

# Yandex

## Investor Presentation

February 2022



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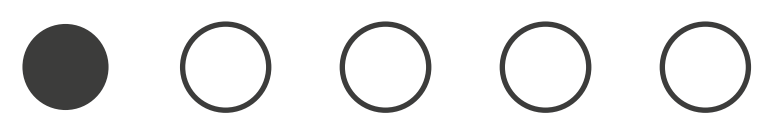
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# Introduction to Yandex



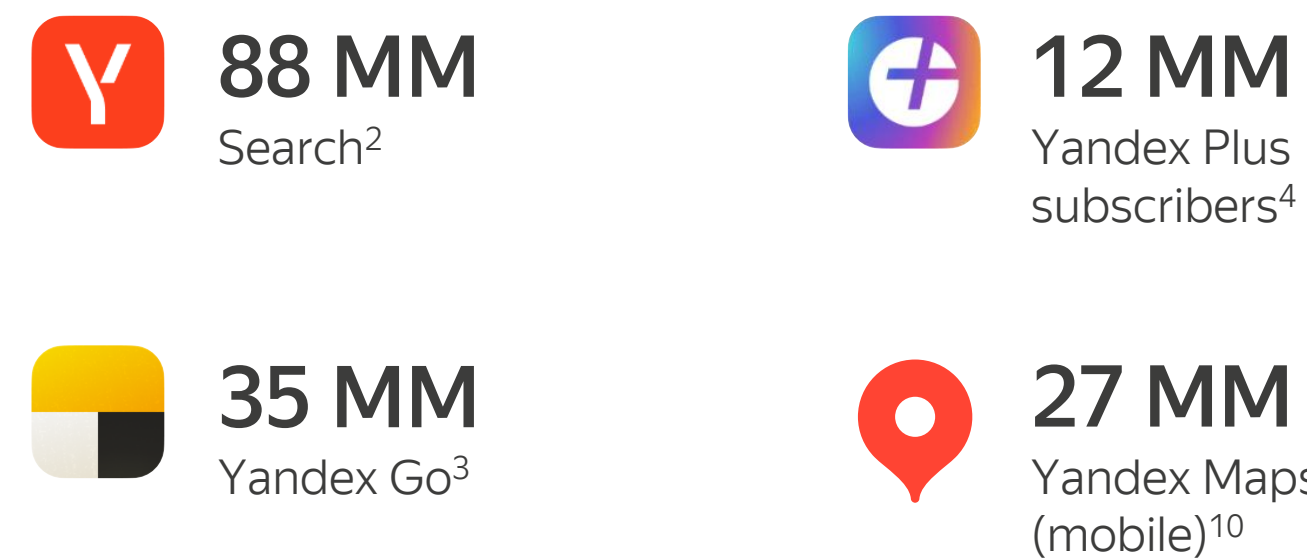
# Yandex at a glance

## Leading Market Position



## Vast Loyal Audience

monthly active users



One of only **three search engines globally** that have overtaken Google as leaders in their respective markets<sup>1</sup>

## Strong Public Profile

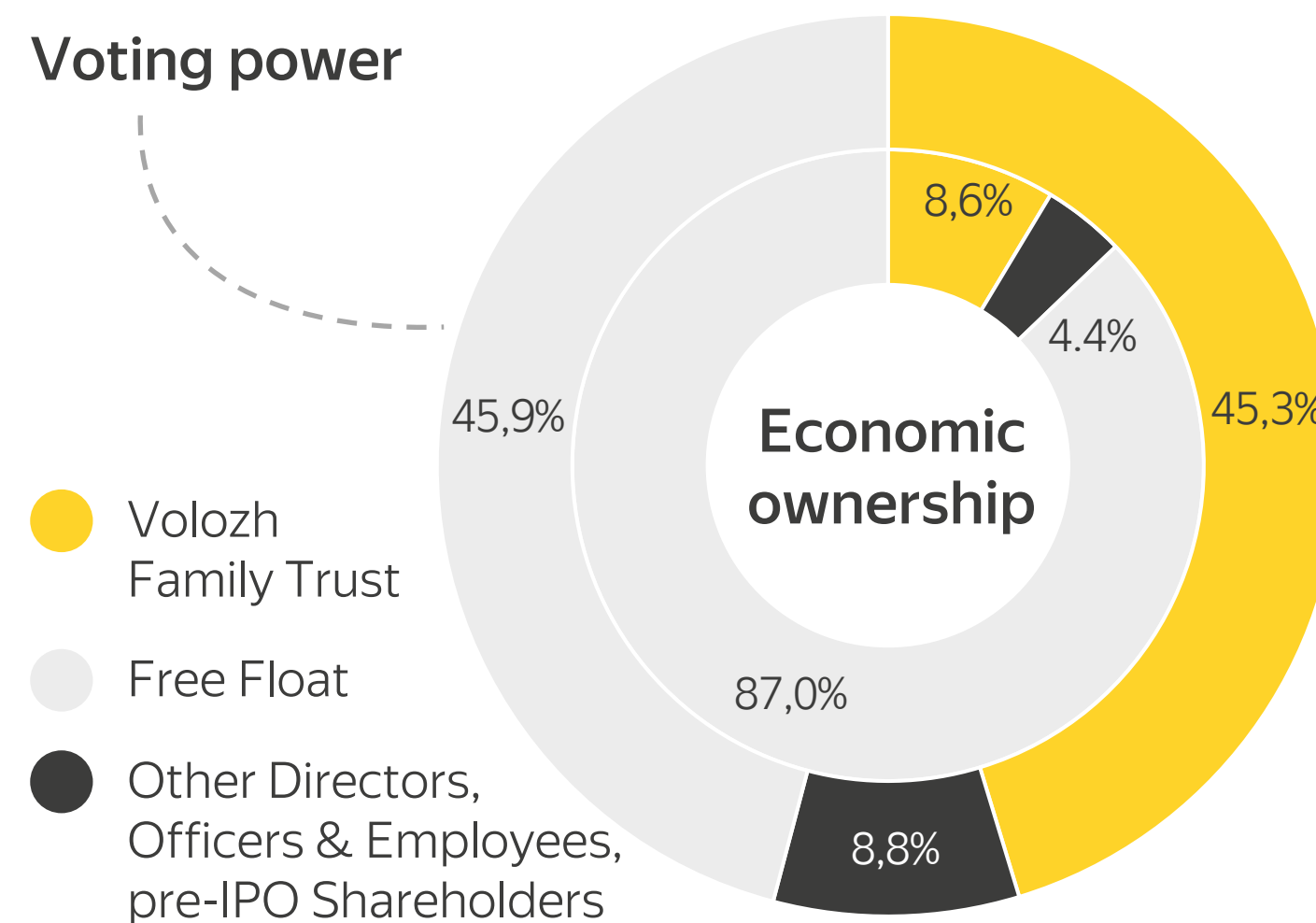
**Since 2011**  
Listed on NASDAQ

**BBB**  
Fitch credit rating

**US\$ 16.2 BN**  
Market Cap<sup>5</sup>

**BBB-**  
S&P credit rating

## Voting power



## Strong Financial Results FY 2021

**356 ₪BN**  
Revenue

**32 ₪BN**  
Adj. EBITDA<sup>7</sup>

**63 %**  
YoY Revenue Growth<sup>6</sup>

**41 %**  
Adj. EBITDA margin for Steadily growing and Profitable Businesses<sup>8</sup>

## Company's Guidance for FY 2022

**490-500 ₪BN**  
Revenue

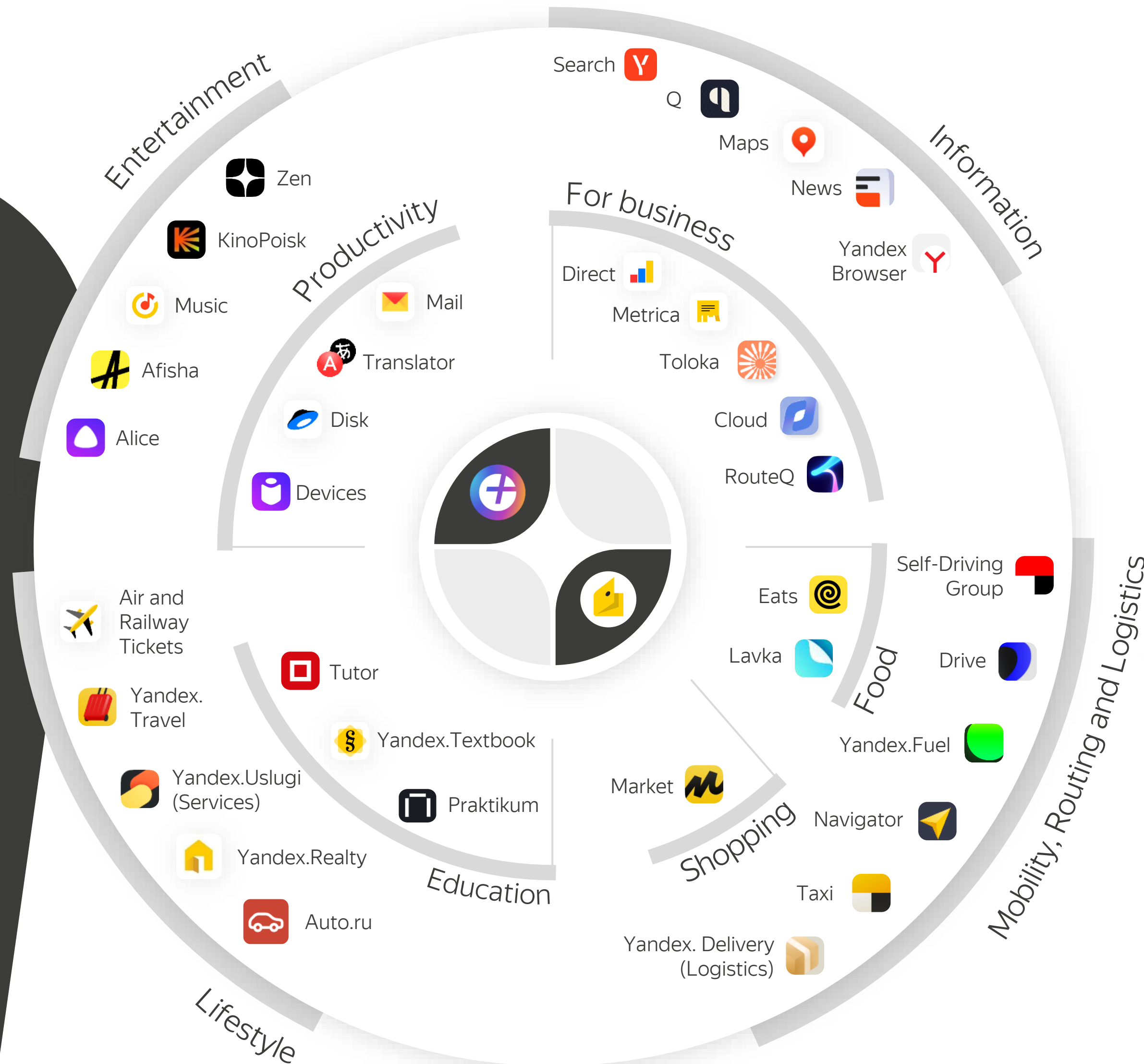
**~38-40 %**  
Implied YoY Revenue growth

Source: Company data, public sources

Notes: Hereinafter, all operating statistics are as of the end of December 2021 unless otherwise indicated and available in the Company's disclosures (i.e. SEC EDGAR database, Yandex's website (ir.yandex)). 1 Source: <https://www.semrush.com/website/yandex.ru/>, in December 2021, 2 Source: <https://radar.yandex.ru/yandex?month=2021-12>, 3 Company data as of December 2021, Yandex Go is a super app, which combines ride-hailing, car-sharing and public transport schedules, as well as food and grocery delivery services and delivery (logistics) service, 4 Company data, December 2021, 5 Bloomberg as of February 14, 2022, 6 Year-on-year growth in 2021 compared to 2020, 7 Adj. EBITDA is calculated as Net Income (Loss) + D&A + share based compensation expense + interest expense + income tax benefit (loss) + one-off restructuring expenses + accrual expenses related to employee compensation + loss from equity method investments - interest income - other net income, 8 Steadily growing and Profitable Businesses include Search & Advertising, Mobility, and Classifieds segments. Financial data for Search & Advertising refers to the Search and Portal segment as reported under U.S. GAAP, financial data for Mobility refers to the sum of the Ride-hailing and Drive segments from the Taxi group segment as reported under U.S. GAAP and available on the Company's website, 9 Net Debt (Cash) is calculated as Convertible debt + financial lease - cash & cash equivalents - term deposits, 10 Company data as of December 2021

# Yandex: the leading consumer ecosystem in Russia

- #1 in digital search<sup>1</sup>
- #1 in digital advertising<sup>2</sup>
- #1 ride-hailing service<sup>3</sup>
- #1 video-on-demand platform<sup>4</sup>
- #1 auto classified<sup>5</sup>
- #1 in maps and navigation<sup>6</sup>
- #1 ecosystem subscription<sup>7</sup>
- #1 in smart speakers<sup>8</sup>



- Yandex Plus**
- Core segment loyalty program with the **largest subscriber base in Russia of 12m subscribers**<sup>9</sup>
  - **>50% of GMV** in E-commerce is generated by Plus subscribers<sup>10</sup>
  - Yandex Plus subscribers generate **50-85% higher GMV** in Yandex's key transactional services than non-Plus customers

- Yandex.Fintech**
- Coming integration of **payment and financial services** into the Yandex transactional businesses
  - Will capture the **full value chain across the consumer journey**
  - **One-stop-shop for Yandex partners**, from advertisers to drivers

Source: Company data, public sources, Russian Association of Communications Agencies (AKAR), Goldman Sachs Global Investment Research, GFK, romir.ru, just-ai.com, GFL, O+K Research, Avto.ru  
 Notes: 1 By traffic in December 2021, Source: <https://radar.yandex.ru/yandex?month=2021-12>, 2 As of 3Q'21 according to AKAR, 3 In 2020 according to Goldman Sachs Global Investment Research, 4 As of 4Q'21 according to GFK report "Rating of Subscription Services", 5 According to research by O+ K Research and Avto.ru, 6 As of 1Q'21 according to romir.ru survey, 7 As of 3Q'21 according to GFK report "Rating of Subscription Services", 8 In 2021 according to just-at.com website, 9 As of December 2021, 10 Based on Company data

# Yandex's proprietary technologies provide a sustainable competitive advantage

Practically all Yandex products and services are based on Yandex proprietary technologies built in-house

Yandex technologies act as a key competitive advantage, allowing the Company to:

- Reach market leading positions and protect them from disruption
- Elevate efficiency versus peers
- Achieve higher margins and lock in high long term cash generation



Information Retrieval



Autonomous Driving



Crowdsourcing Platform



Computer Vision



Cloud Computing



Routing and Navigation



Nature Language Processing



Speech Processing



Meteum 2.0 Forecasting Technology



AI Voice-over Video Translator

## OPENSOURCE

### ClickHouse













An open-source database management system developed by Yandex  
Valued at US\$2bn based on external funding round<sup>1</sup>

### CatBoost

A universal, state-of-the-art, open-source library widely used within the Company

Source: Company data, public sources  
Notes: 1 More details can be found at <https://clickhouse.com/blog/en/2021/clickhouse-raises-250m-series-b/>

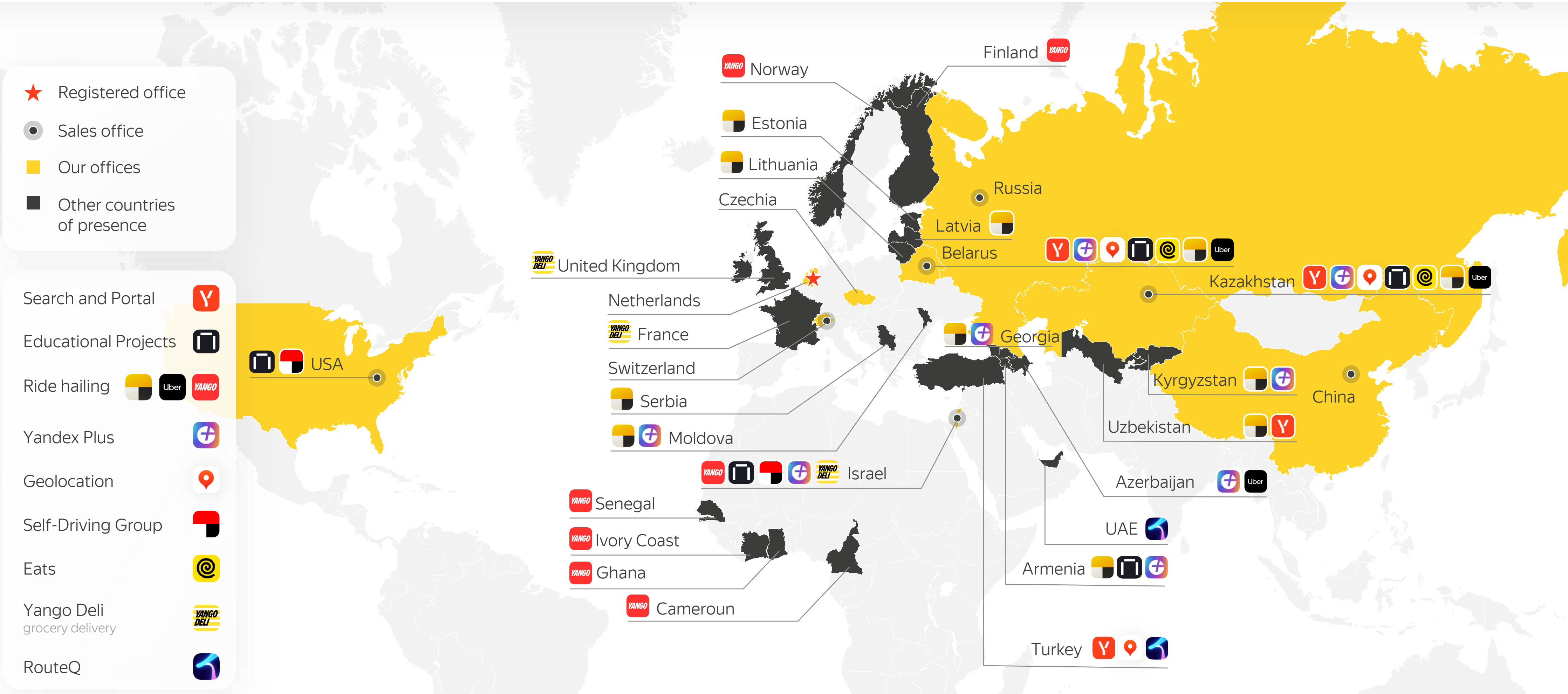
# Yandex's ecosystem: well-positioned in the global context

		Google	 Alibaba.com	Tencent 腾讯	amazon	 mercado libre
 Search	✓	✓	✓	✓	✗	✗
 Advertising	✓	✓	✓	✓	✓	✓
 Maps	✓	✓	✓	✓	✗	✗
 Ride-Hailing	✓	✓ <sup>1</sup>	✓ <sup>2</sup>	✓ <sup>2</sup>	✗	✗
 FoodTech	✓	✗	✓	✓ <sup>3</sup>	✓	✗
 E-commerce	✓	✓	✓	✓	✓	✓
 Cloud	✓	✓	✓	✓	✓	✗
 Entertainment	✓	✓	✓	✓	✓	✗
 Autonomous driving	✓	✓	✓ <sup>4</sup>	✓ <sup>5</sup>	✓	✗
 FinTech	✓ <sup>6</sup>	✓	✓ <sup>7</sup>	✓	✗	✓

Source: Company data, public sources

Notes: 1 Minority investment in GoJek and Lyft, 2 Minority investment in DiDi, 3 Minority investment in Meituan, 4 Minority investment in Deeproute.ai, 5 Joint Venture with Geely, 6 Recently acquired banking license in order to build FinTech offering, 7 33% stake in Ant Financial

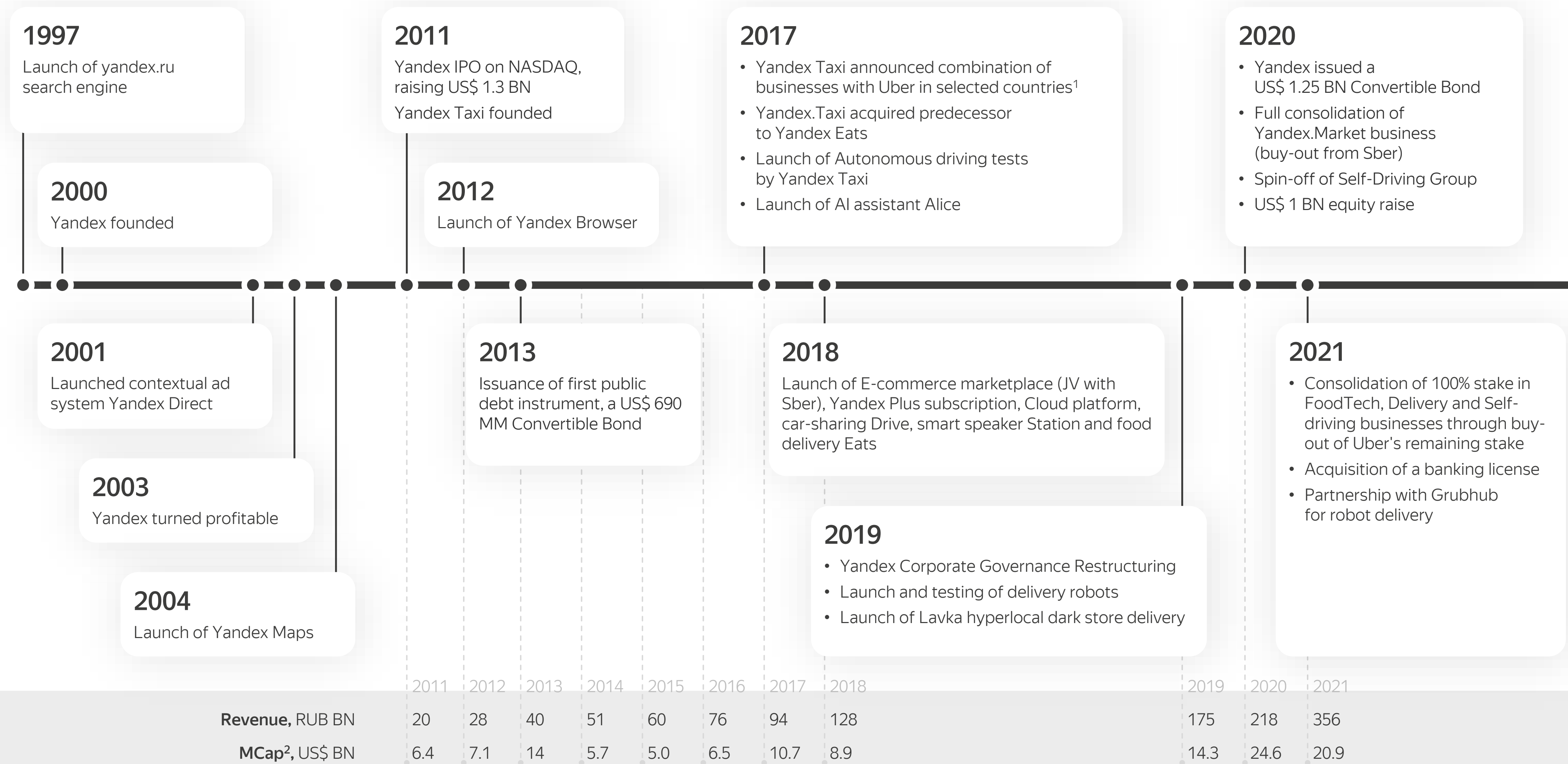
# Broad and expanding geographical footprint provides further international diversification upside



\* The map should not be considered as a complete list of Yandex countries of presence



# Yandex history and public markets track record



Source: Company data, public sources, Thomson Reuters  
Notes: 1 The deal was closed in February 2018; 2 As of latest available date for the corresponding year

# Yandex team

## Seasoned Management Team



**Arkady Volozh**  
Founder,  
Chief Executive Officer



**Tigran Khudaverdyan**  
Deputy Chief Executive Officer



**Elena Bunina**  
Director of HR and  
Educational Programs



**Vadim Marchuk**  
Chief Operating Officer



**Svetlana Demyashkevich<sup>1</sup>**  
Chief Financial Officer



**Dmitry Ivanov**  
Chief Sustainability Officer



**Andrey Styskin**  
Head of Search, Advertising  
and Cloud Business Group



**Daniil Shuleyko**  
Head of E-commerce  
and Ride-Tech Business Group



**Artem Savinovsky**  
Head of Media Services

## Strong talent pool and culture of innovation



Access to deep talent pool reflecting strong educational foundation in IT-related subjects



The best employer in Russia in 2020 according to Forbes, achieving Forbes platinum employer status in 2021



Open culture, fostering innovative thinking and the creation of unique products



**31 Years**  
average age  
of staff

**38%**  
share of  
developers

**18,000+**  
employees

**>1/3**  
women in the  
workforce

**c.1/3**  
women among  
managers



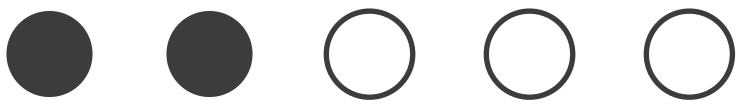
xx years at Yandex



xx years of relevant external management experience

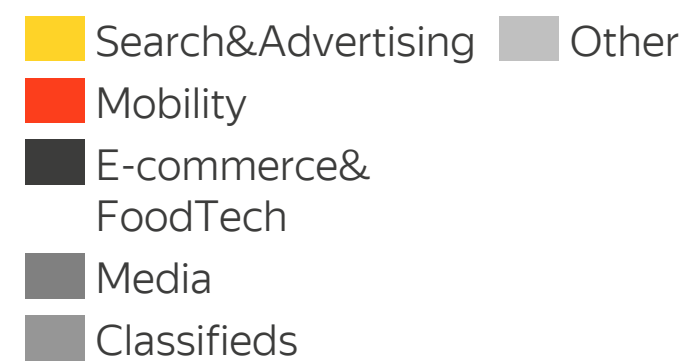
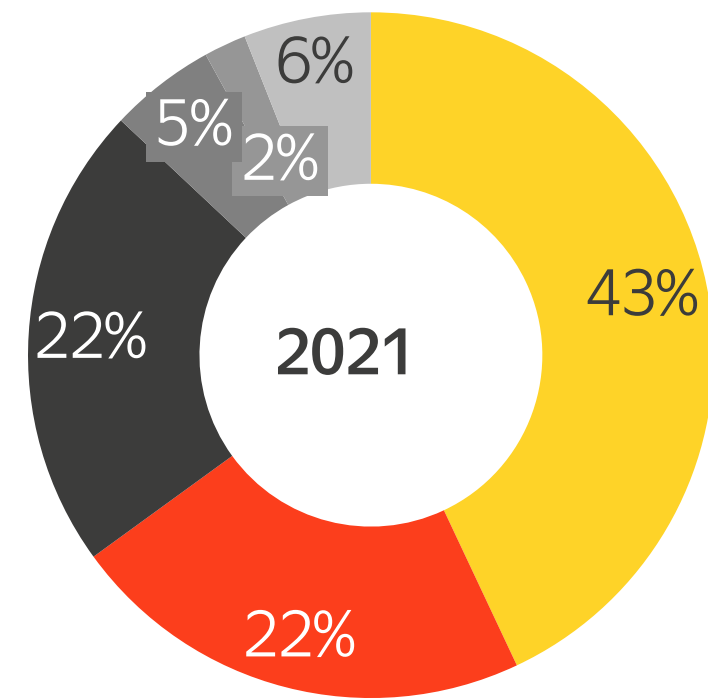


# Business overview



# Yandex: key businesses

## REVENUE BREAKDOWN<sup>1</sup>



Diversification of business protects Yandex against cash flow cyclicity and contributes to built-in risk hedging

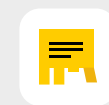
## STEADILY GROWING AND HIGHLY PROFITABLE

### SEARCH & ADVERTISING



#### Search

Leading search engine in Russia



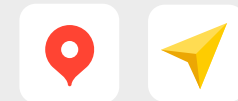
#### Direct

Leading ad service for placing contextual ads in Russia



#### Browser

Most popular non-native browser in Russia



#### Maps and Navigation

Leading map and navigation app in Russia and CIS

### MOBILITY



#### Taxi

Leading ride-hailing operator in Russia with presence in 19 other CIS and EMEA markets



#### Drive

Free-floating per minute car-rental service

### CLASSIFIEDS



#### Auto.ru, Yandex Realty and Yandex Rent

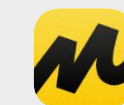
Leading online classifieds in the auto vertical

**73%**

Stable and highly profitable business contribution to Revenue<sup>2</sup>

## FAST GROWING / EMERGING BUSINESSES

### E-COMMERCE & FOODTECH & DELIVERY



#### Market

A multi-category marketplace



#### Lavka, Deli

Hyperlocal e-grocery delivery service



#### Eats

Ready-to-eat and express grocery delivery service



#### Delivery (Logistics)

Delivery solution for consumers and businesses

### MEDIA SERVICES



#### KinoPoisk

Leading video streaming platform in Russia



#### Music

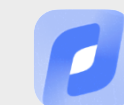
Leading music streaming service in Russia



#### Plus

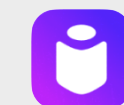
Leading ecosystem subscription in Russia combining all key Yandex services via a cashback program

### OTHER



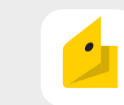
#### Cloud

Full-fledged cloud platform for B2B and B2C clients



#### Devices

A line of smart speakers with an AI voice assistant



#### FinTech

Retail and SME focused digital financial services



#### SDG

Self-driving vehicles and autonomous delivery robots business

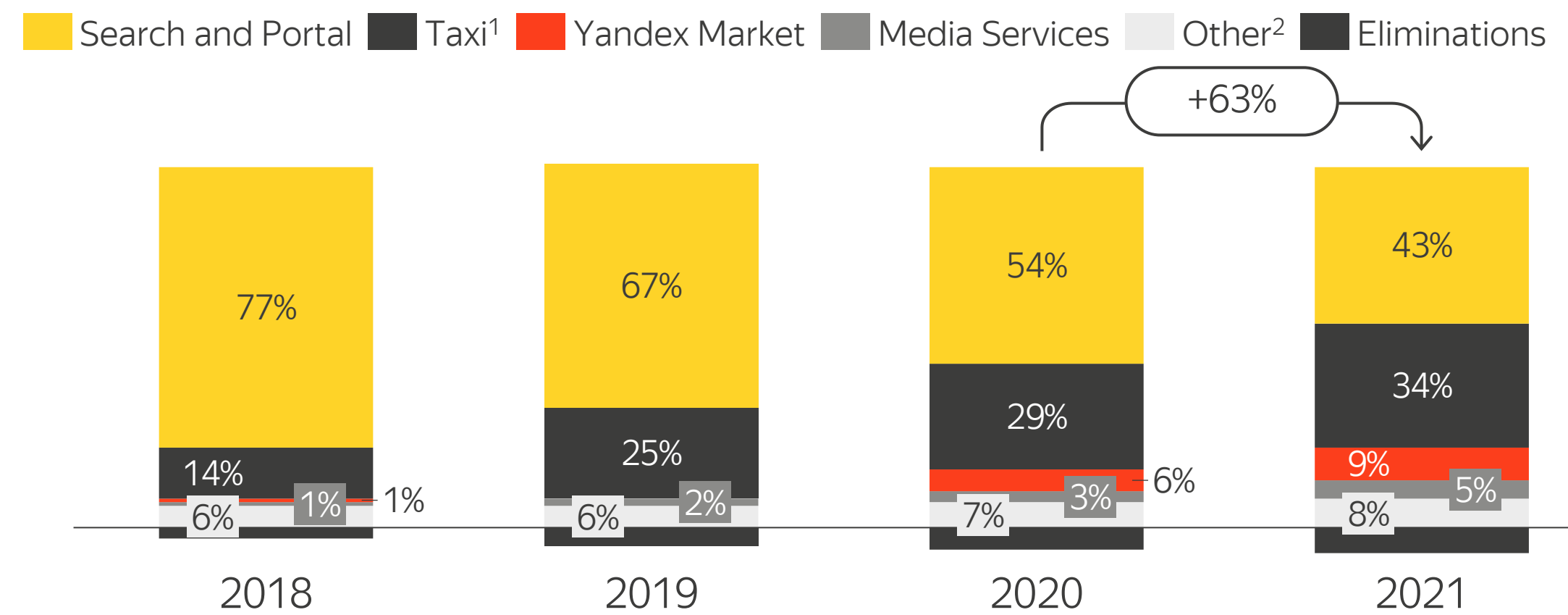
Source: Company data, public sources

Notes: Hereinafter, financial data for Search & Advertising refers to the Search and Portal segment as reported under U.S. GAAP, financial data for Mobility refers to the sum of the Ride-hailing and Drive segments from the Taxi group segment as reported under U.S. GAAP and available on the Company's website, financial data for E-commerce & FoodTech refers to the sum of the FoodTech and Logistics segments from the Taxi group and the Yandex.Market segment as reported under U.S. GAAP and available on the Company's website. 1 Revenue breakdown is calculated excluding intragroup eliminations and eliminations within Taxi group from total revenue, 2 Company data as of December 2021

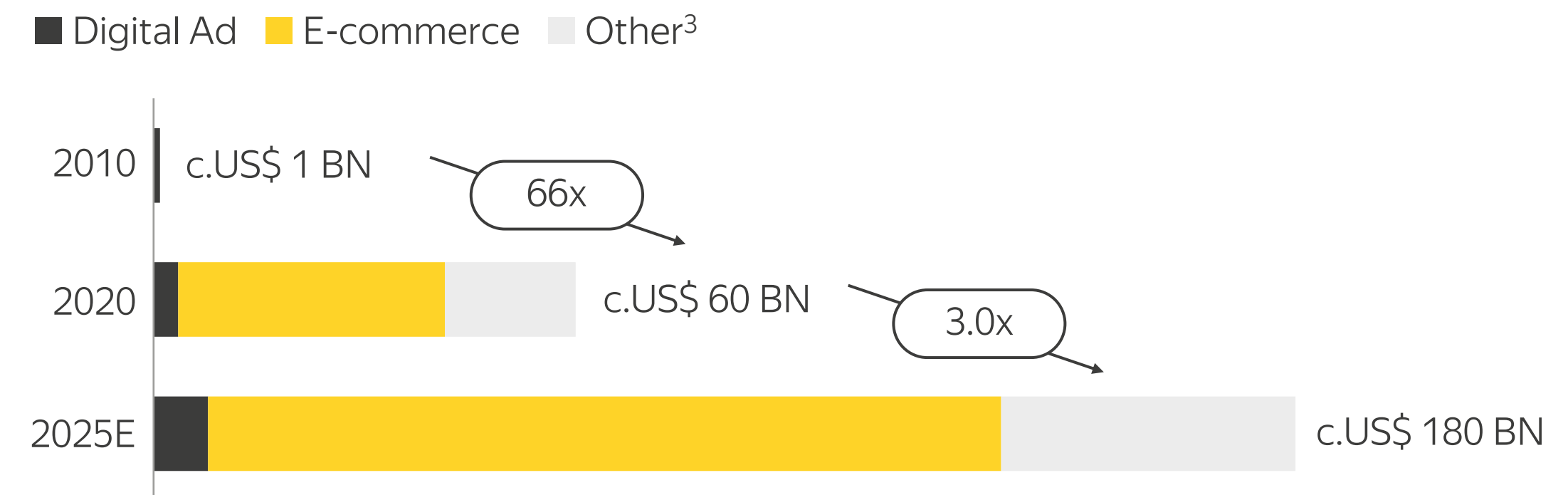
# Diversified revenue streams help to expand TAM

- Yandex **transforming** from an advertising business **into a comprehensive digital platform** for consumers and businesses
- **Diversified business** model with **over 50%** revenues coming from fast growing **non-advertising** segments
- **Highly marginal advertising and ride-hailing** businesses **allowing to re-invest** into new attractive growth opportunities and expansion of total addressable market
- **Large total addressable market** in current geographies (\$60BN in 2020 vs. \$1BN in 2010) **with significant growth potential** presenting a catalyst for many years to come

## Revenue breakdown by segments, %

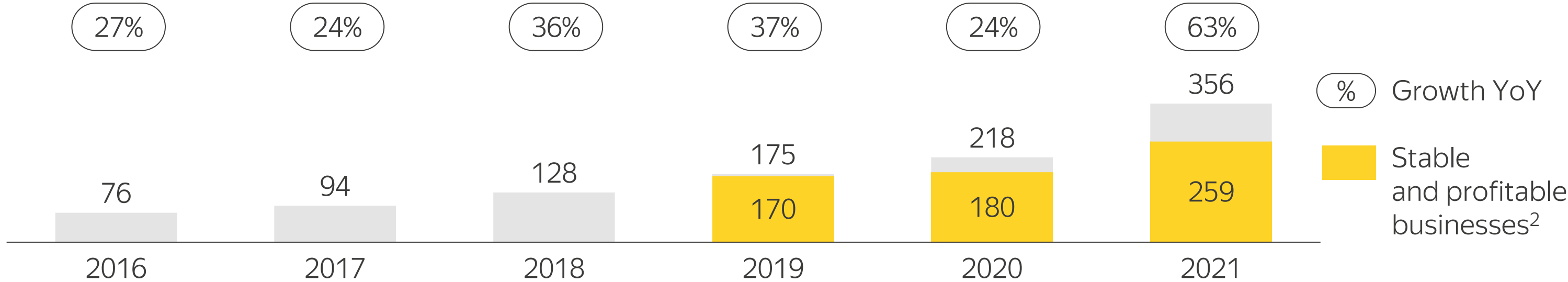


## Total addressable market 2010–2025E, USD BN

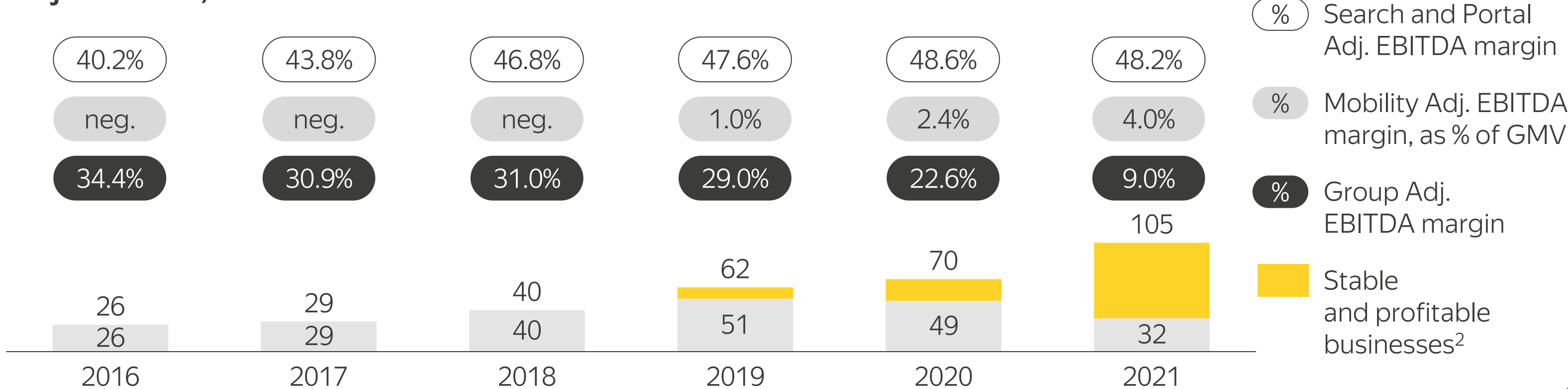


# Stable cash generative core businesses supporting long-term profitable growth

Revenue<sup>1</sup>, RUB BN



Adj. EBITDA<sup>1</sup>, RUB BN



## Revenue has grown at a c.36% CAGR from 2016 to 2021

- Largely driven by growth in the Search & Advertising and Mobility segments where Yandex commands a well protected national champion position
- These segments contribute the majority of the Company's Adj. EBITDA

## Consistently Adj. EBITDA positive

- +8pp in Search & Portal Adj. EBITDA margin in the 6 years to 2021
- Ride-hailing improved from loss-making into one of the most profitable ride-hailing companies globally<sup>3</sup>
- Car-sharing generates positive Adj. EBITDA for 6 quarters in a row

## Highly marginal advertising and ride-hailing businesses allow to re-invest into new attractive growth opportunities

Source: Company data, public sources  
 Notes: 1 Historical data covering the period from 2016 to 2017 is publicly available on the SEC EDGAR database, 2 Stable and Profitable Businesses include Search & Advertising, Mobility, and Classifieds segments. Financial data for Search & Advertising refers to the Search and Portal segment as reported under U.S. GAAP, financial data for Mobility refers to the sum of the Ride-hailing and Drive segments from the Taxi group segment as reported under U.S. GAAP and available on the Company's website, 3 According to Company's benchmarking with public companies (Didi, Lyft, Uber) based on publicly disclosed information

# Search & Advertising business snapshot

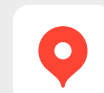
## Broad range of world-class, locally relevant search and information services



**Yandex Search**  
The leading search engine in Russia



**Yandex Direct**  
The leading service for placing contextual ads in Russia



**Yandex.Maps**  
The leading map and navigation app in Russia



**Yandex Browser**  
The most popular non-native mobile browser in Russia

**60.7%**  
share of the Russian search market<sup>1</sup>

**54%**  
share of online digital market in total ad market in 9M 2021<sup>2</sup>

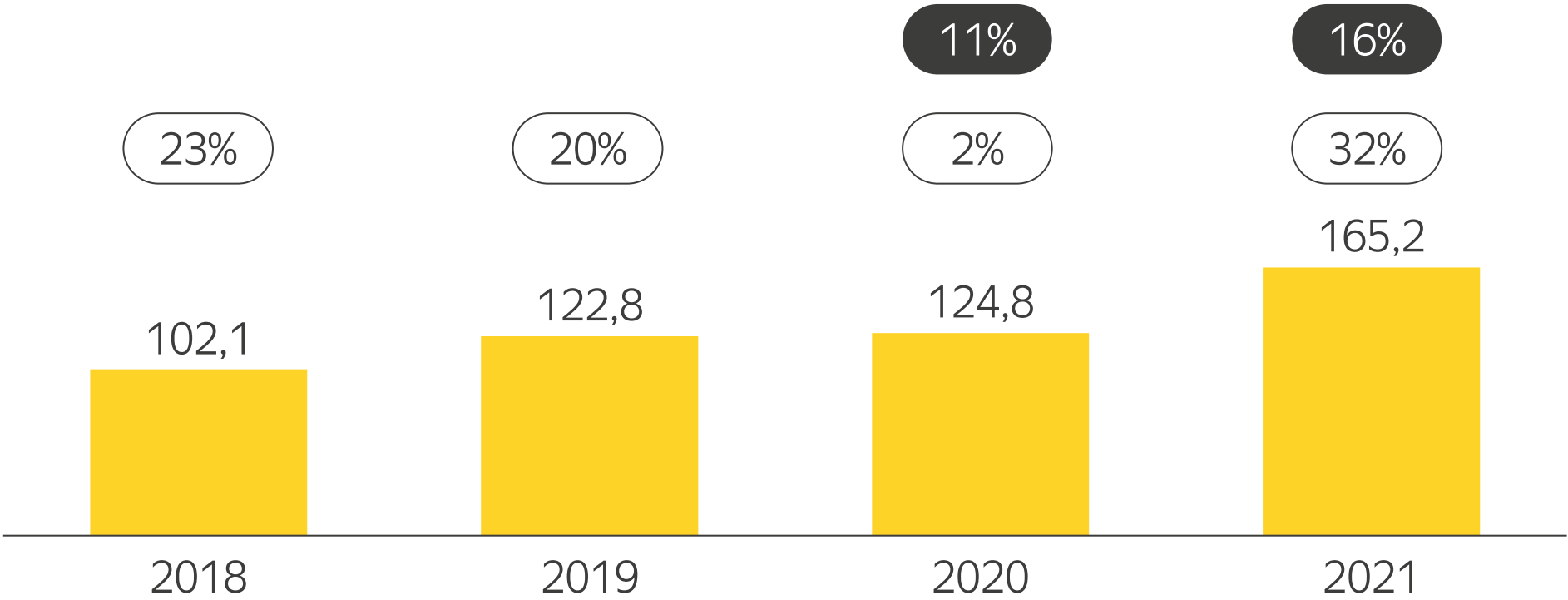
**>10 BN**  
search queries per month<sup>5</sup>

**4.5 BN**  
daily ad impressions<sup>5</sup>

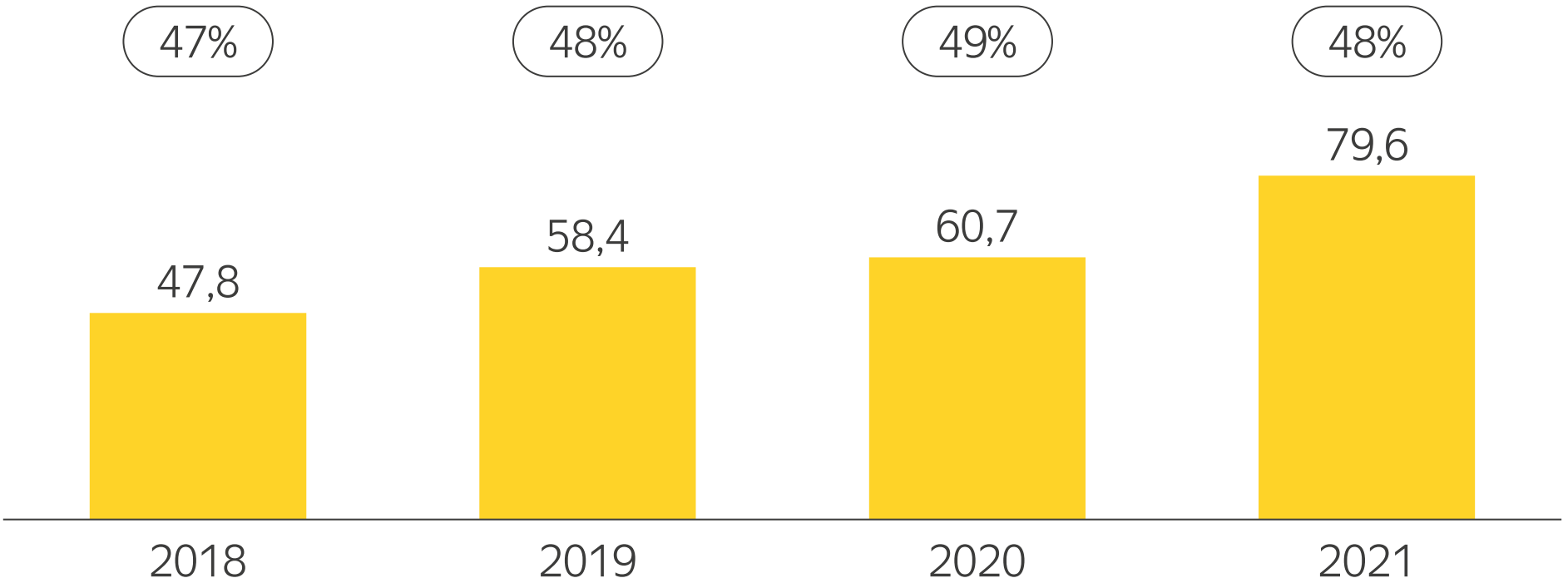
**2.3 BN**  
total requests to Alice per month<sup>5</sup>

- **Incumbent search engine** in Russia ahead of Google
- Potential for **digital ad market share growth** vs global peers (c.54% vs 60-70% globally)<sup>4</sup>
- Key strategic priorities to reach targets:
  - Investments in **AdTech**
  - Development of simplified products for **SMEs**
  - Growth of search share on **iOS devices**

Revenue, RUB BN    (%) Growth YoY    (%) 2-year stack growth<sup>3</sup>



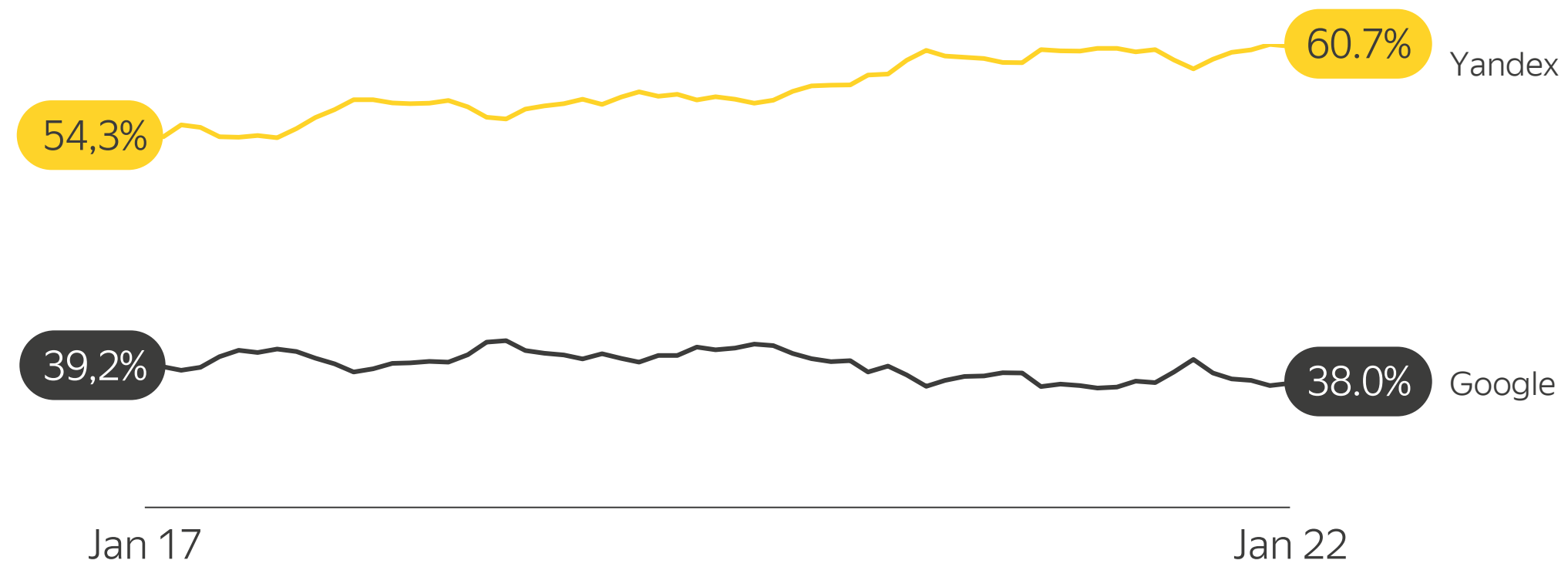
Adj. EBITDA, RUB BN    (%) Adj. EBITDA margin



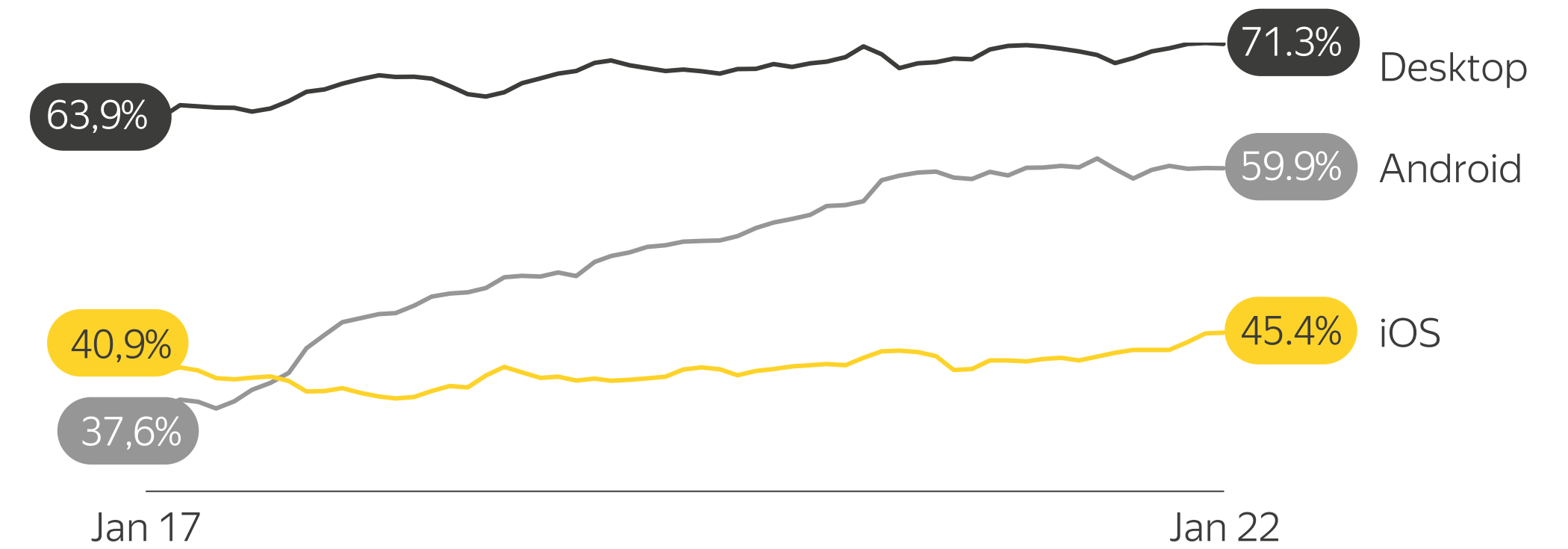
Source: Company data, public sources, radar.yandex.ru, Russian Association of Communications Agencies (AKAR)  
 Notes: Search & Advertising refers to the Search and Portal segment as reported under U.S. GAAP and available on the Company's website. 1 As of January 2022 according to <https://radar.yandex.ru/search> website, 2 According to AKAR data, 3 2-year Compound Annual Growth Rate, 4 According to data from eMarketer, 5 Company data as of December 2021

# Yandex: leader in both search and digital ad markets

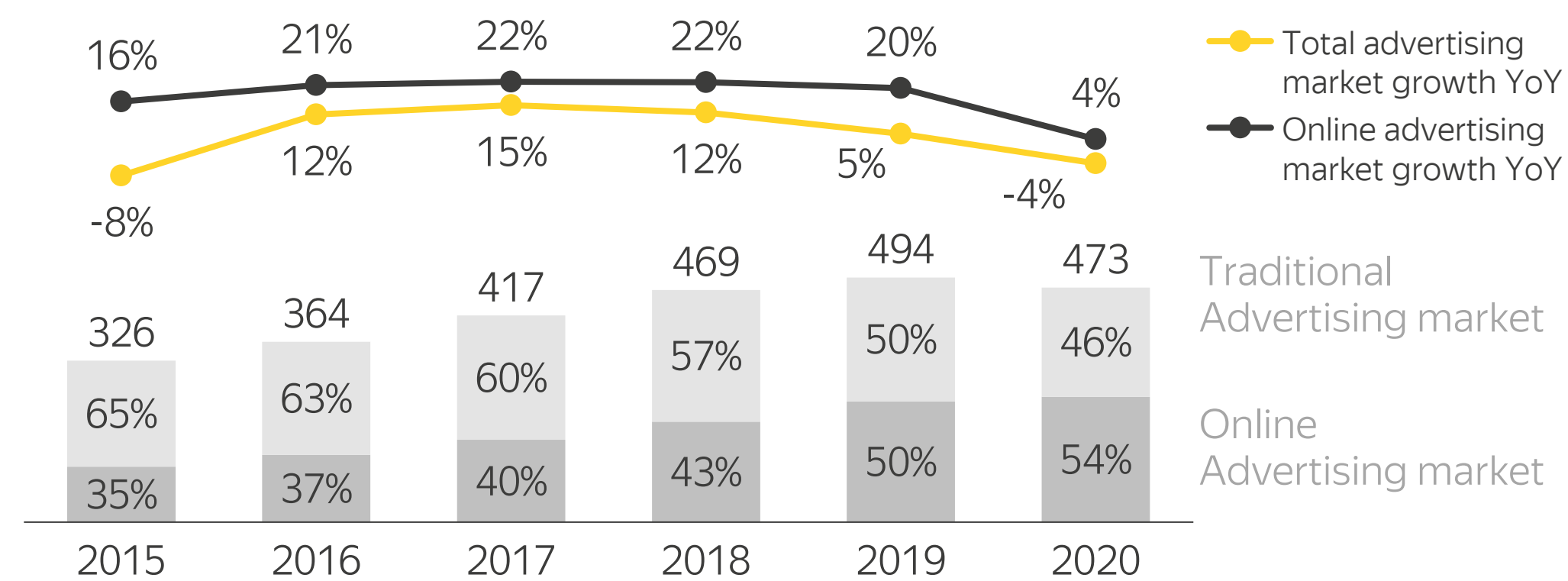
## Yandex vs. Google Search Share



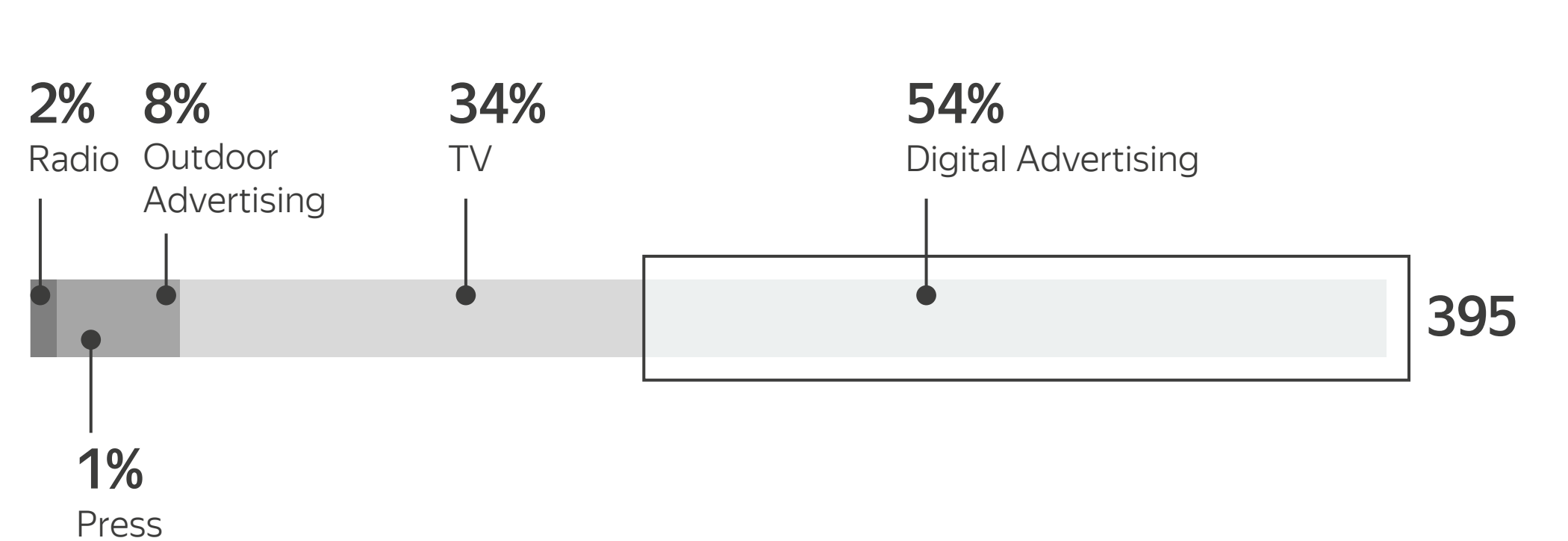
## Yandex's Search Share across Platforms



## Russian Advertising Market 2020, RUB BN, YoY Growth



## Russian Advertising Market 9M 2021, RUB BN





# Mobility business snapshot



## Yandex Taxi – the leading ride-hailing service

**35.3 MM**

Yandex Go Monthly active users

**36 %**

of total economically active population in Russia uses Yandex Taxi at least once per month<sup>1</sup>

**20 countries**

Including 11 in EMEA



### To remain a leader in the ride-hailing market, Yandex focuses on

- Marketplace efficiency<sup>1</sup>
- Routes and waiting time optimization
- Drivers' loading efficiency improvement
- Partner<sup>2</sup> network expansion
- Quality and safety improvement



### Highly efficient ride-hailing company

with solid and improving margin despite one of the world's lowest take rates

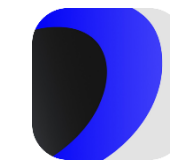


**Positive Adj. EBITDA since the end of 2018**

<sup>1</sup> In December 2021

<sup>2</sup> The main task is to make users pay less for the taxi ordering service, but at the same time, drivers earn more thanks to smart order distribution technologies

<sup>3</sup> Certified taxi companies and drivers



## Yandex Drive – a leading car-sharing service in Moscow

**>17 K**

Cars

**22 %**

Share of B2B revenue

**4 cities in Russia**

B2C: Moscow, Sochi, St-Pete, Kazan

**480 K**

Monthly active users



### To remain among the leaders in the car-sharing market, Yandex focuses on

- B2B offer development
- Synergies' extraction with Yandex services
- Quality and safety improvement
- Drivematics<sup>3</sup> development

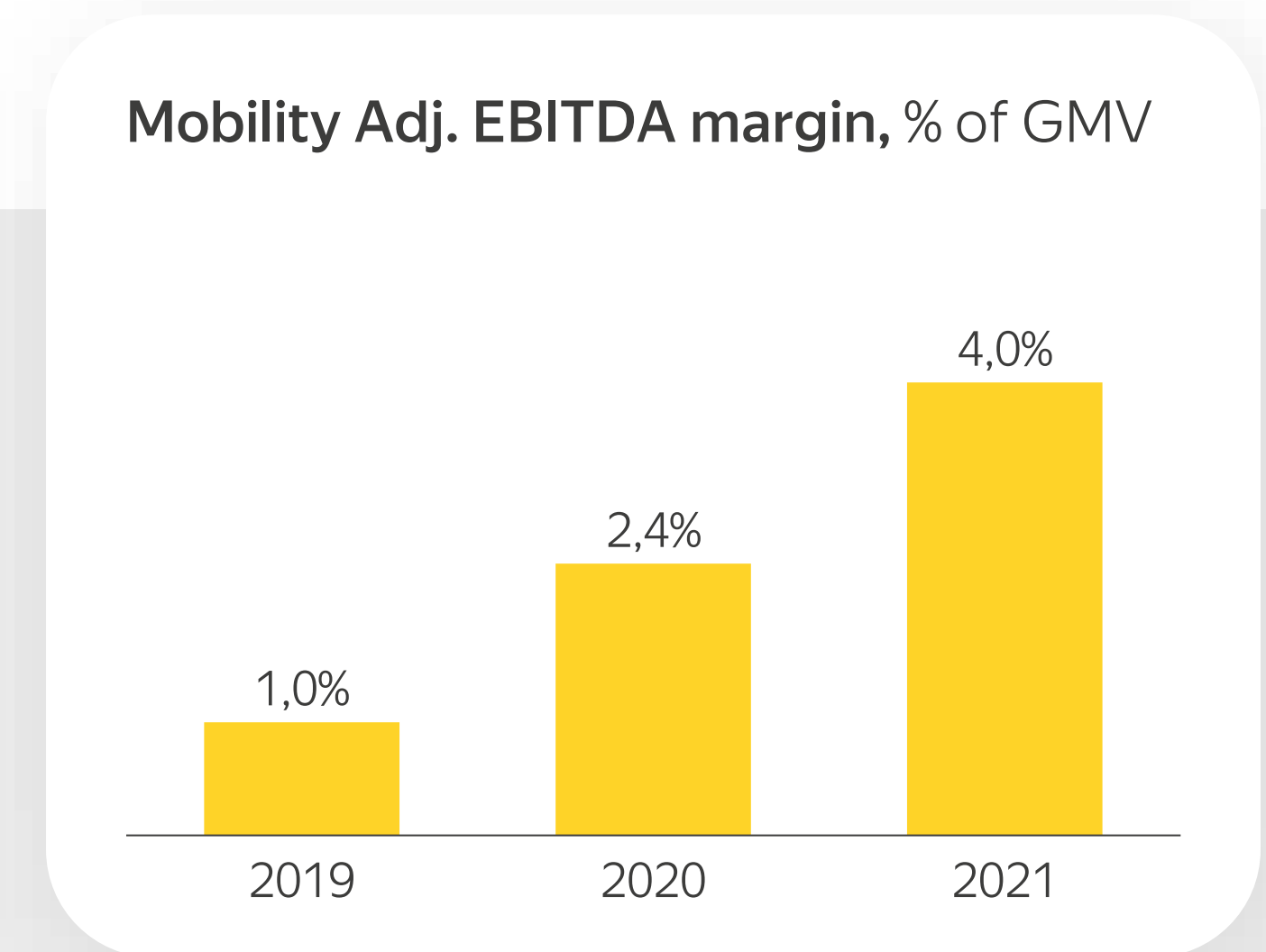
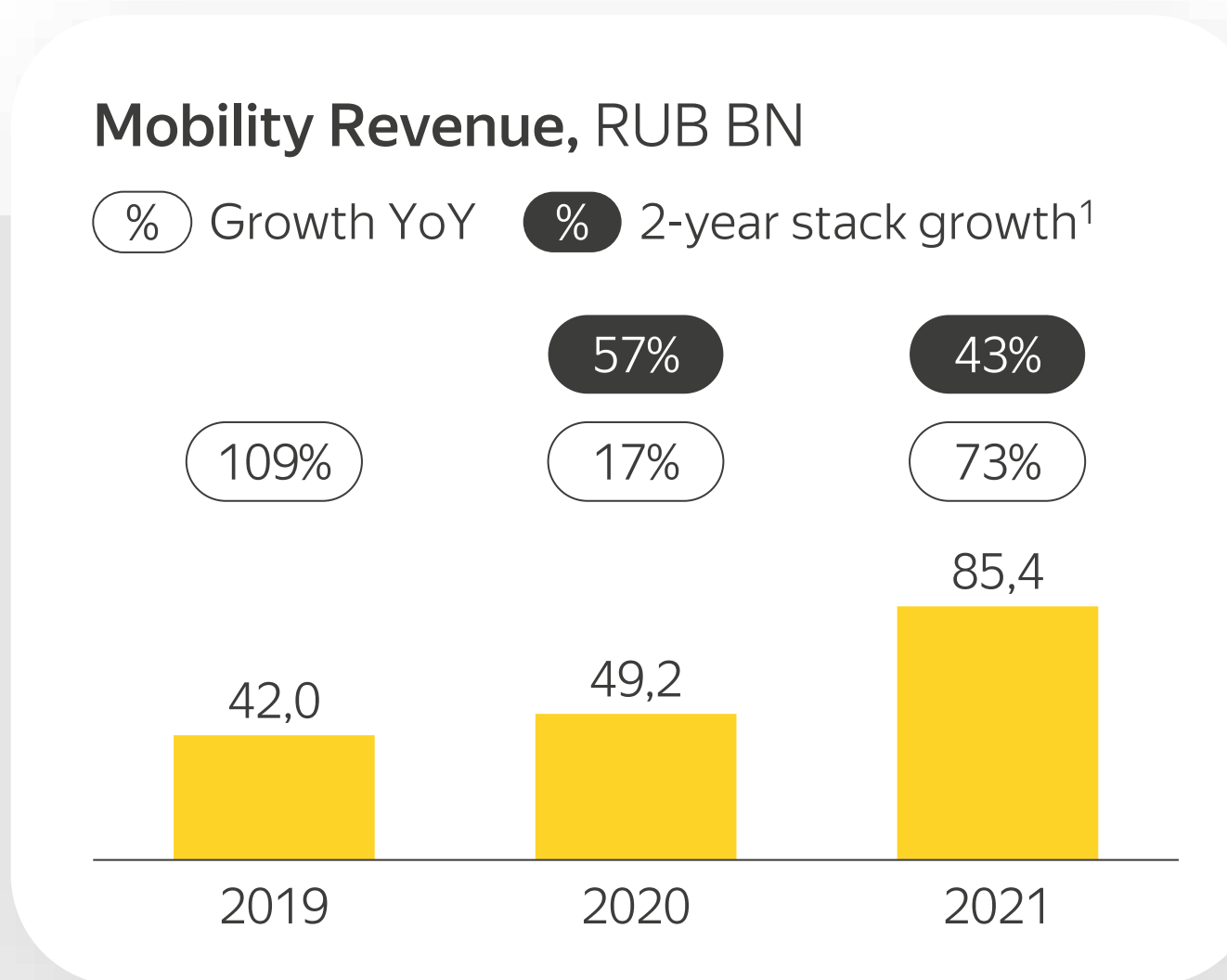


**Profitable on the Adj. EBITDA level 6 quarters in a row**

<sup>3</sup> Drive's platform to analyze fleet: telematics, installed in each car, read the car's data, and AI analyzes the driving style and the likelihood of accidents

# Mobility: fast growing and highly cash generative

- Powerful network effect driven by a **leading ecosystem** support and **strong brand**
- Capitalizing on **world-class proprietary technologies backbone** (mapping, navigation, dispatch/pick-up/routing, machine learning)
- **Favourable regulatory environment** encouraging shared mobility growth and benefiting local players



## Uber TRANSACTION

In September 2021, Yandex agreed and subsequently closed a deal with Uber to

- Increase stake in MLU JV<sup>2</sup> by 4.5% to 71%
- Fully buy out Uber from joint Eats, Lavka, Delivery and Self Driving Group businesses

**\$1.0 BN** cash consideration already paid

**Yandex also received an American option to acquire Uber's remaining 29% in Mobility JV<sup>3</sup>**

- Exercisable at Yandex's sole discretion at any time before September 2023
- At a pre-defined strike price of US\$ 1.8 BN (subject to agreed accrual over time to a maximum of c.US\$ 2BN)<sup>4</sup>

**Deal rationale for Yandex**

- Streamline ownership structure in core assets
- Increase strategic flexibility with an option to consolidate 100% in highly profitable Mobility JV at a largely fixed price
- Unlock significant product synergies across ecosystem with fully consolidated FoodTech and Delivery businesses

# E-commerce & FoodTech & Delivery snapshot



## Market

A multi-category marketplace



## Lavka

Hyperlocal e-grocery delivery service



## Eats

Ready-to-eat and express grocery delivery service



## Delivery (Logistics)

Last mile logistics solution for individuals and businesses

**23.9 K**

active sellers on Market<sup>1,2</sup>

**404**

Lavka dark stores<sup>3</sup>

**43**

grocery retail chains (3.2k stores)

**360 K+**

deliveries per day<sup>4</sup>

**29.7 MM**

orders in 2021

**~2 K**

SKUs

**35 K**

restaurants

**>30 K**

B2B delivery partners

## Significant cross synergies

Seamless shopping experience across Market and high frequency FoodTech

Back-end stack: reuse of existing IT platforms and application of working algorithms

Expertise in attracting and retaining both users and partners (drivers and couriers)

Creating unique products:



Yandex Market Express with Delivery (delivery of 1.4 MM SKUs in 1-2 hours)



«Delivery by a click» with Yandex Lavka from 10-15 min



Delivery options in very narrow time slots provided by our maps and navigation technologies

Source: Company data, public sources

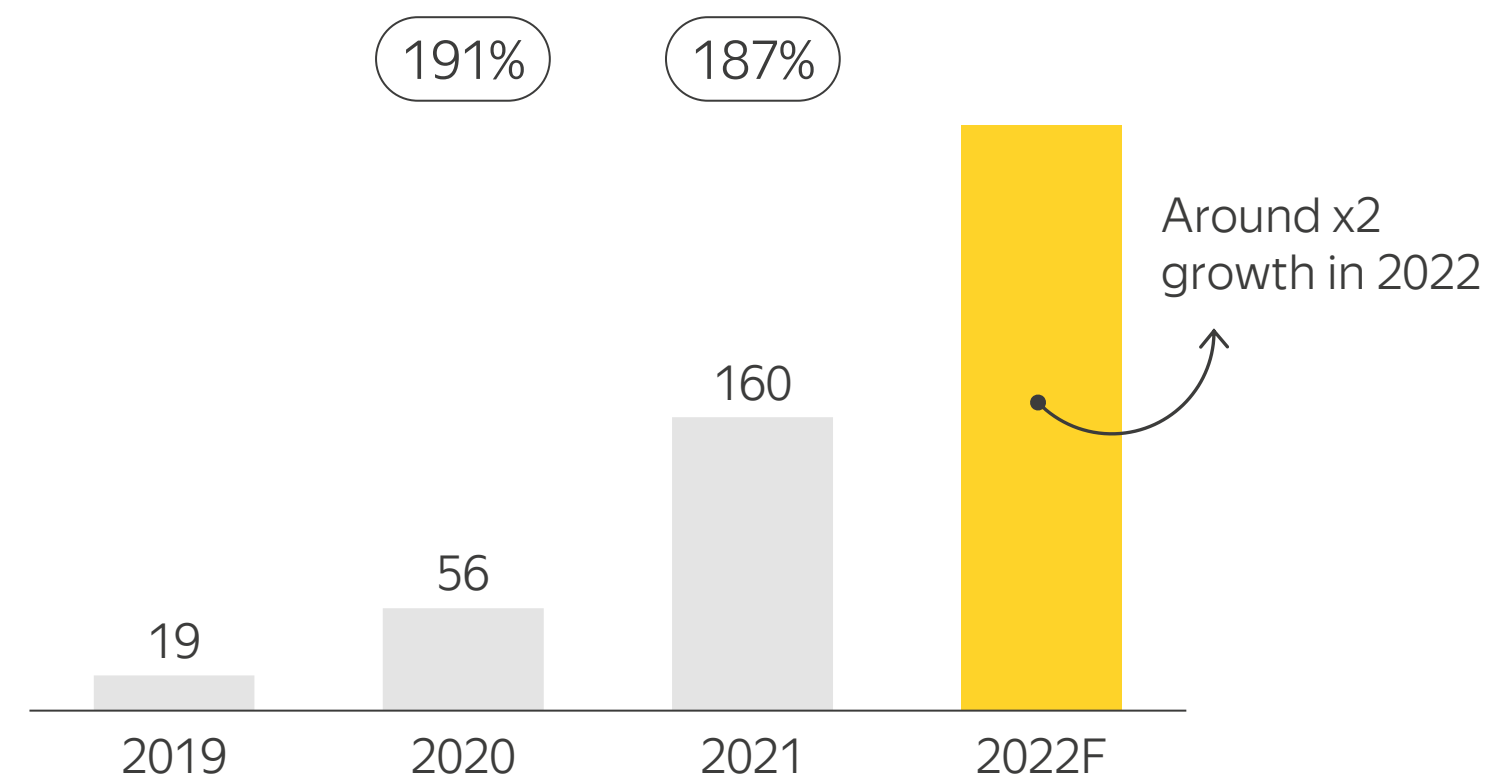
Notes: Financial data for E-commerce & FoodTech refers to the sum of the FoodTech and Logistics segments from the Taxi group and the Yandex Market segment as reported under U.S. GAAP and available on the Company's website 1 As of 4Q'21, 2 An active seller is a seller who made at least 1 sale in the last 1 month prior to the reporting date, 3 Yandex Lavka Russia and Israel 4 Average per day in December 2021

# E-commerce business snapshot

Yandex Market, Yandex Lavka and grocery delivery by Yandex Eats

Autumn 2018	Summer 2020	2021	Today
Yandex launched 'Beru' marketplace within Yandex Market JV with Sberbank,	Yandex fully consolidated Yandex Market business, including 'Beru', by acquiring 45% from Sberbank	Yandex Market began to transform from a price comparison platform into a fast-growing full-fledged marketplace	Yandex Market marketplace outperforms e-commerce sector and the leading players, total GMV expands >8x for the last 2 years

E-commerce GMV\*, RUB BN xx Year-on-year growth



## Our strategic goals

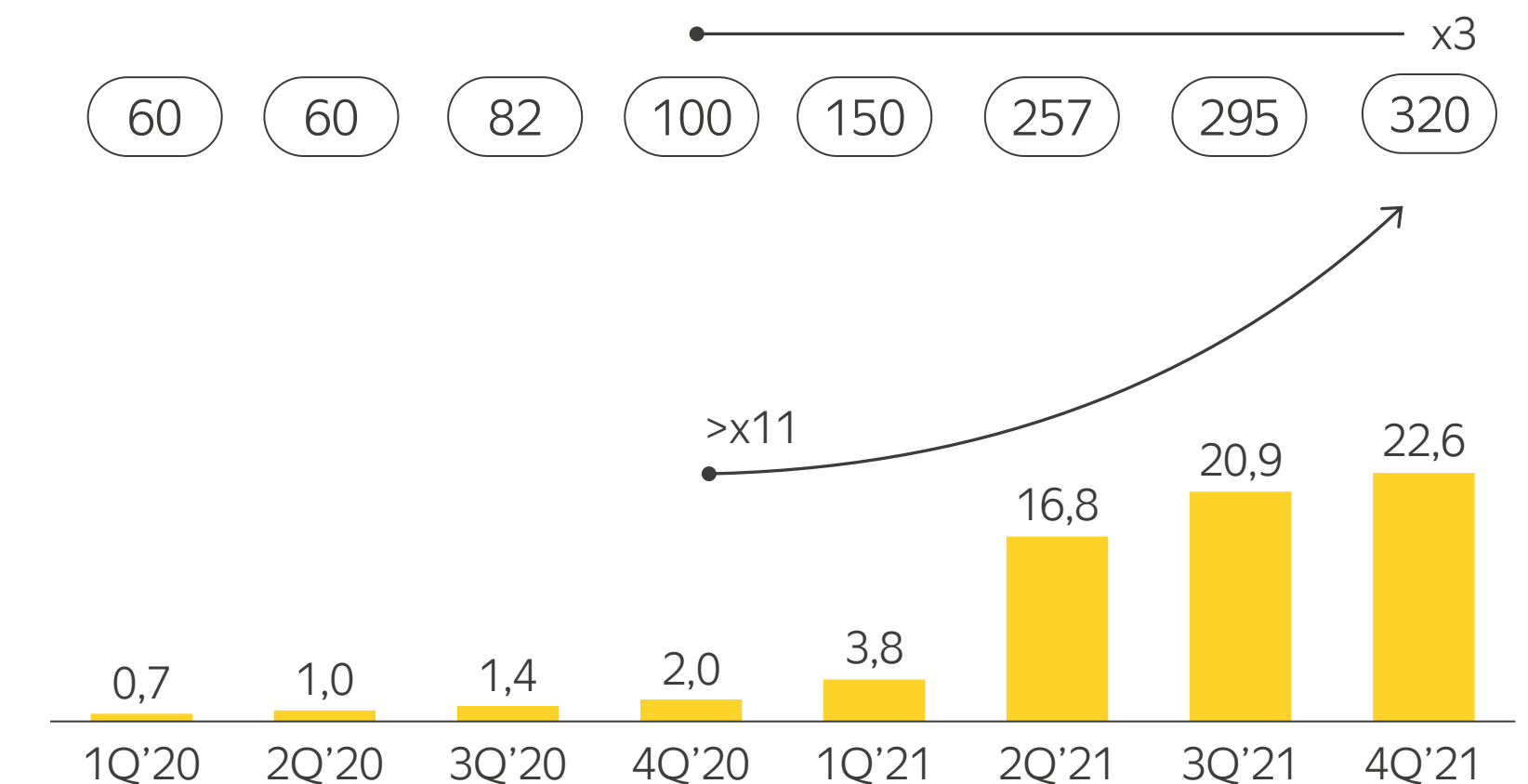
- Become top 3 among domestic marketplaces
- Narrow the gap with the market leaders (Wildberries and Ozon)
- Achieve sustainable positive profitability

## Market

### Growth:



SKUs, MM xx Fulfillment capacity, K SQM



\*GMV - Gross Merchandise Value of all goods sold on Yandex Market marketplace, Yandex Lavka and FMCG goods sold on Yandex Eats

# FoodTech snapshot: restaurant delivery and e-grocery

## RESTAURANT DELIVERY



**35 K**  
restaurants

**#2**  
in the food delivery  
market in Russia



Committed to achieve a positive  
adj. EBITDA in the mid-term

## E-GROCERY



Instacart model

**43**  
retail  
brands

**186**  
cities in Russia  
and CIS



Hyper local delivery of essential goods  
from 10-15 minutes

**404**  
dark stores



We expect Moscow to  
become sustainably  
profitable in late 2022



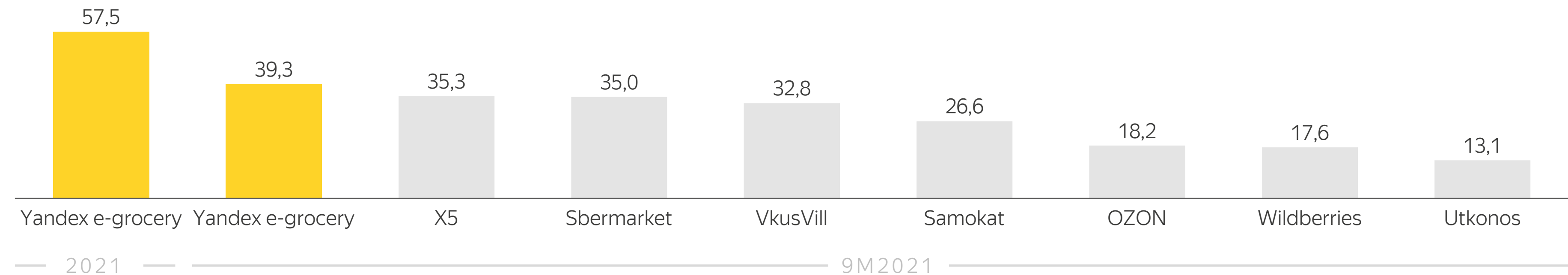
Groceries

Provides high frequency  
traffic and access to a huge  
TAM, ensuring better  
customer retention

**#1**

In the e-grocery  
market based on the  
combined GMV of  
groceries sold in  
Yandex e-commerce  
services (Market,  
Lavka and grocery  
delivery from Eats)

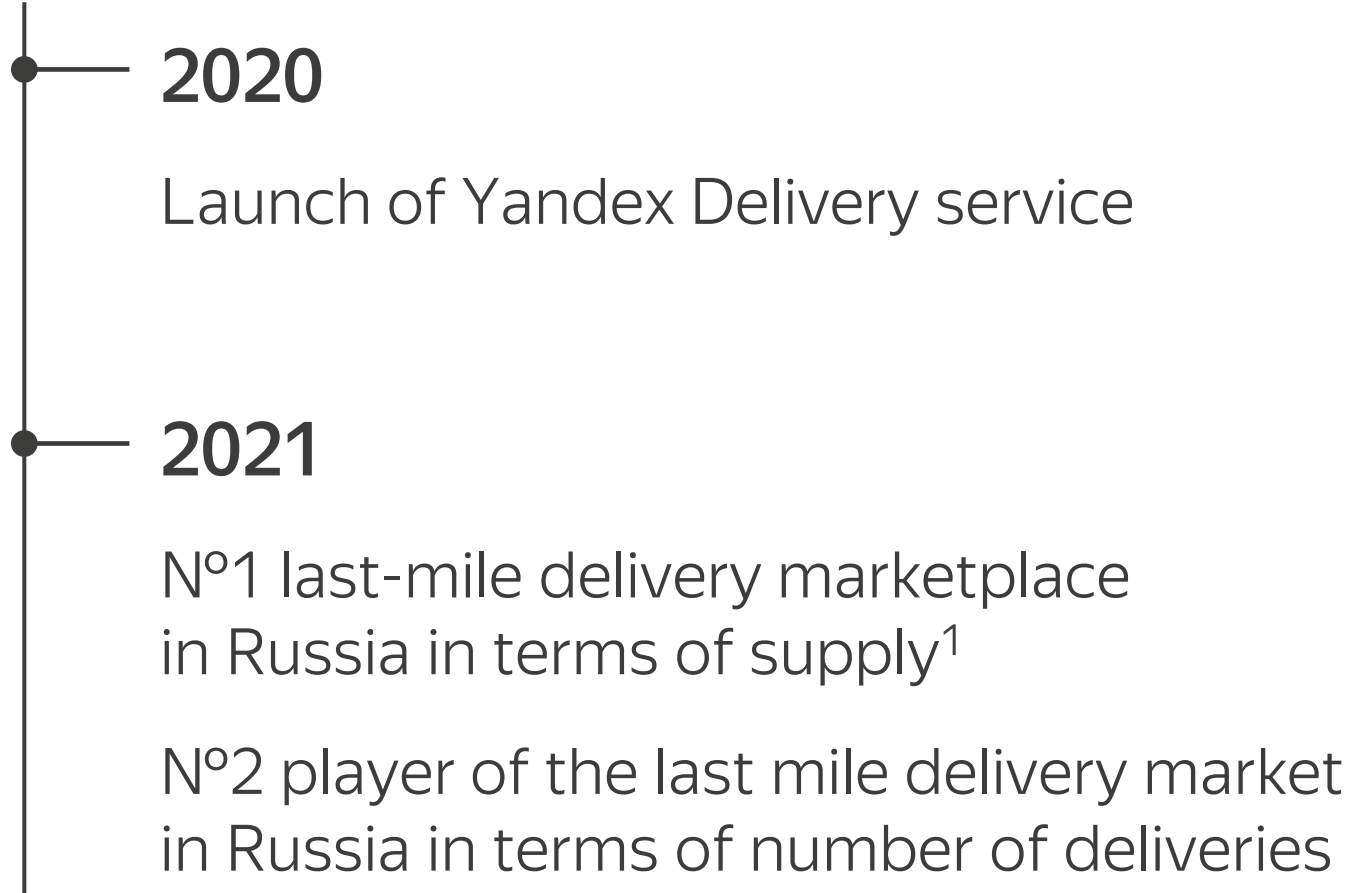
Grocery GMV by market players 9M2021, RUB BN



# Yandex Delivery (Logistics) snapshot

Yandex Delivery – last mile delivery solution for individuals and businesses, small and medium enterprises

- 01 Highly fragmented market with a big potential of growth, customer experience and efficiency improvement
- 02 Ability to leverage our strong expertise in mapping and routing technologies
- 03 Focus on B2B, SMB and external partners
- 04 High synergy potential with Yandex’s segments (primarily e-commerce)



**The business model of Delivery is comparable to the ride-hailing business**

Both businesses are ‘asset light’ with comparable long-term margin levels

**>30 K**

B2B clients in Dec’21

**>80 K**

couriers weekly<sup>1</sup>

**>360 K**

deliveries per day in Dec’21

**81 MM**

deliveries in 2021, up 3.3x yoy

**57 BN RUB**

annualized run-rate GMV<sup>2</sup>

<sup>1</sup> Drivers and couriers, connected to Yandex Delivery platform; <sup>2</sup> Gross Merchandise Value of all transactions, made by individuals and legal entities in exchange for the ‘last mile’ delivery service, incl. VAT and excl. discounts and refunds to customers, as well as payments and incentives to partners

# Media Services: KinoPoisk and Yandex Music



The leader<sup>1</sup> among VoD platforms in Russia

**6 MM**

monthly viewing subscribers

**>76 K**

movies and video episodes



**01** The company's media services (KinoPoisk and Yandex Music) are the basis of the Yandex Plus subscription

**02** Subscription and transactional revenue form the major part of media services' revenue

**03** Key area of investment is content in order to expand subscriber base (we believe the largest players will have the best unit economics in the future)



Leading music streaming service on the underpenetrated market in Russia

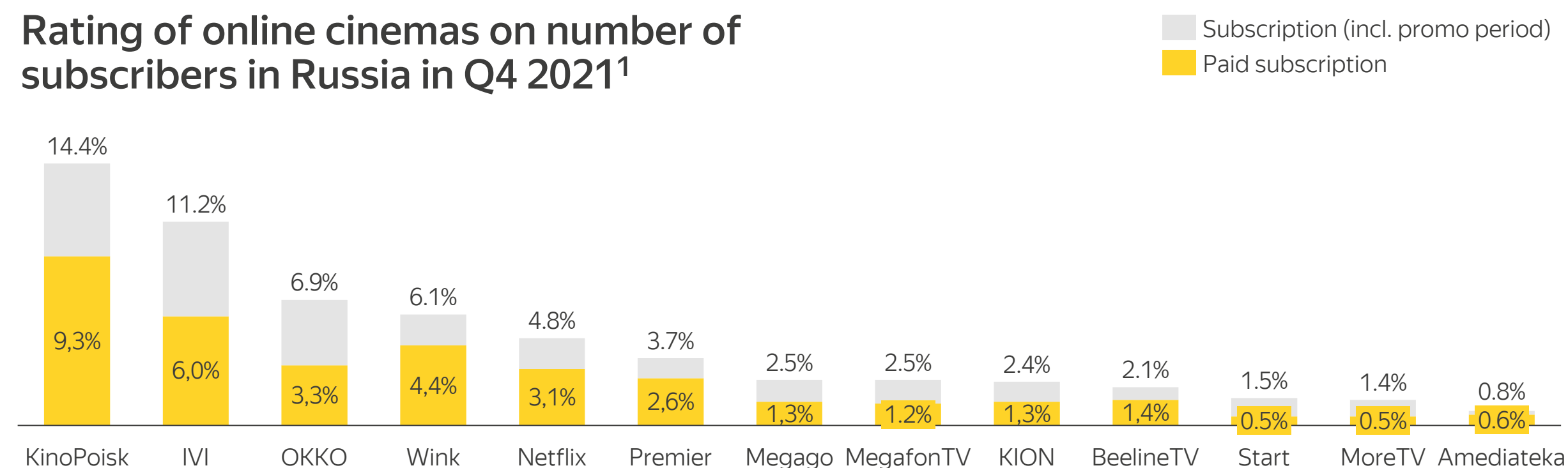
**>80 MM**

music tracks

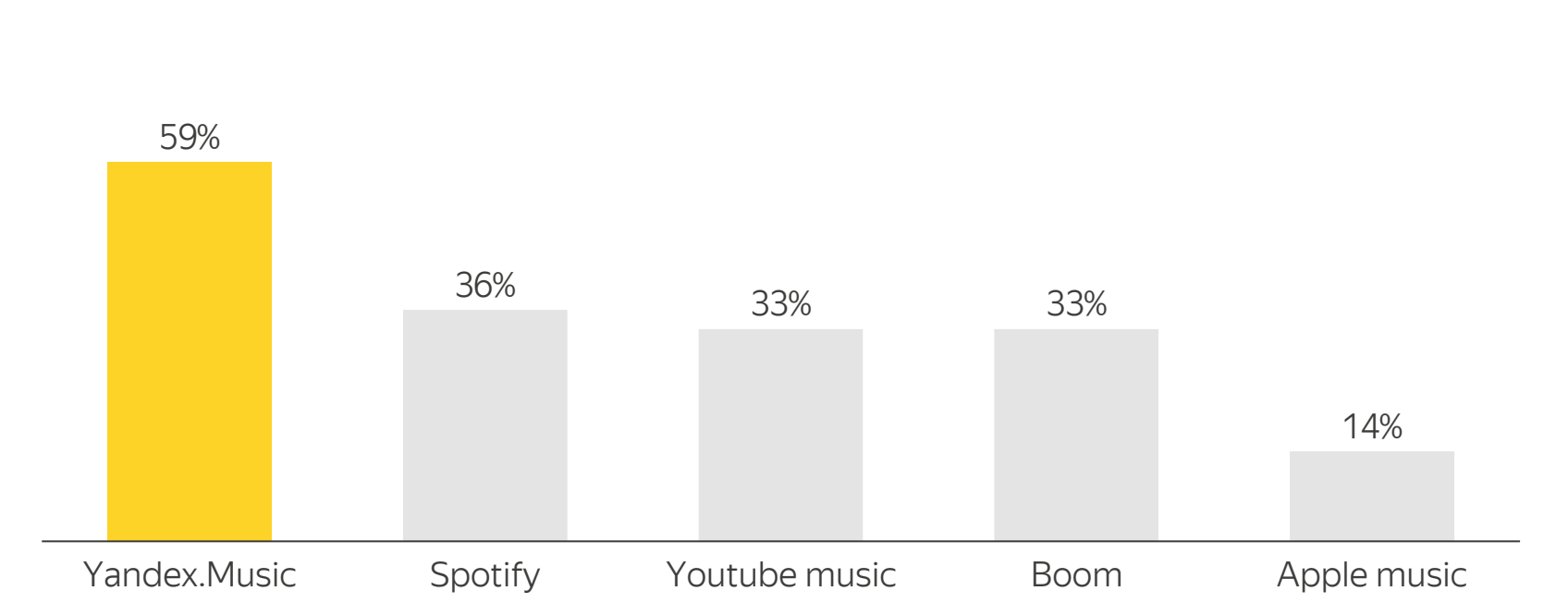


AI-based personal recommendations

Rating of online cinemas on number of subscribers in Russia in Q4 2021<sup>1</sup>



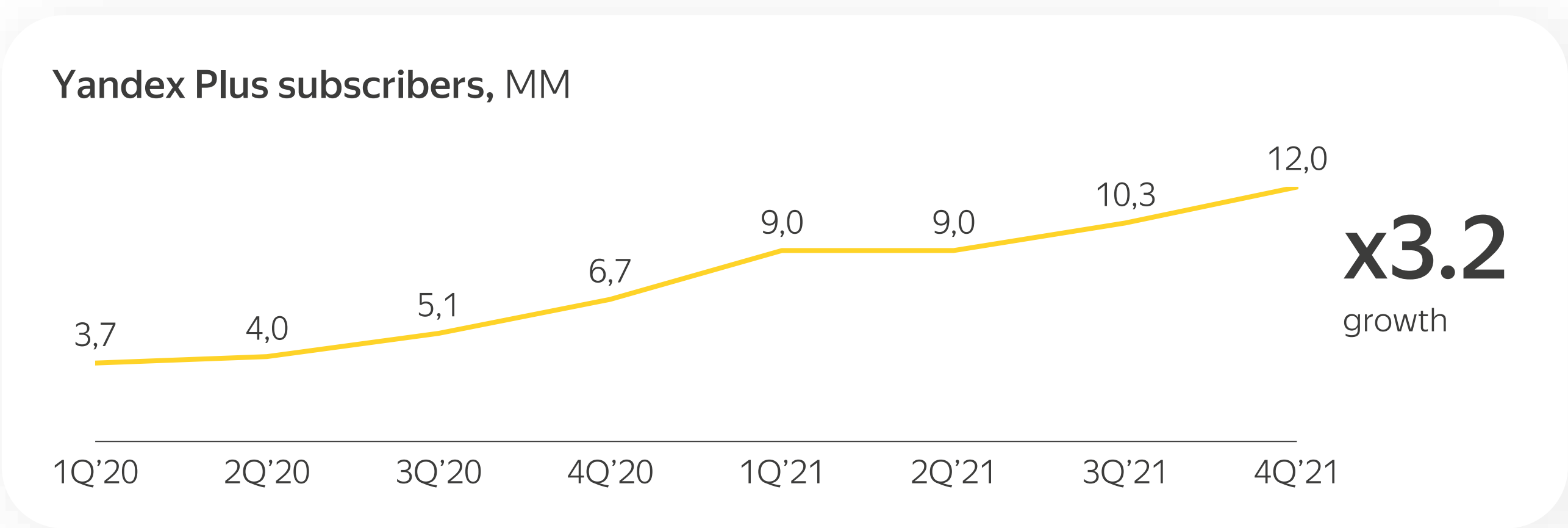
Usage of subscription music services in Russia in 2021<sup>2</sup>



<sup>1</sup> Gfk research. The online survey involved 7,502 respondents aged from 16 to 55 living in Russian cities, including small towns with a population of up to 100,000 people; <sup>2</sup> Deloitte research «Media consumption in Russia - 2021», September 2021. Only respondents who answered that they currently have a paid subscription to music services took part in the survey.

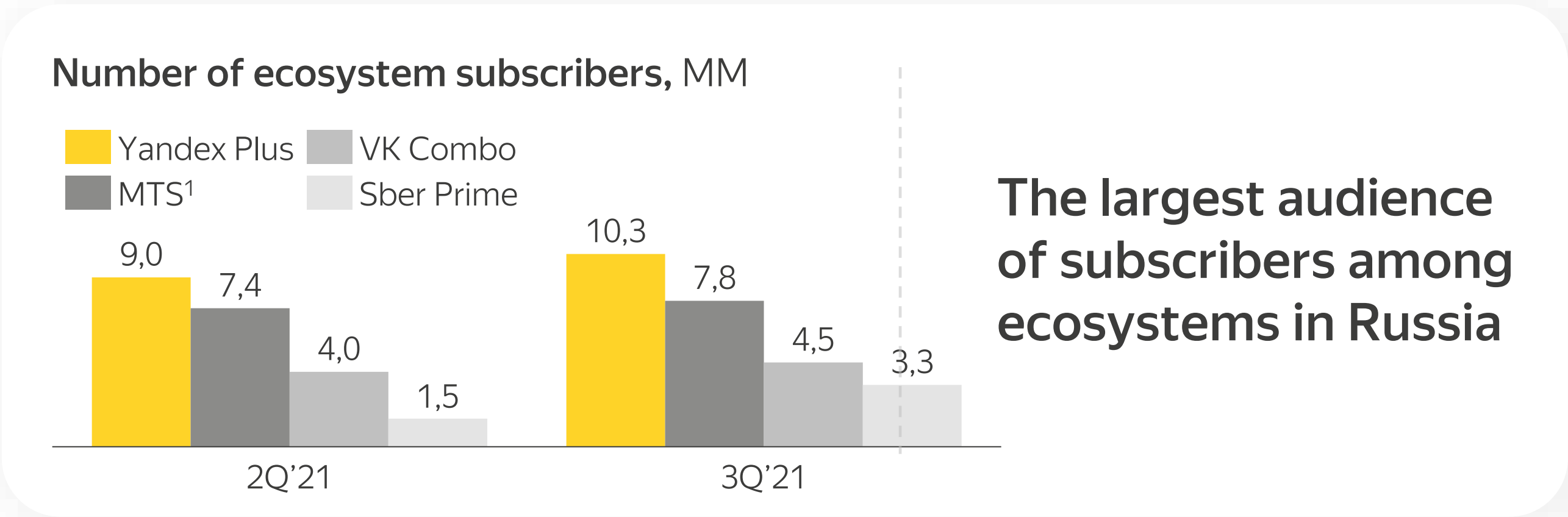
# Yandex Plus: ecosystem subscription to drive network effects

- 01 Yandex Plus is a single subscription that combines audio and video streaming services along with additional cashback and other benefits for ordering a taxi, delivery from restaurants, orders from the marketplace, and others
- 02 The Yandex Plus loyalty program is the center of our ecosystem, and the rapidly growing subscriber base is our competitive advantage over many other individual Yandex businesses
- 03 Yandex Plus is an effective mechanism to improve customer retention, cross-service usage and customer acquisition costs within Yandex ecosystem



**>50%**  
of GMV for E-commerce and FoodTech services is generated by Plus subscribers

**50-85%**  
higher GMV is generated by Plus subscribers than by non-Plus subscribers across key transactional services (Taxi, Drive, Market, Eats, Lavka)




<sup>2</sup> MTS customers who use 2 or more operator services. The number of users of the online cinema Kion and MTS Music is not disclosed separately, which limits the possibility of comparison with Yandex Plus





# Other Business Units and Initiatives


Huge benefits from Yandex leading IT infrastructure, superior technologies and product development expertise as well as unmatched consumer reach


## Self-Driving Cars

 17 MM km driven in autonomous mode<sup>1</sup>

 Launched 1st European robo-taxi in Aug 2018

 Fleet of 170 vehicles 400+ engineers


 Over 25 K passenger rides<sup>2</sup> with no one behind the wheel in Innopolis


 Operating in all weather conditions with testing in Russia, Israel and US




## Delivery robots

 Fleet of over 200 delivery robots Yandex Rovers commercially deployed since Apr 2020<sup>3</sup>

 Thousands commercial deliveries conducted weekly with delivery robots (over 110 K deliveries total as of Feb 2022)


 Signed partnership with Grubhub to automate last-mile delivery in the US campuses

## Devices

 Most extensive range of smart speakers with an AI-based voice assistant in Russia

 Entry-Level Segment

 Compact Speaker Segment

 Partner Devices


 Audio Speaker with Video Capabilities

x2.6 YoY growth of revenue in 2021

~3 MM total devices sold as of Dec 2021

## Yandex.Cloud

 The only cloud provider in Russia with a fully-fledged scalable in-house infrastructure

 >2.7x revenue growth<sup>4</sup> driven by increase in customers and growing ARPC<sup>5</sup>

+205 % YoY growth of revenue in 2021 vs 2020

94 % share of B2B revenue

# Sustainability and Governance



# Best governance and sustainability practices

## Best Practice Governance



Board of Directors chaired by an INED

9

INEDs  
out of

11

members  
on the Board  
of Directors

6

committees  
within the Board of Directors

## Sustainability Highlights

**Yandex's Sustainability agenda is based on 12 streams**, including 7 core areas (including Information Security, Content Quality, Employee Wellbeing) and 5 relatively new streams (Carbon Footprint, Waste Management, Accessible Environment, Education, Yandex Service Partners)



Yandex's independent sustainability ratings improved markedly in 2021

**S&P Global**  
Ratings **47 / 100**

Significantly improved vs.  
2020 (the higher the better)



**SUSTAINALYTICS** **17.8** Low Risk

Significantly improved vs.  
2020 (the lower the better)

In December 2021, Yandex became a **constituent of the Dow Jones Sustainability World Index**, performing in **the top 5% of companies** in the Interactive Media, Services & Home Entertainment industry, while the scores for the Social Dimension placed the company among the **top 1% of the peer universe**

# Yandex Sustainability Agenda

Using tech & innovation to bring value to users and local markets

## Quality of Life

- F Convenience, Quality and Safety of Services
- N Accessible Environment

## Ethics and Integrity

- F Information Security and Data Privacy
- F Responsible Procurement
- F Content Quality
- F Anti-Corruption and Antitrust Practices

## Sustainable development streams

- Business foundations that ensure stable business growth and are long-lasting priorities (8 streams)
- Relatively new priorities reflecting high-potential areas to make an impact and/or improve performance (5 streams)

- F Energy Efficiency of Yandex Infrastructure
- N Waste Management
- N Carbon Footprint

## Environmental Impact

- F The foundations
- N Relatively new streams

- F Yandex Employees
- N Education for All
- N Yandex Service Partners

## Investing in People

## Each of the streams...

- Is aligned with business priorities
- Is supported by clear goals and performance indicators to track progress
- Addresses stakeholder expectations derived via surveying and feedback sessions

More detailed information about our sustainability agenda is available in [2020 Sustainability Report](#)

# Sustainability Update 2H 2021



## Environmental

- 01 Signed a PPA in Finland**  
Under the PPA, 100% of energy needs of a data center in Mäntsälä (Finland) are to be covered with wind power supply starting from January 2022
- 02 Cut on excess packaging in delivery services**  
Yandex revised packaging guidelines, improved fit-to-size packing, and reduced additional wrapping and cushioning for non-fragile items



## Social

- 01 Enhanced Yandex ID account security**  
Added a functionality that determines whether login credentials have been exposed to suggest password resetting
- 02 Launched the Segalovich Foundation**  
The Foundation adopted goals of the Educational Initiative and introduced a grant program (worth RUB 250 MM in 2022) to support third-party educational projects
- 03 Extended the donation functionality**  
The bill rounding-up donation feature became available for users of Market, Lavka and Eats delivery services. As of the end of 2021, over 600K people chose to round up
- 04 Extended the medical insurance scheme for service partners**  
Yandex committed RUB 1 BN to providing partial (50%) to full coverage of medical insurance costs to eligible partners in all cities of Russia



## General & Governance

- 01 Appointed a CSO**  
The CSO is tasked with providing executive-level oversight of Yandex's sustainability initiatives and reports directly to the Board of Directors
- 02 Revised policies on ethics**  
Yandex revised Group's Code of Ethics and introduced a Supplier Code of Conduct. The documents include extended provisions on labor rights, OHS, and environmental responsibility
- 03 Extended disclosures in Transparency Report**  
The report was complemented by statistics on search results removals at the request of Russia's media monitoring agency, and those of copyright holders

# Composition of the Board of Directors

	Director or Executive Officer Since	End of Current Term of Office
<b>I</b> <b>NE</b> John Boynton Chairman since 2016	2000	2025
<b>E</b> Arkady Volozh	2000	2024
<b>E</b> Tigran Khudaverdyan	2019	2022
<b>I</b> <b>NE</b> Charles Ryan	2011	2022
<b>I</b> <b>NE</b> Alexander Voloshin	2010	2022
<b>I</b> <b>NE</b> Rogier Rijnja	2013	2022
<b>I</b> <b>NE</b> Esther Dyson	2006	2025
<b>I</b> <b>NE</b> Ilya Strebulaev	2018	2025
<b>D</b> <b>I</b> <b>NE</b> Alexey Komissarov	2020	2023
<b>D</b> <b>I</b> <b>NE</b> Alexey Yakovitsky	2020	2023
<b>I</b> <b>NE</b> Alexander Moldovan	2021	2025

COMMITTEE MEMBERSHIP

	Audit Committee	Compensation Committee	Nominating Committee	Investment Committee	Corporate Governance Committee	Public Interest Committee
John Boynton	Member	Member	Member	Member	Chairperson	
Arkady Volozh				Member		Chairperson
Tigran Khudaverdyan						
Charles Ryan	Member			Chairperson		
Alexander Voloshin			Member		Member	
Rogier Rijnja		Chairperson	Member			
Esther Dyson		Member	Chairperson	Member	Member	
Ilya Strebulaev	Chairperson					
Alexey Komissarov			Member			Member
Alexey Yakovitsky						Member
Alexander Moldovan						

**NE** Non-executive   **E** Executive   **I** Independent   **D** Designated

**■** Chairperson   **■** Member

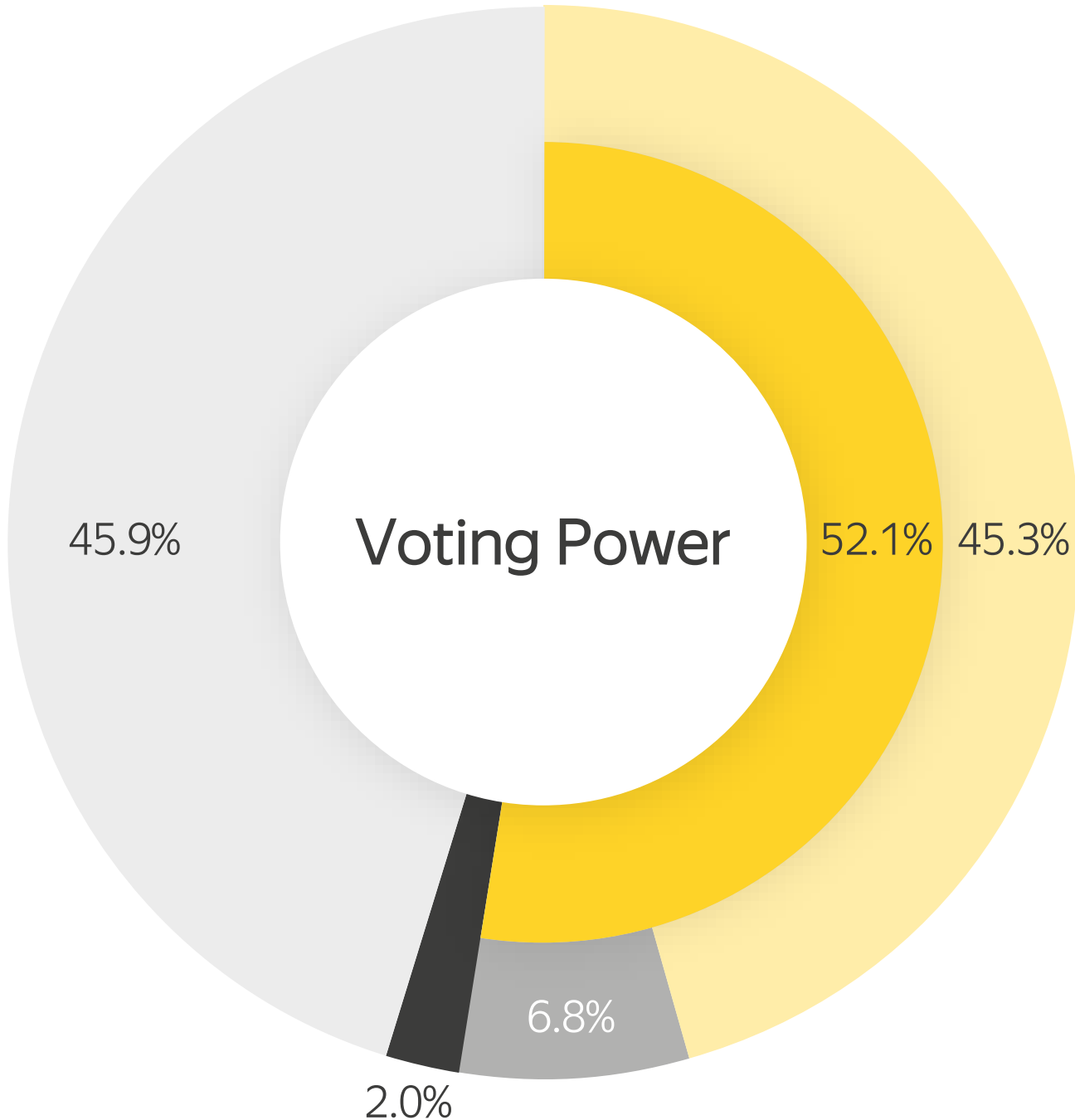
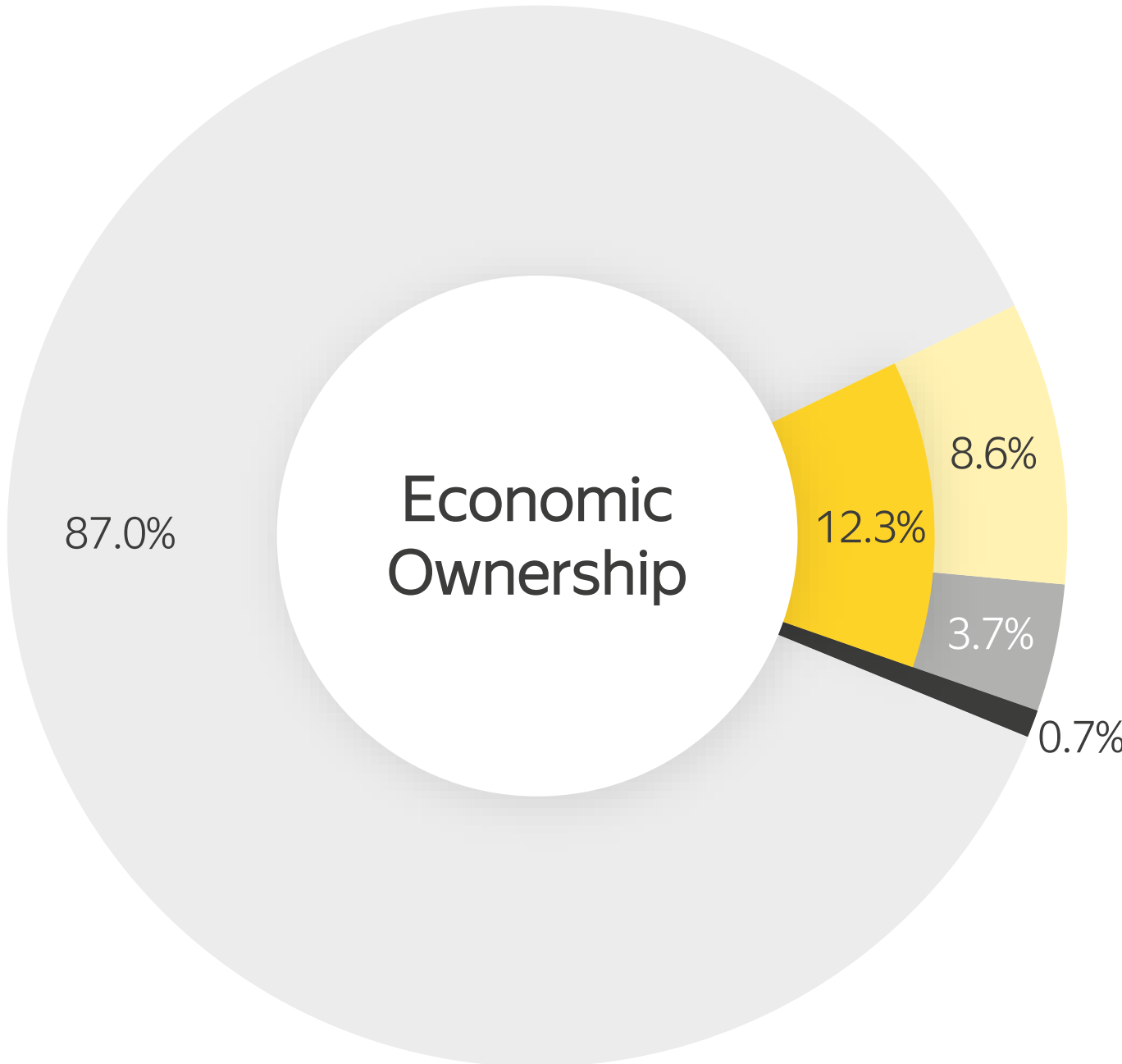
# Ownership structure

**Total shares issued, including**

- **323,004,678** Class A shares
- **35,698,674** Class B shares
- One Priority share
- Excluding **795,801** Class A shares held in treasury as a result of Yandex’s share repurchase program

## Shareholder Structure

- Principal pre-IPO Shareholders, Directors, Officers and Employees
- Volozh Family Trust
- Other Directors, Officers & Employees
- Other pre-IPO Shareholders
- Free Float



Source: Company data, public sources  
Notes: as of December 31, 2021



# Financials

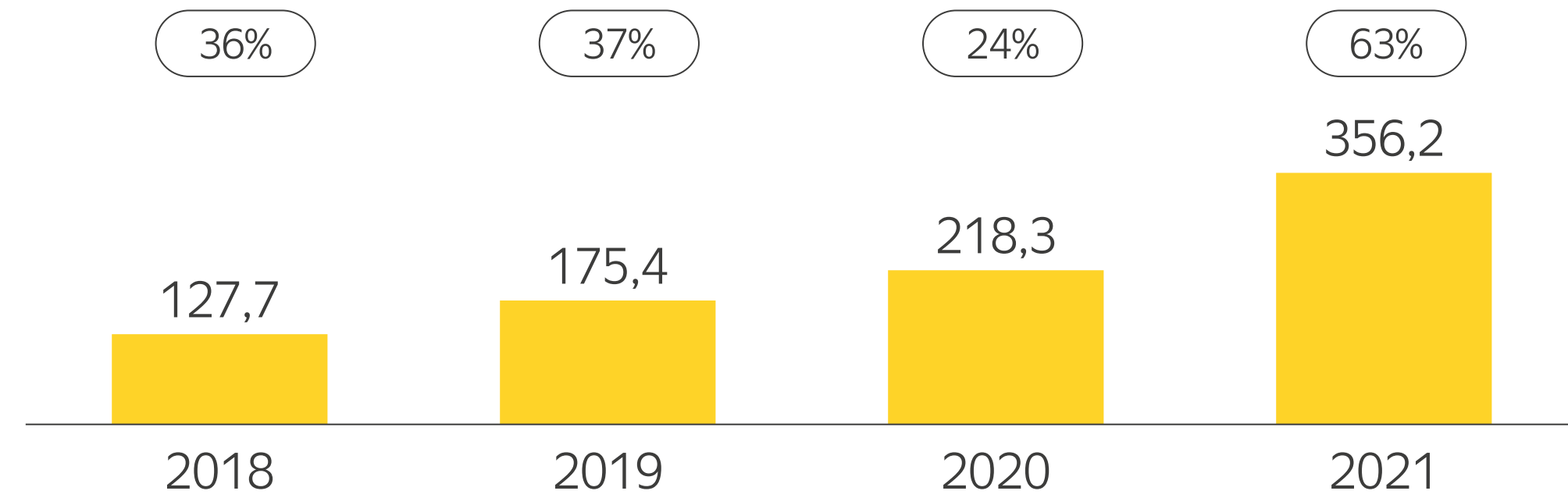




# Financial summary

## Revenue, RUB BN

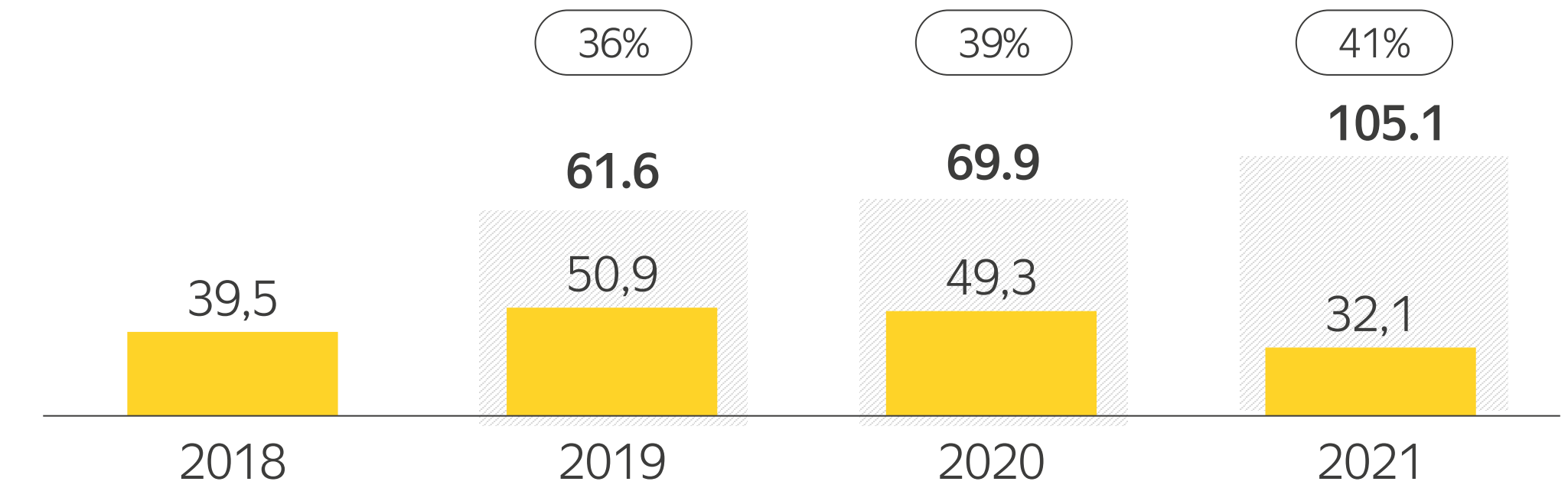
% YoY growth



## Adj. EBITDA, RUB BN

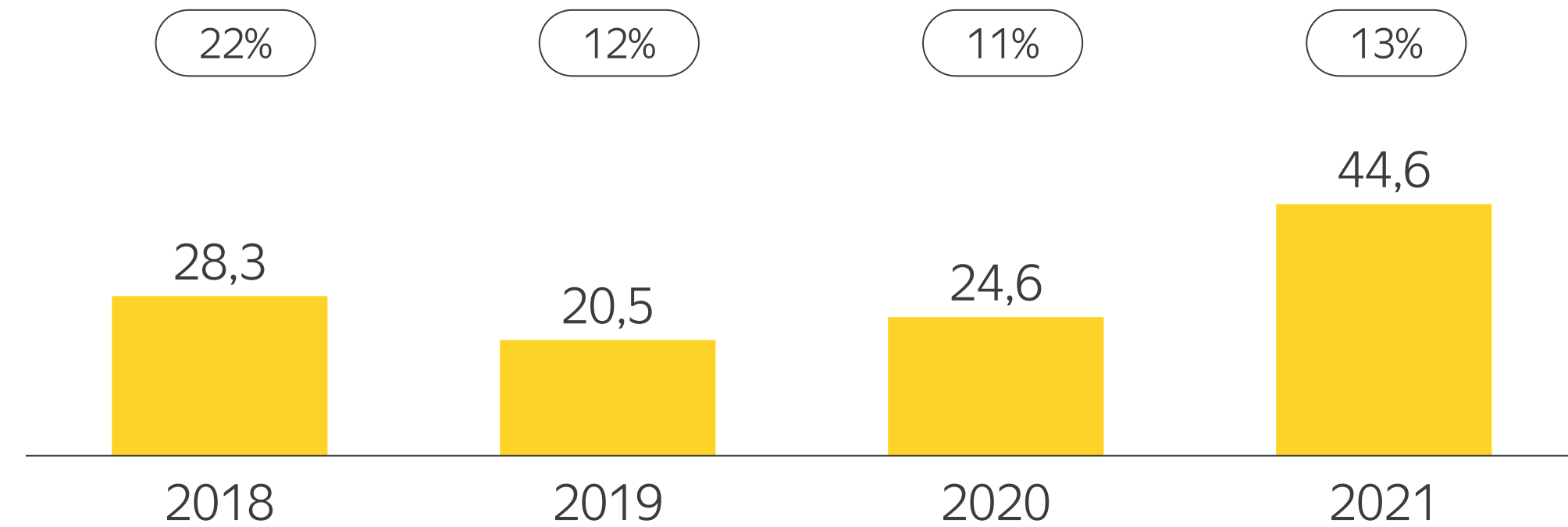
Steadily growing & Profitable Businesses<sup>1</sup>

% Steadily growing & Profitable Businesses Adj. EBITDA margin

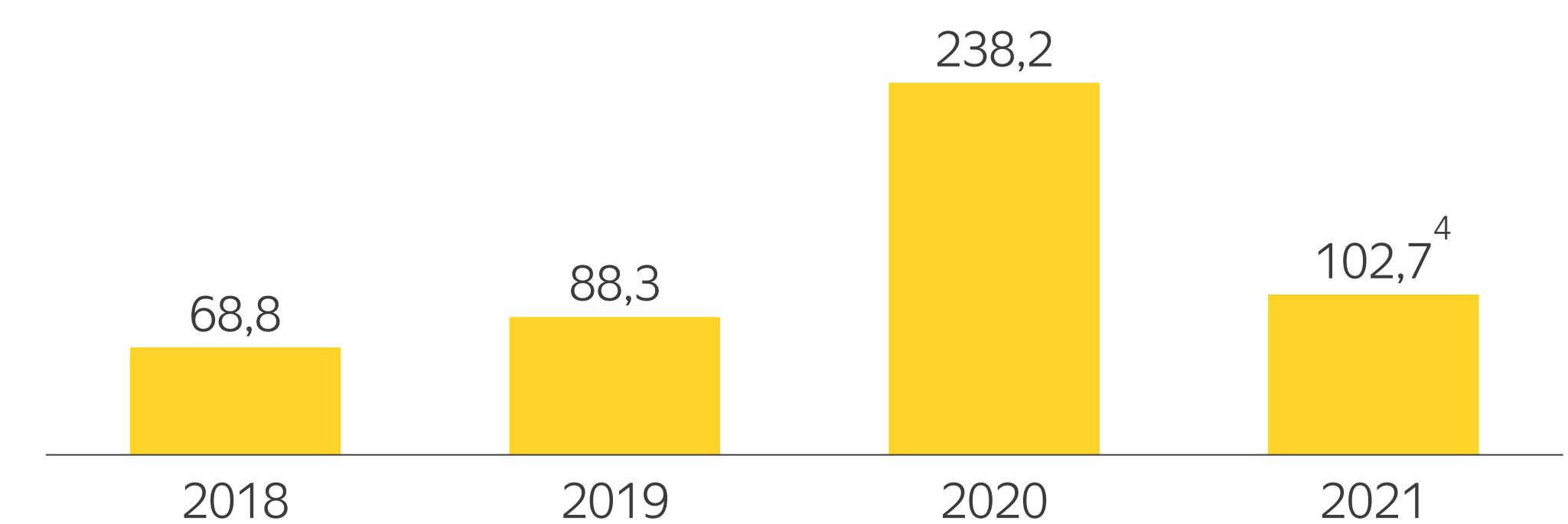


## Capex<sup>2</sup>, RUB BN

% Capex as % of Revenue



## Cash Balance<sup>3</sup>, RUB BN



Source: Company data, public sources

Notes: Historical data covering 2017 is publicly available on the SEC EDGAR database. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. 1 Steadily growing and Profitable Businesses include Search & Advertising, Mobility, and Classifieds segments. Financial data for Search & Advertising refers to the Search and Portal segment as reported under U.S. GAAP, financial data for Mobility refers to the sum of the Ride-hailing and Drive segments from the Taxi group segment as reported under U.S. GAAP and available on the Company's website, 2 Capex primarily relates to servers and data center equipment, 3 Cash and cash equivalents, 4 Including US\$ 1 BN cash outlay for the Uber transaction

# Financial summary by segment

	Revenues, RUB MM			% Revenue growth, YoY			Adj. EBITDA, RUB MM			% Adj. EBITDA margin		
	FY'19		FY'20		FY'21		FY'19		FY'20		FY'21	
Search & Portal	122,813	20%	124,811	2%	165,235	32%	58,415	48%	60,719	49%	79,579	48%
Taxi Group (MLU)	45,587	120%	67,955	49%	131,571	94%	109	0%	3,437	5%	11,972	9%
Mobility	42,005	n/m	49,243	17%	85,391	73%	2,874	7%	8,115	16%	23,465	27%
Ride-hailing	34,461	n/m	40,719	18%	73,024	79%	5,018	15%	9,892	24%	22,266	30%
Drive	7,544	n/m	8,524	13%	12,367	45%	(2,144)	-28%	(1,777)	-21%	1,199	10%
Yandex Delivery (Logistics)	n/m	n/m	3,083	n/m	12,912	319%	n/m	n/m	(837)	-27%	(902)	-7%
FoodTech	3,582	n/m	16,663	365%	37,652	126%	(2,765)	-77%	(3,842)	-23%	(10,591)	-28%
Eliminations	n/m	n/m	(1,034)	n/m	(4,384)	324%	n/m	n/m	n/m	n/m	n/m	n/m
Yandex Market <sup>1</sup>	n/m	n/m	13,867	n/m	35,287	22%	n/m	n/m	(4,113)	-30%	(40,451)	-115%
Media Services	3,867	103%	7,808	102%	18,408	136%	(2,202)	-57%	(3,736)	-48%	(6,464)	-35%
Classifieds	5,390	45%	5,778	7%	8,158	41%	310	6%	1,071	19%	2,066	25%
Other Business Units and Initiatives	6,043	109%	11,106	84%	24,082	117%	(5,866)	-97%	(8,295)	-75%	(14,874)	-62%
Eliminations	(8,308)	56%	(12,981)	56%	(26,570)	105%	138	-2%	264	-2%	315	-1%
<b>Total Revenues</b>	<b>175,392</b>	<b>37%</b>	<b>218,344</b>	<b>24%</b>	<b>356,171</b>	<b>63%</b>	<b>50,905</b>	<b>29%</b>	<b>49,348</b>	<b>23%</b>	<b>32,143</b>	<b>9%</b>

## Our segments structure includes

- The Search and Portal segment includes Search, Geo, Yandex 360, Weather, News, Travel, Alice voice assistant and a number of other services offered in Russia, Belarus and Kazakhstan
- The MLU (Taxi) segment includes our mobility businesses, which consist of the (i) Ride-hailing business (including Yandex Taxi in Russia and 19 other countries across CIS and EMEA, and Uber in Russia and CIS) for both B2C and B2B, (ii) Yandex Drive, our car-sharing business; (iii) the FoodTech businesses (including Yandex Eats, our ready-to-eat and grocery delivery service; and Yandex Lavka, our hyperlocal convenience store delivery service); and (iv) Yandex Delivery (Logistics), our last mile logistics solution for individuals, SMBs and enterprises
- The Yandex Market segment includes our marketplace, price comparison service, and several small experiments
- The Media Services segment includes our subscription service Yandex Plus, Yandex Music, KinoPoisk, Yandex Afisha and our production center Yandex Studio
- The Classifieds segment includes Auto.ru and Yandex Realty
- The Other Business Units and Initiatives segment includes our self-driving vehicles business ("Yandex SDG"), Zen, Yandex Cloud, Yandex Education, Devices, FinTech, Yandex Uslugi ("Services") and Yandex Lavka experiments in international markets ("Lavka Overseas"), as well as several other experiments
- Eliminations related to our revenues represent the elimination of transactions between the reportable segments, including advertising revenues, intercompany revenues related to brand royalties, data centers, logistics service, devices intercompany sales and others

Notes: 1 Financial results of Yandex Market have been consolidated in Yandex's consolidated financial results since July 23, 2020. Prior to that, we recorded our share of Yandex Market's financial results within the income/(loss) from equity method investments line in the consolidated statements of income (from April 27, 2018, when Yandex and Sberbank formed a joint venture based on the Yandex Market platform).



# Appendix



# Consolidated income statement

## Income statement,

RUB MM, except share and per share data

### Revenues

### Operating costs and expenses

Cost of revenues<sup>1</sup>

Product development<sup>1</sup>

Sales, general and administrative<sup>1</sup>

Depreciation and amortization

Goodwill impairment

### Income / (loss) from operations

Interest income

Interest expense

Effect of deconsolidation/consolidation of Yandex Market

Income/(loss) from equity method investments

Other (loss) / income, net

### Income / (loss) before income tax expense

Income tax expense

### Net income / (loss)

Net loss attributable to noncontrolling interests

### Net income / (loss) attributable to Yandex N.V.

Net income per Class A and Class B share:

Basic

Diluted

Weighted average number of Class A and Class B shares outstanding

Basic

Diluted

	2019	2020	2021
	175,391	218,344	356,171
	150,831	202,673	369,448
	55,788	85,734	173,952
	29,209	36,339	48,461
	50,295	62,913	122,924
	14,777	17,687	24,111
	762	–	–
	24,560	15,671	(13,277)
	3,315	3,869	4,615
	(74)	(2,373)	(3,711)
	–	19,230	–
	(3,886)	(2,175)	5,823
	(1,194)	2,321	(673)
	22,721	36,543	(7,223)
	11,656	13,193	7,430
	11,065	23,350	(14,653)
	1,627	1,363	(16)
	12,692	24,713	(14,669)
	38.80	72.52	(40.51)
	37.81	69.77	(40.51)
	327,127,314	340,764,574	362,091,123
	335,428,137	353,382,841	362,091,123

Notes: 1 These balances exclude depreciation and amortization expenses, which are presented separately, and include share-based compensation expenses

# Consolidated balance sheet

## Consolidated balance sheets data, RUB MM

<b>ASSETS</b>
Cash and cash equivalents
Term deposits
Accounts receivable, net
Prepaid expenses
Funds receivable, net
Other current assets
<b>Total current assets</b>
Property and equipment, net
Operating lease right-of-use assets
Intangible assets, net
Non-current content assets, net
Goodwill
Long-term prepaid expenses
Investments in non-marketable equity securities
Deferred tax assets
Other non-current assets
<b>TOTAL ASSETS</b>
Accounts payable and accrued liabilities
Income and non-income taxes payable
Deferred revenue
Bank deposits and liabilities, current
<b>Total current liabilities</b>
Convertible debt
Deferred tax liabilities
Operating lease liabilities
Other accrued liabilities
<b>TOTAL LIABILITIES</b>
Redeemable noncontrolling interests
Total shareholders' equity
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>

	2019	2020	2021
	56,415	132,398	79,275
	31,891	105,787	23,415
	17,832	25,440	43,568
	3,315	6,727	12,663
	1,226	2,289	6,180
	9,605	17,760	34,874
	<b>120,284</b>	<b>290,401</b>	<b>199,975</b>
	47,856	61,772	98,325
	21,218	20,800	36,245
	10,365	21,842	22,359
	3,295	7,464	13,767
	52,205	104,275	117,864
	2,289	1,391	3,278
	28,073	1,135	10,215
	1,847	1,639	5,625
	3,694	4,893	7,843
	<b>291,126</b>	<b>515,612</b>	<b>515,496</b>
	34,978	43,634	84,408
	8,414	12,573	16,196
	3,542	6,645	10,415
	—	—	87
	<b>46,934</b>	<b>62,852</b>	<b>111,106</b>
	—	83,277	85,835
	1,951	3,705	2,989
	10,841	12,830	24,642
	2,359	4,846	17,999
	<b>62,085</b>	<b>167,510</b>	<b>242,571</b>
	14,246	3,167	869
	214,795	344,935	272,056
	<b>291,126</b>	<b>515,612</b>	<b>515,496</b>

# Consolidated statement of cash flows

## Consolidated cashflow data, RUB MM

### CASH FLOWS FROM OPERATING ACTIVITIES:

Net income / (loss)
Depreciation of property and equipment and amortization of intangible assets
Operating lease ROU assets amortization and lease liability accretion
Amortization of debt discount and issuance costs
Share-based compensation expense
Other
Accounts receivable, net
Prepaid expenses and other assets
Accounts payable and accrued liabilities
Deferred revenue
<b>Net cash from operating activities</b>

### CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:

Purchases of property and equipment and intangible assets
Proceeds from sale of property and equipment
Acquisitions of businesses, net of cash acquired
Investments in non-marketable equity securities
Investments in term deposits
Maturities of term deposits
Loans granted, net of proceeds from repayments
Other
<b>Net cash provided by/(used in) investing activities</b>

### CASH FLOWS (USED IN)/PROVIDED BY FINANCING ACTIVITIES:

Repayment of convertible debt
Repurchases of ordinary shares
Other financing activities
<b>Net cash (used in)/provided by financing activities</b>
Effect of exchange rate changes on cash and cash balances
<b>Net change in cash and cash balances</b>

2019	2020	2021
<b>11,065</b>	<b>23,350</b>	<b>(14,653)</b>
14,777	17,687	24,111
9,195	9,643	11,223
—	1,667	2,070
9,855	15,728	20,829
9,303	(14,962)	(5,837)
(3,469)	(6,333)	(18,011)
(8,264)	(13,854)	(37,080)
1,131	(2,939)	22,835
786	2,617	3,806
<b>44,379</b>	<b>32,604</b>	<b>9,293</b>
(20,543)	(24,551)	(44,621)
44	106	147
(347)	(33,798)	(8,236)
(72)	(15)	(3,143)
(90,975)	(364,894)	(264,151)
57,967	303,286	345,474
178	(81)	121
4,612	—	—
<b>(49,136)</b>	<b>(119,947)</b>	<b>21,994</b>
—	—	—
(1,422)	(10,165)	(6,966)
(972)	149,841	(77,878)
<b>(2,394)</b>	<b>139,676</b>	<b>(84,844)</b>
(5,282)	23,660	510
<b>(12,433)</b>	<b>75,993</b>	<b>(53,047)</b>

# Non-GAAP measures calculation

## Reconciliation between Adjusted EBITDA and net income/(loss), RUB MM

Adjusted EBITDA
Less: depreciation and amortization
Less: share-based compensation expense
Add: interest income
Less: interest expense
Add: other income/(loss), net
Add: effect of deconsolidation/consolidation of Yandex Market
Less: amortization of acquisition-related intangible assets
Less: compensation expense related to contingent consideration
Less: one-off restructuring cost
Less: goodwill impairment
Less: income tax expense
Net income

2019	2020	2021
50,904	49,348	32,143
(13,598)	(15,763)	(20,733)
(9,855)	(15,728)	(20,829)
3,315	3,869	4,615
(74)	(2,373)	(3,711)
(5,080)	146	(5,150)
–	19,230	–
(1,179)	(1,924)	(3,338)
(38)	–	(471)
(912)	(262)	(9)
(762)	–	–
(11,656)	(13,193)	(7,430)
11,065	23,350	(14,653)