has opened 8 warehousing complexes, with the fulfilment of orders via Cainiao available for Russian sellers across 800+ locations. Russian Post and Cainiao have integrated and improved a system of data exchange in order to better track orders and decrease the number of undelivered orders from AER.

Improvement in delivery time for cross-border, along with further scaling of the local marketplace and social commerce remains the key strategic focus areas for AER for 2021. Among related targets is to expand **local GMV to reach 50% of total GMV in the next few years. Currently, AER's local business generates 25% of total GMV.**

On October 1, Mail.ru Group completed the follow-on \$82mn payment into AER JV, made according to the initial deal terms secured in 2019, with a total \$182mn cash contribution into the JV made by the Group.

**Conference call and webcast:**

The management team will host an analyst and investor conference call and webcast at 16.00 Moscow time (13.00 London, 8.00 New York) on the same day, including a Question and Answer session.

Conference call details:

Date: Thursday, March 4

Time: 16.00 (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 9411 (local access) / 0800 279 7204 (toll free)

From Russia: +7 495 646 9190 (local access) / 8 10 8002 8675011 (toll free)

From the US: +1 929 477 0324 (local access) / 800 458 4121 (toll free)

Confirmation Code: 3383686

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

<https://www.webcast-egs.com/mailru20210304>

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

For further information please contact:Investors

Tatiana Volochkovich

Phone: +7 495 725 6357 extension: 3434

Mobile: +7 905 594 6604

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

Press

Sergei Luchin

Mobile: +7 915 223 35 71

E-mail: s.luchin@corp.mail.ru

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 (MAIL, listed since November 5, 2010) is the largest internet business in Russia in terms of total daily audience (Mediascope Web Index Desktop+Mobile, Russia 0+, population aged 12-64, December 2019).

Mail.ru Group is an evolving ecosystem of services, helping millions of people with their day-to-day needs online. More than 90% of the Russian internet audience use the company's products.

The Mail.ru Group 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), master new skills (GeekBrains, Skillbox and other educational services), stay informed (Mail.ru portal), and offers many other activities. The ecosystem also includes Mail.ru Group's own smart speaker Capsule with the Marusya voice assistant, which is also integrated in several of its other services.

Another important component of the ecosystem is the Mail.ru Group-Sberbank joint platform, which includes Citymobil, Delivery Club, Samokat and other services for ordering food or grocery delivery, ride hailing or booking a car. The company also owns a share in AliExpress Russia, a platform allowing to order almost any item online.

Mail.ru Group services allow quick authorization via VK Connect.

The company offers enterprises to employ its dynamic ecosystem to digitize their business processes, providing a range of solutions from online promotion to cloud services.

Filing of the Interim Condensed Consolidated Financial Statements for 12m 2020

The Group's interim condensed consolidated financial statements for the twelve months ended 31 December 2020 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.rugroupifrsfy2020.pdf>.

Group Aggregate Segment Financial Information*

RUB millions	Q4 2019	Q4 2020	YoY	12m 2019	12m 2020	YoY
Group aggregate segment revenue (1)						
Online advertising	11,591	12,777	10.2%	37,168	39,148	5.3%
MMO games	7,962	9,802	23.1%	28,436	36,790	29.4%
Community IVAS	4,360	4,904	12.5%	16,371	18,338	12.0%
Other revenue**	2,479	5,496	121.7%	6,685	13,152	96.7%
Total Group aggregate segment revenue	26,392	32,979	25.0%	88,660	107,427	21.2%
Group aggregate operating expenses						
Personnel expenses	5,826	7,937	36.3%	19,448	25,178	29.5%
Agent/partner fees	6,863	9,448	37.7%	22,036	29,292	32.9%
Marketing expenses	2,586	6,897	166.7%	13,057	20,750	58.9%
Server hosting expenses	145	210	45.4%	703	777	10.5%
Professional services	230	332	44.4%	762	961	26.2%
Other operating (income)/expenses, excl. D&A	935	840	-10.2%	3,554	3,494	-1.7%
Total Group aggregate operating expenses	16,584	25,665	54.8%	59,561	80,453	35.1%
Group aggregate segment EBITDA (2)	9,807	7,313	-25.4%	29,099	26,973	-7.3%
<i>margin, %</i>	<i>37.2%</i>	<i>22.2%</i>		<i>32.8%</i>	<i>25.1%</i>	
Depreciation, amortisation and impairment*** (3)	2,500	3,712	48.5%	10,278	11,842	15.2%
Other non-operating income (expense), net	-453	-856	89.0%	-872	-2,432	178.8%
Profit before tax (4)	6,854	2,744	-60.0%	17,948	12,699	-29.2%
Income tax expense (5)	1,183	976	-17.4%	3,193	2,685	-15.9%
Group aggregate net profit (6)	5,672	1,768	-68.8%	14,755	10,014	-32.1%
<i>margin, %</i>	<i>21.5%</i>	<i>5.4%</i>		<i>16.6%</i>	<i>9.3%</i>	

Note: Group aggregate segment financial information for the Q4 and 12m 2019 has been retrospectively adjusted to account for pro-forma inclusion of Belgame and Deus Craft studios and exclusion of Maps.Me.

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

(**) Including Other IVAS revenues.

(***) Including the impairment of Skyforge in the amount of RUB 630m in Q2 2019.

- (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 amortization) 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, amortization and impairment expense is calculated by aggregating the depreciation, amortization and impairment expense of the subsidiaries consolidated as of the date hereof, excluding amortization 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, amortization 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 (i) it excludes deferred tax on unremitted earnings of the Group's subsidiaries and (ii) it is adjusted for the tax effect of differences in profit before tax between Group aggregate segment financial information and IFRS.

Group aggregate net profit is the (i) Group aggregate segment EBITDA; less (ii) Group aggregate depreciation, amortization 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. Group aggregate net profit differs in significant respects from IFRS consolidated net profit. See "Presentation of Aggregate Segment Financial Information".

Q4 2020 and FY 2020 financial results excluding ESForce:

- ▶ On a pro-forma basis, for the three months ended 31 December 2020:
 - Q4 2020 Group aggregate segment revenue grew 25.9% YoY to RUB 32,577m
 - Q4 2020 Group aggregate segment EBITDA decreased 25.7% YoY to RUB 7,327m
 - Q4 2020 Group aggregate net profit declined 62.1% YoY to RUB 2,175m
- ▶ On a pro-forma basis, for the twelve months ended 31 December 2020:
 - FY 2020 Group aggregate segment revenue grew 21.8% YoY to RUB 106,563m
 - FY 2020 Group aggregate segment EBITDA decreased 7.1% YoY to RUB 27,289m
 - FY 2020 Group aggregate net profit declined 30.0% YoY to RUB 10,695m

Total revenues in Q4 2020 grew 25.9% YoY to RUB 32,577m

Advertising revenues in Q4 2020 grew 10.5% YoY to RUB 12,553m

MMO revenues in Q4 2020 grew 23.1% YoY to RUB 9,802m

Community IVAS revenues in Q4 2020 grew 12.5% YoY to RUB 4,904m

Other revenues in Q4 2020 grew 141.8% YoY to RUB 5,317m

Operating Segments

We have changed the composition of the reporting segments in order to better reflect Group's strategy, the way the business is managed and units' interconnection within its eco-system. From the first quarter of 2019 the Group has identified the following reportable segments on this basis:

- Communications and Social;
- Games; and
- New initiatives.

The Communications and Social segment includes email, instant messaging and portal (main page and media projects). It earns substantially all revenues from display and context advertising. This segment also aggregates the Group's social network V Kontakte (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 a similar regulatory environment.

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

The New initiatives reportable segment represents separate operating segments aggregated in one reportable segment for its similar nature of newly acquired or newly launched and dynamically developing businesses. This segment primarily consists of the Youla classifieds earning substantially all revenues from advertising and listing fees. Maps.me, EdTech, B2B new projects including cloud as well as MRG Tech Lab initiatives, 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 amortization and impairment of intangible assets), including our corporate expenses allocated to the respective segment.

Operating Segments Performance – Q4 2020

RUB millions	Communications and Social	Games	New initiatives	Eliminations	Group
Revenue					
External revenue	16,049	11,055	5,875	-	32,979
Intersegment revenue	175	29	8	(212)	-
Total revenue	16,224	11,084	5,883	(212)	32,979
Total operating expenses	9,628	9,638	6,612	(212)	25,666
EBITDA	6,596	1,446	(729)	-	7,313
<i>EBITDA margin, %</i>	<i>40.7%</i>	<i>13.0%</i>	<i>-12.4%</i>	<i>0.0%</i>	<i>22.2%</i>
Net profit					1,768
<i>Net profit margin, %</i>					<i>5.4%</i>

Operating Segments Performance – Q4 2019

RUB millions	Communications and Social	Games	New initiatives	Eliminations	Group
Revenue					
External revenue	14,804	8,698	2,890	-	26,392
Intersegment revenue	3	21	30	(54)	-
Total revenue	14,807	8,719	2,920	(54)	26,392
Total operating expenses	7,044	5,901	3,694	(54)	16,584
EBITDA	7,763	2,818	(774)	-	9,807
<i>EBITDA margin, %</i>	<i>52.4%</i>	<i>32.3%</i>	<i>-26.5%</i>	<i>-1.9%</i>	<i>37.2%</i>
Net profit					5,672
<i>Net profit margin, %</i>					<i>21.5%</i>

Operating Segments Performance – 12m 2020

RUB millions	Communications and Social	Games	New initiatives	Eliminations	Group
Revenue					
External revenue	52,513	40,660	14,254	-	107,427
Intersegment revenue	172	102	41	(315)	-
Total revenue	52,685	40,762	14,295	(315)	107,427
Total operating expenses	28,120	34,481	18,167	(315)	80,453
EBITDA	24,565	6,281	(3,872)	-	26,974
<i>EBITDA margin, %</i>	<i>46.6%</i>	<i>15.4%</i>	<i>-27.1%</i>	<i>0.0%</i>	<i>25.1%</i>
Net profit					10,014
<i>Net profit margin, %</i>					<i>9.3%</i>

Operating Segments Performance – 12m 2019

RUB millions	Communications and Social	Games	New initiatives	Eliminations	Group
Revenue					
External revenue	50,251	31,144	7,265	-	88,660
Intersegment revenue	55	118	47	(220)	-
Total revenue	50,306	31,262	7,312	(220)	88,660
Total operating expenses	23,141	26,355	10,285	(220)	59,561
EBITDA	27,165	4,907	(2,973)	-	29,099
<i>EBITDA margin, %</i>	<i>54.0%</i>	<i>15.7%</i>	<i>-40.7%</i>	<i>0.0%</i>	<i>32.8%</i>
Net profit					14,755
<i>Net profit margin, %</i>					<i>16.6%</i>

Note: Group aggregate segment financial information for the Q4 and 12m 2019 has been retrospectively adjusted to account for pro-forma inclusion of Belngame and Deus Craft studios and exclusion of Maps.Me.

Liquidity

As of 31 December 2020, the Group had RUB 39,297 million of cash and cash equivalents and RUB 48,721 million of debt outstanding (excluding lease liabilities). The Group's net debt position was RUB 9,424 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 analyzed by management in assessing the core operating performance of the business. Such adjustments affect such major areas as revenue recognition, deferred tax on unremitted earnings of subsidiaries, share-based payment transactions, disposal of and impairment of investments, business combinations, fair value adjustments, amortization and impairment thereof, net foreign exchange gains and losses, share in financial results of associates, 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.
- The segment financial information is presented for each period on the basis of an ownership interest as of the date hereof and consolidation of each of the Group's subsidiaries, including for periods prior to the acquisition of control of the entities in question. The financial information of subsidiaries

disposed of prior to the date hereof is excluded from the segment presentation starting from the beginning of the earliest period presented.

- 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 and social network revenues under IFRS.

A reconciliation of Group aggregate segment revenue to IFRS consolidated revenue of the Group for the three months ended 31 December 2020 and 2019 is presented below:

RUB millions	Q4 2020	Q4 2019
Group aggregate segment revenue, as presented to the CODM	32,979	26,392
Adjustments to reconcile revenue as presented to the CODM to consolidated revenue under IFRS:	-	-
Effect of difference in dates of acquisition, loss of control in subsidiaries and assets held for sale	(132)	299
Differences in timing of revenue recognition	(1,540)	(1,079)
Barter revenue	5	(165)
Dividend revenue from venture capital investments	4	10
Consolidated revenue under IFRS	31,316	25,457

A reconciliation of Group aggregate segment EBITDA to IFRS consolidated (loss)/profit before income tax expense of the Group for the three months ended 31 December 2020 and 2019 is presented below:

RUB millions	Q4 2020	Q4 2019
Group aggregate segment EBITDA, as presented to the CODM	7,313	9,808
Adjustments to reconcile EBITDA as presented to the CODM to consolidated (loss)/profit before income tax expenses under IFRS:		
Effect of difference in dates of acquisition, loss of control in subsidiaries	(43)	(1,749)
Differences in timing of revenue recognition	(1,549)	(710)
Net gain/(loss) on venture capital investments	142	(533)
Share-based payment transactions	(390)	(565)
Other	3	(72)
EBITDA	5,476	6,179
Depreciation and amortisation	(4,612)	(3,266)
Impairment of intangible assets	(285)	(202)
Share of loss of equity accounted associates and joint ventures	(9,565)	(1,111)
Finance income	56	119
Finance expenses	(1,101)	(595)
Other non-operating loss	(283)	(16)
Gain on joint ventures formation	-	15,855
Net gain/(loss) on derivative financial assets and liabilities at fair value through profit or loss	1,614	(198)
Goodwill impairment	(620)	(4,380)
Impairment of equity accounted associates	-	(1)
Net (loss)/gain on disposal of intangible assets	(124)	18
Net gain on disposal of subsidiary	1,437	-
Net foreign exchange gain	11	168
Consolidated (loss)/profit before income tax expense under IFRS	(7,996)	12,571

A reconciliation of Group aggregate net profit to IFRS consolidated net (loss)/profit of the Group for the three months ended 31 December 2020 and 2019 is presented below:

RUB millions	Q4 2020	Q4 2019
Group aggregate segment net profit, as presented to the CODM	1,768	5,672
Adjustments to reconcile net profit as presented to the CODM to consolidated net (loss)/profit under IFRS:	-	-
Share-based payment transactions	(390)	(565)
Differences in timing of revenue recognition	(1,549)	(710)
Effect of difference in dates of acquisition, loss of control in subsidiaries	(49)	(1,413)
Amortisation of fair value adjustments to intangible assets	(899)	(788)
Gain on joint ventures formation	-	15,855
Loss on fair value remeasurement of assets held for sale	(285)	(173)
Net gain/(loss) on financial instruments at fair value through profit or loss	1,756	(731)
Net loss on financial liabilities at amortised cost	(220)	-
Goodwill impairment	(620)	(4,380)
Net (loss)/gain on disposal of intangible assets	(124)	18
Net gain on disposal of subsidiary	1,437	-
Net foreign exchange gain	11	168
Share of loss of equity accounted associates and joint ventures	(9,565)	(1,111)
Impairment of equity accounted associates	-	(1)
Other non-operating loss	(242)	(89)
Other	6	15
Tax effect of the adjustments	(110)	(247)
Consolidated net (loss)/profit under IFRS	(9,075)	11,520

A reconciliation of Group aggregate segment revenue to IFRS consolidated revenue of the Group for the twelve months ended 31 December 2020 and 2019 is presented below:

RUB millions	FY 2020	FY 2019
Group aggregate segment revenue, as presented to the CODM	107,427	88,660
Adjustments to reconcile revenue as presented to the CODM to consolidated revenue under IFRS:	-	-
Effect of difference in dates of acquisition, loss of control in subsidiaries	(1,045)	1,024
Differences in timing of revenue recognition	(5,854)	6,520
Barter revenue	10	9
Dividend revenue from venture capital investments	4	18
Consolidated revenue under IFRS	100,542	96,231

A reconciliation of Group aggregate segment EBITDA to IFRS consolidated (loss)/profit before income tax expense of the Group for the twelve months ended 31 December 2020 and 2019 is presented below:

RUB millions	FY 2020	FY 2019
Group aggregate segment EBITDA, as presented to the CODM	26,974	29,099
Adjustments to reconcile EBITDA as presented to the CODM to consolidated (loss)/profit before income tax expenses under IFRS:		
Effect of difference in dates of acquisition, loss of control in subsidiaries	(53)	(7,468)
Differences in timing of revenue recognition	(5,854)	8,265
Net gain/(loss) on venture capital investments	46	(139)
Share-based payment transactions	(1,770)	(1,742)
Other	(18)	41
EBITDA	19,325	28,056
Depreciation and amortisation	(15,138)	(12,771)
Impairment of intangible assets	(285)	(832)
Share of loss of equity accounted associates and joint ventures	(19,892)	(1,691)
Finance income	336	585
Finance expenses	(2,969)	(1,459)
Other non-operating loss	(490)	(148)
Gain on joint ventures formation	-	15,855
Net gain/(loss) on derivative financial assets and liabilities at fair value through profit or loss	5,235	(758)
Goodwill impairment	(7,050)	(4,380)
Gain on remeasurement of previously held interest in equity accounted associate	46	324
(Impairment)/reversal of impairment of equity accounted associates	(260)	60
Net (loss)/gain on disposal of intangible assets	(124)	418
Net gain on disposal of subsidiary	1,437	-
Net foreign exchange gain/(loss)	436	(980)
Consolidated (loss)/profit before income tax expense under IFRS	(19,393)	22,279

A reconciliation of Group aggregate net profit to IFRS consolidated net (loss)/profit of the Group for the twelve months ended 31 December 2020 and 2019 is presented below:

RUB millions	FY 2020	FY 2019
Group aggregate segment net profit, as presented to the CODM	10,014	14,755
Adjustments to reconcile net profit as presented to the CODM to consolidated net (loss)/profit under IFRS:	-	-
Share-based payment transactions	(1,770)	(1,742)
Differences in timing of revenue recognition	(5,854)	8,265
Effect of difference in dates of acquisition, loss of control in subsidiaries and assets held for sale	(54)	(6,085)
Amortisation of fair value adjustments to intangible assets	(3,298)	(3,192)
Gain on joint ventures formation	-	15,855
Loss on fair value remeasurement of assets held for sale	(285)	(173)
Net gain/(loss) on financial instruments at fair value through profit or loss	5,281	(897)
Net loss on financial liabilities at amortised cost	(220)	-
Goodwill impairment	(7,050)	(4,380)
Gain on remeasurement of previously held interest in equity accounted associate	46	324
Net (loss)/gain on disposal of intangible assets	(124)	418
Net gain on disposal of subsidiary	1,437	-
Net foreign exchange gain/(loss)	436	(980)
Share of loss of equity accounted associates and joint ventures	(19,892)	(1,691)
(Impairment)/reversal of impairment of equity accounted associates	(260)	60
Other non-operating loss	(477)	(148)
Other	-	9
Tax effect of the adjustments	844	(1,547)
Consolidated net (loss)/profit under IFRS	(21,226)	18,851

Selected Operating Statistics

- ▶ Mail.ru Group is holding the lead in Russian internet (Mediascope, Russia, cities 100k+, age 12-64, daily active users, December 2020).
- ▶ MMO average monthly payers amounted to 1,162 thousand users in H2 2020 (the numbers combine paying users of individual MMO and mobile games and may include overlap)

Consolidated IFRS Statement of Financial Position

RUB millions	December 31, 2020	December 31, 2019
ASSETS		
Non-current assets		
Investments in equity accounted associates and joint ventures	41,948	49,834
Goodwill	135,670	141,285
Right-of-use assets	15,618	5,009
Other intangible assets	19,623	19,971
Property and equipment	11,651	8,712
Financial assets at fair value through profit or loss	2,305	1,749
Deferred income tax assets	2,924	2,078
Long-term loans receivable	422	286
Advance under office lease contract	249	120
Total non-current assets	230,410	229,044
Current assets		
Trade accounts receivable	16,707	12,658
Prepaid income tax	358	148
Prepaid expenses and advances to suppliers	853	978
Financial assets at fair value through profit or loss	-	90
Loans receivable	2,441	655
Other current assets	1,345	1,317
Cash and cash equivalents	39,297	9,825
Total current assets	61,001	25,671
Total assets	291,411	254,715
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	-	-
Share premium	77,101	60,286
Treasury shares	(1,071)	(1,152)
Retained earnings	103,103	125,351
Accumulated other comprehensive income	1,195	170
Total equity attributable to equity holders of the parent	180,328	184,655
Non-controlling interests	1,663	809
Total equity	181,991	185,464
Non-current liabilities		
Deferred income tax liabilities	1,379	2,286
Deferred revenue	1,871	1,737
Non-current lease liabilities	11,338	1,568
Financial liabilities at fair value through profit or loss, non-current	3,506	-
Long-term interest-bearing loans and borrowings	41,497	19,474
Other non-current liabilities	265	-
Total non-current liabilities	59,856	25,065
Current liabilities		
Trade accounts payable	10,923	8,030
Income tax payable	2,673	481
VAT and other taxes payable	2,259	2,086
Deferred revenue and customer advances	16,912	10,920
Short-term portion of long-term interest-bearing loans	3,718	4,044
Current lease liabilities	3,861	3,218
Other payables, accrued expenses and contingent consideration liabilities	9,218	15,407
Total current liabilities	49,564	44,186
Total liabilities	109,420	69,251
Total equity and liabilities	291,411	254,715

Consolidated IFRS Statement of Comprehensive Income

RUB millions	FY2020	FY2019
Online advertising	39,008	36,571
MMO games	32,769	36,417
Community IVAS	18,215	15,763
Other revenue	10,550	7,480
Total revenue	100,542	96,231
Net gain/(loss) on venture capital investments	46	(139)
Personnel expenses	(27,023)	(21,507)
Office rent and maintenance	(422)	(246)
Agent/partner fees	(29,001)	(25,030)
Marketing expenses	(19,994)	(16,422)
Server hosting expenses	(777)	(675)
Professional services	(973)	(785)
Other operating income/(expenses)	(3,073)	(3,371)
Total operating expenses	(81,263)	(68,036)
EBITDA	19,325	28,056
Depreciation and amortisation	(15,138)	(12,771)
Impairment of intangible assets	(285)	(832)
Share of loss of equity accounted associates and joint ventures	(19,892)	(1,691)
Finance income	336	585
Finance expenses	(2,969)	(1,459)
Other non-operating loss	(490)	(148)
Gain on joint ventures formation	-	15,855
Goodwill impairment	(7,050)	(4,380)
Net gain/(loss) on derivative financial assets and liabilities at fair value through profit or loss	5,235	(758)
Net gain on loss of control in subsidiaries	1,437	-
(Impairment)/reversal of impairment of equity accounted associates	(260)	60
Net (loss)/gain on disposal of intangible assets	(124)	418
Gain on remeasurement of previously held interest in equity accounted associates	46	324
Net foreign exchange gain/(loss)	436	(980)
(Loss)/profit before income tax expense	(19,393)	22,279
Income tax expense	(1,833)	(3,428)
Net (loss)/profit	(21,226)	18,851
Attributable to:		
Equity holders of the parent	(20,921)	18,686
Non-controlling interests	(305)	165
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations:		
Differences arising during the period	1,025	335
Total other comprehensive income net of tax effect of 0	1,025	335
Total comprehensive (loss)/income, net of tax	(20,201)	19,186
Attributable to:		
Equity holders of the parent	(19,896)	19,021
Non-controlling interest	(305)	165
(Loss)/earnings per share, in RUB:		
Basic (loss)/earnings per share attributable to ordinary equity holders of the parent	(95)	86
Diluted earnings per share attributable to ordinary equity holders of the parent	n/a	85

Consolidated IFRS Statement of Cash Flows

RUB millions	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019
Cash flows from operating activities		
(Loss)/profit before income tax	(19,393)	22,279
Adjustments to reconcile (loss)/profit before income tax to cash flows:		
Depreciation and amortisation	15,138	12,771
Impairment losses on financial assets at amortized cost	510	301
Net (gain)/loss on derivative financial assets and liabilities at fair value through profit or loss	(5,235)	758
Goodwill impairment	7,050	4,380
Gain on remeasurement of previously held interest in equity accounted associate	(46)	(324)
Gain on of joint ventures formation	-	(15,855)
Finance income	(336)	(585)
Finance expenses	2,969	1,459
Share of loss of equity accounted associates and joint ventures	19,892	1,691
Net foreign exchange (gain)/loss	(436)	980
Cash settled and equity settled share based payments	1,770	1,742
Other non-cash items	(104)	16
Net (gain)/loss on venture capital investments	(46)	139
Net gain on disposal of subsidiaries	(1,437)	-
Net loss/(gain) on disposal of intangible assets	124	(418)
Loss on disposal of property and equipment and intangible assets	12	-
Dividend revenue from venture capital investments	-	(18)
Impairment/(reversal of impairment) of equity accounted associates	260	(60)
Impairment of intangible assets	285	832
Other non-operating loss/(gain)	265	(33)
Change in operating assets and liabilities:		
Increase in accounts receivable	(1,949)	(3,566)
Decrease /(increase) in prepaid expenses and advances to suppliers	296	(406)
Decrease in inventories and other assets	166	1,340
Decrease/(increase) in accounts payable and accrued expenses	2,469	(2,818)
(Increase)/decrease in non-current prepaid expenses and advances	(128)	67
Increase/(decrease) in deferred revenue and customer advances	5,832	(8,065)
Increase in financial assets at fair value through profit or loss	(1,039)	(1,820)
Increase in financial liabilities at fair value through profit or loss	624	3,652
Operating cash flows before interest, income taxes and contingent consideration settlement	27,513	18,438
Dividends received from venture capital investments	4	7
Settlement of contingent consideration of business combinations	-	(688)
Interest received	366	493
Interest paid	(2,564)	(1,459)
Income tax paid	(2,298)	(3,871)
Net cash provided by operating activities	23,021	12,920
Cash flows from investing activities:		
Cash paid for property and equipment	(6,730)	(4,688)
Cash paid for intangible assets	(4,388)	(3,697)
Dividends received from equity accounted associates	29	71
Loans issued	(2,803)	(790)
Loans collected	515	1,903
Cash paid for acquisitions of subsidiaries, net of cash acquired	(804)	(9,361)
Settlement of initial fair value of the contingent consideration at acquisition date	-	(1,132)
Proceeds from disposal of subsidiaries, net of cash disposed	1,090	-
Cash paid for investments in equity accounted associates and joint ventures	(17,318)	(15,687)
Net cash used in investing activities	(30,409)	(33,381)
Cash flows from financing activities:		
Payment of lease liabilities	(4,023)	(3,493)
Loans received, net of bank commission	14,346	23,383
Loans repayment	(17,595)	-
Cash paid for non-controlling interests in subsidiaries	(947)	-
Proceeds from issuance of GDR, net of issuance costs paid	15,209	-
Proceeds from bonds issued	30,944	-

Dividends paid by subsidiaries to non-controlling shareholders	(237)	-
Cash paid for treasury shares	-	(896)
Net cash provided by financing activities	37,697	18,994
Net increase/(decrease) in cash and cash equivalents	30,309	(1,467)
Effect of exchange differences on cash balances	(837)	(431)
Cash and cash equivalents at the beginning of the period	9,825	11,723
Cash and cash equivalents at the end of the period	39,297	9,825