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YANDEX N.V. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
OR
 SHELL COMPANY PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

Commission file number: 001-35173

YANDEX N.V.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name in English)

The Netherlands

(Jurisdiction of incorporation or organization)

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(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Class A Ordinary Shares

YNDX

NASDAQ Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act. Name

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **Class A Ordinary Shares**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report.(1)

Title of each class

Number of shares outstanding

Class A

318,501,858

Class B

35,708,674

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note—checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (3232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards

as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

⁽¹⁾ In addition, we had 1,928,621 Class A shares held in treasury and nil Class C shares issued and fully paid as of December 31, 2020. Our Class C shares are issued from time to time solely for technical purposes, to facilitate the conversion of our Class B shares into Class A shares. They are held by a Conversion Foundation managed by members of our Board of Directors. For the limited period of time during which any Class C shares are outstanding, they will be voted in the same proportion as votes cast by holders of our Class A and Class B shares, so as not to influence the outcome of any vote.

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In this Annual Report on Form 20-F (this "Annual Report"), references to "Yandex," the "company," "we," "us," or similar terms are to Yandex N.V. and, as the context requires, its consolidated subsidiaries.

Our consolidated financial statements are prepared in accordance with U.S. GAAP and are expressed in Russian rubles. In this Annual Report, references to "rubles" or "RUB" are to Russian rubles, and references to "U.S. dollars" or "\$" are to United States dollars.

Our fiscal year ends on December 31 of each year. References to any specific fiscal year refer to the year ended December 31 of the calendar year specified.

This Annual Report includes market data reported by Yandex.Radar (February 2021), the Association of Russian Communication Agencies (AKAR) (March 2021), the Russian Federal State Statistics Service (Rosstat) (February 2021) and the Bank of Russia (January 2021).

Forward-Looking Statements

This Annual Report contains forward-looking statements that involve risks and uncertainties. Words such as “project,” “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “should,” “would,” “could,” “will,” “may” or other words that convey judgments about future events or outcomes indicate such forward-looking statements. Forward-looking statements in this Annual Report may include statements about:

- the impact of macroeconomic and geopolitical developments in our markets, including the economic, social and political impact of the current COVID-19 pandemic;
- the expected growth of the business markets and the number of internet and broadband users in the countries in which we operate;
- competition in the internet search, ride-hailing and other markets in the countries in which we operate;
- our anticipated growth and investment strategies;
- our future business development, results of operations and financial condition;
- expected changes in our margins and certain cost or expense items in absolute terms or as a percentage of our revenues;
- our ability to attract and retain users, advertisers and partners; and
- future advertising supply and demand dynamics.

The forward-looking statements included in this Annual Report are subject to risks, uncertainties and assumptions. Our actual results of operations may differ materially from those stated in or implied by such forward-looking statements as a result of a variety of factors, including those described under Part I, Item 3.D. “Risk Factors” and elsewhere in this Annual Report.

We operate in an evolving environment. New risks emerge from time to time, and it is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 1. Identity of Directors, Senior Management and Advisors.

Not applicable.

Item 2. Offer Statistics and Expected Timetable.

Not applicable.

PART I.

Item 3. Key Information.

A. Selected Financial Data

The selected consolidated balance sheet data as of December 31, 2020 and 2019 and consolidated statements of income data for the years ended December 31, 2020, 2019 and 2018 are derived from our audited consolidated financial statements included elsewhere in this Annual Report.

Ruble amounts have been translated into U.S. dollars at a rate of RUB 73.8757 to \$1.00, the official exchange rate quoted as of December 31, 2020 by the Central Bank of the Russian Federation. Such U.S. dollar amounts are not necessarily indicative of the amounts of U.S. dollars that could actually have been purchased upon exchange of Russian rubles at the dates indicated, and have been provided solely for the convenience of the reader. See “Risk Factors—The principal markets in which we operate are generally subject to greater financial, economic, legal and political risks than more developed markets. Such risks may have a material adverse effect on our business, financial condition and results of operations.”

The following selected consolidated financial data should be read in conjunction with our “Operating and Financial Review and Prospects” and our consolidated financial statements and the related notes appearing elsewhere in this Annual Report. Our consolidated financial statements are prepared in accordance with U.S. GAAP. These historical financial results are not necessarily indicative of the results to be expected in any future period.

	Year ended December 31,					
	2016*	2017	2018	2019	2020	
	RUB	RUB	RUB	RUB	RUB	\$
(in millions, except share and per share data)						
Consolidated statements of income data:						
Revenues:	75,925	94,054	127,657	175,391	218,344	2,955.6
Operating costs and expenses:						
Cost of revenues(1)	19,754	23,952	35,893	55,788	85,734	1,160.5
Product development(1)	15,832	18,866	22,579	29,209	36,339	491.9
Sales, general and administrative(1)	17,885	27,155	36,206	50,155	62,335	843.8
Depreciation and amortization	9,607	11,239	12,137	14,777	17,687	239.4
Goodwill impairment	—	—	—	762	—	—
Total operating costs and expenses	63,078	81,212	106,815	150,691	202,095	2,735.6
Income from operations	12,847	12,842	20,842	24,700	16,249	220.0
Interest income	2,863	2,909	3,382	3,315	3,869	52.4
Interest expense	(1,208)	(897)	(945)	(74)	(2,373)	(32.1)
Effect of deconsolidation/consolidation of Yandex.Market	—	—	28,244	—	19,230	260.3
Income/(loss) from equity method investments	205	353	(194)	(3,886)	(2,175)	(29.4)
Other (loss)/income, net	(3,600)	(1,110)	1,130	(1,200)	2,404	32.4
Income before income tax expense	11,107	14,097	52,459	22,855	37,204	503.6
Income tax expense	4,324	5,016	8,201	11,656	13,055	176.7
Net income	6,783	9,081	44,258	11,199	24,149	326.9
Net loss attributable to noncontrolling interests	15	120	1,726	1,627	1,363	18.4
Net income attributable to Yandex N.V.	6,798	9,201	45,984	12,826	25,512	345.3
Net income per Class A and Class B share:						
Basic	21.19	28.33	140.77	39.21	74.87	1.01
Diluted	20.84	27.77	137.20	38.21	72.03	0.98
Weighted average number of Class A and Class B shares outstanding:						
Basic	320,788,967	324,747,888	326,667,118	327,127,314	340,764,574	340,764,574
Diluted	326,136,949	331,243,961	335,162,062	335,428,137	353,382,841	353,382,841

(1) These amounts exclude depreciation and amortization expense, which is presented separately, and include share-based compensation expense of:

	2016	2017	2018	2019	2020	
	RUB	RUB	RUB	RUB	RUB	\$
Cost of revenues	193	178	180	293	449	6.1
Product development	2,238	2,477	4,450	6,294	9,216	124.8
Sales, general and administrative	991	1,538	1,922	3,268	6,063	82.0

	As of December 31,					
	2016*	2017	2018	2019	2020	
	RUB	RUB	RUB	RUB	RUB	\$
(in millions)						
Consolidated balance sheets data:						
Cash and cash equivalents	28,232	42,662	68,798	56,415	132,398	1,792.2
Term deposits (current and non-current)	31,769	28,045	—	31,891	105,787	1,432.0
Total assets	114,108	144,432	259,097	291,126	515,612	6,979.5
Total current liabilities(2)	14,622	37,065	29,755	46,540	61,719	835.4
Total non-current liabilities(2)	20,894	14,295	14,701	15,151	104,634	1,416.4
Releasable noncontrolling interests	1,506	9,821	13,035	14,246	3,167	42.9
Total shareholders' equity	77,086	83,251	201,606	215,189	346,092	4,684.8

(2) Total non-current liabilities as of December 31, 2020 consist principally of convertible notes outstanding. Refer to Note 13 to our consolidated financial statements.

* Not restated to reflect adoption of ASC 842 Leases, which requires the recognition of right-of-use assets and lease liabilities for operating leases.

Exchange Rate Information

Our business is primarily conducted in Russia and the majority of our revenues are denominated in Russian rubles. We have presented our most recent annual results of operations in U.S. dollars for the convenience of the reader. Unless otherwise noted, all conversions from RUB to U.S. dollars and from U.S. dollars to RUB in this Annual Report were made at a rate of RUB 73.8757 to \$1.00, the official exchange rate quoted by the Central Bank of the Russian Federation as of December 31, 2020.

See “Risk Factors—The principal markets in which we operate are generally subject to greater financial, economic, legal and political risks than more developed markets. Such risks may have a material adverse effect on our business, financial condition and results of operations.” for a discussion of the foreign currency exchange rate risks and uncertainties our business faces.

B. Risk Factors

Investing in our Class A shares involves a high degree of risk. The risks and uncertainties described below and elsewhere in this Annual Report, including in the section headed “Operating and Financial Review and Prospects”, could materially adversely affect our business. These are not the only risks that we face; additional risks and uncertainties of which we are unaware, or that we currently deem immaterial, may also become important factors that affect us. Any of these risks could adversely affect our business, financial condition and results of operations. In such case, the trading price of our Class A shares could decline. Please read a summary of the risk factors, followed by a detailed overview.

Summary of Risk Factors

The following is a summary of what we believe to be the material risks and uncertainties that could materially adversely affect our financial condition, results of operations, cash flows, and competitive position.

Risks Related to the Current Global Political, Regulatory and Economic Environment

- The principal markets in which we operate are generally subject to greater financial, economic, legal and political risks than more developed markets. Such risks may have a material adverse effect on our business, financial condition and results of operations.
- We face risks related to health epidemics and related crises, including the COVID-19 pandemic.
- The adoption and maintenance of international embargo, economic or other sanctions against Russia or certain persons in Russia may have a material adverse effect on our business, financial condition and results of operations.
- Any errors, failures or disruption in the products and services provided by third-party providers of our principal internet connections and equipment, or any regulatory limitations on the internet in Russia, could materially adversely affect our brand, business, financial condition, and results of operations.
- The principal markets in which we operate offer an uncertain environment for investment and business activity that could have a material adverse effect on our business, financial condition, and results of operations.
- Should our operating environment become more challenging because of a change in the regulation or perception of technology companies, our business and financial condition may be materially and adversely affected.
- If existing limitations on foreign ownership were to be extended to our business, or if new limitations were to be adopted, it could materially adversely affect our group.

Risks Related to Our Governance Structure

- We may not be compliant with any future legislation limiting foreign ownership or control in our sector and any such non-compliance could have a material adverse effect on our business.
- The rights of the Public Interest Foundation could be exercised in a manner that is different from what we expect or that is not in the interests of our Class A shareholders.
- The restructuring carried out at the end of 2019 introduced new elements of our corporate governance with

which we previously had no experience, and the rights granted may be exercised in unexpected ways.

Risks Related to Our Business and Industry

- If we do not continue to innovate and provide services that are useful and attractive to our users, we may be unable to retain them, which could adversely affect our business, financial condition and results of operations.
- If we are not successful in maintaining substantial reach among users and monetizing search and other services on mobile devices, our business, financial condition and results of operations could be adversely affected.
- Any reduction in spending by or loss of advertisers would materially adversely affect our business, financial condition, and results of operations.
- Any decline in the internet as a significant advertising platform in the countries in which we operate could have a material adverse effect on our business, financial condition and results of operations.
- We rely on partners for a material portion of our revenues and, in particular, for expanding our user base via distribution arrangements. Any failure to obtain or maintain such relationships on reasonable terms could have an adverse effect on our business, financial condition and results of operations.
- Failure to maintain and enhance our brand would materially adversely affect our business, financial condition and result of operations.
- Growth in our operations internationally may create increased risks that could adversely affect our business, financial condition and results of operations.
- If we cannot maintain the focus on teamwork and innovation fostered by our corporate culture, our business, financial condition and results of operations would be adversely affected.
- The loss of any of our key personnel, or a failure to attract, retain and motivate qualified personnel, may have a material adverse effect on our business, financial condition and results of operations.
- If our security measures are breached, our products and services may be perceived as not being secure, users may curtail or stop using our products and services, and we may incur significant legal and financial exposure.
- A systems failure, technical interference or human error could prevent us from providing accurate search results or ads or reliably deliver our other services, which could lead to a loss of users and advertisers and damage our reputation and materially adversely affect our business, financial condition and results of operations.
- We may not be able to prevent others from unauthorized use of our intellectual property rights, which may adversely affect our competitive position, our business, financial condition and results of operations.
- We may be subject to intellectual property infringement claims, which could be costly and could limit our ability to provide certain content or use certain technologies in the future.
- We may be subject to claims from our current or former employees as well as contractors for copyright, trade secret and patent-related matters, which are costly to defend, and which could adversely affect our business.
- We may be held liable for information or content displayed on our platforms or we may be required to block content on or restrict access to our websites, any of which could harm our reputation and business.
- As the internet evolves, an increasing amount of online content may be held in closed social networks, mobile apps or proprietary document formats, which may limit the effectiveness of our search technology, which could adversely affect our brand, business, financial condition and results of operations.
- We may have difficulty in continuing to scale and adapt our existing technology architecture, which could adversely affect our business, financial condition and results of operations.
- If we fail to detect fraudulent activity or if our partners disagree with our fraud detection techniques, we may face litigation and may lose the confidence of our advertisers or partners which may adversely affect our business, financial condition and results of operations.
- We may fail to identify additional suitable acquisition targets, acquire them on acceptable terms or successfully integrate them, which may limit our ability to implement our growth strategy.

Additional Risks Related to Regulatory Matters

- We may be required to obtain additional licenses, permits or registrations or comply with other requirements, which may be costly or may limit our flexibility to run our business.
- We are subject to regulation regarding the processing and retention of personal and other data, which may impose additional obligations on us, limit our flexibility, or harm our reputation with users.
- We may be subject to existing or new advertising legislation that could restrict the types and relevance of the ads we serve, which would result in a loss of advertisers and therefore a reduction in our revenues.

- Our need to comply with applicable Russian laws and regulations could hamper our ability to offer services that compete effectively with those of our foreign competitors and may adversely affect our business, financial condition and results of operations.
- The competent authorities could determine that we hold a dominant position in one or more of our markets and could impose limitations on our operational flexibility that may adversely affect our business.

Risks Related to Tax Matters

- Some of our counterparties provide limited transparency in their operations, which could subject us to greater scrutiny and potential claims from government authorities.
- Changes in the tax systems in the countries in which we operate, or unpredictable or unforeseen application of existing rules, may materially adversely affect our business, financial condition and results of operations.
- Taxes payable on dividends from our Russian operating subsidiaries to our parent company might not benefit from relief under the Netherlands-Russia tax treaty.

Risks Related to Ownership of our Class A Shares

- The concentration of voting power with our principal shareholders limits your ability to influence corporate matters, while a loss of voting control by our principal shareholders could affect the direction of our company.
- Certain of our directors and shareholders and their affiliates may have interests that are different from, or in addition to, the interests of other Yandex shareholders.
- Our Board of Directors and our priority shareholder have certain approval rights, which may prevent or delay change-of-control transactions.
- We are subject to additional disclosure and compliance requirements under the Moscow Stock Exchange that may conflict with those imposed by the SEC and NASDAQ, and we may experience trade fluctuations based on arbitrage activities.

Risks for U.S. Holders

- We cannot assure you that we will not be classified as a passive foreign investment company for any taxable year, which may result in adverse U.S. federal income tax consequence to U.S. holders.
- Any U.S. or other foreign judgments you may obtain against us may be difficult to enforce against us in Russia or the Netherlands.

Detailed Overview of Risk Factors

Risks Related to the Current Global Political, Regulatory and Economic Environment

The principal markets in which we operate are generally subject to greater financial, economic, legal and political risks than more developed markets. Such risks may have a material adverse effect on our business, financial condition and results of operations.

Financial, economic, banking, legal and political risks in our markets, or an increase in the perceived risks associated with investing in emerging economies, could dampen foreign investment and adversely affect the economies of the countries in which we operate. For example, the current geopolitical situation, as well as volatility in oil prices (to which the Russian economy is particularly sensitive), may continue to have negative macroeconomic and other effects on the regions in which we operate, including increased volatility in currency values and a weaker overall business environment. In general, the Russian economy has experienced a high degree of volatility in the local currency, periods of high inflation rates and fluctuations in oil prices. Economic conditions continue to be uncertain and future changes may have negative effects on our business.

The value of the Russian ruble has fluctuated significantly in recent periods. Although our revenues and expenses, including our personnel expenses, are both primarily denominated in Russian rubles, we may have to increase our personnel expenses from time to time in order to better compete with other companies that denominate their personnel expenses in currencies which appreciate in relation to the Russian ruble. A major portion of our capital expenditures, primarily for servers and networking equipment, although payable in rubles, is for imported goods and therefore can be materially affected by changes in the value of the ruble. In addition, our expenses related to the development of our business internationally, and, in some cases, for acquisitions, are often denominated in other currencies, including U.S. dollars and Euros. If the Russian ruble were to experience a prolonged and significant decline in value against foreign currencies, we could face material foreign currency exchange exposure, which may materially adversely affect our business, financial condition and results of operations. See “Operating and Financial Review and

Prospects—Quantitative and Qualitative Disclosures About Market Risk”.

We face risks related to health epidemics and related crises, including the ongoing effects of the COVID-19 pandemic.

In recent years, there have been outbreaks of epidemics in various countries throughout the world. The current outbreak of a novel strain of coronavirus that causes COVID-19 has spread rapidly to many parts of the world, including Russia. The epidemic has resulted in quarantines, travel restrictions, and the temporary closure of stores and facilities. In March 2020, the World Health Organization declared COVID-19 a pandemic.

Although some of our businesses, such as FoodTech, Media Services, and E-commerce performed well throughout 2020, others, including ride-hailing and advertising experienced significant pressures, particularly in the second quarter of 2020. While our business and the broader economy have strengthened as the pandemic-related restrictions have been relaxed in the second half of 2020 and into 2021, there is limited visibility on the sustainability and the further dynamic of the recovery across Yandex businesses still depend on the economic impact of the coronavirus pandemic and potential further disruptions caused by the health crisis. Depending on the progression of the pandemic, the effectiveness of vaccines and political and social responses to the crisis, the COVID-19 pandemic may continue to have an adverse impact on some of our businesses.

The extent to which the COVID-19 crisis impacts our results in any given period will depend on future developments, which are still uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and its variants, and the actions to contain the virus or treat its impact, among others. These developments may also lead to changes in estimates and assumptions that affect the reported amounts of our assets and liabilities, and actual results could differ from those estimates. A prolonged or intensified disruption to normal economic activity or to our businesses could have a material adverse impact to our financial condition and results of operations.

The adoption and maintenance of international embargo, economic or other sanctions against Russia or certain persons in Russia may have a material adverse effect on our business, financial condition and results of operations.

The United States, the European Union and certain other countries have imposed economic sanctions on certain Russian government officials, private individuals and Russian companies, as well as “sectoral” sanctions affecting specified types of transactions with named participants in certain industries, including named Russian financial institutions, and sanctions that prohibit most commercial activities of U.S. and EU persons in Crimea. In 2019 and 2020, these sanctions were prolonged and extended. There is significant uncertainty regarding the extent or timing of any potential further economic or trade sanctions or the potential easing of such measures, or the impact of the new presidential administration in the United States. Political and economic sanctions may affect the ability or willingness of our international customers to operate in Russia, which could negatively impact our revenue and profitability. Sanctions could also impede our ability to effectively manage our legal entities and operations in and outside of Russia. Although neither our parent company nor any of our operating subsidiaries are targets of U.S. or EU sanctions, our business has been adversely affected from time to time by the impact of sanctions on the broader economy and business climate in Russia.

Since May 2017, Yandex LLC and Yandex.Ukraine LLC, both subsidiaries of Yandex N.V., have been subject to Ukrainian sanctions, which have blocked Ukrainian users from accessing our services and websites. These sanctions, which were extended in 2020 for a further one year, ban all trade operations and require blocking of all assets, including bank accounts.

In January 2018, pursuant to the Countering America’s Adversaries through Sanctions Act of 2017, the U.S. administration presented the U.S. Congress with a report on senior Russian political figures, “oligarchs” and “parastatal” entities. Our founder, executive director and substantial shareholder, Arkady Volozh, is one of nearly 100 persons included in one part of the so called “Kremlin List”, on the basis of his reported net worth. Although we are not aware of any intention on the part of the U.S. government to impose sanctions on Mr. Volozh, if Mr. Volozh were to become a target of sanctions, it could have a material adverse effect on our business. The applicable sanctions rules, or the authoritative interpretation of current rules by the relevant authorities, could change at any time. The potential actions that could be taken by regulators that could affect our business include the following:

- expanding the scope of sanctioned activities or transactions;

- adding additional parties to the sectoral sanctions list;
- designating parties with whom we have or may have significant business relationships as “specially designated nationals”, meaning that all dealings with them by U.S. and/or EU persons, or persons from other countries which imposed economic sanctions, would be prohibited; or
- expanding sanctions to cover entities that are less than 50% owned by a sanctioned party, or to cover entities that are majority “controlled”, even if not majority owned, by sanctioned parties;
- many U.S. and EU parties typically take a cautious approach to sanctions compliance matters, given the ambiguities of some of these rules and the approach taken by the regulators. Some parties, in particular some U.S. and EU financial institutions have adopted internal compliance policies more restrictive than are strictly required by the applicable rules. For example, they may decline to engage in any dealings with parties on the sectoral sanctions lists (including dealings that are not prohibited by the rules applicable to such parties), or entities affiliated with such persons (even if such affiliated entities are not themselves a target of sanctions). In addition, in January 2021 the U.S. Department of Commerce issued an interim final rule to Executive Order 13873, “Securing the Information and Communications Technology and Services (ICTS) Supply Chain”, identifying Russia as a foreign adversary and therefore prohibiting certain ICTS transactions with certain Russian parties that pose an undue or unacceptable risk to the national security of the United States. Although we do not expect any of the transactions we undertake to be covered by these restrictions, there is a possibility that some partners could interpret these regulations broadly and declined to enter into certain transactions with Russian entities even if they are not prohibited by such rules.

We rely on the continued availability, development and maintenance of the internet infrastructure in the countries in which we operate. Any errors, failures or disruption in the products and services provided by third-party providers of our principal internet connections and the equipment critical to our internet properties and services, or any regulatory limitations on the internet in Russia, could materially adversely affect our brand, business, financial condition, and results of operations.

Our success depends on the continued availability, development and maintenance of the internet infrastructure globally and particularly in the countries in which we operate. This includes maintenance of a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet services. Any disruption in the network access provided by third parties or any failure by them to handle current or higher future volumes of use may significantly harm our business. We have experienced and expect to continue to experience interruptions and delays in service from time to time. Furthermore, we depend on hardware and software suppliers for prompt delivery, installation and service of servers and other equipment to deliver our services. Public health concerns or epidemics, such as the recent coronavirus outbreak, may affect the production or delivery capabilities of our suppliers and resulting quarantines or closures could further disrupt our supply chain. The internet infrastructure may also be unable to support the demands placed on it by growing numbers of users and time spent online or increased bandwidth requirements. Government regulation may also limit our access to adequate and reliable internet infrastructure. Any outages or delays resulting from inadequate internet infrastructure or due to problems with our third-party providers or new regulatory requirements could reduce the level of internet usage as well as our ability to provide our services to users, advertisers and network partners, which could materially adversely affect our business, financial condition and results of operations.

The law, which partly came into force in November 2019, introduced tighter regulation of traffic routing in the Russian internet. While it is not entirely clear yet how this regulation will be applied in practice, its implementation, among other things, may lead to a requirement that Russian internet traffic should be routed through Russian communication centers. This could reduce data transfer speed significantly and even result in interruptions and delays of the online services in the Russian internet.

In December 2020, Russia adopted a number of laws applicable to internet governance, including tighter regulation of social networks, restrictions on the placement of publicly available personal data on the internet, prohibitions for information resources to practice censorship in the form of restrictions for distribution of socially significant information by the users of such information resources, and other matters. Significant amendments have been made to the provisions of the Criminal Code of the Russian Federation on users' liability for libel (defamation) on the internet and to the provisions of the Code of Administrative Offenses of the Russian Federation imposing liability for

violating the procedure for the deletion of prohibited information from the internet. The law also establishes administrative fines up to 20% of a company's annual turnover for non-deletion of information by an information resource, if such deletion is required by law. At present, the practice of applying these laws, as well as their impact on our business, is not completely clear. However, they may have a substantial impact on operation of our services.

The principal markets in which we operate offer an uncertain environment for investment and business activity that could have a material adverse effect on the value of our Class A shares, our business, financial condition, and results of operations.

The legal framework in which we operate continues to evolve. The current geopolitical environment could increase the risk of new legislative initiatives that could be seen as protecting a country's national security and/or limiting foreign influence over the sectors in which we operate. In addition, there can be contradictions between different laws and regulations, and the enforcement of laws can be selective or unpredictable. At the same time, there is sometimes a perceived lack of judicial and prosecutorial independence from political, social and commercial forces. These factors could have a material adverse effect on our Class A shares and our business, financial condition, and results of operations. The fact that we are a high-profile company may heighten these risks.

There has been increased scrutiny in recent periods of technology businesses across the globe. Should our operating environment become more challenging because of a change in the regulation or perception of technology companies, our business, financial condition, and results of operations may be materially and adversely affected.

Around the world, technology companies are operating in an increasingly uncertain and challenging environment, in part due to increased scrutiny from policymakers, regulators and the general public. Such scrutiny has included concerns about business practices, market presence and strategic direction. A number of our competitors, including Google and Facebook, have received scrutiny in different jurisdictions over business practices, including the application of targeted advertising and data processing. Our partner in our Taxi joint venture, Uber, has received scrutiny over labor practices and licensing in many of the jurisdictions in which it operates. Our businesses have also been subject to increasing scrutiny in the markets in which we operate.

As an example, the Russian Federal Antimonopoly Service (FAS) has recently started to apply more invasive remedies to technology companies stipulating in its demands and orders exact changes that market participants should implement into their business processes in order to terminate the alleged violation (in contrast to more general requirements to eliminate the violation of the competition law). For instance, in February 2021 FAS notified Yandex that it finds indications of the abuse of dominance in the way that Yandex demonstrates enriched results in its search engine and required that Yandex undertakes a number of measures to stop the presumed discrimination (including potentially the removal of enriched results that are not fully available for third parties). See also “— The competent authorities could determine that we hold a dominant position in one or more of our markets and could impose limitations on our operational flexibility that may adversely affect our business, financial condition and results of operations”.

Restrictive trade practices in many jurisdictions, including the United States, have also made doing business more difficult for technology companies. For example, governments in a number of jurisdictions have been considering the possibility of excluding Huawei from participating as a supplier in 5G networks based on perceptions of the Chinese government's influence over Huawei. Should our business practices, market presence or strategic direction receive adverse scrutiny or experience increased regulation in any material market in which we operate, we may experience a material adverse effect on our business, financial condition and result of operations.

If existing limitations on foreign ownership were to be extended to our business, or if new limitations were to be adopted, it could materially adversely affect our group and the value of our Class A shares.

Applicable law restricts foreign (non-Russian) ownership or control of companies involved in certain strategically important activities in Russia as well as companies that are classified as "mass media" businesses. Currently, technology, the internet and online advertising are not industries specifically covered by this legislation, but proposals have from time to time been considered by the Russian government and the State Duma, which, if adopted, would impose foreign ownership or control restrictions on certain large technology or internet companies.

In 2018 draft legislation that would restrict foreign ownership of news aggregators was introduced. The draft legislation is broadly worded and, if adopted, might be applied to Yandex.News and other services. At this time, we

cannot anticipate if the draft legislation will be adopted or, if it is adopted, whether such restrictions will be applied to us. See also “Item 4. Government Regulation”.

Further, a draft law was proposed in mid-2019, for example, that was aimed at restricting foreign ownership of “significant” internet companies, which, if adopted, could have been applied to Yandex. A number of parties, including representatives of the Russian government, identified concerns with the draft law, and the proposal was withdrawn in November 2019.

Another draft law was submitted to the State Duma in December 2020 that is aimed at prohibiting foreign ownership in excess of 20% of a Russian audiovisual service, including online video streaming services. If such a law were to be adopted and would be applicable to Yandex, then we may be required to restructure certain of our services, such as KinoPoisk, which could fall under the definition.

We have also recently obtained an encryption license for our Yandex.Cloud service in order to expand this business. Therefore, the restrictions imposed by the strategic enterprises law have become applicable to Yandex as a whole. In particular, a third-party non-Russian investor would be required to obtain prior approval from the competent Russian authority in some cases if it seeks to acquire more than 25% of the voting power in Yandex or seeks to enter into an agreement that would establish direct or indirect control over Yandex. Such investors would also be required to notify the competent Russian authority if it acquires more than 5% of the voting power in Yandex. In addition, foreign states and international organizations, or entities controlled by them, are prohibited from entering into agreements to establish direct or indirect control over Yandex.

Notwithstanding the restructuring of our corporate governance approved in December 2019, we cannot assure you that new legislation restricting foreign ownership or control will not be proposed and adopted. Any new restrictions on non-Russian ownership or control could require us to take significant steps to modify our operating, corporate governance or ownership structure, which could have a material adverse effect on our operations, or the value of our Class A shares. See also “Item 4. Information on the Company – Governance Structure”.

Risks Related to Our Governance Structure

Although we implemented a restructuring of our corporate governance at the end of 2019, we may not be compliant with any legislation limiting foreign ownership or control in our sector that might ultimately be adopted. Any such non-compliance could have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as on the trading price of our Class A Shares.

Even following our corporate governance restructuring adopted in late 2019, we cannot assure you that our business will not become subject to new legislation that might ultimately be adopted with the goal of limiting foreign ownership or control of businesses in our sector. If our business becomes subject to, and is found not to be compliant with, any such legislation, we cannot assure you that enforcement actions against Yandex or our business by the Russian authorities will not be imposed. The imposition of such enforcement actions could have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as on the trading price of our Class A Shares. In addition, in the event that any such new restrictions are adopted, or if there is a perception that such restrictions might be forthcoming, our Board may determine that additional changes in our corporate governance structure are warranted in order to respond to such concerns and to protect the interests of our stakeholders. See also “Item 4. Information on the Company – Governance Structure”.

The Public Interest Foundation that was formed in connection with our corporate governance restructuring has important rights in our corporate governance structure. These rights could be exercised in a manner that is different from what we expect or that is not in the interests of our Class A shareholders.

The Public Interest Foundation has limited and targeted rights, through the powers associated with its holding of the Priority Share in Yandex N.V. and a so-called “Special Voting Interest” in Yandex LLC. The board of the Public Interest Foundation, as well as the designated directors on the Yandex N.V. board and any interim General Director of Yandex LLC appointed by the Foundation in the circumstances set out in the charter of Yandex LLC, may take actions, however, that are not in the interests of our stakeholders, including our Class A shareholders, or decline to approve actions that would be in the interests of our Class A shareholders. These actions could include exercising the veto right over the nomination of four members of our Board in such a way as to prevent the nomination of persons whom the

other members of our Nominating Committee and Board believe would best serve the interests of our company and our shareholders. Moreover, these directors, together with the two designated directors, could act in a manner that results in Board deadlocks on material matters, such as budget approvals, that restrict our flexibility or ability to operate. Further, if the Public Interest Foundation exercised its right to use the Special Voting Interest in Yandex LLC in a manner that is inconsistent with our expectations, or if it did so repeatedly, it could disrupt our operations and materially adversely affect the public perception of our business. Any such actions could have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares. The impact and perception of such actions could also make it difficult or impossible for us to access the public capital markets going forward.

In addition, the Russian legislative framework under which the Public Interest Foundation was incorporated is relatively new and there has been very limited experience with such legal form in practice. We may therefore face novel issues in connection with the untested mechanics of the Foundation legislation and supporting regulations.

See also “Item 4. Information on the Company – Governance Structure”.

The restructuring carried out at the end of 2019 introduced new elements of our corporate governance with which we previously had no experience, and the rights granted may be exercised in unexpected ways.

Although our restructuring was designed to provide targeted and specific governance rights, some of these rights are not precisely defined. For instance, what may constitute a “Special Situation” is not defined, although it is our understanding, based on our discussions with the relevant authorities, that such “Special Situations”, if they ever arose, would relate to an action, failure to act or practice by Yandex that was deemed to be materially adverse to the national security interest of Russian Federation. However, it is possible that the Foundation, by approval of at least seven of its directors, may interpret the scope of national security broadly and determine that there is a Special Situation in circumstances that we cannot foresee or reasonably consider to be related to the national security. It is possible that the powers granted to the Public Interest Foundation, the designated directors, the Public Interest Committee and any interim General Director may be exercised in unexpected ways, which may be adverse to the interests of Class A Shareholders and result in a decline in the trading price of our Class A Shares. See also “Item 4. Information on the Company – Governance Structure”.

Risks Related to Our Business and Industry

We face significant competition from major global and local companies, including Google, Mail.ru and Sberbank, which could negatively affect our business, financial condition and results of operations. If our competitors start to more rapidly develop their technologies, we may need to increase R&D investments to defend our market share.

We face strong competition in various aspects of our business from global and Russian companies that provide internet services and content, including search, ride-hailing and e-commerce services. Currently, we consider our principal competitors across our key verticals to be Google, Mail.ru, Facebook and Sberbank.

Of the large global internet companies, we consider Google to be our principal competitor in a number of areas, including the market for desktop and mobile internet search, the market for performance-based advertising, online advertising network revenues, advertising intermediary services and distribution arrangements. According to Yandex.Radar, Google’s share of the Russian search market, based on search traffic generated, was 38.6% for the full year 2020 and 40.1% in 2019, compared with our market share of 59.2% in 2020, 57.0% in 2019 and 56.3% in 2018. Google conducts extensive online and offline advertising campaigns in Russia. In recent years, Google has actively marketed its products and services, including its mobile and voice search, YouTube (currently the leading social platform in Russia by audience and time spend), and advertising products for businesses, leading to increased competition.

With Android, its popular mobile platform, Google exerts significant influence over the increasingly important market for mobile and location-based search and advertising. Pursuant to a settlement between FAS and Google reached in April 2017, Google is prohibited from arrangements prohibiting pre-installation of rival applications and is required to provide a choice to users in selecting their default search engine in Russia. Following this settlement, our search share on the Android platform increased in 2018, 2019 and 2020. Nevertheless, we expect that Google will continue to use its brand recognition and global financial and engineering resources to compete aggressively with us, and can provide no

assurance that Google is fully complying or will fully comply with the settlement.

We also view a number of social networking sites (VK, Facebook, Instagram, TikTok, YouTube and others) as increasingly significant competitors. In light of their large audiences and the significant amount of information they can access and analyze regarding their users' needs, interests and habits, we believe that they may be able to create increased competition for us. The popularity of such sites may also reflect a growing shift in the way in which people find information, get answers and buy products, which may create additional competition to attract users.

On the domestic side, our principal competitor is Mail.ru Group. We compete with Mail.ru Group for online advertising budgets, allocated between social networks and search. Mail.ru Group also offers a wide range of internet services, including the most popular Russian web mail, and other services that are comparable to ours. Mail.ru's search market share was 1.6% and 1.1% in 2019 and 2020, respectively. In addition, in August 2020 Mail.ru announced the expansion of the scope of its O2O joint venture with Sberbank, pursuant to which Sberbank and Mail.ru provided an additional RUB 12 billion of capital to grow the joint venture, including the recently acquired 2GIS mapping service and the Samokat express e-grocery delivery unit. The joint venture is focused on the expansion of food delivery (where our FoodTech business competes with Mail.ru Group's Delivery Club service), ride-hailing (where our Yandex.Taxi business competes with Citymobil) and other services.

Our Taxi business, which is a joint venture with Uber which we completed in February 2018, also faces competition from Citymobil and a variety of other ride-hailing (Didi, regional offline players etc.), food delivery operators and dispatch services (Delivery Club, Samokat, Vprok, Okolo, SberMarket etc.) and car-sharing services (Delimobil, BelkaCar, etc.). We may also face new competitors given attractive long-term potential of the ride-hailing and food delivery.

Yandex.Market faces competition from online retailers and marketplaces, including Wildberries, Ozon, AliExpress Russia (operated through a JV between Mail.ru, MegaFon, RDI, and Alibaba) and others. We understand that Sberbank has announced plans to expand its digital ecosystem, with a high focus on developing e-commerce platform on the basis of their Sbermarket (grocery delivery service) and recently announced partnership to develop marketplace goods.ru together with M.Video.

In addition, our other business units, including Media Services, Classifieds, and Cloud, face significant competition in their respective business areas.

On the Media Services front, our KinoPoisk service faces competition from ivi, Okko (operated by Rambler Group, which is now owned by Sberbank), Netflix and other online cinemas, while Yandex Music competes with VK Music and Boom (both operated by Mail.ru), Apple Music, and Spotify (entered the Russian market in 2020).

Our Classifieds business faces competition from a range of online and offline classified services, including Avito (in real estate, automobile sales, and general classifieds), CIAN (in real estate), and Drom (in automobile sales). Our public cloud platform competes with a number of international and local services, such as Microsoft Azure, Google Cloud, Amazon Web Services, Rostelecom, Sberbank, Mail.ru.

We cannot guarantee you that we will be able to continue to compete effectively with current and future companies that may have greater ability to attract and retain users, greater brand recognition, more personnel and greater financial and other resources. If our competitors are successful in providing similar or better search results or other services compared with those we offer, we could experience a significant decline in user traffic or other business. Any such decline could negatively affect our business, financial condition and results of operations.

We may experience slowdown of our online advertising revenue growth and downward pressure on our operating margin.

The rate of growth of our online advertising revenues may slow down over time as a result of a number of factors, including continuing macroeconomic challenges in Russia, increasing competition, changes in the nature of queries, the evolution of the overall online advertising market, the declining rate of growth in the number of internet users in Russia as overall internet penetration increases and the COVID-19 pandemic. A slower growth rate of our online advertising revenue growth may negatively impact the rate of growth of our revenues on a consolidated basis. The macroeconomic factors, competition, COVID-19 pandemic and other factors may also impact the dynamic of our

revenue growth in non-advertising businesses.

The key factors which may cause the volatility of our operating margin including:

- changes in the proportion of our advertising revenues that we derive from the Yandex Advertising Network compared with our own websites. In periods in which our Yandex Advertising Network revenues grow more rapidly than those from our own sites, our operating margin generally declines because the operating margin we realize on revenues generated from partner websites is significantly lower than the operating margin generated from our own websites, as a result of traffic acquisition costs (TAC) that we pay to our partner websites. Over the past several years our partner TAC was above 50% of our online advertising network revenues. The margin we earn on revenue generated from the Yandex Advertising Network could also decrease in the future if we are required to share with our partners a greater percentage of the advertising fees generated through their websites;
- investments we make in our businesses, in particular e-commerce, our experimental businesses within Other Bets and Experiments (primarily Self-Driving Group and Cloud), investment in our food delivery business and logistics within Taxi segment, and investments in content in Media Services, as well as our initiatives related to the Internet of Things;
- increased depreciation and amortization expense related to capital expenditures for many aspects of our business, particularly the expansion of our data centers to support growth in both our current and new markets;
- relatively higher spending on advertising and marketing to further enhance our brand and promote our services in Russia, to build and expand brand awareness in other countries where we operate and to respond to competitive pressures, if these efforts do not drive revenue growth in the manner we anticipate;
- expenses in connection with the launch of new products and related advertising and marketing efforts, which may not result in the anticipated increase in revenues or market share;
- the possibility of higher fees or revenue sharing arrangements with our distribution partners that distribute our products or services or otherwise direct search queries to us. We expect to continue to expand the number of our distribution relationships in order to increase our user base and to make it easier for our existing users to access our services;
- costs incurred in our international expansion efforts until we succeed in building the user base necessary to begin generating sufficient revenues in these markets to earn accretive operating margins there; and
- increased costs associated with the creation, support and maintenance of mobile products and services to maintain and expand our offering and competitive market position, which may not result in the anticipated increases in revenues or market share.

As the Russian internet market matures, our future expansion will increasingly depend on our ability to generate revenues from new businesses, from new business models or in other markets. If we do not continue to innovate and provide services that are useful and attractive to our users, we may be unable to retain them and may become less attractive to our advertisers, which could adversely affect our business, financial condition and results of operations.

As internet usage has spread in Russia, the rate of growth in the number of internet users has been declining. Our success in our core business depends on providing search and other services that make using the internet a more useful and enjoyable experience for our users. As search technology continues to develop, our competitors may be able to offer search capabilities that are, or that are seen to be, substantially similar to, or better than ours. As our core market matures, we will need to provide new services, further exploit non-core business models, such as our Taxi, Classifieds, Media Services and Market business units, or expand into new geographic markets, in order to continue to grow our revenues at previously achieved levels. The cost we incur in these efforts, both in terms of product development expenses and advertising and marketing costs, could be significant.

If we are unable to continue to develop and provide our users with high-quality, up-to-date services, and to appropriately time the services with market opportunities, or if we are unable to maintain the quality of such services, our user base may not grow, or may decline. Further, if we are unable to attract and retain a substantial share of internet traffic generated by mobile and other digital devices, or if we are slow to develop services and technologies that are compatible with such devices, our user base may not grow or may decline.

If our users move to our competitors, we will also become less attractive to advertisers and therefore to Yandex Advertising Network partners. This could adversely affect our business, financial condition and results of operations.

The competition to capture market share on mobile devices is intense, and if we are not successful in maintaining substantial reach among users and monetizing search and other services on mobile devices, our business, financial condition and results of operations could be adversely affected.

Users are increasingly accessing the internet through mobile and other devices rather than desktop and laptop personal computers, including through smartphones, wearable devices, and handheld computers such as tablets, as well as through video game consoles, smart TVs and television set-top devices. Such devices have different characteristics than desktop and laptop personal computers (including screen size, operating system, user interface and use patterns). Tailoring our products and services to such devices requires particular expertise and the expenditure of significant resources. The versions of our products and services developed for these devices, including the advertising solutions we offer, may be or become less attractive to users, advertisers, manufacturers or distributors of devices than those offered by our competitors or than our desktop offerings. The percentage of our total search traffic that was generated from mobile devices increased from approximately 58% in the fourth quarter of 2019 to approximately 60.5% in the fourth quarter of 2020, while the percentage of our search revenues generated from mobile devices increased from approximately 49% to approximately 53.3% between those periods.

Each manufacturer or distributor of mobile or other devices may establish unique technical standards for its devices, and as a result our products and services may not work or be viewable on these devices. Some manufacturers may also elect not to include our products on their devices, or may be prohibited from doing so pursuant to their agreements with other parties with respect to Android. Although Google is prohibited from arrangements restricting pre-installation of rival applications and is required to provide a choice to users in selecting their default search engine in Russia, it is difficult to anticipate the long-term effects of such changes on our market shares in its Chrome browser and Chrome widget. In addition, consumers are increasingly accessing content directly via applications, or “apps”, tailored to particular mobile devices or in closed social media platforms, which could affect our share of the search market over time. As new devices and platforms are continually being released, it is difficult to predict the challenges we may encounter in adapting our products and services and developing competitive new products and services. See also “As the internet evolves, an increasing amount of online content may be held in closed social networks, mobile apps or proprietary document formats, which may limit the effectiveness of our search technology, which could adversely affect our brand, business, financial condition and results of operations.”

We expect to continue to devote significant resources to the creation, support and maintenance of mobile products and services for all major operating systems including Android and iOS. If we are unable to attract and retain a substantial number of device manufacturers, distributors and users to our products and services, or if we are slow to develop products and technologies that are compatible with such devices and platforms, we will fail to capture the opportunities available due to consumers’ and advertisers’ transition to a dynamic, multi-screen environment. Furthermore, given the importance to the successful operation of our business of distribution and application pre-installation arrangements with the most popular device manufacturers, failure to reach such arrangements may adversely affect our business, financial condition and results of operations.

We generate a substantial part of our revenues from advertising, which is cyclical and seasonal in nature, and any reduction in spending by or loss of advertisers would materially adversely affect our business, financial condition, and results of operations.

In the past several years, we continued to diversify our business, and as a result the share of our revenues generated from advertising has declined from 80% in 2018 to 58% in 2020. Nevertheless, advertising still remains the largest business for Yandex and the biggest contributor to our group revenue and operating profit. Expenditures by advertisers tend to be cyclical, reflecting the overall economic conditions and budgeting and buying patterns, and can therefore fluctuate significantly. According to AKAR, the rate of growth in online advertising expenditures was 4% in

2020, compared to 20% in 2019 and 22% in 2018. Any decreases in online advertising spending due to economic conditions, or other reasons, could materially adversely impact our business, financial condition and results of operations.

Advertising spending and user traffic also tend to be seasonal, with internet usage, advertising expenditures and traffic historically slowing down during the months, when there are extended Russian public holidays and vacations, and increasing significantly in the fourth quarter of each year. For these reasons, comparing our results of operations on a period-to-period basis may not be meaningful, and past results should not be relied upon as an indication of future performance. Furthermore, as our business becomes more diversified, seasonal changes may have different effects on various lines of business.

Any decline in the internet as a significant advertising platform in the countries in which we operate could have a material adverse effect on our business, financial condition and results of operations.

We have significantly diversified our revenue streams in the recent years; however, the sale of online advertising in Russia still accounts for a sizeable portion of our overall revenue. Although the use of the internet as a marketing channel in Russia is already mature, the internet continues competing with traditional advertising media, such as television, print, radio and outdoor advertising. Although advertisers have become more familiar with online advertising in recent years, some of our current and potential customers still have limited experience with online advertising and have not historically devoted a significant portion of their marketing budgets to online marketing and promotion. As a result, they may be less inclined to consider the internet effective in promoting their products and services compared with traditional media.

Any decline in the appeal of the internet generally in Russia or the other countries in which we operate, whether as a result of increasing governmental regulation of the internet, the growth in popularity of other forms of media, a decline in the attractiveness of the internet as an advertising medium or any other factor, could have a material adverse effect on our business, financial condition and results of operations.

Several of our businesses operate through joint ventures with third parties, which involves risks that we do not face with respect to our core business.

Our Yandex.Taxi business operate as joint ventures with Uber, and Uber has a significant minority stake in our Self-Driving Group. We have from time to time entered into joint ventures with other partners in respect of other businesses. Our partners have or may have certain shareholder and contractual rights in respect of the management of these joint ventures, and therefore we may not have sole control over the management or operations of our joint ventures. The level of control exercisable by us depends on the size of our interest and the terms of the contractual agreements, in particular, the allocation of control among, and continued cooperation between, the participants.

We may face financial, reputational and other exposure (including regulatory actions) in the event that any of our partners fail to meet their obligations under the arrangements, encounter financial difficulty, or fail to comply with local or international regulation and standards. A temporary or permanent disruption to these arrangements, such as through significant deterioration in the reputation, financial position or other circumstances of the third party or material failure in controls, could adversely affect our results of operations.

The formation and operation of joint ventures and other partnerships involve significant challenges and risks, including:

- difficulties in integrating operations and managing the large and diverse number of personnel, products, services, technology, internal controls and financial reporting of constituent components of our joint ventures and other partnerships, and any unanticipated expenses relating to business integration;
- disruption of our ongoing business, distraction of our management and employees and increase of our expenses;
- departure of skilled professionals as well as the loss of established client relationships of the businesses we invest in or acquire;

- unforeseen or hidden liabilities or additional operating losses, costs and expenses that may adversely affect us following the transactions;
- potential impairment charges or write-offs due to changes in the fair value of our business units as a result of market volatility or other reasons that we may not control which could have a material adverse effect on our financial results;
- regulatory hurdles including in relation to the antimonopoly and competition laws;
- the risk that any future proposed transaction fails to close, including as a result of political and regulatory challenges and protectionist policies; and
- challenges in maintaining or further growing our business units, or achieving the expected benefits of synergies and growth opportunities in connection with these transactions.

Additionally, if we or one of our joint venture or other partners fail to maintain and enhance the Yandex brand, or if we incur excessive expenses in our efforts to do so, our business, financial condition and results of operations could be materially adversely affected.

We rely on partners for a material portion of our revenues and, in particular, for expanding our user base via distribution arrangements. Any failure to obtain or maintain such relationships on reasonable terms could have an adverse effect on our business, financial condition and results of operations.

Revenues from advertising on our Advertising Network partner websites represented 16.8% of our online advertising revenues in 2020 compared with 20.8% in 2019. We consider our ad partner network to be important for the continued growth of our business. Our agreements with our network partners are generally terminable at any time without cause. Our competitors could offer more favorable terms to our current or potential network partners, including guaranteed minimum revenues or other more advantageous revenue-sharing arrangements, in an effort to take market share away from us. If our network partners decide to use a competitor's advertising services, our revenues would decline.

The number of paid clicks and amount of revenues that we derive from our partners in the Yandex Advertising Network depends on, among other factors, the quality of their websites and their attractiveness to users and advertisers. Although we screen new applicants, favor websites with high-quality content and stable audiences, and strive to monitor the quality of the network partner websites on an ongoing basis, these websites are operated by independent third parties that we do not control. If our network partners' websites deteriorate in quality or otherwise fail to provide interesting and relevant content and services to their users, this may result in reduced attractiveness to their users and our advertisers, which may adversely impact our business, financial condition and results of operations.

To expand our user base and increase traffic to our sites and mobile applications, we enter into arrangements with leading software companies and device manufacturers for the distribution of our services and technology. In particular, we have agreements, on a co-marketing basis, with certain internet browsers. As new methods for accessing the internet become available, including through new digital platforms and devices, we may need to enter into new or amended distribution agreements. See also "—The competition to capture market share on mobile devices is intense, and if we are not successful in maintaining substantial reach among users and monetizing search and other services on mobile devices, our business, financial condition and results of operations could be adversely affected."

Our most significant distribution partners in 2020 were Samsung, Xiaomi, and Opera, which preinstall our applications on their devices in Russia and/or on their mobile and desktop browsers. Original equipment manufacturers (Samsung and Xiaomi) have become increasingly important partners due to mobile traffic growth over the last few years. Each of our other distribution partners constitutes less than 11% of our total distribution traffic acquisition costs. If we are unable to continue our arrangements with current key distribution partners, or maintain existing or enter into comparable arrangements with new distribution partners, particularly for the distribution of our search and other services on mobile devices, this would likely have a negative effect on our search market share over time. In the future, existing and potential distribution partners may not offer or renew distribution arrangements on reasonable terms for us, or at all, which could limit our ability to maintain and expand our user base, and could have a material adverse effect on our

business, financial condition and results of operations.

Our business units and joint ventures face comparable risks. For example, if we are unable to attract or maintain a critical mass of Taxi partners, consumers, couriers, restaurants, grocery stores, whether as a result of competition or other factors, our ride-hailing and food delivery services could become less appealing to users, and our financial results could be adversely impacted.

Our business (in particular, Search and Portal and Media Services) depends on our ability to license, acquire or create compelling content at reasonable costs. Failure to offer compelling content would harm our ability to expand our base of users, advertisers and network partners.

We license much of our content from third parties, such as video content, music, news items, weather reports and TV program schedules. If we are unable to maintain and build relationships with third-party content providers, this would likely result in a loss of user traffic. In addition, we may be required to make substantial payments to third parties from whom we license or acquire such content. An increase in the prices charged to us by third-party content providers would adversely affect our business, financial condition and results of operations. In addition, many of our content licenses with third parties are non-exclusive. Accordingly, other websites and streaming platforms, as well as other media such as television, may be able to offer similar or identical content. If other companies make available competitive content, the number of users of our services may not grow as anticipated, or may decline. This increases the importance of our ability to aggregate compelling content in order to differentiate Yandex from other businesses.

Our business benefits from a strong brand. Failure to maintain and enhance our brand would materially adversely affect our business, financial condition and result of operations.

We believe that the brand identity that we have developed through the strength of our technology, our user focus, our independence from political considerations and, in particular, our ability to deliver relevant answers and recommendations, has significantly contributed to the success of our business. We also believe that maintaining and enhancing the Yandex brand, including through continued significant marketing efforts, is critical to expanding our base of users, advertisers, advertising network partners, and other business partners. We have also from time to time established joint ventures or other partnerships with respect to some of our business units. Although we have sought to implement appropriate controls and protections, depending on specific terms of joint venture or partnership arrangements we may have more limited ability to ensure that these businesses are operated in a manner that is consistent with the broader Yandex brand.

Maintaining and enhancing our brand, especially in relation to mobile services, will depend largely on our ability to continue to be a technology leader and a provider of high-quality, reliable services, which we may not continue to do successfully.

If we fail to manage effectively the growth and increasing complexity of our operations, our business, financial condition and results of operations could be adversely affected.

We have experienced, and continue to experience, growth in and diversification of our operations, which has placed, and will continue to place, significant demands on our management and our operational and financial infrastructure.

We operate certain of our services through separate business units in order to facilitate the growth of those services. Management of these separate business units, some of which now operate or have operated as joint ventures with third-party partners, requires additional administrative effort, which may put strain on our management and other resources. If we do not effectively manage our growth and the operation of our business units, the quality of our services could suffer, which could adversely affect our brand, business, financial condition and results of operations.

As our user and advertiser bases expand, we will need to continue to increase our investment in technology, infrastructure, facilities and other areas of operations, in particular product development, sales and marketing. As a result of such growth, we will also need to continue to improve our operational and financial systems and managerial controls and procedures. We will have to maintain close coordination among our technical, accounting, finance, marketing and sales personnel. If the improvements are not implemented successfully, our ability to manage our growth will be impaired and we may have to make significant additional expenditures, which could harm our business, financial

condition and results of operations.

Growth in our operations internationally may create increased risks that could adversely affect our business, financial condition and results of operations.

We have limited experience with operations outside Russia, and in 2020 derived only approximately 6.5% of our revenues from international markets. Part of our future growth strategy is to expand our operations geographically on an opportunistic basis. Our ability to manage our business and conduct our operations across a broader range of geographies will require considerable management attention and resources and is subject to a number of risks relating to international markets, including the following:

- challenges caused by distance, language and cultural differences;
- managing our relationships with local partners should we choose to adopt a joint venture approach in our international expansion efforts;
- credit risk and higher levels of payment fraud in certain countries;
- pressure on our operating margins as we invest to support our expansion;
- currency exchange rate fluctuations and our ability to manage our currency exposure;
- foreign exchange controls that might prevent us from repatriating cash earned in certain countries;
- legal risks, including potential of claims for infringement of intellectual property and uncertainty regarding liability for online services and content, and data processing regulations;
- adoption of new legislation and regulations, which may adversely impact our operations or may be applied in an unpredictable manner;
- potentially adverse tax consequences;
- significant changes in political environment;
- unexpected changes in preferences and perceptions of our users and customers; and
- higher costs and greater management time associated with doing business internationally.

In addition, compliance with complex and potentially conflicting foreign and Russian laws and regulations that apply to our international operations may increase our cost of doing business and may interfere with our ability to offer, or prevent us from offering, our services in one or more countries. These numerous laws and regulations include import and export requirements, content requirements, trade restrictions, tax laws, economic sanctions, internal and disclosure control rules, data protection, data retention, privacy and filtering requirements, labor relations laws, U.S. laws, such as the Foreign Corrupt Practices Act, and local laws prohibiting corrupt payments to governmental officials. Violations of these laws and regulations may result in fines; criminal sanctions against us, our officers, or our employees; prohibitions on the conduct of our business; and damage to our reputation. Although we have implemented policies and procedures designed to ensure compliance with these laws, we cannot assure you that our employees, contractors or agents will not violate our policies. Any such violations may result in prohibitions on our ability to offer our services in one or more countries, and may also materially adversely affect our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, financial condition and results of operations.

Our corporate culture has contributed to our success, and if we cannot maintain the focus on teamwork and innovation fostered by this environment, our business, financial condition and results of operations would be adversely affected.

We believe that a critical contributor to our success has been our corporate culture, which values and fosters teamwork and innovation. As our business matures and diversifies, and we are required to implement more complex organizational management structures, including those introduced in connection with our recently implemented corporate governance changes, we may find it increasingly difficult to maintain the beneficial aspects of our corporate culture. We operate a number of our services through separate business units, in order in part to maintain the “start-up spirit” and provide greater strategic and operational focus for these units. We also operate or have previously operated several of our business units as joint ventures with other parties and may establish new joint ventures in future. In such situations our efforts in maintaining our corporate culture may not be successful, which would adversely affect our business, financial condition and results of operations. In particular, the spin-off of certain business units or further establishment of joint ventures and partnerships may cause the loss of some of our clients or users, or disruption in the provision of the services that are being carved out, and may require additional attention from our management.

The loss of any of our key personnel, or a failure to attract, retain and motivate qualified personnel, may have a material adverse effect on our business, financial condition and results of operations.

Our success depends in large part upon the continued service of key members of our management team and technical personnel, as well as our continued ability to attract, retain and motivate other highly qualified engineering, programming, technical, sales, customer support, financial and managerial personnel.

Although we attempt to structure employee compensation packages in a manner consistent with the evolving standards of the markets in which we operate and to provide incentives to remain with Yandex, including equity awards under our employee incentive plans, we cannot guarantee that we will be able to retain our key employees. Although we grant additional equity awards to management personnel and other key employees from time to time, employees may be more likely to leave us after their initial awards fully vest. Decline of the market value of our shares could also make such equity awards less effective in retaining our key employees. If any member of our senior management team or other key personnel should leave our group, our ability to successfully operate our business and execute our business strategy could be impaired. We may also have to incur significant costs in identifying, hiring, training and retaining replacements for departing employees.

The competition for software engineers and qualified personnel who are familiar with the internet industry in Russia is intense. We may encounter difficulty in hiring and/or retaining highly talented software engineers to develop and maintain our services. There is also significant competition for personnel who are knowledgeable about the accounting and legal requirements related to a NASDAQ listing, and we may encounter difficulty in hiring and/or retaining appropriate financial staff needed to enable us to continue to comply with the internal control requirements under the Sarbanes-Oxley Act and related regulations. Any inability to successfully retain key employees and manage our personnel needs may have a material adverse effect on our business, financial condition and results of operations.

If our security measures are breached, malicious applications interfere with or exploit security flaws in our services, or our services are subject to attacks that degrade or deny the ability of users to access our products and services, our products and services may be perceived as not being secure, users and customers may curtail or stop using our products and services, and we may incur significant legal and financial exposure.

Third parties have in the past attempted, and may in the future attempt, to use malicious applications to interfere with our services and may disrupt our ability to connect with our users. Such interference often occurs without disclosure to or consent from users, resulting in a negative experience that users may associate with Yandex. Such an attack could also lead to the destruction or theft of information, potentially including confidential or proprietary information relating to Yandex’s intellectual property, content and users. For example, if a third party were to hack into our network, they could obtain access to our search code or to user data. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose users and customers.

Although we maintain substantial security measures, such measures may also be breached due to employee error, malfeasance, system errors or vulnerabilities, fraudulent actions of outside parties, or otherwise. For example, in February 2021 we announced that a data breach had been discovered during routine screening by our security team, in which an employee had provided unauthorized access to users’ accounts for personal gain. Such security breaches may

expose us to a risk of loss of company information or user data, litigation, remediation costs, increased costs for security measures, loss of revenue, damage to our reputation, and potential liability.

In addition, we offer applications and services that our users download to their devices or that they rely on to store information and transmit information to others over the internet. These services are subject to attack by viruses, worms and other malicious software programs, which could jeopardize the security of information stored in a user's device or in our computer systems and networks. These applications may be difficult to remove or disable, may reinstall themselves and may circumvent other applications' efforts to block or remove them. If our efforts to combat these malicious applications are unsuccessful, or if our services have actual or perceived vulnerabilities, our reputation may be harmed, our user traffic could decline, and our communications with certain users could be impaired, which could adversely affect our business, financial condition and results of operations.

Our business depends on the accuracy and reliability of our search results and dependability of our ride-hailing, food delivery, e-commerce, streaming and other services. A systems failure, technical interference or human error could prevent us from providing accurate search results or ads or reliably deliver our other services, which could lead to a loss of users and advertisers and damage our reputation and materially adversely affect our business, financial condition and results of operations.

Our business depends on our ability to provide accurate and reliable search results and other user services, which may be disrupted. For example, because our search technology ranks a webpage's relevance based in part on the importance of the websites that link to it, people have attempted to link groups of websites together to manipulate search results. If our efforts to combat these and other types of "index spamming" are unsuccessful, our reputation for delivering relevant results could be harmed. This could result in a decline in user traffic, which may adversely affect our business, financial condition and results of operations.

We seek to ensure the speed and reliability of our services regardless of the user's location by operating our own Content Delivery Network (CDN) in points of presence in major cities throughout Russia and other countries in which we operate. This network allows us to support reliable 24/7 operations, including server-based computations, research and development work, and user and advertiser services. We use proprietary computer architecture to link these clusters of servers, as well as proprietary computational software that operates across these distributed servers, including software that enables us to deploy and monitor software across our systems. This allows us to use relatively inexpensive off-the-shelf servers as the foundation of our robust and effective systems for redundant, distributed data storage, retrieval and distributed calculations. Geographic distribution of our servers increases the access speed for our services and increases the stability and dependability of our service offerings. This structure provides redundant fail-safe capacity such that the failure of a single facility would not cause our websites to stop functioning.

Nevertheless, although we maintain robust network security measures, our systems are potentially vulnerable to damage or interruption from terrorist attacks, denial-of-service attacks, computer viruses or other cyber-attacks or attempts to harm our system, power losses, telecommunications failures, floods, fires, extreme weather conditions, earthquakes and similar events. Our data centers are also potentially subject to break-ins, sabotage and intentional acts of vandalism, and to potential disruptions. The occurrence of a natural disaster or other unanticipated problems at our data centers could result in lengthy interruptions in our service, or a pandemic or an outbreak of disease or similar public health concern, such as the recent coronavirus outbreak, or fear of such an event, could result in reduced customer traffic and consumer spending or labor shortages and delays in manufacturing and shipment of products. In each case, such events which could reduce our revenues and profits, and our brand could be damaged if people believe our services are unreliable.

From time to time, we have experienced power outages that have interrupted access to our services and impacted the functioning of our internal systems. Although we maintain back-up generators, these may not operate properly through a major sustained power outage or their fuel supply could be inadequate. Any unscheduled interruption in our services places a burden on our entire organization and would result in an immediate loss of revenue. If we experience frequent or persistent system failures on our websites, our reputation and brand could be permanently harmed. The steps we have taken to increase the reliability and redundancy of our systems are expensive, reduce our operating margin and may be insufficient to reduce the frequency or duration of unscheduled downtime.

Although we test software updates before implementation and there were no significant downtime periods in recent years, errors made by our employees in maintaining or expanding our systems may damage our brand and may

have a materially adverse effect on our business, financial condition and results of operations.

We may not be able to prevent others from unauthorized use of our intellectual property rights, which may adversely affect our competitive position, our business, financial condition and results of operations.

We rely on a combination of patents, trademarks, trade secrets and copyrights, as well as nondisclosure agreements, to protect our intellectual property rights. Our patent department is responsible for developing and implementing our group-wide patent protection strategy in selected jurisdictions, and to date we have filed more than 950 patent applications, of which more than 600 have resulted in issued patents. The protection and enforcement of intellectual property rights in Russia and other markets in which we operate, however, may not be as effective as that in the United States or Western Europe. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any significant infringement of our intellectual property rights could harm our business, our brand and/or our ability to compete, all of which could adversely affect our competitive position, our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which are costly to defend, could result in significant damage awards, and could limit our ability to provide certain content or use certain technologies in the future.

A number of internet, technology, media and patent-holding companies own or are actively developing patents covering search, indexing, electronic commerce and other internet-related technologies, as well as a variety of online business models and methods. We believe that these parties will continue to take steps to protect these technologies, including, but not limited to, seeking patent protection in certain jurisdictions. As a result, disputes regarding the ownership of technologies and rights associated with online activities are likely to arise in the future. In addition, use of open-source software is often subject to compliance with certain license terms, which we may inadvertently breach.

With respect to any intellectual property rights claim, we may have to pay damages or compensation and/or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on commercially reasonable terms or at all, and may significantly increase our operating expenses. We may be required to develop an alternative non-infringing technology, which may require significant effort, expense and time to develop. If we cannot license or develop technology for any potentially infringing aspects of our business, we may be forced to limit our service offerings and may be unable to compete effectively. We may also incur substantial expenses in defending against third-party infringement claims regardless of the merit of such claims.

We may be subject to claims from our current or former employees as well as contractors for copyright, trade secret and patent-related matters, which are costly to defend, and which could adversely affect our business, financial condition and results of operation.

Unlike the video and other content that we license from third parties, the software, databases, algorithms, images, patentable intellectual property, trade secrets and know-how that we use for the operation of our services were generally developed, invented or created by our former or current employees or contractors during the course of their employment with us within the scope of their job functions or under the relevant contractor's agreement, as the case may be. As a matter of Russian law, we are deemed to have acquired copyright and related rights as well as rights to file patent applications with respect to such products and have the intellectual property rights required for their further use and disposal subject to compliance with certain requirements set out in the Civil Code of Russia. We believe that we have appropriately followed such requirements, but they are defined in a broad and ambiguous manner and their precise application has never been definitively determined by the Russian courts. Therefore, former or current employees or contractors could either challenge the transfer of intellectual property rights over the products developed by them or with their contribution or claim the right to additional compensation for their works for hire and/or patentable results, in addition to their employment compensation. We may not prevail in any such action and any successful claim, although unlikely to be material, could adversely affect our business and results of operation.

We may be held liable for information or content displayed on, retrieved by or linked to our websites and mobile applications, or distributed by our users; or we may be required to block certain content or access to our websites could be restricted; any of which could harm our reputation, business, financial condition and results of operations.

The law and enforcement practice relating to the liability of providers of online services for the activities of their users is currently not settled in Russia and certain other countries in which we operate. Claims may be brought

against us for defamation, libel, negligence, copyright, patent or trademark infringement, tort (including personal injury), fraud, other unlawful activity or other theories and claims based on the nature and content of information to which we link or that may be posted online via blogs and message boards, generated by our users or delivered or shared through our services, including if appropriate licenses and/or rights holder's consents have not been obtained. For example, we have previously been involved in litigation regarding alleged copyright infringement in the United States. We are also regularly required to remove content uploaded by users on grounds of alleged copyright infringement, and from time to time we receive requests from individuals who do not want their names or websites to appear in our search results. In addition, under the applicable laws companies and their officers may be held liable for the failure to delete or to stop distributing such information as is required by a court enforcement officer's act. The liability may include penalties for companies and imprisonment for officers.

Third parties may also seek to assert claims against us alleging unfair competition, data misappropriation, violations of privacy rights or failure to maintain the confidentiality of user data. Our defense of any such actions could be costly and involve significant time and attention of our management and other resources. If any of these complaints results in liability to us, the judgment or settlement could potentially be costly, encourage similar lawsuits, and harm our reputation and possibly our business.

The governments of the countries in which we operate are increasingly developing legislation aimed at regulation of the internet, in many places expanding liability and creating new obligations for companies that operate in the internet. For example, under the law "On Information, Information Technologies and on the Protection of Information", we are required to delete from our search engine search results linking to websites that have been blocked in Russia for repeated copyright infringements.

Additional recent legislation in Russia has introduced a system of information and website blocking measures both to prevent and stop copyright and related rights infringements and to prevent dissemination of illegal information, such as child pornography, content encouraging suicides and drug use, information on minors hurt by illegal actions and extremist information. The regulations generally require a request from a governmental authority to take down the allegedly infringing or illegal information prior to blocking of a particular website. However, in some cases, such as dissemination of extremist information, access to such information can be blocked without notification or prior judicial scrutiny. Moreover, under recent legislative amendments a website may be blocked if the information published there contains disrespectful and indecent statements about the society, state, Constitution or governmental authorities. Additionally, the subjects who are accused of disseminating such statements can face administrative fines.

If we fail to identify the above-mentioned types of information and delete them from our websites in timely manner, our websites might be blocked and our business may be materially adversely affected.

New legislation and regulations may impose additional requirements on us and our operations and lead to material legal liability, which can be difficult to foresee or limit. For instance, in December 2020 the European Commission proposed the draft of the Digital Services Act which is aimed at creating a common set of rules on obligations and accountability of online intermediaries providing services in the EU. The document is now under consideration of the European Parliament and Member States and, if adopted, could impose new obligations on our services provided (or to be provided in the future) to users in the EU.

In addition, in 2018 we became party to an anti-piracy memorandum signed between major Russian IT companies and copyright holders. This memorandum stipulates an out-of-court procedure that obligates search engines and internet resources to remove URLs to infringing audio-visual content at the request of the rights holders. The memorandum was initially valid until September 1, 2019 but was prolonged until August 1, 2021 and is currently in force. It is planned that a corresponding draft law will be elaborated on the basis of this memorandum. Apart from that, under a recent resolution of the Supreme Court of the Russian Federation, liability may be imposed for the provision of access to materials that violate IP rights. We believe that according to the wording of the decision, this norm should be applicable only to owners of websites where such materials are published. However, there is no assurance that courts would not interpret this provision more broadly and would not apply this norm to Yandex.

The categories of illegal information to which access can be restricted may be interpreted broadly or be expanded. In certain cases, even removal of illegal information does not eliminate the risk of website blocking or reinstate access to the blocked website.

For example, Russian legislation allows for permanent blocking of websites for repeated violation of copyright and related rights. A number of large websites have been blocked pursuant to this legislation so far, including, for example, a major hosting provider. We may be subject to unpredictable blocking measures, injunctions or court decisions that may require us to block or remove content and may adversely affect our services and operations. In addition, to ensure compliance with such laws, we may be required to commit greater resources, or to limit functionality of our services, which may adversely affect the appeal of our services to our customers. Although we believe that we are in full compliance with applicable laws, the application of new norms by government authorities might be sometimes inconsistent or unpredictable. In addition, draft legislation under consideration by the Russian State Duma describes the process of limiting access to a “program application” that contain materials violating copyright and related rights. The wording of the proposal is rather broad, and it is difficult to predict how this norm, if adopted, would be applied in practice (in particular, how a “program application” would be defined) and how this might affect all our applications. Potential legislation regarding measurement of the internet audience and social advertising could adversely affect our business.

We understand that discussions are ongoing among the relevant government authorities in Russia regarding the potential introduction of a mandatory system for the measurement of the audience of internet services and content by a specially designated uniform measurements organization, which would provide the state authorities with measurement reports on the internet audience (similar to the mandatory measurement of the TV audience). Such requirements may impose obligations on popular internet resources in Russia (including those provided by Yandex) to either integrate required data collection and reporting instruments or to ensure independent collection of the data and information required for the measurement of the internet audience, and to transfer such data to the designated measurements organization. Although the parameters of the proposed measurement system are not known, it is possible that the operation of such system could adversely affect our ability to ensure the security of our information and our user data. Such system could also provide competitive advantages to the measurements organization, which may itself have commercial interests. Furthermore, such a system may provide competitive advantages to our foreign-based competitors, such as Google and Facebook, which may not be subject to penalties for noncompliance with these requirements.

In addition, we understand that the relevant authorities, (including within the State Duma of the Russian Federation) are considering proposals to impose a mandatory obligation on all internet advertising platforms and distributors of advertising to place “social advertising” (i.e., ads related to the promotion of charities, socially useful activities and governmental functions) in their inventory free of charge, in an amount up to 5% of their commercial advertising inventory (calculated on the basis of the preceding year). The draft legislative proposal would also establish a designated operator of social advertising on the internet, which would be authorized to use the 5% free-of-charge quota to place social ads. The exact mechanics and parameters of this proposal are not currently known. If adopted, however, such a proposal could reduce our commercial advertising inventory, and could result in increases in the price of commercial advertising and the potential loss of commercial advertisers.

As the internet evolves, an increasing amount of online content may be held in closed social networks, mobile apps or proprietary document formats, which may limit the effectiveness of our search technology, which could adversely affect our brand, business, financial condition and results of operations.

Social networks are important players in the internet market and have a significant degree of control over the manner and extent to which information on their websites can be accessed through third-party search engines. Information can also be stored in other closed systems, such as mobile apps.

If social or other networks or software providers take steps to prevent their content or documents in their formats from being searchable, such content would not be included in our search results even if the content was directly relevant to a search request. These parties may also seek to require us to pay them royalties in exchange for giving us the ability to search content on their sites, in their networks or documents in their format and provide links thereto in our search results. If these parties also compete with us in the search business, they may give their search technology a preferential ability to search their content or documents in their proprietary format. Any of these results could adversely affect our brand, business, financial condition and results of operations.

We may have difficulty in continuing to scale and adapt our existing technology architecture to accommodate increased traffic and technology advances or new requirements of our users and advertisers, which could adversely affect our business, financial condition and results of operations.

With some of the most highly visited websites in Russia, we deliver a growing number of services, page views and video programs to an increasing number of users. In addition, the services we offer have expanded and changed significantly and are expected to continue to do so in the future to accommodate bandwidth-intensive technologies and means of content delivery, such as interactive multimedia and video. Our future success will depend on our ability to adapt to rapidly changing technologies, to adjust our services to evolving industry standards and to maintain the performance and reliability of our services. Rapid increases in the levels or types of use of our online services could result in delays or interruptions in our services.

As we expand our services, we will need to continue to invest in new technology infrastructure, including data centers. We may have difficulty in continuing to expand our infrastructure to meet increased demand for our services, including difficulties in obtaining suitable facilities or access to sufficient electricity supplies. A failure to expand our infrastructure could materially and adversely affect our ability to maintain and increase our revenues and profitability and could adversely affect our business, financial condition and results of operations.

Certain technologies could block our ads, which may adversely affect our business, financial condition and results of operations.

Advertising displayed on our platforms may be interfered with by third parties, which may adversely affect our ability to attract advertisers. For example, third parties had in the past, and may in the future, employ technologies to block the display of ads on webpages. The wide and effective use of ad-blocking technologies can reduce the amount of revenue generated by the ads we serve and decrease the confidence of our advertisers and Yandex Advertising Network partners in our advertising technology, which may adversely affect our business, financial condition and results of operations.

If we fail to detect impressions and click fraud or other fraudulent activity or if our partners (including Yandex Advertising Network partners) disagree with our fraud detection techniques, we may face litigation and may lose the confidence of our advertisers or partners which may adversely affect our business, financial condition and results of operations.

We are exposed to the risk of fraudulent and invalid impressions and clicks on the ads we serve from a variety of potential sources. Invalid impressions and clicks are those that we have determined are not intended by the user to view or access the underlying content, including impressions and clicks resulting from fraud executed by automated scripts of computer programs. We monitor our own websites and those of our partners for click fraud and proactively seek to prevent such fraud and filter out fraudulent or other invalid impressions and clicks. To the extent that we are unsuccessful in doing so, we credit our advertisers for impression or clicks that are later attributed to fraud. If we are unable to stop this activity, these credits to our advertisers or the amounts we pay to our partners for such invalid impressions and clicks may increase, and could exceed what they have actually earned. This could negatively affect our profitability, and these invalid impressions and clicks could result in legal claims or harm our brand.

We acquire complementary businesses, teams and technologies from time to time, and may fail to identify additional suitable targets, acquire them on acceptable terms or successfully integrate them, which may limit our ability to implement our growth strategy. Acquisitions of new businesses may also lead to increased legal risks and other negative consequences, which could have an adverse effect on our business, financial condition and results of operations.

We regularly acquire other businesses, technologies and teams. The acquisition and integration of new businesses, technologies and people pose significant risks to our existing operations, including:

- additional demands placed on our management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our business, requiring greater personnel and other resources;
- difficulties in expanding beyond our core expertise;
- significant initial cash expenditures or share dilution in connection with acquiring and integrating new

businesses; and

- legal risks (including potential claims of the counterparty or of third parties), which may result from our lack of expertise in the field of the target's business, incomplete or improper due diligence, misrepresentations by counterparties, and/or other causes.

The integration of new businesses presents a number of challenges, including differing cultures or management styles, the complexities of operational or technical integration, poor financial records or internal controls on the part of the acquired companies, and an inability to establish control over cash flows. Furthermore, even if we are successful in integrating new businesses, expected cost and operating efficiencies may not materialize, the financial benefits from the acquisition may be less than anticipated, and we could be required to record impairment changes as a result of under-performing assets.

Moreover, our growth may suffer if we fail to identify suitable acquisition targets or are outbid by competing bidders. As a NASDAQ-listed company, we are subject to securities laws and regulations that, in certain circumstances, require that we file with the SEC audited historical financial statements for businesses we acquire that exceed certain materiality thresholds. Given financial reporting practices in Russia and other countries in which we operate, such financial statements and documented systems of internal controls over financial reporting are often not readily available or not capable of being audited to the standards required by U.S. securities regulations. As a result, we may be prevented from or delayed in pursuing acquisition opportunities that our competitors and other financial and strategic investors are able to pursue, which may limit our ability to implement our growth strategy.

Failure to maintain effective customer service may result in customer complaints and negative publicity and may adversely affect our business, financial condition and results of operations.

Customer complaints or negative publicity about our services or those offered by us (including services offered by our business units) or one of our joint ventures, or breaches of customers' privacy or of our security measures, could diminish consumer confidence in and use of our services. Measures we implement to combat risks of fraud and breaches of privacy and security may be viewed as onerous by our customers or those of our joint ventures and damage relations with them. Alternately, should breaches of customers' privacy or of security measures occur, we could be subject to investigations and claims from governmental bodies, as well as from our customers. These measures heighten the need for prompt and accurate customer service to resolve irregularities and disputes. Effective customer service requires significant personnel expense, and such expense, if not managed properly, may impact our profitability or that of one or more of our joint ventures. Any inability by us or our joint ventures to manage or train our or their customer service representatives properly could compromise our or their ability to handle customer complaints effectively. In case of failure to maintain effective customer service by us or by one of our joint ventures, our reputation may suffer, and we may lose our customers' confidence, which may adversely affect our business, financial condition and results of operations.

The inherent limitations of the available data regarding internet usage and online advertising may make it difficult to assess our markets and our market position.

We rely on and refer to information and statistics from various third-party sources, as well as our own internal estimates, regarding internet usage and penetration and the online advertising markets in the countries in which we operate. The information and statistics used in our industry are subject to inherent limitations reflecting the differing metrics and measurement methods utilized and applied by different sources; for example, data derived from computer usage contrasted to that derived from user surveys. In addition, while we believe that the available data and research on the Russian market is of comparable quality to that available in most developed countries, the data for certain other countries in which we operate, including Kazakhstan and Belarus, are generally less consistent and reliable due to more limited third-party measurements in those countries.

We have started the construction of our new headquarters, which involves significant risks, including those beyond our control. Construction delays may result in material expenses and distraction of management attention.

Our Russian headquarters are currently located in approximately 64,000 square meters of rented property in central Moscow, with leases generally expiring in 2024. We also lease additional office space of approximately 47,000 square meters in business centers in central Moscow, which houses some of our divisions. In order to secure sufficient

office space to support our expected future growth, in December 2018 we acquired a property site for a new Moscow headquarters situated at 15 Kosygina Street. Even though we have managed to develop a design package for the site and obtain the required approvals for construction, we may face difficulties in managing or coordinating the construction process. If the construction is not finished by the time our lease expires, we may need to negotiate a new lease for our current or future premises, and may be unable to secure favorable terms, or may be required to agree to rent denominated in, or linked to, U.S. dollars, which would subject us to foreign exchange risk, or incur other significant expenses associated with the continuation and completion of construction.

Additional Risks Related to Regulatory Matters

Because the range of the services we provide is increasing and the legal framework governing the operations in our markets is evolving, we may be required to obtain additional licenses, permits or registrations or comply with other requirements, which may be costly or may limit our flexibility to run our business.

As we increase the range of services and diversify our business we may have to apply for additional licenses. Maintenance of granted licenses and obtaining new licenses may require us to spend additional resources. Licensing requirements may also limit our flexibility in running our business. Failure to maintain required licenses may significantly limit our ability to provide new services in respect of which these licenses are required.

As the legal framework in Russia continues to evolve, we may be required to take additional actions in order to comply with new legislation. Although we believe that we are in full compliance with applicable laws, ambiguities in legislation and the wide discretion granted to regulatory authorities may result in us being subject to additional regulatory requirements. Compliance with additional or new regulatory requirements, or new interpretations or applications of existing requirements, may also require us to spend additional resources and limit our flexibility in providing our services.

For instance, there are various discussions of regulation applicable to big data processing. Any restrictive regulations in this sphere might negatively affect our business operations and flexibility in providing our services.

We are subject to regulation regarding the processing and retention of personal and other data, which may impose additional obligations on us, limit our flexibility, or harm our reputation with users.

The collection and handling of user data by any entity or person in Russia (as in many other countries) may be subject to certain requirements and restrictions. If these requirements and restrictions are amended, interpreted or applied in a manner not consistent with current practice, we could face fines or orders requiring that we change our operating practices, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Several companies in our group underwent a planned inspection by the competent Russian authority (Roskomnadzor) in 2019. The authority did not find any significant data protection violations. If further inspections are conducted in the future and result in the determination that companies in our group fail to comply with the applicable data protection legislation, we could experience financial and reputational losses and could be restricted from providing certain types of services until we comply with the requirements.

Furthermore, we use cookies and other widespread technologies that assist us in improving the user experience and personalization of our products and services that ultimately benefit both our users and advertisers through behavioral targeting, which makes our advertising more relevant. There is no clarity as to whether our practices are compliant with the requirements of applicable data protection legislation in Russia and abroad, and such laws could be interpreted and applied in a manner that is not consistent with our current data protection practices.

Additionally, "organizers of information distribution" (subjects that ensure the operation of information systems or computer software which are intended or used to receive, transmit, deliver and/or process electronic messages of internet users) are required to notify the relevant Russian authority about the commencement of their operations and must retain a broad range of data relating to and generated by their users for a period of time, which must be provided to the authorities at their request. Our principal subsidiary operating in Russia has notified the relevant Russian authority that it acts as an organizer of information distribution with respect to some of the services it provides. Organizers of information distribution that use encryption when delivering or processing electronic messages are required to provide

the security authorities with information necessary for decoding the delivered or processed messages. Compliance with these requirements may require significant expenditures by us, including additional data centers, servers and other infrastructure or software development. Data retention may also harm our reputation with users. If we fail to comply with the above requirements, the Russian authorities can block access to our services in Russia.

Companies are also required to store all personal data of Russian users in databases located inside Russia. Ongoing compliance with the requirements provided in this legislation may be practically difficult, require significant efforts and resources, could lead to legal liability in other jurisdictions and limit functionality of our services. Compliance with these requirements may also limit our ability to compete with other companies located in other jurisdictions that do not require mandatory local storage of personal data related to their users and that may elect not to comply with such requirements in Russia.

Due to the nature of the services we offer and the fact that we have a presence in a number of countries, we may also be subject to data protection laws of other jurisdictions, especially laws regulating the cross-border transfer of personal data, which may require significant compliance efforts and could result in liability for violations in other jurisdictions. For example, the General Data Protection Regulation (the GDPR) came into force in May 2018 in the EU. Although we have only modest operations in the EU and therefore our exposure under the GDPR is generally limited, we believe that we are taking all necessary steps to comply with the GDPR. However, if we fail to interpret all the requirements of the GDPR in accordance with the official interpretation, we may be held liable for noncompliance. As our business grows, we may also encounter increased pressure from foreign state authorities with respect to the production of information related to users in circumvention of the international legal framework regulating the provision of such information. Any non-compliance with such requests may lead to liability and other adverse consequences. Further, current law imposes restrictions on the distribution of satellite images of certain areas in Russia and the other countries in which we operate and imposes requirements with respect to the information provided by the traffic monitoring service we offer. If we were found to be in violation of any such restrictions, we may be forced to suspend such services or may potentially be subject to fines or other penalties.

We may be subject to existing or new advertising legislation that could restrict the types and relevance of the ads we serve, which would result in a loss of advertisers and therefore a reduction in our revenues.

Russian law prohibits the sale and advertising of certain products and heavily regulates advertising with respect to certain products and services. Ads for certain products and services, such as financial services, as well as ads aimed at minors and some others, must comply with specific rules and must in certain cases contain required disclaimers.

Future amendments to legislation regulating advertising may impact our ability to provide some of our services or limit the type of advertising we may offer. The application of these laws to parties, such as Yandex, that merely serve or distribute ads and do not market or sell the product or service, however, can be unclear. Pursuant to our terms of service, we require that our advertisers have all required licenses or authorizations. If our advertisers do not comply with these requirements, and these laws were to be interpreted to apply to us, or if our ad-serving system failed to include necessary disclaimers (or otherwise ensure compliance of the ads with advertising legislation), we may be exposed to administrative fines or other sanctions, and may have to limit the types of advertisers we serve.

The regulatory framework in Russia governing the use of behavioral targeting in online advertising is unclear. If new legislation were to be adopted, or current legislation were to be interpreted, to restrict the use of behavioral targeting in online advertising, our ability to enhance the targeting of our advertising could be significantly limited, which could result in a loss of advertisers or a reduction in the relevance of the ads we serve, which would reduce the number of clicks on the ads and therefore our revenues.

Our need to comply with applicable Russian laws and regulations could hamper our ability to offer services that compete effectively with those of our foreign competitors and may adversely affect our business, financial condition and results of operations.

Many of our global competitors, such as Google, have their principal operations outside of Russia, putting them generally outside of the jurisdiction of Russian courts and government agencies, even though some of them have offices in Russia. Our systems and operations are located principally in Russia; therefore, we closely monitor current practice in specific areas of law in the Russian regional and federal courts. There are a number of pending lawsuits against Yandex, the outcome of which could significantly affect the operation of certain of our services (e.g. toughen the liability of

Yandex as information intermediary and provider of the online ads platform)

Russian laws and regulations that are applicable to us, but not to our non-Russian competitors, may impede our ability to develop and offer services that compete effectively on a global scale as well as in Russia with those offered by our non-Russia-based competitors and generally available worldwide over the internet. For instance, our non-Russian competitors might be not in compliance with the requirement of the Russian data protection legislation to store all personal data of Russian users in databases located inside Russia. In addition, our non-Russian competitors have not joined an anti-piracy memorandum signed between the major Russian IT companies and copyright holders. This memorandum stipulates an out-of-court procedure that obligates search engines to remove URLs that link to infringing audio-visual content at the request of the rights holders.

Any inability on our part to offer services that are competitive with those offered by our non-Russian competitors may adversely affect our business, financial condition and results of operations.

The competent authorities could determine that we hold a dominant position in one or more of our markets and could impose limitations on our operational flexibility that may adversely affect our business, financial condition and results of operations.

Applicable antimonopoly legislation imposes restrictions on companies that occupy a dominant position in a given market. The competent authorities might from time to time investigate the internet or online advertising industries, the ride-hailing business or other sectors in which we operate, and may conclude that, given our market share, we hold a dominant position in one or more of these markets. Additionally, from time to time we receive information requests from the Russian Federal Antimonopoly Service (FAS) related to certain of our services. If the FAS deems that we hold a dominant position in one or more of the markets in which we operate, this could result in limitations on our future acquisitions and a requirement that we pre-approve with the authorities any changes to our standard agreements with advertisers and Yandex Advertising Network partners, as well as any specially negotiated agreements with business partners. In addition, if we were to decline to conclude a contract with a third party or terminate an existing agreement without sufficient substantiation this could, in certain circumstances, be regarded as an abuse of a dominant market position.

Any abuse of a dominant market position could lead to administrative penalties and the imposition of fines of up to 15% of our prior year annual revenues in the relevant market. These limitations may reduce our operational and commercial flexibility and responsiveness, which may adversely affect our business, financial condition and results of operations.

In February 2021, FAS notified Yandex that it has identified indications of the abuse of dominance in the way that Yandex presents enriched results in its search engine. FAS suggested that Yandex may be discriminating against third-party online services by presenting its own digital products in such enriched results. Despite the evidence provided that integration in various types of enriched results is available for third-party services and that Yandex has never refused to develop other types of integration with enriched results for rival services, FAS required that Yandex undertakes a number of measures to stop the alleged discrimination (including potentially the removal of enriched results that are not fully available for third parties). If Yandex fails to comply with these requirements, FAS may initiate an investigation, which could result in a fine of up to 15% of our prior year annual revenues in the relevant market (if FAS proves that we hold a dominant position and concludes that the violation occurred). In addition, Yandex may be obliged to comply with the above-mentioned requirements following any such investigation.

In addition, under Russian antimonopoly legislation some potential acquisitions that we may consider require a preliminary approval by FAS. FAS may withhold the approval or may approve transactions subject to particular conditions. Such conditions could place significant restrictions on Yandex businesses, could make the acquisition less attractive, and could result in a termination of the proposed transaction.

Risks Related to Tax Matters

Some of our counterparties provide limited transparency in their operations, which could subject us to greater scrutiny and potential claims from government authorities.

We do business with a number of companies, especially small companies that may not always operate in a fully

transparent manner and that may engage in unpredictable or otherwise questionable practices with respect to tax obligations or compliance with other legal requirements. We have been approached by government authorities from time to time regarding potential tax claims or other compliance matters in connection with such transactions. As we are a larger and more transparent company with greater resources than such counterparties, governmental authorities may seek to collect taxes and/or penalties from us in relation to such transactions on the basis that we could have had knowledge of or aided such practices even when we did not.

Changes in the tax systems in the countries in which we operate, or unpredictable or unforeseen application of existing rules, may materially adversely affect our business, financial condition and results of operations.

Russian tax, currency and customs laws and regulations are subject to varying interpretations and changes, which may be frequently revised and reviewed by the authorities. As a result, our interpretation of such tax legislation may be challenged by the relevant authorities. Russian tax legislation largely follows the OECD approach but may be implemented in a way which is not in line with international practice or our interpretation. Moreover, under the current conditions of weak economic growth and reduced tax revenue, the authorities are taking a more assertive position in their interpretation of the tax legislation and, as a result, it is possible that transactions and activities that have not been challenged in the past may now be questioned by the authorities. High-profile companies such as ours can be particularly vulnerable to such assertive positions of the authorities.

Although we believe that our interpretation of relevant legislation is appropriate and is in accordance with existing court practice, if the authorities were successful in enforcing differing interpretations, our tax liability may be greater than the estimated amount that we have expensed to date and paid or accrued on our balance sheet. We believe our tax position is consistent with the tax laws in the jurisdictions in which we conduct our business, however, the determination of our worldwide provision for tax liabilities, including digital tax, requires significant judgment and there are many transactions and calculations where the ultimate tax determination is uncertain and we are subject to regular review and audit by both domestic and foreign tax authorities. Generally, Russian taxpayers are subject to inspection of their activities for a period of three calendar years immediately preceding the year in which an audit is carried out, with tax audits routinely undertaken at least every two years. Tax years 2018, 2019 and 2020 are currently open for tax audit of our principal Russian subsidiaries.

There have also been significant developments and proposed changes in recent periods to international tax laws that increase the complexity, burden and cost of tax compliance. The OECD has published proposals covering a number of matters, including tax treaties and taxation of the digital economy. Future tax reform resulting from this development may result in changes to long-standing tax principles, which could adversely affect our effective tax rate or result in higher cash tax liabilities. To date, the OECD has failed to reach a consensus-based solution to address the challenges posed to the current tax system by the digitalization of the economy. Like other countries, Russia may consider the adoption of a “digital turnover” tax, which could materially increase our overall tax liability.

Taxes payable on dividends from our Russian operating subsidiaries to our parent company might not benefit from relief under the Netherlands-Russia tax treaty.

In prior years, our principal Russian operating subsidiary distributed dividends to our parent company (Yandex N.V.) and applied withholding tax at a 5% rate in reliance on the provisions of the Netherlands-Russia tax treaty.

Yandex N.V. is incorporated in the Netherlands and our principal operating subsidiaries are incorporated in Russia. Our management seeks to ensure that we conduct our affairs in such a manner that our parent company is regarded as the beneficial owner of all its incomes and not regarded as tax resident in any jurisdiction other than the Netherlands and, in particular, is not deemed to be a tax resident of, or to have a permanent establishment in, Russia. Thus, dividends paid from our Russian operating subsidiaries to our parent company should generally be subject to Russian withholding tax at a 5% rate. If our parent company were not treated as a Dutch resident for tax purposes or if it were deemed to have a permanent establishment in Russia, or if the Russian tax authorities were to determine that other conditions for the application of the 5% rate are not met because, for example, if Yandex N.V. is not deemed to be beneficial owner of the dividends received, dividends paid from our Russian operating subsidiaries to our parent company would be subject to Russian withholding tax at the rate of 15%.

We can provide no assurance that dividend withholding tax relief may not be challenged by the Russian tax

authorities based on the grounds mentioned above. Furthermore, Russian tax rules regarding residency and beneficial ownership which were recently introduced may change or their interpretation may evolve, thus triggering changes in taxation of dividends from our Russian subsidiaries to our parent company in the future.

Based on the current state of the law and available interpretations, we believe that Yandex N.V. and our material foreign subsidiaries should not be treated as controlled foreign corporations for Russian tax purposes. However, there are risks that any of these rules may be interpreted or applied in a manner that may have an adverse effect on our results of operations.

In addition, in December 2020 Russia's Finance Ministry announced that it was in the process of drafting a bill denouncing the double taxation treaty with the Netherlands, following reported failure to reach agreement on amendments to the treaty. If the Russian government proceeds with this plan in the first half of 2021, the treaty will cease to have effect from the beginning of 2022. In this case, our Russian subsidiaries would be subject to a 15% rate on dividends to our parent company and their unremitted earnings. This change would materially adversely affect our ability to upstream dividends to our parent company, and may require us to consider changes to the structure of our corporate group.

We may be required to record a significant deferred tax liability if we are unable to reinvest our earnings in Russia.

Our principal Russian operating subsidiary has significant accumulated earnings that have not been distributed to our Dutch parent company. Our current policy is to retain 50% of our earnings at the level of our principal subsidiary for investment in Russia.

As of December 31, 2020, we had an accrual of RUB 1,593 million (\$21.6 million) for dividend withholding tax. If circumstances change and we are unable to reinvest in that subsidiary's current operations or acquire suitable businesses in Russia, U.S. GAAP would require us to record a deferred tax liability representing the dividend withholding taxes that we would be required to pay if this subsidiary were to pay these unremitted accumulated earnings to our Dutch parent company as a dividend, even if such dividends were not actually declared and paid. As of December 31, 2020, the cumulative amount of unremitted earnings in respect of which dividend withholding taxes have not been provided is RUB 101,225 million (\$1,370.2 million). The applicable withholding tax rate is 5% and the amount of the unrecognized deferred tax liability related to these unremitted earnings was RUB 5,061 million (\$68.5 million) as of December 31, 2020. We expect the amount of unremitted earnings to grow as our principal Russian operating subsidiary continues to generate net income. If we were required to record a deferred tax liability on an amount subsequently made available for distribution it may have a material adverse effect on our results of operations and may require us to consider changes to the corporate structure of our group.

Risks Related to Ownership of our Class A Shares

The price of our Class A shares has been and may continue to be volatile. Market fluctuations specific to developing markets or to high-growth technology companies generally may affect the performance of our Class A shares and could expose us to potential securities litigation, which could result in substantial costs and a diversion of our management's attention and resources.

Due to macroeconomic and geopolitical events, in 2020, IT companies global demonstrated significant growth, including companies with significant operations in Russia and certain other markets. Generally, the market for technology and other growth companies has generally experienced severe price and volume fluctuations that have often been disproportionate to the operating performance of those companies. These broad macroeconomic, geopolitical, market and industry factors may impact the market price of our Class A shares regardless of our actual operating performance.

The trading price of our Class A shares has been and may continue to be volatile and subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include:

- macroeconomic and geopolitical developments, including those specific to technology businesses, the internet and online advertising both in Russia and globally, as well as the impact of COVID-19;
- any proposed or adopted legislation in Russia that would impose limitations on foreign ownership or

control of our business;

- changes or proposed changes in the regulation of our services by the applicable government authorities, including with respect to operational requirements and governance;
- market rumors which may negatively impact the price of our Class A shares);
- quarterly variations in our results of operations or those of our competitors;
- fluctuations in our share of the internet search market or our other markets;
- the proportion of our revenues generated on our websites relative to those generated through the Yandex Advertising Network or through distribution partners, as a result of the revenue sharing arrangements we enter into and the overall volume of advertising we provide our partners;
- announcements of technological innovations or new services and media properties by us or our competitors;
- the amount of advertising purchased or market prices for online advertising;
- the emergence of new advertising channels in which we are unable to compete effectively;
- the volume of searches conducted, the amounts bid by advertisers or the number of advertisers that bid in our advertising system;
- the numbers of users of our other services, and the volume of their activity on our services;
- changes in governmental regulations, in particular those applicable to regulation of online business in Russia and globally;
- disruption to our operations or those of our partners;
- our ability to develop and launch new and enhanced services on a timely basis;
- commencement of, or our involvement in, litigation;
- any major change in our directors or management;
- changes in earnings estimates or recommendations by securities analysts;
- our ability to compete effectively for users, advertisers, partner websites and content;
- the operating and stock price performance of other companies that investors may deem comparable to us;
- fluctuations in the exchange rate between currencies, including the Russian ruble and the U.S. dollar;
- general global or Russian economic conditions and slow or negative growth or forecast growth of related markets; or
- other events or factors, including those resulting from war, incidents of terrorism, natural disasters, public health concerns or epidemics, such as the COVID-19 pandemic, natural disasters, or responses to these events.

Additionally, volatility or a lack of positive performance in the price of our Class A shares may adversely affect our ability to retain key employees, some of whom have been granted equity awards.

This volatility may affect the price at which holders of Class A shares may sell such shares and the sale of substantial amounts of our Class A shares could adversely affect our trading price.

In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

The concentration of voting power with our principal shareholders, including our founders, directors, senior management and principal non-institutional shareholders, together with the Priority Share held by the Public Interest Foundation, limits your ability to influence corporate matters, while a loss of voting control by our principal shareholders could affect the direction of our company.

Our Class B shares have ten votes per share and our Class A shares have one vote per share. As of February 15, 2021, our founder, directors, senior management (and their affiliates) and principal non-institutional shareholders together own 95.51% of our outstanding Class B shares and 3.63% of our outstanding Class A shares, representing in the aggregate 52.09% of the voting power of our outstanding shares. In particular, our founder, Mr. Volozh, directly or indirectly controls 86.22% of our outstanding Class B shares and 0.01% of our outstanding class A shares representing in the aggregate 45.48% of the voting power of our outstanding shares. Additionally, the Priority Share provides the Public Interest Foundation with certain rights, including an effective veto on acquisitions related to our Company or the sale of our material businesses.

In addition, as part of the restructuring that was approved in late 2019, the automatic conversion feature of the Class B Shares was amended to provide that, upon the death of a Class B holder, including Mr. Volozh, Class B Shares held by a family trust established by such holder will not automatically convert for a period of two years. During the two-year transition period following the death of Mr. Volozh, the trustee of the family trust will be bound to vote in favor of any proposal of the Board, and in accordance with the Board's recommendation on any other matter. These restrictions will fall away, and the shares will automatically convert into Class A Shares, after the end of that two-year period.

As a result, our founder, directors, senior management and their affiliates have significant influence over the management and affairs of our company and over all matters requiring shareholder approval, including the election of directors, the amendment of our articles of association and significant corporate transactions, such as a sale of our company or its assets.

This concentrated control limits your ability to influence decisions on corporate matters. We may take actions that our public shareholders do not view as beneficial or as maximizing value for them. As a result, the market price of our Class A shares may be adversely affected.

Certain of our directors and shareholders and their affiliates may have interests that are different from, or in addition to, the interests of other Yandex shareholders.

Some of our directors are affiliated with investment funds or financial institutions that have investments in other businesses or entities that currently or may in the future compete with us or with whom we may enter into transactions. Such affiliations may require the directors to recuse themselves from consideration of certain transactions or may otherwise create real, potential or perceived conflicts of interest.

Our Board of Directors and our priority shareholder have the right to approve accumulations of stakes in our company or the sale of our principal Russian operating subsidiary, which may prevent or delay change-of-control transactions.

Our Board of Directors has the right to approve the accumulation by a party, group of related parties or parties acting in concert of the legal or beneficial ownership of shares representing 10% or more, in number or voting power, of our outstanding Class A and Class B shares (taken together). If our board grants its approval of such share accumulation, the matter is then submitted to Public Interest Foundation, as holder of our priority share, which has a further right of approval of such accumulation of shares. In addition, any decision by our Board of Directors to transfer all or substantially all of our assets to one or more third parties, including the sale of our principal Russian operating subsidiary, is subject to the prior approval of Public Interest Foundation, as priority shareholder.

Any holding, transfer or acquisition by a party, group of related parties or parties acting in concert of the legal or beneficial ownership of Class B shares representing 10% or more, in number or by voting power, of our outstanding Class A and Class B shares (taken together), without the prior approval of our Board of Directors, first, and then the priority shareholder, will be null and void. The acquisition of shares in excess of the thresholds permitted by our articles of association will be subject to certain notification requirements set forth in our articles of association. Failure to comply with those terms would render the transfer of such shares null and void. In addition, the holders of such shares would not be entitled to the dividend or voting rights attached to their excess shares. The rights of our Board of Directors and our priority shareholder to approve accumulations of stakes in our company may prevent or delay change-of-control transactions.

Anti-takeover provisions in our articles of association may prevent or delay change-of-control transactions.

In addition to the rights of our board and of the priority shareholder to approve the accumulation of stakes of 10% or more, as described above, our multiple class share structure may discourage others from initiating any potential merger, takeover or other change-of-control transaction that our public shareholders may view as beneficial. Our articles of association also contain additional provisions that may have the effect of making a takeover of our company more difficult or less attractive, including:

- the staggered terms, of up to four years, of our directors, as a result of which only a minority of our board is subject to election in any one year;
- a provision that our directors, other than the two directors designated by the Public Interest Foundation from time to time, may only be removed by a two-thirds majority of votes cast representing at least 50% of our outstanding share capital;
- requirements that certain matters, including an amendment of our articles of association, may only be brought to our shareholders for a vote upon a proposal by our Board of Directors;
- minimum shareholding thresholds, based on par value, for shareholders to call general meetings of our shareholders or to add items to the agenda for those meetings, which will be very difficult for Class A shareholders to meet given our multiple class share structure; and
- supermajority requirements for shareholder approval of certain significant corporate actions, including the legal merger or demerger of our company and the amendment of our articles of association.

The Dutch public offer rules, which impose substantive and procedural requirements in connection with the attempted takeover of a Dutch public company, only apply in the case of Dutch target companies that have shares listed on a regulated market within the European Union. We have not listed our shares, and do not expect to list our shares, on a regulated market within the European Union, and therefore these rules do not apply to any public offer for our Class A shares.

We rely on NASDAQ Stock Market rules that permit us to comply with applicable Dutch corporate governance practices, rather than the corresponding domestic U.S. corporate governance practices, and therefore your rights as a shareholder differ from the rights you would have as a shareholder of a domestic U.S. issuer.

As a foreign private issuer whose shares are listed on the NASDAQ Global Select Market, we are permitted in certain cases to follow Dutch corporate governance practices instead of the corresponding requirements of the NASDAQ Marketplace Rules. We follow Dutch corporate governance practices with regard to the quorum requirements applicable to meetings of shareholders and the provision of proxy statements for general meetings of shareholders. In accordance with Dutch law and generally accepted business practices, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders. Although we do provide shareholders with an agenda and other relevant documents for the general meeting of shareholders, Dutch law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in the Netherlands. Accordingly, our shareholders may not be afforded the same protection as provided under NASDAQ's corporate governance rules.

We do not comply with all the provisions of the Dutch Corporate Governance Code. This may affect your rights as a

shareholder.

As a Dutch company we are subject to the Dutch Corporate Governance Code, or DCGC. The DCGC contains both principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, including the NASDAQ Global Select Market. The principles and best practice provisions apply to the board (in relation to role and composition, conflicts of interest and independence requirements, board committees and remuneration), shareholders and the general meeting of shareholders (for example, regarding anti-takeover protection and obligations of the company to provide information to its shareholders) and financial reporting (such as external auditor and internal audit requirements). The DCGC requires that companies either “comply or explain” any noncompliance and, in light of our compliance with NASDAQ requirements and as permitted by the DCGC, we have elected not to comply with all of the provisions of the DCGC. This may affect your rights as a shareholder and you may not have the same level of protection as a shareholder in a Dutch company that fully complies with the DCGC.

Because of the secondary listing of our Class A shares on the Moscow Stock Exchange, we are subject to additional disclosure and compliance requirements that may conflict with those imposed by the SEC and NASDAQ, and we may experience trade fluctuations based on arbitrage activities.

In June 2014, we established a secondary listing of our Class A shares on the Moscow Stock Exchange. Pursuant to that listing, we and our insiders must comply with certain disclosure and other obligations that may differ in timing and substance from those applicable to our NASDAQ listing. In addition, many of the obligations imposed by the Moscow Stock Exchange are formalistic in nature, and that exchange has limited experience in the application of its requirements to companies incorporated outside Russia. As a result, we may not be able to comply with all formal obligations in a manner that is consistent with the requirements or interpretations of that exchange.

In addition, this secondary listing may create opportunities for trading arbitrage, particularly in connection with currency fluctuations between the trading in U.S. dollars on NASDAQ and in rubles on the Moscow Stock Exchange, which could impact the trading price of our Class A shares.

Risks for U.S. Holders

We cannot assure you that we will not be classified as a passive foreign investment company for any taxable year, which may result in adverse U.S. federal income tax consequence to U.S. holders.

Based on certain management estimates with respect to our gross income and the average value of our gross assets and on the nature of our business, we believe that we were not a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes for the 2020 tax year, and do not expect to be a PFIC in the foreseeable future. However, because our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets in such year, and because this is a factual determination made annually after the end of each taxable year and there are uncertainties in the application of the rules, there can be no assurance that we will not be considered a PFIC for the current taxable year or any future taxable year. In particular, the value of our assets may be determined in large part by reference to the market price of our Class A shares, which has fluctuated, and may continue to fluctuate, significantly. If we were to be treated as a PFIC for any taxable year during which a U.S. holder held our Class A shares, certain adverse U.S. federal income tax consequences could apply to the U.S. holder. See “Taxation—Taxation in the United States—Passive foreign investment company considerations.”

Any U.S. or other foreign judgments you may obtain against us may be difficult to enforce against us in Russia or the Netherlands.

We have only very limited operations in the United States, most of our assets are located in Russia, our company is incorporated in the Netherlands, and most of our directors and senior management are located outside the United States. As a result, it may be difficult to serve process on us or these persons within the United States. Although arbitration awards are generally enforceable in Russia and the Netherlands, and Russian courts may elect to enforce foreign court judgments as a matter of international reciprocity and judicial comity, you should note that judgments obtained in the United States or in other foreign courts, including those with respect to U.S. federal securities law claims, may not be enforceable in Russia or the Netherlands. There is no mutual recognition treaty between the United States

and the Russian Federation or the Netherlands, and no Russian federal law or Dutch law provides for the recognition and enforcement of foreign court judgments. Therefore, it may be difficult to enforce any U.S. or other foreign court judgment obtained against our company, any of our operating subsidiaries or any of our directors in Russia or the Netherlands.

The rights and responsibilities of our shareholders are governed by Dutch law and differ in some important respects from the rights and responsibilities of shareholders under U.S. law.

Our corporate affairs are governed by our articles of association and by the laws governing companies incorporated in the Netherlands. The responsibilities of members of our Board of Directors under Dutch law are different than under the laws of some U.S. jurisdictions. In the performance of its duties, our Board of Directors is required by Dutch law to consider the interests of Yandex, its shareholders, its employees and other stakeholders and not only those of our shareholders. Also, as a Dutch company, we are not required to solicit proxies or prepare proxy statements for general meetings of shareholders.

In addition, the rights of our shareholders are governed by Dutch law and our articles of association and differ from the rights of shareholders under U.S. law. For example, Dutch law does not grant appraisal rights to a company's shareholders who wish to challenge the consideration to be paid upon a merger or consolidation of the company.

Item 4. Information on the Company.

History and Development of the Company; Organizational Structure.

Our founders began the development of our search technology in 1989, and launched the yandex.ru website in 1997. Our principal Russian operating subsidiary, Yandex LLC, was formed in 2000, as a wholly owned subsidiary of our former Cypriot parent company. In 2007, we undertook a corporate restructuring, as a result of which Yandex N.V. became the parent company of our group. Yandex N.V. is a Dutch public company with limited liability. Its registered office is at Schiphol Boulevard 165, 1118 BG, Schiphol, The Netherlands (tel: +31-20-206-6970). The executive offices of our principal operating subsidiary are located at 16, Leo Tolstoy Street, Moscow 119021, Russian Federation (tel. +7-495-739-7000).

Our company became profitable in 2003 and its revenues have been continually growing ever since. In May 2011 Yandex went public on the NASDAQ stock exchange, under the ticker YNDX, and subsequently listed on Moscow Exchange in June 2014.

For a discussion of our principal acquisitions and disposals in 2020, see "Operating and Financial Review and Prospects — Recent Acquisitions".

Business Overview

Our Business

Yandex is a technology company that builds intelligent products and services powered by machine learning. Our goal is to help consumers and businesses better navigate the online and offline world. Since 1997, we have delivered world-class, locally relevant search and information services. Additionally, we have developed market-leading on-demand transportation and delivery services, and navigation products, and have expanded into e-commerce, entertainment and cloud markets to assist consumers in Russia and number of international markets. As of the end of December 2020 Yandex had over 30 offices in 8 countries.

We derive a substantial part of our revenues from online advertising. We enable advertisers to deliver targeted, cost-effective ads that are relevant to our users' needs, interests and locations. We serve ads on our own search results and other Yandex webpages, as well as on thousands of third-party websites that make up our Yandex Advertising Network. Through our ad network, we extend the audience reach of our advertisers and generate revenue for both our network partners and us. We offer a variety of ad formats to our advertisers, including performance-based, brand and video advertising formats across different platforms.

A few years ago, we embarked on a strategy to diversify our revenue streams and broaden the appeal of our ecosystem. Other revenue streams are growing rapidly and come from our Taxi segment, which includes our B2C and B2B ride-hailing, FoodTech, logistics and car-sharing services; Yandex.Market; Media Services and other initiatives related to IoT (Internet of Things); as well as Other Bets and Experiments. The contribution of non-advertising businesses have increased significantly. For the year 2020 the non-advertising segments accounted for 42% of our total group revenue compared with 31% in 2019 and 20% in 2018.

Our businesses are organized in the following operating segments:

- Search and Portal, which includes Search, Mail 360, Weather, News, Uslugi, Travel, Alice voice assistant and number of other services offered in Russia, Belarus and Kazakhstan, as well as our Devices business (Internet of Things);
- Taxi, including our ride-hailing business (which consists of Yandex.Taxi in Russia and 16 other countries across CIS and EMEA, and Uber in Russia and CIS) for both B2C and B2B, Logistics, FoodTech businesses (including Yandex.Eats, our ready-to-eat and grocery delivery service, and Yandex.Lavka, our hyperlocal convenience store delivery service) and Yandex.Drive, our car-sharing business;
- Yandex.Market (including our price comparison service, e-commerce marketplace and several small experiments);
- Media Services (including our subscription service Yandex Plus, Yandex Music, KinoPoisk, Yandex.Afisha and our production center Yandex.Studio);
- Classifieds (including Auto.ru, Yandex.Realty, Yandex.Jobs, and Yandex Classifieds); and
- Other Bets and Experiments (including Yandex Self-Driving Group (“Yandex SDG”), Zen, Geolocation Services (“Geo”), Edadeal, Investments, Yandex.Cloud and Yandex.Education).

Our Other Bets and Experiments segment consists of smaller business units and experiments that we aim to develop into thriving and successful businesses.

In February 2021, we have made changes to our organizational structure and created two core business groups: Search, Advertising and Cloud Services; and E-commerce and RideTech. Each of these business groups combines several segments and experiments, with similar business models, development mechanics and consumer problems they solve, under a single leader. The Search, Advertising and Cloud business group includes Search and Portal segment as well as smaller experiments such as Zen, Cloud, Geo and a few smaller services. The E-commerce and RideTech business group combines our key transactional services, including on-demand transportation, delivery and logistics services (i.e. Taxi segment) as well as Yandex.Market. Other businesses, such as Media Services, Classifieds, Self-Driving Group remain separate business units. The new structure aims to further improve coordination and integration between different services within the Yandex platform as well as to allow for more efficient realization of cross-segment synergies.

Search and Portal

We offer a broad range of world-class, locally relevant search and information services that are free to our users and that enable them to find relevant information quickly and easily.

Yandex Search

Our search engine offers almost instantaneous access to the vast range of information available online. We utilize linguistics, mathematics, machine learning and AI to develop proprietary algorithms that efficiently extract, compile, systematize and present relevant information to our users. Our organic search results are ranked by computer algorithms based exclusively on relevance, and we clearly segregate organic results from paid results to avoid confusing our users.

According to Yandex.Radar, our total search share reached 59.2% of all search traffic in Russia in 2020, up from 56.3% in 2018 and 57.0% in 2019, which was driven by share growth on both desktop and mobile devices. In 2020, our search share on desktop and mobile reached 69.2% and 54.5%, respectively. We continued to gain share in mobile search, reaching 57.6% on Android and improving our share to 41.8% on iOS in 2020 (from 52.6% and 40.6% in 2019, respectively). In February 2021, our search share averaged 70.2% on desktop and 55.8% on mobile, respectively, with mobile search share of 59.3% on Android and 41.9% on iOS. Also, we further improved mobile monetization. The percentage of our total search traffic generated from mobile devices averaged approximately 60% in Q4 2020 compared with 58% in Q4 2019, while the percentage of our search revenues generated from mobile devices increased to approximately 53% in Q4 2020 from approximately 49% in Q4 2019.

In 2020, Yandex Search introduced YATI (Yet Another Transformer with Improvements) – a neural network based on the Transformer architecture, which allows us to evaluate semantic relationships between user queries and the content of web documents. Transformer architecture has several key advantages — it works not only with short texts, such as queries or article titles, but also with longreads. YATI is able to identify the most significant sections of a text and take those into account while delivering search results. YATI is also able to “understand” the relevant context, such as the sequence of words and how words affect each other. Overall, YATI is several million times more complex than our previous generation neural network and is one of the biggest updates to our core search technology in the last ten years.

Yandex Search App

Enhanced with Alice, the first conversational voice assistant on the Russian market, Yandex Search App integrates Yandex’s must-have services into one app, including Search, Maps, News, Zen, Weather and many others. At the beginning of 2021, our Search App was installed on 57% of Android smartphones in Russia and generated 56% of Yandex’ search traffic on the Android platform. The Yandex Search App audience reached 61 million users on Android on a monthly basis in February 2021.

Yandex Browser

Our Yandex Browser is the second most popular browser on desktops and the most popular non-native browser on mobile platforms in Russia. Yandex Browser is committed to delivering high-quality user experiences and to ensuring security for users online. Yandex Browser’s built-in Antishock technology blocks malicious and fraudulent advertising and its “Protect” technology offers comprehensive protection against the majority of online threats. For example, Yandex Browser checks all downloaded files for viruses, warns users about dangerous websites, encrypts users’ passwords with strong cryptography, and ensures safe payments. Also, the Russian version has native ad blocking to enhance users’ browsing experience by filtering intrusive advertising. In 2019, we started offering an energy-saving mode, making Yandex Browser the most energy-efficient browser, according to the tests of ixbt.com, the Russian information and analytical website focused on IT technologies. We have also created a set of free technologies for online stores that help increase the conversion rate of a website and simplify the user’s path to purchase. In early 2021 we have rolled out Your Tracking Protection (YTP), a feature that lets each individual user control whether to block or unblock third-party cookies through a simple, intuitive dashboard already built into the Yandex Browser. This is a further step to make browser experience safer and more secure.

The combined share of our desktop and mobile visits processed through Yandex Browser in Russia reached 21.6% in February 2021, according to Yandex.Radar.

Voice assistant Alice

In October 2017, we launched **Alice**, the first conversational intelligent assistant for the Russian market. Alice assists users with a broad range of inquiries, such as factoid questions, weather forecasts, directions and currency exchange rates, as well as helping users to manage daily tasks, such as setting up an alarm, reminding of important things or hailing a taxi. Alice is not limited to predefined scenarios and includes a general “chit-chat” mode – a unique feature among intelligent assistants that has been embraced by millions of users. It also benefits from the near-human level of speech recognition accuracy (based on the Word Error Rate measurement) provided by the Yandex SpeechKit platform. In May 2018, we launched a developers’ skills platform, Yandex.Dialogues, designed to make it easy for any third-party developer to create new skills for Alice. Today, there are about 4 million monthly users of external voice applications with Alice.

In May 2019, we announced our own smart home ecosystem powered by Alice, and currently, the number of supported smart home device models is more than 8,000, including air-conditioners, robot vacuum cleaners, light switches, power sockets, remote controllers and more. While initially only accessible through our search app, Alice is now accessible through Yandex Browser, Yandex.Navigator, Yandex.Station, Yandex.Station Max, Yandex.Station Mini, Yandex.Auto and Yandex.TV, our smart TV platform based on AOSP (Android Open Source Project), as well as on third-party platforms and smart speakers.

In April 2020, we announced Yandex.TV, our own smart TV multimedia platform that comes pre-installed in a variety of budget and mid-range TVs offered in Russia based on the AOSP. Yandex.TV offers users seamless way of interacting with different kinds of content on one screen, including Yandex's own KinoPoisk HD content, blogger videos and TV channels. Yandex.TV users can also stream videos from other streaming services such as ivi, MEGOGO and others. Since its launch, it has been integrated into more than 80 TV models by brands such as Hyundai, Leff, Hi, DEXP and others. In November 2020, voice assistant Alice was made available in all TVs with Yandex.TV on board: it can help navigate through content via smart voice search, find specific movies, answer general questions, tell the weather and much more.

Internet of Things (Yandex.Station)

In May 2018 we launched **Yandex.Station**, the first smart speaker designed for the Russian market and Yandex's first hardware product, equipped with our AI voice assistant, Alice, to help users manage their daily tasks. Yandex.Station provides a complete in-home multimedia entertainment experience. As the first smart speaker with both audio and video capabilities, it plays music and also streams films, videos and television through its HDMI port to any connected display. Currently, Yandex.Station has access to our streaming services Yandex Music (audio) and KinoPoisk HD (video).

In 2019, we launched our next smart speaker – the compact and affordable **Yandex.Station Mini**, which has all the features of Yandex.Station apart from video capabilities. In addition, it features gesture control.

In November 2020, we presented a new addition to our family of smart speakers. The new **Yandex.Station Max** is the most powerful smart speaker produced by Yandex to date. It features advanced Dolby Audio technology for a perfect audio experience, 4K HDR for streaming films in crystal clear quality, and an interactive LED screen to visually augment Alice's replies.

In February 2021 we have announced that sales of smart speakers with voice assistant Alice reached 1.3 million devices since inception.

Other Products and Services

Search and Portal segment includes number of other products and services, the key ones of which are the following:

- **Yandex.Mail 360** unites our various productivity tools, including Yandex.Mail, Yandex.Disk, cloud-based storage service, Yandex.Telemost, our video conferencing service launched in 2020, Yandex.Calendar, and Yandex.Notes to help users with correspondence, time tracking, document management and conferencing services.
- **Yandex.News**, the most visited online news aggregation service in Russia, providing a comprehensive and up-to-date news coverage for our users.
- **Yandex.Weather** service, offering hyperlocal, real-time weather information based on our proprietary weather forecasting technology - Meteum, powered by machine learning.
- **Yandex.Travel**, our travel aggregator service, which allows users to search for flight tickets and hotels, compare prices, as well as offers users an opportunity to purchase train and intercity bus tickets.

- **Yandex.Uslugi**, our free of charge service helping users to find independent professionals to perform various types of works and services such as tutors, repairman, driving instructors and many others. As of December 31, 2020, the daily audience of the service reached 650,000 users and the number of professionals and freelancers exceeded 1 million.
- **Yandex.Q** is a community of experts in science, medicine, economics, education, art, and many other areas of life, who share their knowledge in a question-and-answer format. The daily audience of the service reached 2.5 million users in December 2020.

Our Monetization and Advertiser Services

We offer a variety of ad formats to our advertisers, including performance-based, brand and video advertising formats.

Performance-based ads are principally targeted to a particular user query on our search engine result pages, and on the search result pages of our partners, as well as to the content of a particular website or webpage being viewed, or to user behavior or characteristics. Such ads are clearly marked as paid advertising and are separate from our organic search results and non-advertising content.

Most of our revenues are generated from performance-based advertising, on a pay-per-click basis, with a smaller, but growing portion of revenues generated from brand advertising and video advertising, based on the number of impressions delivered. We actively monitor the ads we serve, both automatically and manually, in order to help ensure the relevance of the ads as well as compliance with applicable laws.

Yandex.Direct

Yandex.Direct is our auction-based advertising placement platform, which uses auction theory and relies on our distributed infrastructure to process millions of auctions every day. Yandex.Direct lets advertisers cost-effectively deliver relevant ads targeted at particular search queries or content on Yandex websites or third-party websites in the Yandex Advertising Network. Advertisers may use our automated tools, often with little or no assistance from us, to create performance-based ads, bid on keywords that are likely to trigger the display of their ads, and set total spending budgets. Yandex.Direct features an automated, online sign-up process that enables advertisers to create and quickly launch their advertising campaigns. Advertisers may also work with our sales staff to design and implement more specialized or sophisticated advertising campaigns. We also offer a Yandex.Direct mobile app to better facilitate advertisers' access to our service to manage their advertising campaigns.

Performance-based ads on our desktop search engine results page (SERP) appear in one of several general categories: top of the page, appearing above the organic search results; and bottom of the page, which appears either below the organic search results or the right-hand block located to the right of the organic search results. Advertisers bid for the amount of traffic they want to purchase, instead of traditional bidding for a specific ad placement block. Yandex.Direct continues using a Vickrey-Clarke-Groves (VCG) auction to serve ads on our SERP.

We are constantly working to improve our automatic strategies, to make them better help businesses reach their goals. In the second quarter of 2020, we launched new a Fixed Cost Per Action (CPA) model in Yandex.Direct, as a result of which any business, regardless of size or industry, can pay a specific price for targeted user actions, like placing an order on the website or filling out a request. This strategy allows advertisers to spend their ad budgets more efficiently and receive better return on advertising spend. Moreover, this model allows us to attract new customers for whom the auction model was too complicated. This CPA model brought users more than 10 million targeted actions in the two quarters post launch.

For many businesses, phone calls are one of important metrics of ad campaigns effectiveness, as well as a channel of communication with customers. Therefore, we have started to test the implementation of a free of charge call tracking feature, which we will continue to develop in 2021.

Yandex Advertising Network

Our Yandex Advertising Network partners include search websites, for which we provide search capabilities, as well as contextual network partners, where we serve ads on websites, based on user behavior or characteristics or website content. Among our partners are some of the largest Russian websites, including Avito, Mail.ru Group, Rambler, RIA and others.

We help third-party website owners monetize their content while extending the reach of our advertisers. Through the Yandex Advertising Network, our partners can deliver performance-based ads on their search results pages or websites. Our advertising algorithms use our proprietary MatrixNet technology, which optimizes the click-through rate on our network through improved click prediction. We screen applicants for the Yandex Advertising Network and favor websites with high-quality content and stable audiences to offer advertisers high-quality traffic.

Yandex's video advertising network allows users to place full-screen videos, video ads on pages of websites and ads within the video content available on over 450 advertising platforms, including desktop and mobile websites, mobile apps and Smart TV applications. Yandex's video ad network covers over 67 million users. Yandex's technologies enable users to provide advertising to the targeted audience and offer analysis of its efficiency through different tools and instruments, such as Brand Lift or video roll analysis.

In 2020 we completed the acquisition of K50, an efficient and fully automated platform for centralized ad placement in different channels, and one of the leading ad solutions for ad agencies on the Russian market.

Programmatic advertising

We have developed a range of programmatic advertising products, which utilize real-time bidding, or RTB, technologies to provide effective solutions to our publisher and advertiser partners. Our RTB ad exchange connects our performance-based demand-side platform (DSP) Yandex.Direct, to our display-based DSP (called AWAPS) as well as to integrated third-party DSPs. Our RTB ad exchange leverages the wealth of targeting data generated by our own Data Management Platform, including Crypta, and search and browsing history. The RTB ad exchange is connected to many of our Yandex Advertising Network partners who have chosen to display ads from our RTB ad exchange as well as or in lieu of our regular Yandex.Direct ads. In addition, through ADFOX, an online ad management platform for media publishers, we provide a supply-side platform to our publisher partners. ADFOX is able to mediate in real-time between programmatic brand ads from AWAPS, performance-based ads from Yandex.Direct, ads from integrated third-party DSPs and the publisher's own direct sales. In 2020 we introduced Outstream video ads, a mobile-specific video ads that reach potential customers on partner site, along with contextual and display ads in the same RTB block. This format helps website owners to use their ad inventory more efficiently.

Mobile Advertising

We offer our advertisers the ability to display ads on mobile versions of Yandex services, including Search, Zen, and our Advertising Network partner websites, as well as in mobile applications, including our Yandex Search App. Advertisers are able to set up their mobile bids as a coefficient of their desktop bids.

Turbo pages

Launched in mid-2017, Turbo pages is a format of displaying content on mobile devices that loads several times faster than regular web pages and is optimized for smaller screens. Our Turbo pages are easier to implement compared to other similar products and offer monetization from Yandex out of the box. Turbo pages are available on Search, Zen and News, in mobile and desktop. In 2020, our Turbo-pages were being used by tens of thousands of internet websites.

Analytics tools

Our web analytics system, **Yandex.Metrica**, has the largest coverage among web analytics platforms in Russia. It is installed on 89% of all ".ru" domains using at least one web analytics tag. It is also one of the three most popular web analytics tools in the world. Yandex.Metrica combines near real-time reporting tools with intuitive heat maps and session replay. It features online-to-offline and cross-device tracking, easy-to-use attribution models, intuitive

dashboards and fully customizable reports and segments. Yandex.Metrica offers a comprehensive set of tools for ad analytics, helping businesses easily find traffic sources with the highest ROI. Yandex.Metrica provides the Logs API to export all raw data in order to accomplish complex tasks. Yandex.Metrica is available without any data caps, regardless of the traffic volume.

We also provide users with **AppMetrica**, a universal app analytics and marketing platform for install attribution that can be used for tracking various kinds of ad campaigns, as well as for product analytics, crash reports and push campaigns.

Yandex.Radar is our analytics tool, which provides statistics on search market shares and browser usage, as well as traffic breakdown by operating system and device type.

Taxi

Our taxi segment provide a multi-mode experience that seamlessly and efficiently satisfies the needs of users and business for ride-hailing, car-sharing and delivery (including food and grocery delivery). Our platform enables access to a wide range of personal mobility and delivery services through our Yandex Go super app, which we launched in August 2020 and which combines ride-hailing, logistics, car-sharing, and public transport schedules, as well as food and grocery delivery services, in one app. Our users can also access this collection of services through standalone apps, including Uber Russia ride-hailing app, Yandex.Drive car-sharing app, as well as Yandex.Eats and Yandex.Lavka.

Ride-Hailing

We launched our ride-hailing service in Russia in 2011. As of December 31, 2020, our ride-hailing services are available in 17 countries, including Russia, and approximately 800 cities (with over 50,000 population). The scale of our network coupled with our proprietary technology and marketplace efficiency enable us to accurately forecast demand and incentivize drivers to be available to accept rides, providing highly reliable ride-hailing services for individual users and businesses.

We have established one of the largest ride-hailing networks in Russia and much of the CIS, providing over 900,000 drivers with taxi orders and enabling riders to complete over 1.6 billion rides across all our geographies in 2020. Our total number of rides grew 18% year-over-year in 2020, despite the pandemic-related slow-down during the first half of the year.

Russia has historically accounted for a large portion of our ride-hailing operations, where we offer the broadest range of ride-hailing tariffs, varying by both price and functionality.

In addition to our primary ride-hailing services, our B2B platform offers comprehensive solutions for corporate ride-hailing services, including business trips, airport transfers and staff logistics, as well as transportation budget management. We launched our B2B platform in Russia in 2016 and have since expanded it to include Kazakhstan, Armenia, Belarus and Israel.

Our app utilizes smartphone GPS to detect a rider's location and efficiently connect a rider with an available driver. Our app also provides robust features and functionality for riders throughout a trip, including the efficient determination of pickup points to reduce estimated arrival and waiting times. Our proprietary map infrastructure allows our apps to more precisely locate cars, as well as offer a more accurate match with nearby drivers. Our app provides riders with upfront pricing and may also suggest alternative pickup points with a shorter wait time or lower fare. At locations with more complicated logistics such as airports or stadiums, pickup points are predetermined in our app and are integrated with offline signage. Our app accepts a variety of payment methods, including credit cards, cash paid directly to the driver in certain markets and e-wallet payment solutions (including Apple Pay, Google Pay and others).

We currently build relationships with our drivers for our ride-hailing services both directly and through a wide partner network (Fleet Management Companies or FMCs). In certain Russian regions, we also support the new simplified self-employment regime that has been introduced by the tax authorities in Russia, which allows us to engage more drivers directly.

We offer our FMC partners access to efficient fleet management software to manage their driver base and fleet, optimizing their administrative and technical workflows.

Safety is of the utmost importance, and we take a comprehensive approach to monitoring and improving the safety of all our platform users, before, during and after their rides. We offer insurance that covers passengers, drivers

and third party participants in the event of personal injuries sustained in a ride. We have also implemented service access controls, such as driver scoring and detailed driver identification methods. We also tailor certain safety features to particular users, such as providing child safety seats. For drivers, we offer training and vehicle check-ups, both remotely and in person, and we continue piloting various technological tools to improve trip safety, such as video and telemetry monitoring to ensure drivers are alert, while our support service provides emergency support and a safety center services right within the app for both riders and drivers.

During COVID-19 pandemic, we created a separate fleet of vehicles drawn from the hundreds of thousands of cars available through the Yandex.Taxi service and organized more than 160 points for taxi cars disinfection throughout Russia, where drivers also received personal protective equipment. We also established a Support Fund for our drivers and couriers who were infected with COVID-19, in order to support them and their families during the period they were not able to perform ride-hailing services.

FoodTech

Our FoodTech business consists of Yandex.Eats, our ready-to-eat and grocery delivery services, and Yandex.Lavka, a hyperlocal convenience store delivery service. We see a large potential for both segments in our target markets.

Our FoodTech business relies on a wide partner network of couriers, who make deliveries on cars, bikes, scooters and on foot.

As of December 31, 2020, our Yandex.Eats services was available in 170 cities in Russia and Kazakhstan, with the majority of operations in Russia. Yandex.Eats is one of the leading online food ordering and delivery marketplaces in Russia working with approximately 33,000 restaurants as of the end of December 2020. In 2020, in addition to food delivery services, we started to provide grocery delivery from third party retail stores. As of the end of 2020, we partnered with over 20 retail chains across Russia. Approximately 85% of our orders in 2020 were through a first-party delivery model.

Yandex.Lavka offers on-demand delivery of groceries, ready-to-eat and other FMCG products within 10 to 30 minutes. The assortment includes over 2,500 SKUs with a focus on fresh and ready-to-eat categories. As of the end of December 2020 Yandex.Lavka operated 270 “dark” stores (mini warehouses) across Russia and Israel.

Logistics

Yandex Logistics is our delivery solution for consumers and businesses, which we launched during the pandemic as a mean to serve the increased demand for delivery services. The service leverages Yandex’s routing and mapping platform to provide on-demand B2C and B2B delivery services.

Our logistics services are available to users in the Yandex Go super app, while for businesses we developed proprietary software, tailored for specific needs of SMBs and large enterprises.

In 2020 the service grew rapidly, and its annualized run-rate reached 55 million deliveries in December 2020. The number of businesses actively using our Logistics services in December exceeded 15,000. We provide logistics services for internal Yandex businesses, such as Market, Eats and Lavka, as well as for third party companies, such as Detsky Mir, VkusVill, L’Etoile, Pandora, Ozon, Avito, Beeline, Tele2, MTS, IC, VTB, various food retailers and pharmacies.

The service is currently available in over 350 cities in 12 countries.

Yandex.Drive

In February 2018, we launched our free-floating car-sharing service, **Yandex.Drive**, providing users with vehicles that can be reserved for a different period of time through a standalone mobile app, as well as through Yandex Go, and which can be dropped off in any permitted parking place across the cities we serve, as well as at airports and shopping malls. Offering on-demand access to cars in Moscow, Saint Petersburg, Kazan and Sochi, Yandex.Drive operates the leading car-sharing platform in Russia.

Yandex.Drive has been working with corporate clients since 2019. In 2020, Yandex.Drive launched a car subscription service, which allows a user to rent a car by subscription for a period of one month to one-and-a-half years through the app and includes maintenance and insurance.

We equip Yandex.Drive's car fleet with our own proprietary telematics system and Yandex.Auto, our in-car infotainment system. Yandex.Auto provides a number of Yandex's services, including Yandex.Navigator and Yandex Music. Powered by our voice-controlled assistant Alice, Yandex.Auto allows the user to personalize the service. It recognizes each user, greeting them by name, loads their usual routes, plays their favorite music and warns about traffic or weather conditions.

Yandex.Drive pricing is inclusive of fuel, parking, insurance and other costs associated with car ownership. Yandex provides dynamic pricing, which integrates traffic conditions, customer demand and other factors at the time of reservation. In addition, Yandex.Drive became the first car-sharing service worldwide to launch a fixed-price tariffs based on the final destination point, which allows us to improve the utilization rates of our fleet.

In September 2020, Yandex contributed the Yandex.Drive car-sharing business from Yandex N.V. to MLU B.V, our joint venture with Uber.

Yandex.Market

Yandex.Market is one of the most popular internet services in Russia, working as a multi-category marketplace and price comparison service. We aggregate price, product and availability information from thousands of active online and "brick and mortar" retailers. The marketplace is priced on cost per action (CPA) model, while price comparison is mainly priced on a cost-per-click (CPC) basis and recognizes revenue only when a user clicks on product offerings placed by merchants on Yandex.Market.

Yandex.Market price comparison service was launched in 2000, while the transformation into an e-commerce platform began in 2018 when Yandex and Sberbank of Russia completed the formation of a joint venture to develop a multi-category marketplace in addition to comparison shopping. In 2020, we reorganized our Yandex.Market joint venture by acquiring all of the Sberbank's stake in the JV (45%). As a result of this transaction, Yandex became a controlling shareholder of Yandex.Market. We believe that the Russian e-commerce market is in the early stages of development and has significant long-term growth potential underpinned by an accelerating shift from offline to online in the retail sector. Full operational control over Yandex.Market allows us to capitalize on these secular trends as well as to unlock significant synergies from the deeper integration of Yandex.Market with other services within our platform.

In October 2020 we combined our price comparison and marketplace businesses into one platform under the Yandex.Market brand. This unified platform enables us to provide the full suite of e-commerce services to over 30,000 partners, including access to consumers, fulfillment, logistics, advertising and marketing, payments, support and analytics. This platform is also a one-stop shop for online buyers. As a part of our integration efforts, we launched an on-demand delivery option, capitalizing on the synergies between Yandex.Market and the courier capabilities of Yandex.Lavka. This service offers 15-30 minute "delivery to the door" and is now available to all users in Moscow, parts of St Petersburg and Nizhny Novgorod. We have also expanded our loyalty program Yandex Plus to our marketplace, so users are now able to receive up to 5% cashback as well as to pay for their purchases with Yandex Plus points. In 2021, in addition to cashbacks, we added free delivery for orders over 699 Rubles for Yandex Plus subscribers. In the current year, we will focus on accelerating growth, transitioning merchants from the CPC to CPA model and expanding our logistics infrastructure.

During 2020 we materially expanded our third-party business (3P) from 34% of the marketplace's gross merchandise value (GMV) in the fourth quarter of 2019 to 63.5% in the fourth quarter of 2020 (66% in December 2020). More than half of our third-party GMV is fulfilled by Yandex.Market.

Our combined e-commerce GMV, which includes Yandex.Market marketplace GMV, the GMV of Yandex.Lavka and GMV of deliveries from grocery stores on Yandex.Eats grew threefold in 2020 and reached 56 billion rubles (on a pro-forma basis, including Yandex.Market for the full year 2020). In addition to that, our Yandex.Market price comparison platform generated approximately 220 billion rubles of GMV in the full year 2020.

The assortment on Yandex.Market marketplace expanded more than threefold during 2020 and reached 2 million SKUs by the end of the year. The number of buyers increased more than twofold and averaged over 6 million in December 2020. The number of sellers on the marketplace reached 8,000 in early 2021.

By the end of 2020, Yandex.Market operated four fulfillment centers (three in Moscow and one in Rostov on Don) with total area of over 100,000 square meters. In addition, our logistics infrastructure included 8 sorting centers, 632 pick-up points (including 108 branded) and 1,187 branded lockers. In November 2019, we launched a managed courier platform in Moscow, which we further expanded to several other cities including Saint Petersburg, Rostov on Don, Kazan, Nizhny Novgorod, and Krasnodar. Courier delivery remains the primary last-mile delivery option and accounted for 58% of all orders at the end of 2020, including 32% of all orders delivered via our own managed courier platform. The development of our managed courier platform has helped to improve delivery speed compared to third party logistics providers. Around 95% of deliveries via our managed platform were delivered in the customer's preferred time slot. In November 2020, we began testing our "dropshipping by seller" (DSBS) model, whereby the marketplace is only responsible for customer engagement, while the merchandise moves directly from a merchant to a customer without being handled, stored or delivered by us. The model is gaining traction with merchants and should help us to expand the number of merchant partners as well as widen the assortment on our marketplace.

Media Services

Media Services include our entertainment services (Yandex Music, KinoPoisk HD, Yandex.Afisha and Yandex.TV Program), our subscription service Yandex Plus as well as our production center Yandex.Studio. Based on Yandex's recommendation technologies and professional content, Media Services offer its users various entertainment options. We monetize Media Services through subscription revenue, online advertising and transaction revenues, as well as event tickets sales. Our Media Services are available across different platforms, including Yandex.Station and Yandex.Auto.

Media Services include the following:

- **Yandex Plus** is our subscription service to Yandex Music and KinoPoisk HD, cashback loyalty points in the Yandex Go app, Yandex.Market, Yandex.Eats, and Yandex.Lavka and various special offers from other Yandex services (the availability of content, special offers and cashback programs varies by country). Yandex Plus is available in Russia, Kazakhstan, Belarus, Uzbekistan, Israel and some other countries. The subscriber base grew from 2.7 million in December 2019 to 6.8 million in December 2020, and reached over 8 million in February 2021. In Q3 2020, we enhanced the Yandex Plus subscription with access to the full KinoPoisk HD catalog (in addition to previously available Yandex Music). We also replaced several individual bonus programs and discounts for Yandex Plus members in Russia with a unified cashback offering. Subscribers earn cashback loyalty points when they pay for our services and then can use these rewards across the Yandex ecosystem. We currently offer three types of Yandex Plus subscription:
 - Plus (for individuals) and Plus Multi (for up to 4 members of a household) subscriptions give access to thousands of movies and TV shows, including all of our original and exclusive content, access to music and podcasts on Yandex Music as well as cashback offerings;
 - Plus with more.tv and Plus Multi with more.tv. More.tv is a Russian SVoD (Subscription Video on Demand) service that gives access to original and exclusive TV-shows and series;
 - Plus Multi with Amediateka (the subscription also includes more.tv), an exclusive distributor of HBO content in Russia, in addition to the Plus subscription.

We are pleased that several key benefits of Yandex Plus are already materializing. We see improved conversion from trials to paid subscribers, better cross-service usage and higher average spend. Furthermore, we expect that other advantages of our subscription model such as higher customer retention and lower customer acquisition costs will come to bear soon.

- **Yandex Music** is a streaming platform that provides access to a catalog of 65 million music tracks and 254,000 podcast episodes. The service matches music for every taste using its recommendation system, creating unique playlists for each user. Yandex Music is the largest music streaming service in Russia.
- **KinoPoisk** is one of the leading video streaming platforms in Russia and the largest Russian-language source for information about movies, TV-shows, celebrity content and entertainment news, providing users with critic and user reviews and ratings, personalized recommendations, local movie showtimes, ticketing, and many other services. In 2018, KinoPoisk launched its own video streaming service, KinoPoisk HD, which allows users to watch content on a subscription basis (through the Yandex Plus subscription) or purchase selected titles. The KinoPoisk HD catalogue contains over 70,000 movies, video episodes and TV shows, including exclusive content, both licensed from leading domestic and international production companies and original content. In December 2019, we announced a deal with the BBC to exclusively host over 100 hours per year of brand new BBC premium dramas, comedies, and children's titles, plus content from a range of British producers in the BBC Studios' 2020 catalogue. The number of monthly viewing subscribers on the platform reached over 3 million in January 2021.
- **Yandex.Afisha** ("playbill") allows users to buy tickets to cinemas, theaters and concerts online. It incorporates personalized recommendations and is currently operating in over 190 cities across Russia, as well as several cities in Belarus and Kazakhstan.
- **Yandex.TV Program** is a service providing users with an up to date schedule of broadcast, cable and digital TV channels as well as an option to view certain TV channels online.
- **Yandex.Studio** is our own production center, which we launched in 2018 to create video and music content, co-invest in different projects with other production studios and provide marketing support to movie releases. We have already participated in the co-production of several Russian movies and released eight KinoPoisk HD original series in 2020 and early 2021, two of which have since been shown on one of the leading Russian TV channels. We believe the service is strategically important in a world where video consumption is rapidly shifting online and the importance of original content as a key differentiating factor is increasing, and we plan to expand our participation in such projects.

Classifieds

Yandex's Classifieds business unit includes Auto.ru, Yandex.Realty, Yandex.Jobs and Yandex Classifieds.

Auto.ru is our classifieds platform for used and new cars, motorcycles, commercial vehicles and spare parts. We strive to make the used cars market as transparent as possible by providing comprehensive information about the cars advertised on our platform. Auto.ru puts significant effort into providing users with the special tools such as vehicle history reports, which include information from dozens of sources (carmakers, service stations, distributors, official databases and so on). In 2019, we launched a new feature that allows our users to apply for a car loan directly on the Auto.ru website. We partner with reputable financial organizations and do not issue the loans ourselves.

Auto.ru continues to hold a leading position in its established markets with particularly strong presence in Moscow, St. Petersburg and Ekaterinburg. We also continue growing our market share in the regions. Successful integration of Hearst Shkulev Media, the largest media company in the Urals with 30 auto classifieds domains in the regions, and our deal with 24auto.ru, the leading auto classified in Krasnoyarsk region, have also strengthened our regional businesses.

We monetize Auto.ru through vehicle history reports, loan commissions, value added services (VAS), listing fees and valid calls from clients for dealers, spare part sellers and certain individuals as well as through advertising.

Yandex.Realty is our real estate classifieds platform for private individuals, developers and realtors. The service provides listings for both sales and rentals of apartments, houses and commercial property. We also offer the

opportunity to place listings for apartments in newly-built or under-construction apartment complexes across Russia. Yandex.Realty helps users not only to find the right listing but also discover all relevant information about the building and its surroundings. Yandex.Realty primarily generates revenues from listings of new apartments, charging realtors for verified calls from clients.

Yandex.Jobs is our service for job seekers, which is mainly focused on blue collar and service industry jobs. The service is available on the desktop and as a mobile app for Android and iOS and allows users to get in touch with a potential employer directly from the app. Yandex.Jobs aggregates vacancies from a number of partners.

Yandex Classifieds is a platform for free online classified advertisements of general goods, which we have launched in December 2020.

Other Bets and Experiments

We are constantly working to expand our portfolio to ensure growth and development in the future. Other Bets and Experiments segment includes new initiatives and smaller business that are being tested and developed.

Zen

Yandex Zen is a social infotainment platform that brings together content creators and users. The service features an AI powered personalized content feed based on user interests. For content creators, the platform offers monetization opportunities as well as provides instruments to produce high quality content in multiple formats and engage with the audience. The number of daily average users reached 20.3 million in December 2020 (up 51% from December 2019), who generally spend over 40 minutes per day on the platform.

Yandex Zen has been successfully developing its own content platform since 2017, when the service launched a partner program with content creators. It helped to increase the share of high-quality content available on the platform and became one of the key drivers of growing user engagement for Yandex Zen. Currently 80% of the user's time on Zen relates to our own platform and most of our content is unique and created exclusively for Yandex Zen.

While initially Yandex Zen was a text-based content platform, it now offers multiple formats, including short videos, live broadcasts and galleries. Most of these new formats were added during 2020, which contributed to the rapid growth of video consumption on Yandex Zen. As of February 2021 23% of user time is spent consuming video content compared to only 5% in January 2020.

Yandex Zen is available to users on Yandex Home Page, in Yandex Browser, Opera desktop browser in Russia, Turkey and Indonesia, and as a standalone app on Android and iOS. In addition, we integrated Zen as the main feed in the Yandex Search app on Android and iOS. Zen is also the default content feed in the Samsung Internet browser in Russia, Belarus and Turkey. Moreover, Zen is preinstalled on some third-party devices sold in Russia by vendors such as Huawei, Honor, Xiaomi, Samsung, Alcatel, as well as some other local brands. In 2019, the Yandex Zen recommendation service was launched inside Viber Messenger, the second most popular messaging app among traditional messengers in Russia, and later Viber expanded the Yandex Zen experience to Belarus and Vietnam.

Yandex.Cloud

Yandex.Cloud is a full-fledged cloud platform that provides B2B customers (SMBs and enterprises) (which account for 90% of our revenue) and individual developers with scalable infrastructure, storage, machine learning and development tools to build and enhance cutting-edge digital services and applications.

Since the launch in September 2018, Yandex.Cloud has seen a rapid growth both in terms of revenue and new customers with number of active users reaching 15,000 by the end of December 2020, driven by increasing demand of Russian and international companies for cloud services for creating and developing their own digital products and industry platforms, working with data, and upgrading IT infrastructure. In 2020, we added 8 new services to the platform, including services in the field of security, serverless computing and machine learning. The Yandex.Cloud platform has become the first public cloud platform in Russia and the CIS that complies with both international standards such as ISO 27017 and ISO 27018, and Russian regulation in terms of data storage and processing. All Yandex.Cloud services are available on servers located in Russia.

Yandex.Cloud became an independent business unit in 2020.

Self-Driving Group

In early 2017, we started working on our driverless technologies with the aim of creating a fully autonomous system that can operate various types of vehicles and be applied to various transportation scenarios (including, among others, ride-hailing, logistics, e-commerce, food and grocery delivery) in a wide range of conditions. In May 2017, we unveiled the first prototype of our self-driving car, which leverages Yandex's world-class technologies, and launched public road testing by the end of the year.

In November 2018, we received a license to operate our self-driving car in the state of Nevada and demonstrated the advanced capabilities of our autonomous vehicles at CES, Las Vegas in January 2019 and again in 2020. In December 2018, we obtained the relevant permission from the Israeli Ministry of Transportation and Road Safety, and began regular tests of our self-driving cars on public roads in Tel Aviv, Israel. Yandex is also operating Europe's first autonomous ride-hailing service with no one behind the steering wheel in Innopolis, Russia.

By the end of 2020, our self-driving fleet had grown to over 160 cars, which have accumulated over 6 million autonomous miles on public roads in Russia, United States and Israel.

In 2019, Yandex signed an MOU with Hyundai Mobis to jointly develop autonomous vehicles and introduced the fourth generation of Yandex autonomous vehicles based on the Hyundai Sonata in June 2020. We are also developing our own proprietary LIDAR sensors to be used in our self-driving cars. We have already started testing the prototypes of our solid state 360-degree LIDARs on the streets of Moscow.

In November 2019, we introduced our autonomous delivery robot, Yandex.Rover, which leverages our self-driving technology. In 2020, Rovers started commercial operations in three Russian locations - Moscow, Innopolis and Skolkovo, delivering orders from our ready-to-eat delivery service Yandex.Eats and groceries from our hyperlocal grocery delivery service Yandex.Lavka. The number of delivered orders since we launched the service reached more than 2,000 in February 2021.

In September 2020, Yandex and Uber completed the spin-off of the self-driving vehicles business, Yandex SDG, from their Ride-Hailing and FoodTech joint venture. As a result of the restructuring, Yandex SDG is directly owned by Yandex (72.8%) and Uber (18.6%), with the remaining shares reserved for Yandex SDG management and employees.

Geolocation Services

Our **Geolocation Services** integrate Yandex's advanced technologies (including mapping, cartography, and navigation) to provide a broad range of services across Russia, other CIS countries and Turkey. We focus on the development of logistics and routing solutions for individual users and businesses, as well as advertising products for offline businesses. Our Geolocation Services include Yandex.Maps, Yandex.Navigator, our infotainment system for connected cars, Yandex.Auto, our contactless payment service at gas stations, Yandex.Fuel, as well as Yandex.Routing, our technology platform for businesses, which provide services and products in the transportation and logistics industries. We monetize Geolocation Services through online advertising, licensing and transaction services.

Yandex.Maps provide high-quality, detailed maps of Russia, its neighboring countries, Turkey and other countries where we operate our ride-hailing service. The monthly audience of the service has reached 50 million users across all platforms and 20 million monthly average users in the mobile app in 2020. We offer our users panoramic views, navigation across cities enriched with augmented reality, public transportation routes, driving directions with voice controls and turn-by-turn navigation. We continue to develop Yandex.Maps to integrate new features, such as hotel bookings, food ordering, ratings and reviews of restaurants as well as their menus. We recently integrated a Transportation section, which enables users to see public transport routes as well as the movement of buses, trolleybuses and trams in real time. In 2020, we launched a full-fledged navigation service for drivers in Yandex.Maps, which frees users from switching to Yandex.Navigator for turn-by-turn navigation.

We use our technology and licenses to create and edit maps from raw data, including satellite images, GPS coordinates and live user feedback. Yandex.Maps is also available via application programming interfaces, or APIs,

which allow developers to embed and use our interactive maps in third-party websites and applications, as well as to add extra layers of information — for example, to offer a map showing the location of a restaurant or a hotel.

We also offer **Yandex.Navigator**, which integrates our AI assistant Alice. Yandex.Navigator provides turn-by-turn navigation, incorporates a voice input function, speed limit warnings, parking information and information about accidents or road works. It is one of Yandex's most popular mobile apps in terms of usage.

Our map-based apps allow offline businesses to place ads in native formats (adopted for different scenarios on the map), offering then advanced targeting capabilities.

Yandex.Auto is our voice-activated in-car infotainment system, which offers Yandex's best-in-class mapping and navigation, music streaming, weather information and other services. We work with car manufacturers to equip cars with Yandex.Auto. Yandex.Auto is already available in some models of Toyota, Nissan, Honda, Renault, Geely, Chery and others on the Russian market. In this segment, we primarily generate revenues from the sale of Yandex.Auto software licenses.

Yandex.Fuel is a contactless payment service at gas stations built into Yandex.Navigator, Yandex.Maps, Taximeter, an app for Yandex.Taxi drivers, Yandex.Drive and a standalone Yandex.Fuel app, and is also available to corporate clients. The service was launched in December 2018.

Currently, more than 7,000 fueling stations are connected to the service throughout Russia, including EKA, Neftmagistral, gas station Tatneft, Shell and others. In 2020 Rosneft, Russia's biggest oil company, including brands such as Rosneft, BP, Bashneft, PTK and TNK, was connected to Yandex.Fuel. In 2020, users of Yandex.Fuel purchased more than 547 million liters of fuel with a gross merchandise value of 21.9 billion rubles.

In 2020, we launched a feature, whereby drivers can order food and coffee from a gas station store through the app and have it delivered to their car. This function is currently available at 150 gas stations in Moscow and the Moscow region and we plan further expansion in 2021.

Yandex.Routing is our B2B routing platform based on Yandex.Maps, aimed at providing businesses in the transportation and logistics segments with route optimization solutions that incorporate current traffic conditions. More than 20,000 commercial vehicles use Yandex.Routing platform every day. Among the clients are large retail and FMCG companies. Routing technologies are also used by Yandex own services such as Yandex.Eats, Yandex.Lavka and Yandex.Market.

Yandex.Business is a service for small and medium-sized businesses that bundles together ad tools, allowing ad placement more efficient and simpler without special knowledge. We already have a simple subscription service tailored primarily to offline businesses so they can efficiently advertise online in Search, Zen, Yandex.Maps, Ad Network and other properties for a fixed monthly fee. We have seen a great interest to this product with the number of clients in December growing 16% compared to September and 81% year-over-year. We plan to expand the usage of this product to all SMEs to automate and optimize their business processes and digital advertising.

Our Technology

Yandex is a technology company that is a pioneer in machine learning, artificial intelligence and neural networks. We believe this expertise uniquely positions us in the global technology arena and allows us to innovate in our local markets and continuously improve our products and services based on complex, unique technologies that are not easily replicated.

Advertisers

Our advertisers include individuals and small, medium and large businesses throughout the countries in which we operate, as well as large multinationals. Small and medium size enterprises drive the majority of our advertising revenue. No single advertiser accounted for more than 1.1% of our total revenues in 2018, 2019 or 2020.

Sales and Advertiser Support

We have an extensive sales and support infrastructure, with sales offices in a number of cities in Russia, as well as Minsk, Belarus; Lucerne, Switzerland; Newburyport, Massachusetts, USA; Shanghai, China; Tel Aviv, Israel and Almaty, Kazakhstan. In Russia we have 16 regional sales offices.

The substantial majority of our advertisers use our automated Yandex.Direct service to establish accounts, create ads and manage their advertising campaigns. Our largest advertising clients are served by a dedicated sales team. These advertisers have access to our strategic support services, including a dedicated accounts team, to help them set up and manage their campaigns. Our sales team specialists are able to help advertisers with tasks such as selecting relevant keywords, creating effective ads and audience targeting, and measuring and improving advertisers' return on investment.

The Yandex Advertising Network follows a similar model. Most of the websites in the network submit their applications through Yandex.Direct's automated partner interface. Our direct sales force focuses on building relationships with our largest partners to help them get the most out of their relationship with us. We also have relationships with different advertising sales agencies placing online advertising.

Marketing

We engage in significant marketing efforts directed first and foremost at internet users, as well as advertising agencies, advertisers and webmasters. Our marketing efforts are focused above all on delivering an optimal user experience with every Yandex product and service. We believe that satisfied users are the best and most credible advocates for our services. In order to improve user satisfaction and loyalty and to continue to use our products and services as marketing tools, we constantly experiment with and improve the design, technology and interface of these products and services. Although we believe that word of mouth is the best advertising strategy, we also view advertising campaigns in online and traditional media as an important element of our efforts to promote our brand. We also invest heavily into our separate business units, including Taxi, Yandex.Market, Media Services, Classifieds, and Other Bets and Experiments including Zen, Cloud and Geolocation Services to grow customer awareness, increase user base, increase usage in our existing markets and penetrate into other geographies.

Competition

We operate in a market characterized by rapid commercial and technological change, and we face significant competition in many aspects of our business, including search, ride-hailing, food delivery, classifieds, media services, e-commerce and cloud. We currently operate principally in Russia, Belarus, Kazakhstan, Uzbekistan and Turkey.

Across our different business lines we face competition from both global (such as Google, Facebook) and local players (Mail.ru, Sberbank).

We consider Google to be our primary competitor. In addition to its search solutions, including voice search, Google offers online advertising, information and other search services similar to ours, including services similar to Yandex.Direct. We expect that Google will continue to use its brand recognition, financial and engineering resources to compete with us.

The following table presents a comparison of Russian search market share, according to Yandex.Radar (a search traffic and browser usage analytics tool based on Yandex.Metrica data), based on search traffic generated:

	2018	2019	2020
Yandex	56.3 %	57.0 %	59.2 %
Google	40.0 %	40.1 %	38.6 %
Mail.ru	2.2 %	1.6 %	1.1 %
Rambler	0.2 %	0.2 %	0.1 %
Other	1.3 %	1.2 %	1.0 %

Mail.ru Group is one of our largest local competitors. Mail.ru offers many communication services, including Russia's most popular webmail, social networking and messenger services. Our Yandex.Direct platform competes for advertising budgets with myTarget, an advertising tool operated by Mail.ru across its social networks and e-commerce

projects.

We believe that social networking sites, such as Facebook, Twitter, TikTok and Mail.ru Group's Vkontakte, Odnoklassniki and My World services as well as video platforms such as YouTube, are becoming significant competitors for online ad budgets. These sites derive a growing portion of their revenues from online advertising, and are experimenting with innovative ways of monetizing user traffic. In light of their very large audiences and the significant amount of proprietary information they can access to analyze their users' needs, interests and habits, we believe that they may be able to offer highly targeted advertising which could create increased competition for us. The popularity of such sites may also reflect a growing shift in the way in which people find information, get answers and buy products, which may result in increased competition for users.

In certain vertical areas, in particular those in which our business units operate, we and our joint ventures compete with services, including e-commerce, video search, online news aggregators and dictionaries, real estate and automobile services, and specialized search apps for mobile devices. Our Yandex.Taxi service competes with Citymobil (operated through a joint venture between Mail.ru and Sberbank) and Didi (a Chinese mobility operator who entered Russia in 2020) as well as a number of regional offline players across Russia. In addition, although Yandex.Taxi and Uber operate as a joint venture in Russia and neighboring countries, our Taxi business may also compete with Uber in jurisdictions outside the scope of our joint venture territory. Yandex.Market faces competition from a number of local players acting as both merchants and marketplaces, including Wildberries, Ozon, AliExpress Russia (operated through a joint venture between Mail.ru, MegaFon, RDIF, and Alibaba), and others. Our Classifieds services compete with Avito in most areas as well as with a number of niche players such as CIAN in real estate and Drom in automobile sales. On the Media Services front, our KinoPoisk service competes with ivi, Okko (controlled by Sberbank) and other online cinemas, while Yandex Music competes with VK Music and Boom (both operated by the Mail.ru), Apple Music and Spotify (which entered the Russian market in 2020). Our food delivery business Yandex.Eats competes with Delivery Club (a part of the joint venture between Sberbank and Mail.ru). Our hyperlocal grocery delivery service Yandex.Lavka competes with Samokat (operated through a joint venture between Mail.ru and Sberbank), Vprok and Okolo (both operated by X5 Retail Group), Sbermarket (operated by Sberbank) and others. Our Yandex.Drive car-sharing service competes with Delimobil, BelkaCar as well as a number of other players operating primarily in Moscow and St. Petersburg. Our public cloud platform competes mainly with international cloud services, such as Microsoft Azure, Google Cloud and Amazon Web Services (AWS), as well as with certain local players (Rostelecom, Sberbank, Mail.ru).

We also face competition from other search and service providers in establishing relationships with device manufacturers, such as mobile and tablet computer makers, and access providers, such as internet service providers. Such companies have a significant degree of control over the distribution of products and services, including by offering or establishing exclusive arrangements for "default" search features or other services and bundling them with their offerings. Our users typically have direct relationships with these companies, and may be influenced by economic or other factors in deciding which search or other services to use.

Science and Education

Yandex has been developing and implementing educational programs since 2007. Today the company has more than 30 educational projects and services that are used by people of all ages – from first graders to graduate students, from young professionals to those who decided to change their career paths. Our team of specialists represents many scientific disciplines, including mathematics, data analysis, programming and linguistics. Besides working on products and technologies at Yandex, some of our experts teach, lecture and train students and young specialists.

The Yandex School of Data Analysis, offering free courses for undergraduates and graduate students, has been running since 2007. The school trains specialists in data processing, big data infrastructure, data analysis, and fact extraction in five Russian cities as well as in Minsk, Belarus. The school's graduates create a global alumni network advancing machine learning and distributed systems development in academia and the private IT sector. In October 2018, we launched Y-Data, a branch of Yandex School of Data Analysis in partnership with Tel Aviv University, Israel. It offers an advanced one-year master's degree program in machine learning. Yandex also has schools for project managers, user interface developers, designers and other specialists in IT.

In 2016, with the support of regional governments and ministries overseeing education and IT, we launched a project to teach programming to school children called Yandex.Lyceum which is now offered in 169 cities in Russia and Kazakhstan. Currently, over 10,000 teenagers are learning Python programming at Yandex.Lyceum.

Yandex and the Higher School of Economics (HSE, one of the top universities in Russia which is also in the QS World University Rankings) jointly run the Faculty of Computer Science, for which we created an educational program. We also partner with other leading research centers and universities, including the Moscow Institute of Physics and Technology, The European University at Saint Petersburg, ITMO University, Moscow State University, Saint Petersburg State University, the New Economic School and the Ural Federal University. Yandex established joint labs for computer science research such as Yandex.Research-MIPT Lab and Yandex Scientific Laboratory at the Faculty of Computer Sciences of the HSE to promote collaboration in scientific field.

Every year, more than 1,500 students join Yandex partner degree programs at the leading universities in Russia and other countries, with over 6,200 graduates since 2007. We sponsor a number of contests and workshops/seminars in computer programming, mathematics and linguistics with participants from all over the world, and run an annual programming competition, Yandex Cup, in different fields of computer science such as backend, frontend, machine learning, mobile app development, data analytics and competitive programming.

In 2019, we launched Practicum, a practice-oriented online educational service for individuals who want to succeed in their careers. We've developed our own exclusive learning platform to help people acquire new skills and learn professions. In 2020, we launched 12 new programs in several countries, and now offer a total of 14 programs in areas such as Software Development, Data Science, Marketing, Design, and English for Russian speakers. Our courses are available in Russia, the USA, Israel and Germany. Over one million people have already explored our educational opportunities with thousands choosing to meet their professional goals with help of our platform.

To reward achievements in academics and research as well as to support undergraduate and postgraduate students in computer science and information technology at HSE, in 2014 we established the Ilya Segalovich Scholarship, in memory of one of our co-founders. The scholarship committee includes faculty staff members and lead developers from Yandex. Since 2014, this scholarship has been awarded to over 96 students.

To encourage scientific advancement in computer sciences we also established the annual Ilya Segalovich Award. This scholarship is awarded to graduate and postgraduate students or academic advisors delivering cutting-edge research across academic institutions in Russia, Belarus or Kazakhstan in machine learning, computer vision, information search and data analysis, natural language processing and machine translation, speech synthesis and speech recognition. Since 2019 it has been awarded to 25 young scientists and academic advisors.

In September 2019 we announced a new initiative to further advance our efforts to provide IT education and training to as many people as possible. The Educational Initiative is a Yandex program to advance education and improve the educational environment through technology. The program's efforts include supporting technology education and research, developing digital skills, empowering teachers, and promoting the positive impact of technology on the learning process. Initially, the program's goals included investment of more than \$60 million into educational projects and training 100,000 specialists for the Russian IT industry over the course of three years, from 2020 to 2022. In November 2020, we announced that we would continue these investments on a permanent basis.

Since the launch of the Educational Initiative, over 180,000 teachers, working in schools across 85 regions of Russia — have upgraded their professional qualifications. Almost 22,000 participants joined the program's contests, workshops, and courses.

The technology and professional experience behind the program helped us to quickly focus on supporting teachers and helping them to maintain the learning continuity during the coronavirus lockdown in the spring of 2020. Over the course of only a couple of weeks, we adapted the whole of the national curriculum for distance learning and broadcast lessons on our free streaming service Yandex.Live. The Yandex.School lessons were viewed over 4 million times during the lockdown.

Our other important educational initiatives include the following:

- Yandex.Textbook, an online service designed as a teachers' aid in primary education, which had over a million users before the lockdown and turned out to be a life-saver for thousands of teachers and almost 2 million students who had to quickly learn how to study from home.

- More than 800,000 schoolchildren and 128,000 teachers joined Cultural Marathon, the national digital educational project promoting children's interest in culture, cinema, architecture, theater and music, which was co-developed by Russia's Ministry of Culture and Ministry of Education together with Yandex.
- To promote technology in education and help maintain the learning process, Yandex also offers the enhanced version of its Yandex.Mail service free of charge to be used at schools for collaborative work for unlimited numbers of users, which is indispensable for distance learning.
- In addition, schools and universities can use 30 GB of free storage space on Yandex.Disk for each staff member, together with a 50% discount for premium Yandex.Mail products. Yandex.Cloud, our platform for cloud computing and data processing, also offers discounts to institutes and universities building their own digital environment.

Since 2010, we have been running a leading conference on technology and its impact on people's lives – Yet Another Conference (YaC). In 2020, our annual conference on technology branched out to cover the role of technology in education – YaC/e. That online event gathered forward-thinking education professionals, entrepreneurs, managers and policymakers. The education industry leaders used the YaC/e platform to discuss current issues in education on the national and international levels, including how to adapt to the new reality during the pandemic and overcome the barriers to adopting the latest technologies in the process of teaching and learning.

Employees and Workplace Culture

We place a high value on technological innovation and compete aggressively for talent. We strive to hire the best computer scientists and engineers, as well as talented sales, marketing, financial and administrative staff. We seek to create a dynamic, fulfilling work environment with the best features of a “start-up” atmosphere, encouraging equal participation, creativity, the exchange of ideas and teamwork.

Our total headcount increased from 10,092 at December 31, 2019 to 11,864 at December 31, 2020, primarily as a result of consolidation of Yandex.Market. As of December 31, 2020, we had 6,459 employees related to the product development cost category, 4,690 employees related to sales, general and administration, and 715 employees related to cost of revenues.

Intellectual Property

We rely principally on a combination of trademark, copyright, related rights, patent and trade secret laws in Russia and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our proprietary technology and our brand. We enter into confidentiality and patent assignment agreements with our employees and consultants and confidentiality agreements with other third parties, and we rigorously control access to our proprietary technology.

Our patent department is responsible for developing and implementing our group-wide IP protection strategy in selected jurisdictions. We have filed more than 950 patent applications to date, of which more than 600 have resulted in issued patents in Russia, the USA, China and Taiwan. We also have internal procedures for invention disclosures, patent filings, patent acquisitions, freedom-to-operate analyses and patentability searches.

We have three registered well-known trademarks in Russia - “Яндекс”, “Yandex”, and “Яндекс” for certain services (classes 35, 38 and 42 under the International Classification of Goods and Services) on the basis of intensive use. Under Russian law, the protection granted to well-known trademarks is extended to non-homogeneous goods and services if customers associate specific use of the designation by third parties with the rights holder and the rights holder's legitimate interests are infringed. Yandex is also a registered trademark in Ukraine, the United States, the European Union and other countries under the Madrid Agreement and Protocol. We have other registered trademarks in Russia and abroad. We continue to file applications to register new trademarks and widen the country coverage of our existing trademarks. Most of the software used by our services or distributed by Yandex to our users is either developed by our employees or by independent contractors who transfer all rights to Yandex.

We enter into written license and use arrangements with providers of a significant portion of the content we offer. Our agreements with most of the news content providers in Russia are on “content-for-traffic” terms, pursuant to which we obtain access to news content for free in consideration of the user traffic that accesses the content providers’ websites through our Yandex.News services. We license or purchase other additional content. We do not knowingly include content on our websites that we do not have the legal right to include.

We do not own the content generated or posted by users on our websites. As with all websites that host user-generated content, we are potentially liable for any intellectual property infringement committed by the creator of that content. If we receive a complaint from a party that user-generated content on our websites infringes that party’s copyright or related rights, we examine the content in question. If the complaint is substantiated, we remove the content and notify the party that has posted the content (if their contact details are available). If the user evidences that the content does not violate third parties’ intellectual property rights, it is possible to recover the deleted content. In the event of any court decision in the matter, we comply with the decision.

Facilities

Our principal operating subsidiary currently leases a total of approximately 64,500 square meters in a single location in central Moscow that serves as our group’s headquarters. We also lease additional office space of about 64,500 square meters in business centers in central Moscow, of which approximately 19,100 square meters relates to the contract for office space in Moscow City business center that we signed in December 2019 and 15,800 square meters relates to office space in Lotte Plaza business center. We or our operating subsidiaries also lease or own office space in a number of other cities in Russia. We also lease offices in Newburyport, Massachusetts, USA; Lucerne, Switzerland; Minsk, Belarus; Schiphol, The Netherlands; Shanghai, China; Almaty, Kazakhstan; Tel Aviv, Israel, and other locations. We operate data centers in Moscow and other regions of Russia, as well as in Finland. We have points of presence in a number of cities in Russia and elsewhere. Taking into account the projected demand for our services, we continuously evaluate the capacity and locations of our data centers to determine the most cost effective manner of delivering reliable services to our users.

In December 2018, we acquired a property site at 15 Kosygina Street, Moscow, Russia for our new Moscow headquarters. The acquisition cost of the property site amounted to 9.7 billion rubles (around \$145 million, based on the exchange rate as of the transaction date) exclusive of 18% VAT.

Governance Structure

Overview

In December 2019, our shareholders approved targeted changes to Yandex’s corporate governance structure, which we refer to as the restructuring. Our Board proposed this restructuring in response to the evolving legal and regulatory environment in Russia, and designed these changes to balance the concerns of public authorities in our core market with the interests of our shareholders, employees and users.

Pursuant to this restructuring, a number of changes were made, including the establishment of the Public Interest Foundation and new Board Committees. The Board of Directors was also expanded to appoint two “designated directors”. In 2020, we learned to work in a new corporate governance structure and to interact with its new elements.

Public Interest Foundation

Public Interest Foundation has certain limited and targeted governance rights in our group. The Public Interest Foundation was incorporated in the Oktyabrskiy special administrative region in Kaliningrad, in the Russian Federation, under a newly adopted legislative framework. The Public Interest Foundation has no shareholders, owners or beneficiaries, and is governed by the Foundation’s Board of Directors comprising 11 directors, including members appointed by five leading Russian universities (Higher School of Economics, Moscow Institute of Physics and Technology, Moscow State University, Saint Petersburg State University and the Saint Petersburg National Research University of Information Technologies, Mechanics and Optics), and three non-governmental institutions (the Russian Union of Industrialists and Entrepreneurs (RSPP), Moscow School of Management Skolkovo and the Endowment of

Moscow School #57), all of which have long histories of cooperation with Yandex. The Public Interest Foundation Board also includes three representatives of Yandex management (initially, Arkady Volozh, Tigran Khudaverdyan and Elena Bunina). The statutory purpose of the Public Interest Foundation, as set out in its charter, is to preserve the continuity and promote the success of Yandex. The Public Interest Foundation is not permitted by its charter to engage in any commercial activities; its operating costs will be covered by Yandex.

Priority Share

The Public Interest Foundation holds our Priority Share, which gives the Public Interest Foundation the following rights:

- to approve the accumulation by a party, group of related parties or parties acting in concert, of the legal or beneficial ownership of shares representing 10% or more, in number or by voting power, of the outstanding Class A and Class B Shares (taken together), if our Board has otherwise approved such accumulation of shares.
- to approve a decision of our Board to sell, transfer or otherwise dispose of, directly and indirectly, all or substantially all of our assets to one or more third parties in any transaction or series of related transactions, including the sale of Yandex LLC; and
- to make binding nominations of two designated directors of our 12-person Board. Under Dutch law, a binding nomination will be adopted at a General Meeting of our shareholders, unless rejected by a two-thirds (2/3) majority of those voting.

Special Voting Interest in Yandex LLC

As an additional protection for the overall structure, the Public Interest Foundation holds a Special Voting Interest in Yandex LLC, which provides limited and defined powers that will be exercisable only in the case of what we describe as a Special Corporate Situation or a Special Situation related to a matter of national security.

Special Corporate Situations

A Special Corporate Situation is deemed to arise only in the following specific circumstances:

- the Public Interest Committee is not formed;
- the Public Interest Committee is dismissed by our Board;
- a designated director is not included in the Nominating Committee;
- a binding nomination for a designated director is rejected by the General Meeting;
- a designated director is removed by the General Meeting without approval of the holder of the Priority Share;
- the General Meeting appoints a candidate as a Class I Director that has not been recommended by the Nominating Committee through Subcommittee I; or
- a decision of the Public Interest Committee is breached by Yandex LLC

If the Foundation Board decides (acting by a specified majority) that any of the above triggers for a Special Corporate Situation has occurred, it must send a notice to Yandex, providing details of such matter. Following receipt of such notice, we may cure such matter within a defined period. If we do not cure such matter, the Public Interest Foundation will have the ability (acting by specified majority) to replace the General Director of Yandex LLC without the vote of Yandex N.V. The Public Interest Foundation will appoint an interim General Director from a pre-approved list. As soon as the situation is resolved, Yandex N.V. will remove the interim General Director and appoint a permanent

General Director.

Special Situations related to a matter of national security

A Special Situation is a matter constituting an extraordinary one-off event related to matters of the national security of the Russian Federation requiring quick remedy.

If the Foundation Board decides (acting by a specified supermajority) that a Special Situation has occurred, it must send a notice to Yandex providing the details of such matter. Following receipt of such notice, we may cure such matter within a defined period. If we do not cure such matter, the Public Interest Foundation will have the ability (acting by specified majority) to replace the General Director of Yandex LLC without the vote of Yandex N.V. In interim General Director appointed under these circumstances will hold office for a limited period of time, after which Yandex N.V. will again have the right to appoint a permanent General Director.

Conversion Provisions of the Class B Shares

In addition, as part of the restructuring, the automatic conversion feature of the Class B Shares was amended. Previously, such shares would immediately convert into Class A Shares upon the death of the holder. To avoid this “cliff-edge” scenario, in which the voting control of our company could suddenly shift, following this amendment Class B Shares held by a family trust will not automatically convert for a period of two years after the death of the holder. Mr. Volozh has established such a trust. Mr. Volozh also agreed to enter into a two-year lock-up agreement with respect to 95% of his Class B Shares.

A description of other standing Board committees can be found below under the heading “Item 6. Directors, Senior Management and Employees — Corporate Governance”.

Public Interest Committee

The Public Interest Committee has a right of approval over certain specified matters and consists of three members: the Yandex CEO (currently Mr. Volozh) and both of the designated directors (Messrs. Yakovitsky and Komissarov). Decisions of the Public Interest Committee must be unanimous. The Public Interest Committee will not review ordinary business or commercial matters; its right of approval will be limited to a defined list of the following specific matters deemed to be of public interest

- transactions or other transfers resulting in the granting of direct access to Russian users’ personal data owned by us and non-depersonalized big data owned by us to non-Russian persons;
- the adoption, modification, amendment, and cancellation of the Yandex internal policies on protection of personal data and non-depersonalized big data of Russian users (including storage procedures, and sale/provision of such information to foreign persons);
- entry by Yandex into any agreement which concerns Russia with a non-Russian state or an international intergovernmental organization (or its bodies and agencies); and
- direct or indirect transfers or encumbrances of material intellectual property rights, including licensing such rights, if as a result of such license Yandex would lose the ability to use such rights in Russia

Our Board cannot act in respect of any of these specified matters prior to receiving a recommendation from the Public Interest Committee. If the Public Interest Committee does not approve the matter referred to it, the Board will follow the decision of the Public Interest Committee, unless the Board rejects such decision by either (i) a supermajority of eight votes (subject to adjustment for Board vacancies), which must include the affirmative votes of the two designated directors; or (ii) a supermajority of eight votes (subject to adjustment for Board vacancies) (not including the affirmative votes of the two designated directors), provided that the Public Interest Foundation Board has given its approval. The Public Interest Committee will act only as a check on our Board’s actions; it cannot proactively make any decisions on behalf of the Board or require the Board to take any action.

Government Regulation

We operate in a rapidly evolving environment of increasing regulatory complexity, reflecting a trend towards increasing scrutiny of large technology companies by policymakers, regulators and the general public in jurisdictions across the globe, including in Russia. As explained in more detail below, there are also a significant number of additional laws and regulations currently being debated and considered for adoption in Russia and other countries where we operate which, in the event of adoption, might require us to take significant steps to modify our operating, governance or ownership structure. Due to changing interpretations of laws and regulations, we could also be subject to laws and regulations to which we are not currently subject and which could materially affect our operations. We have not summarized laws and regulations to which we do not believe we are currently subject. See also “Risk Factors – If existing limitations on foreign ownership were to be extended to our business, or if new limitations were to be adopted, it could materially adversely affect our group and the value of our Class A shares”.

Regulation of Sensitive Businesses in Russia

In recent years, the Russian government has adopted a series of laws aimed at regulating the technology and internet sectors generally, as described in detail below. In addition, a number of laws have been adopted that impose restrictions on foreign ownership and control of businesses in sensitive sectors of the Russian economy, including strategically important enterprises and mass media, and we are aware of various discussions about potentially imposing similar restrictions on businesses such as ours. Most significantly, legislation was proposed in the Russian State Duma in the summer of 2019 that would have limited non-Russian ownership of “significant” internet companies to no more than 20%. Another recent draft law proposed restrictions to audiovisual services limiting their non-Russian ownership to no more than 20%. In case such a proposal were to be admitted to law and would be applied to Yandex, we will be forced to reevaluate and consequently modify the corporate structure of the KinoPoisk service, which is a part of Yandex Media Services.

Advertising Regulation

The principal Russian law governing advertising, including online advertising, is the Federal Law No. 38-FZ “On Advertising,” dated March 13, 2006 (as amended) (the “Russian Advertising Law”). The Russian Advertising Law prohibits advertisements for certain regulated products and services without the required certification, licensing or approval. For example, advertisements for products such as pharmaceuticals and medical equipment, food supplements and infant food, financial instruments or securities and financial services as well as incentive sweepstakes and advertisements aimed at minors and some other products and services must comply with specific requirements and must in certain cases be accompanied by certain required disclaimers. Additionally, Russian law contains certain prohibitions regarding the advertising of alcohol, tobacco and medical services. In addition, the distribution of advertisements over the internet (for example, by email) may require the prior express consent of recipients. In some cases, violation of these Russian laws can lead to civil action by third parties who suffer damages, or administrative penalties imposed by FAS. Further amendments to legislation regulating advertising may impact our ability to provide some of our services or limit the type of advertising we may offer. For instance, there is a working group (within the Analytical Center of the Government of the Russian Federation) developing the legislative proposal which would set forth detailed grounds for the self-regulation of the advertising business in Russia. The self-regulatory organization (which could be created on the basis of the new law) could be designated by the FAS to execute certain powers originally belonging to FAS, as well as such self-regulatory organization could impose the limitations on its members that could be stricter than those provided by the applicable law.

We seek to comply with all advertising laws and regulations. At the same time, the application of the advertising laws, in particular in relation to products or services requiring certification, licensing or approval, can be ambiguous and inconsistent. The application of these laws in an unanticipated manner, or the failure of our compliance efforts, may expose us to substantial liability as distributors of advertising and may restrict our ability to provide some of our services. Other laws or interpretations of laws, including those of foreign jurisdictions, may also restrict advertising and negatively impact our business. For example, some French courts have interpreted French trademark laws in ways that would limit the ability of competitors to advertise in connection with generic keywords. Adoption of similar interpretations by Russian or other national courts may adversely affect our business. Also, the Supreme Court of the Russian Federation has issued clarification which states that some cases of the use of trademarks as keywords could be treated as an unfair competition. In addition, Russian law does not specifically regulate behavioral targeting in relation to

advertising, which is a standard tool widely used in online business. Any future interpretation of Russian law affecting the regulation of behavioral targeting could have a negative impact on our business.

Intellectual Property Regulation

In principle, the acquisition, protection and enforcement of intellectual property rights in Russia are addressed in line with international standards. In particular, literary, artistic and scientific works are subject to copyright protection without any registration and enjoy legal protection simply by virtue of being created in an objective form perceivable by third parties.

Mandatory registration with Rospatent is required for “hard IP” such as trademarks and patents (available in Russia for inventions, utility models and industrial designs) in order for the rights holder to acquire exclusive rights. Trademarks registered abroad under the Madrid Agreement and/or Madrid Protocol have the same legal protection in Russia as locally registered trademarks.

Under Russian law, we have exclusive rights to trade secrets (know-how) only if we have complied with a legal requirement to introduce reasonable measures to maintain confidentiality of our trade secrets. Such measures may be burdensome and difficult to implement. As we rely extensively in our operations on the protection afforded to trade secrets, we have implemented a set of measures required by Russian law in order to protect these trade secrets (know-how). However, there is a risk that our measures will be deemed insufficient and, as a result, we will fail to acquire rights to these trade secrets under Russian law.

One of the known problems and risks in Russian business practice relates to acquiring exclusive rights to works for hire and patentable results from employees. As a rule, the exclusive rights to works for hire and patentable results are assigned to the employer if the intellectual property is made during the course of employment. However, there are often uncertainties and disputes around the scope of such assignments. In case of employment disputes, Russian courts are often inclined to follow an overly formalistic approach and may take a pro-employee position in the event of uncertainty in a dispute of this nature.

Nonetheless, under Russian law, subject to the risks outlined above, we are deemed to have acquired copyrights and rights to file patent applications with respect to works for hire and patentable results created by our employees during the course of their employment with us and within the scope of their job duties, and have the exclusive rights to their further use and disposal subject to compliance with the requirements of the Civil Code of Russia.

Liability of Online Service Providers

Laws relating to the liability of online service providers for the activities of their users and other third parties are still being developed in Russia and certain other countries in which we operate. Recent laws adopted in Russia, such as the law on the regulation of social networks; the law regulating the placement of publicly available personal data on the internet; the law on criminal liability for libel on the internet; the law introducing significant fines for non-deletion of information by an information resource; the law prohibiting censorship of information resources, as well as a number of other laws, may substantially affect business operations.

Russian law contains provisions aimed at establishing a framework for limitation of liability of online service providers for the information communicated by third parties over such providers’ networks. Substantial ambiguity remains in Russian law around the scope and protection of such limitation of liability. In particular, there is little clarity on the limitation of liability with respect to the types of online service providers other than providers transmitting information and hosting providers (such as those caching data or providing information location tools). Because the law has not been given detailed binding interpretation, our exposure to liability will depend significantly on the interpretation of these provisions by the courts and officials.

The Russian Civil Code also imposes strict liability for infringement of intellectual property rights if such infringement is committed in connection with business activities. It might be unclear how these provisions apply to online service providers.

Russian law establishes a system for the blocking of websites that make available specific categories of illegal

information related to child pornography, suicide or drug use as well as other restricted information. Current law also permits the blocking of websites for violation of data protection, copyright and related rights. The procedure for deleting such information is complex and strictly enforced and the failure to follow such procedures may lead to the blocking of the applicable website by all Russian internet service providers and telecommunication service operators. Yandex follows this law, however, compliance with these regulations by western technology companies has been inconsistent or non-existent.

Other legislation is currently in place in Russia that allows the blocking of websites that contain extremist information (including containing calls for mass rioting, extremist activity and participation in mass assemblies conducted in violation of established procedure) at the request of certain governmental authorities without prior notification. Only a subsequent post-blocking notification to the relevant website owner or hosting provider is required. The categories of illegal information to which access can be restricted may be interpreted broadly or be expanded by government authorities depending on circumstances. We may find ourselves subject to such blocking if government authorities interpret information provided by our services as violating these rules and we may be unable to prevent this blocking of our services.

Moreover, pursuant to recent legislative amendments, a website might be blocked if the published information contains disrespectful and indecent statements about the society, state, Constitution or governmental authorities. Additionally, the subjects who are accused of disseminating such statements can face administrative fines. Russian law also restricts the circulation of certain identified categories of publicly available and distributed information that may be harmful to minors. In particular, there is a requirement to take administrative and technical measures to prevent the dissemination of restricted information. In addition, the circulation of information products must be accompanied by a relevant mark identifying the age restriction category of information.

This legislation, as well as any similar additional regulations (in Russia or abroad), and the interpretation of such legislation and regulations, may impose new requirements on us and our operations and lead to material legal liability, which can be difficult to foresee or limit. For instance, in December 2020 the European Commission proposed the draft of the Digital Services Act which is aimed at creating a common set of rules on obligations and accountability of online intermediaries providing services in the EU. The document is now under consideration of the European Parliament and Member States and, if adopted, could impose new obligations on our services provided (or to be provided in the future) to users in the EU. See “Risk Factors—We may be held liable for information or content displayed on, retrieved by or linked to our websites and mobile applications, or distributed by our users; or we may be required to block certain content or access to our websites could be restricted; any of which could harm our reputation, business, financial condition and results of operations”.

In February 2020, draft legislation aimed at regulating big data in Russia was introduced and remains under consideration. The wording of the legislation is very broad and ambiguous, but would create a basis for further regulation in this sphere. In particular, it states that the Government should implement control over big data processing. Currently big data processing is not specifically covered by Russian law. This legislation, if adopted, may have a far-reaching impact on our business, which is difficult to estimate at the present time.

Applicability of the Russian Law on Strategic Enterprises

Under Russian law, a variety of activities related to encryption require a special permit (license) granted by the Federal Security Service (the “FSS”) subject to the applicant’s continued compliance with a number of licensing requirements, including the requirement to use only certified encryption means and equipment and to ensure timely extension of such certification when its terms expire.

We have also obtained an encryption license for our Yandex.Cloud service in order to expand this business. Therefore, the restrictions imposed by the strategic enterprises law have become applicable to Yandex as a whole. In particular, a third-party non-Russian investor would be required to obtain prior approval from the competent Russian authority in some cases if it seeks to acquire more than 25% of the voting power in Yandex or seeks to enter into an agreement that would establish direct or indirect control over Yandex. Such investors would also be required to notify the competent Russian authority if it acquires more than 5% of the voting power in Yandex (which would represent more than 33.3 million Class A shares). In addition, foreign states and international organizations, or entities controlled by them are prohibited from entering into agreements to establish direct or indirect control over Yandex.

See also “Risk Factors— If existing limitations on foreign ownership were to be extended to our business, or if new limitations were to be adopted, it could materially adversely affect our group and the value of our Class A shares”.

Mass Media Regulation

Russian law requires certain parties that disseminate news and similar mass communications and information to be registered with the appropriate Russian governmental body, Roskomnadzor, and to comply with restrictions regarding the distributed content. The law currently permits electronic network publications (websites) to register as mass media. As registration under this amendment is voluntary, we elected not to register our online properties as mass media. See “Risk Factors — Because the range of the services we provide is increasing and the legal framework governing the operations in our markets is evolving, we may be required to obtain additional licenses, permits or registrations or comply with other requirements, which may be costly or may limit our flexibility to run our business.”

Since 2016, Russian law imposes a limit of no more than 20% on non-Russian ownership and control, direct or indirect, of Russian mass media. Accordingly, if our core business were to be required to register as a mass media, or if such law were otherwise amended to cover our business, it would have a material impact on the ownership structure of our business and could materially adversely affect the value of our Class A shares. See also “Risk Factors— If existing limitations on foreign ownership were to be extended to our business, or if new limitations were to be adopted, it could materially adversely affect our group and the value of our Class A shares”.

In addition, in March 2019 a new law came into force that imposes liability for the dissemination of “fake news” in mass media or telecommunication networks if such news items are potentially of social importance. The liability includes fines up to 1.5 million rubles (depending mainly on the consequences of such violation). It is difficult to predict how these norms will be interpreted in practice. This regulation can be applied to some of our services and, therefore, we could be held liable for the information published by third parties.

Internet Regulation

A recent draft law that partly came in force in November 2019 introduced tighter regulation of traffic routing in the Russian internet. While it is not entirely clear yet how this regulation will be applied in practice, its implementation, among other things, may lead to a requirement that Russian internet traffic should be routed through Russian communication centers. This could significantly reduce data transfer speeds significantly and even result in interruptions and delays of online services in Russia.

Privacy and Personal Data Protection Regulation

We are subject to Russian and foreign laws regarding privacy and the protection of our users’ personal data. We publish on our websites our privacy policies and practices concerning the use, processing, storage and disclosure of user data. Any failure by us to comply with our privacy policies as well as Russian or other applicable laws and regulations relating to privacy and the protection of user data may result in proceedings against us by governmental authorities, individuals or other third parties, which may adversely impact our business. In addition, the adoption and interpretation of data protection laws, and their application to internet operations, are often unclear, difficult to predict and in a constant state of development. Although we believe that we comply with all current requirements, these laws could in the future be interpreted and applied in a manner that is inconsistent with current practice. For instance, in May 2014 the Court of Justice of the European Union established that an operator of a search engine can be obligated to remove from the list of search results links to webpages containing inaccurate or outdated information related to an individual. Russian personal data laws have been amended, granting a similar right to Russian citizens, who may apply for the removal of search results that link to inaccurate or irrelevant information about them. In addition, in May 2018, the General Data Protection Regulation, or GDPR, came into force in the EU. We believe that we have taken all necessary steps to comply with the applicable requirements of the GDPR, although our exposure to users in the EU is relatively limited. Nevertheless, some provisions of the GDPR are formulated broadly and their interpretation by the competent authorities might be unpredictable. Therefore, we may fail to interpret all the requirements in accordance with the official interpretation and may be held liable for noncompliance.

Russian data protection laws provide that an individual must freely consent to the processing of her/his personal

data. Such consent must be concrete, informed and conscious, and may be provided in any form evidencing the fact that consent has been provided, unless otherwise established by federal law, which requires that it be made in writing, signed by digital electronic signature or evidenced in a similar manner prescribed by laws and regulations.

We, like our peers, seek this consent from our users by asking them to click on a button or select a check-box in appropriate circumstances prior to commencement of the account registration process, indicating the user's consent to our collection, use, storage and processing of personal data. Furthermore, many of our services do not require the creation of an account prior to their use and we collect only limited information in these circumstances. In particular, we place cookies and use other widespread technologies that assist us in improving user experience of our products and services and ultimately benefit both our users and advertisers through behavioral targeting of advertising. No clear legislative guidelines have been provided addressing whether our practices are compliant with the requirements of the data protection legislation in Russia and abroad. There is a risk that such laws may be interpreted and applied in a manner that is not consistent with our current data protection practices. Complying with various regulations in this area may cause us to incur additional costs or to change our business practices. Further, any failure by us to protect our users' privacy and data may result in a decrease of user confidence in our services, and may ultimately result in a loss of users, which would adversely affect our business.

Russian legislation also regulates "organizers of information distribution". Organizers of information distribution must retain a broad range of data relating to and generated by users for a period of time and provide such data to security and investigation authorities at their request. Organizers of information distribution that use encryption when delivering or processing electronic messages have to provide the security authorities with information necessary for decoding the delivered or processed messages. If an organizer of information distribution fails to comply with the above requirements, the Russian authorities can prescribe the blocking of access to the services of such organizer of information distribution.

Russian personal data law also requires that companies store all personal data of Russian users only in databases located inside Russia. Although we have data centers located in Russia, this law could limit our flexibility in managing our operations globally. Failure to comply with applicable data protection legislation may lead to the restriction of access to our services. For example, in 2016 a Russian court ordered the blocking of access to a popular social networking website for violation of data protection legislation.

Licenses for the Provision of Particular Services

Entities that provide certain telecommunication services for a fee are required under Russian law to obtain a "telematics" license from Roskomnadzor. In order to increase our range of services and diversify our business, we have obtained the required licenses (including telematic licenses) necessary for the provision of certain of our services in Russia. However, we generally do not charge a fee for the online services we provide to our users and therefore believe that we are not required to hold a telematics license for provision of these services. We do, however, generate revenue from ads directed to our users. As a result, it is possible that a Russian court or government agency may construe our online advertising revenues as a fee and determine that we are required to hold an additional telematics license for such services, which would require us to apply for and comply with the terms of any such license.

Additionally, we may in certain cases offer user services for a fee, which could require us to comply with the licensing requirements described above.

Antimonopoly Regulation

Russian law grants to the Federal Antimonopoly Service, or FAS, wide powers and authorities to maintain competition in the market, including approval or monitoring of mergers and acquisitions, establishment of rules of conduct for market players occupying dominant positions, prosecution of any abuse of a dominant position, and prevention of cartels and other anti-competitive agreements or practices. The regulator may impose significant administrative fines (up to 15% of the annual revenue derived in the market where the violation occurred) on market players that abuse their dominant position or otherwise restrict competition, and is entitled to challenge contracts, agreements or transactions that are in violation of the antimonopoly regulation. We could be considered to possess a substantial (and even dominant) market share in the online advertising market, ride-hailing market and/or other markets in which we operate. We understand that the regulator from time to time focuses on internet services and, for instance,

could in the future recognize online advertising as a separate market, identify dominant players and impose conduct limitations and other restrictions.

In addition, the “fifth antimonopoly package” developed by FAS is currently under consideration, which would introduce amendments to the existing antimonopoly legislation with regard to digital markets and IP. The new legislation aims to facilitate the review of cases in this sphere. In particular, the document specifies new triggers for determining the dominant position of a digital transactional platform. Therefore, this legislation, if adopted, may have a far-reaching impact on our business, which is difficult to estimate at the present time.

Taxation Regulation

Taxation of legal entities and individuals in Russia is regulated primarily by the Tax Code of the Russian Federation. The scope and application of the Tax Code is elaborated by numerous regulations and clarifications from the Ministry of Finance of Russia and by the Federal Tax Service, which enforces the tax laws. Russian tax law and procedures are still not fully developed and local divisions of the Federal Tax Service have considerable autonomy in tax law interpretation and could potentially interpret tax rules inconsistently. Also, there is extensive court practice on the construction of the Code’s provisions, which can sometimes be unpredictable or even contradictory. Both the substantive provisions of the Russian tax law and the interpretation and application of those provisions by the Russian tax authorities and by Russian courts may be subject to rapid and unpredictable change. See “Risk Factors — Changes in the tax systems in the countries in which we operate, or unpredictable or unforeseen application of existing rules, may materially adversely affect our business, financial condition and results of operations.”

Consumer Protection Legislation

Recent amendments to Russian consumer protection legislation impose duties on aggregators of information about goods and services. These norms are applicable to some of our and Yandex.Market’s services and the failure to comply with such norms could lead to liability.

In addition, amendments to the Russian law on protection of consumers set out requirements for pre-installation of local Russian applications on mobile devices, laptop and desktop computers, and smart TV sets applicable as of April 1, 2021. The list of apps for pre-installation includes search, browser, maps, social networks, cloud storage and some others. The requirement is to be expanded as of July 1, 2021 to include default search in browsers. The exact implementation of the pre-installation requirements is still under discussion and may not have significant near-term impact on our operations.

Also, the draft law “On unacceptable contract terms that infringe on the rights of consumers” developed by Rospotrebnadzor provides for a wide list of contract terms that are prohibited from including in a contract with consumers not only for merchants, but also for aggregators of information about goods and services. There is civil and administrative liability in the event of non-compliance with the requirements. The wording used in the draft law is vague and generalized, which can lead to legal uncertainty and negatively affect the company’s services that interact with consumers (and may result in liability for violation of such law).

Securities Regulation

Our Class A ordinary shares are currently listed on the NASDAQ Global Select Market and in June 2014 were admitted to trading on Moscow Exchange; therefore, we are required to comply with specific Russian regulation concerning information disclosure, insider trading and certain other requirements as may be applied to foreign issuers in Russia.

Regulation of Self-Driving cars

Our Self-Driving Group is subject to extensive and evolving regulation with respect to this new technology and operating model. In particular, current and emerging regulations govern the ability to test autonomous vehicles on public roads, which is an important stage in the introduction of autonomous technology to the transportation infrastructure and the development of driverless taxi services.

Autonomous vehicles are allowed on public roads in Russia in a test mode under Decree of the Government of the Russian Federation of November 26, 2018 No. 1415 (the "Decree"). Such testing is subject to the following restrictions: presence of a driver behind the wheel; limitations to certain territories, currently including Moscow, Saint-Petersburg and the Republic of Tatarstan; and a prohibition on the commercial testing of self-driving cars. Such restrictions complicate the development of autonomous driving systems.

A law on experimental legal regimes in the field of digital innovations was recently enacted in the Russian Federation. This law aims to ease the legal regulation applicable to developers of digital innovations in seeking formal approval for innovative solution applications, including self-driving cars. There are also discussions underway regarding the bill of amendment to the current legal regulation which impedes such formal approval of digital innovations, which would formally introduce a regime for experimental technologies

Regulations of Other Business Units; Other Jurisdictions

A number of our business units, including in particular Taxi, operate in sectors that are subject to extensive governmental scrutiny and rapidly evolving regulatory requirements, both in Russia and in other jurisdictions in which we operate or may begin operating. We continuously monitor such regulatory developments and actively participate where appropriate in the development of the regulatory frameworks for these emerging businesses and operating models.

In addition, because many of our services are accessible worldwide and are becoming increasingly available to other users globally, certain foreign jurisdictions, including those in which we have not established a local office, employees or infrastructure, may require us to comply with their local laws.

Item 4A. Unresolved Staff Comments.

None.

Item 5. Operating and Financial Review and Prospects.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the "Selected Consolidated Financial Information" section of this Annual Report and our consolidated financial statements and related notes appearing elsewhere in this Annual Report. In addition to historical information, this discussion contains forward-looking statements based on our current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the "Risk Factors" and "Forward-Looking Statements" sections and elsewhere in this Annual Report.

Overview

We are one of the largest European internet companies and the leading search provider in Russia. Our principal constituencies are:

- *Users.* We provide our users with advanced search capabilities and an extensive range of online services that enable them to find relevant, objective information quickly and easily, as well as communicate, connect, arrange transportation, access entertainment and shop over the internet.
- *Advertisers.* Our online advertising platform allows advertisers to reach a large audience of users in their markets and deliver cost-effective online advertising. With Yandex.Direct, our auction-based advertising platform, advertisers can promote their products and services through relevant ads targeted to a particular user query, the content of a website or webpage being viewed, or user behavior or characteristics.
- *Yandex Advertising Network partners.* We have relationships with a large number of third-party websites, which we refer to as the Yandex Advertising Network. In addition to serving ads on our own websites, we also serve ads on our network partners' websites and share the fees generated by these ads with our partners, providing an important revenue stream for them.

Our yandex.ru website first began generating revenue in 1998. We became profitable in 2003 and have been profitable every year since then.

Online advertising revenues accounted for 80.4%, 69.4% and 57.9% of our total revenues in 2018, 2019 and 2020, respectively. Our online advertising revenues consist of fees charged to advertisers for serving online ads on our websites and those of our partners in the Yandex Advertising Network. Our advertising clients place a significant majority of their performance based ads through Yandex.Direct. We sell approximately half of performance-based ads on a prepaid basis. Our Yandex.Direct advertisers pay us on a cost per click (CPC) basis, which means that we recognize revenue only when a user clicks on one of our advertisers' ads. Our brand advertising is generally sold on a cost per thousand (CPM) impressions basis. For these ads, we recognize as revenue the fees charged to advertisers when their ads are displayed. We recognize our online advertising revenues net of value added tax and sales commissions and bonuses. Although the majority of our revenues is generated by direct sales to our advertisers, a significant portion of our advertising is sold through media agencies. We recognize revenues from those advertising sales net of the commissions and bonuses paid to these agencies.

We benefit from a large and diverse base of advertisers. Our advertisers include individuals and small, medium and large enterprises across Russia and the other countries in which we operate, as well as large multinational corporations. No individual advertiser accounted for more than 1.1% of our total revenues in 2018, 2019 or 2020. On a geographical basis, we generated more than 92% of our total revenues in each of 2018, 2019 and 2020 from advertisers and other customers with billing addresses in Russia, including the Russian offices of large multinational corporations.

We serve ads both on our own websites and on the websites of our partners in the Yandex Advertising Network. For performance-based ads served on the websites of our partners in the Yandex Advertising Network, we recognize as revenue the fees paid to us by advertisers each time a user clicks on one of their performance-based ads or, for those advertisers paying for brand ads on a CPM basis, as their ads are displayed. We pay our partners in the Yandex Advertising Network fees for serving our advertisers' ads on their websites. These fees are primarily based on revenue-sharing arrangements. As such, the fees paid to our partners in the Yandex Advertising Network are calculated as a percentage of the revenues we earn by serving ads on partners' websites. We account for the fees we pay to our partners in the Yandex Advertising Network as traffic acquisition costs, a component of cost of revenues. Since we launched our Yandex Advertising Network in 2006, these costs annually have, in aggregate, amounted to more than one-half of the revenues we have earned from serving ads on the Yandex Advertising Network and we expect them to continue to do so in the foreseeable future. Yandex Advertising Network partners do not pay us any fees associated with our serving ads on their websites.

Our agreements with our partners in the Yandex Advertising Network generally have an indefinite term and may be terminated by either party at will with no termination fees. Agreements with larger partners in the Yandex Advertising Network are individually negotiated and vary in duration but typically renew automatically. In 2018, 2019 and 2020, none of our advertising network partners accounted for more than 4% of our total revenues. In 2020, Avito and Mail.ru Group continued to be our most significant advertising network partners.

We believe the most significant factors that influence our ability to continue to increase our online advertising revenues include the following:

- the level of internet penetration and usage in Russia and the other markets in which we operate;
- the absolute and relative level of traffic on our own websites and those of our partners in the Yandex Advertising Network;
- the relevance, objectivity and quality of our search results and the quality of our other services and of the Yandex Advertising Network;
- our search market share, including on mobile devices, with a larger market share allowing us to better monetize our users' search activity and attract and retain advertisers, as well as partners in our Yandex Advertising Network;
- the demand for online advertising in Russia and the other markets in which we operate, particularly among small and medium-size businesses;

- our ability to effectively monetize traffic generated by our websites and those of the Yandex Advertising Network partners, including through improvements to our advanced auction and advertising placement system, while maintaining an attractive return on investment for our advertisers; and
- our ability to effectively monetize mobile search where the number of search queries is growing more quickly than on desktops.

Segments

During 2020, we revised our organizational structure, separating several focus areas into product lines. As a result, our businesses are now organized in the following operating segments:

- Search and Portal, which includes Search, Mail 360, Weather, News, Uslugi, Travel, Alice voice assistant and number of other services offered in Russia, Belarus and Kazakhstan, as well as our Devices business (Internet of Things);
- Taxi, including our ride-hailing business (which consists of Yandex.Taxi in Russia and 16 other countries across CIS and EMEA by the end of 2020, and Uber in Russia and CIS) for both B2C and B2B, Logistics, FoodTech businesses (including Yandex.Eats, our ready-to-eat and grocery delivery service, and Yandex.Lavka, our hyperlocal convenience store delivery service) and Yandex.Drive, our car-sharing business;
- Yandex.Market, including our price comparison service, e-commerce marketplace and several small experiments;
- Classifieds, including Auto.ru, Yandex.Realty, Yandex.Jobs, and Yandex Classifieds;
- Media Services, including our subscription service Yandex Plus, Yandex Music, KinoPoisk, Yandex.Afisha and our production center Yandex.Studio and
- Other Bets and Experiments, including Zen, Geolocation Services (“Geo”), Yandex.Cloud, Yandex.Education, Edadeal, Yandex Self-Driving Group (“Yandex SDG”) and Investments.

Key Trends Impacting Our Results of Operations

Our operational and financial results depend, among other factors, on macroeconomic situation in Russia and other markets where we operate, including GDP growth and inflation rates, currency dynamic and trends in consumption and real disposable income. COVID-19 pandemic had an adverse effect on the economic growth (globally and in Russia) in 2020, as well as on the performance of different parts of our business. In addition to the impact of the current macroeconomic environment, the trends described below are key drivers of our results of operations.

Our business and revenues have grown rapidly since inception, driven in recent years by the increasing diversification of our operations and the growing impact of businesses such as ride-hailing, FoodTech, E-commerce, Media Services and others. After the significant increase in 2018 and 2019, our revenue growth rate has slowed down in 2020 as a result of the COVID-19 pandemic. We expect the solid revenue growth to continue in the next periods supported by continuing investments across our businesses.

We expect that our performance-based advertising revenue will recover in 2021 and believe that our focus on product developing and improving ad technologies will allow us to grow our ad revenues in 2021 at least in line with the digital ad market in Russia, which we expect to grow by the mid-teens percentages. Beyond 2021 the growth rates of our ad revenue may begin to slowdown and then will continue to decline over time as a result of a number of factors, including challenges in maintaining our growth rate as our revenues increase to higher levels, increasing competition, particularly on mobile devices, changes in the nature of queries, the evolution of the overall online advertising market and the declining rate of growth in internet users in Russia as overall internet penetration increases.

Assuming no further escalation of the coronavirus pandemic and gradual improvement of the situation from the second quarter of the year, we expect our total group revenues to be between 305 and 320 billion rubles for the full year 2021. The growth will be primarily driven by the acceleration of revenue growth across our E-commerce businesses (Yandex.Market, Lavka and grocery delivery within Yandex.Eats), as well as a recovery in Search and Portal and Taxi segments.

Our operating margins of our Search and Portal business, representing our income from operations as a percentage of revenues, may fluctuate in the future depending on the percentage of our online advertising revenues that we derive from the Yandex Advertising Network compared with our own websites. The operating margin we realize on revenues generated from the websites of our partners in the Yandex Advertising Network is significantly lower than the operating margin generated from our own websites. The percentage of our online advertising revenues derived from the Yandex Advertising Network decreased from 23.4% in 2018 to 20.8% in 2019 and to 16.8% in 2020.

Growth in mobile search may also have an impact on our operating margins. The number of search queries from mobile devices, including smartphones and tablets, is growing more quickly than desktop queries. Queries from mobile devices represented 60.5% of our total search queries and 53.3% of our search revenues in the fourth quarter of 2020. To date, growth in mobile usage has not had a material impact on our pricing, revenues or operating margins; however, we have seen some evidence that this growth may exert modest downward pressure on our operating margins in the future.

Another factor, that affects the operating margin of Search and Portal, is our Internet of Things business, represented by production and sales of Yandex.Stations and other devices, as we recognize revenues and cost of revenues in this segment on a gross basis.

Our consolidated operating margin has been decreasing in the recent periods on the back of growing investments into our non-advertising businesses such as Yandex.Market, FoodTech and Media Services as well as continuing research and development of self-driving cars and a number of other initiatives. At the same time, Ride-Hailing and Classifieds businesses have significantly improved their profitability and delivered solid margins in 2020, which has partially offset the impact from changing business mix and our investments into new initiatives.

Recent and future capital expenditures may also put pressure on our operating margins. Our capital expenditures decreased from RUB 28,323 million in 2018 to RUB 20,543 million in 2019, with an increase to RUB 24,551 million in 2020. We spent approximately 66% of our total capital expenditures in 2020 on servers and data center expansion to support growth in our operations. Our depreciation and amortization expense decreased as a percentage of revenues from 9.5% in 2018 to 8.4% in 2019, and to 8.1% in 2020. We currently expect our capital expenditures to decrease as a percentage of revenues from 10.4% in 2020 to approximately 9% in 2021, excluding the effect of our new headquarters construction. However, if we decide to undertake any new capital projects, our capital expenditures may increase as a percentage of our revenues in 2021.

To support further brand enhancement and respond to competitive pressures, we spent larger amounts in 2018, 2019 and 2020 on advertising and marketing than we have spent historically, in absolute terms. A significant portion of our advertising and marketing expense in 2019 and 2020 relates to our efforts to promote our Yandex.Taxi and our Search services as well as Media Services, Yandex.Market and Classifieds, and to support our brand in Russia and the other markets in which we operate. We expect to continue to invest in advertising and marketing. We currently expect our overall advertising and marketing costs in 2021 to remain roughly stable as a percentage of revenues in comparison to 2020 due to continuing investment to promote our services. This spending will not significantly impact our operating margin. The COVID-19 pandemic has put pressure on our core advertising and ride-hailing businesses, while at the same time creating a number of new opportunities that we believe further strengthen the company's long-term potential. Our immediate focus on cost optimization and improving operational efficiency after the start of the lockdown has enabled us to mitigate the negative impact of the pandemic on our financial performance.

Our revenues are impacted by seasonal fluctuations in internet usage and in advertising expenditures. Internet usage and advertising expenditures generally slow down during the months when there are extended Russian public holidays and vacations, and are significantly higher in the fourth quarter of each year. Moreover, expenditures by advertisers tend to be cyclical, reflecting overall economic conditions, retail patterns and advertising budgeting and buying patterns.

For ride-hailing business we generate higher revenues in the second half of the year, particularly, in the fourth quarter, in part due to holiday demand and a pick up in general economic activity. Lower revenues are generated in the first half of the year, particularly, in the second quarter, mainly due to increased investments in driver supply, as we compete with other sectors that ramp up hiring activities in the spring (i.e., the construction sector).

For FoodTech business we expect to experience seasonal increases in our revenues in the first and fourth quarters, although the high growth rates have so far masked seasonal fluctuations. In 2020 we experienced less seasonality as a result of the COVID-19 pandemic and related restrictions, which accelerated the growth of the food and grocery delivery verticals.

Inflation in Russia has also impacted our results of operations and may continue to do so. According to the Russian Federal State Statistics Service, Rosstat, the consumer price index in Russia increased to 4.3% in 2018 and decreased to 3% in 2019, respectively, and increased to 4.9% in 2020. We can provide no assurance that the annual rate of inflation will not increase significantly in 2021. Higher rates of inflation may accelerate increases in our operating expenses and capital expenditures and reduce the value and purchasing power of our ruble denominated assets, such as cash and cash equivalents.

Changes in the value of the U.S. dollar compared with the Russian ruble can also negatively affect our results of operations. See “Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exchange Risk.”

Recent Acquisitions

Uber

In February 2018, we and Uber International C.V. (“Uber”), a subsidiary of Uber Technologies Inc., completed the combination of Yandex.Taxi Holding B.V. with several Uber legal entities into MLU B.V., a Dutch private limited liability company. We and Uber each contributed our legal entities operating our ride-hailing and food delivery businesses in Russia, Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan and Moldova and \$100.0 million (RUB 5,722 million as of the date of acquisition) and \$225.0 million (RUB 12,874 million as of the date of acquisition) in cash, respectively. The merger was accounted for as a business combination. A further description of the acquisition and its accounting implications can be found in Note 3 of our audited consolidated financial statements included elsewhere in this Annual Report.

Edadeal

In October 2018, we completed the acquisition of 90% in Edadeal LLC and its subsidiary (“Edadeal”), a daily deal and coupon aggregator, which is used to find deals at grocery stores, thus increasing our ownership from 10% to 100%. Cash consideration totaled RUB 233 million.

Other Acquisitions in 2018

During the year ended December 31, 2018, we completed other acquisitions for total consideration of approximately RUB 751 million.

TheQuestion

In March 2019, we completed the acquisition of assets and assumed liabilities of Znanie Company Limited (Cyprus) and its two subsidiaries, Znanie Development Company Limited (Cyprus) and Znanie LLC (Russia) (“TheQuestion”). TheQuestion is an internet-based question-and-answer social network. The primary purpose of the acquisition of TheQuestion was to enlarge the database of answers to specific search queries and to enhance the quality of search results provided by Yandex’s Search portal. The fair value of consideration transferred totaled RUB 384 million, including cash consideration of RUB 351 million and deferred consideration of RUB 33 million. The deferred consideration arrangement requires us to pay the additional cash consideration to the sellers within a four-year period. No additional consideration has been paid to date.

Yandex.Market

On April 27, 2018, we and Sberbank formed a joint venture based on the Yandex.Market platform. As a part of the deal, Sberbank subscribed for new ordinary shares of Yandex.Market for RUB 30,000 million. Following that transaction, we and Sberbank each held an equal number of the outstanding shares in Yandex.Market, with up to 10% of outstanding shares allocated to management via an equity incentive pool. We retained a noncontrolling interest and significant influence over Yandex.Market's business.

On June 23, 2020, we and Sberbank entered into a binding agreement to reorganize our joint ventures, Yandex.Market and Yandex.Money. On July 23, 2020, we completed the acquisition of the Sberbank interest in Yandex.Market (approximately 50%) for RUB 42,000 million and sold to Sberbank a 25% plus RUB 1 interest in Yandex.Money for approximately RUB 2,420 million. We paid net cash consideration of RUB 39,580 million. The acquisition is accounted for as a step-acquisition under business combination rules.

A further description of the joint venture formation, the acquisition and their accounting implications can be found in Note 3 of our audited consolidated financial statements included elsewhere in this Annual Report.

Other Acquisitions in 2020

During the year ended December 31, 2020, we completed other acquisitions for a total consideration of approximately RUB 529 million.

A further description of the acquisitions and their accounting implications can be found in Note 3 of our audited consolidated financial statements included elsewhere in this Annual Report.

Results of Operations

The following table presents our historical consolidated results of operations as a percentage of revenues for the periods indicated:

	Year Ended December 31,		
	2018	2019	2020
Revenues	100.0 %	100.0 %	100.0 %
Operating costs and expenses:			
Cost of revenues	28.1	31.8	39.3
Product development	17.7	16.7	16.7
Sales, general and administrative	28.4	28.6	28.5
Depreciation and amortization	9.5	8.4	8.1
Goodwill impairment	—	0.4	—
Total operating costs and expenses	<u>83.7</u>	<u>85.9</u>	<u>92.6</u>
Income from operations	<u>16.3</u>	<u>14.1</u>	<u>7.4</u>
Interest income	2.6	1.9	1.8
Interest expense	(0.6)	(0.1)	(1.1)
Effect of deconsolidation/consolidation of Yandex.Market	22.1	—	8.8
Loss from equity method investments	(0.2)	(2.2)	(1.0)
Other income/(loss), net	0.9	(0.7)	1.1
Income before income taxes	<u>41.1</u>	<u>13.0</u>	<u>17.0</u>
Provision for income taxes	6.4	6.6	5.9
Net income	<u>34.7 %</u>	<u>6.4 %</u>	<u>11.1 %</u>

Our consolidated income from operations as a percentage of total revenues decreased from 16.3% in 2018 to 14.1% in 2019, and to 7.4% in 2020. The lower margin in 2020 compared with 2019 was primarily due to an increase as a percentage of our total revenues of costs related to our low-margin segments and experiments, as well as due to the effect of Yandex.Market consolidation. The lower margin in 2019 compared with 2018 was primarily due to an increase as a percentage of our total revenues of costs related to our experiments and low-margin segments, as well as costs related to Yandex.Drive and Media Services, which were partially offset by a decrease as a percentage of our total revenues in depreciation and amortization expenses.

We expect the increasing contribution of our lower margin segments as a percentage of total revenues to weigh on our group operating margin in the near-term.

The following table presents our historical results of operations by reportable segment for the periods indicated:

	Year ended December 31,		
	2018	2019 (in millions of RUB)	2020
Revenues			
Search and Portal	100,956	121,547	124,321
Taxi	20,692	45,587	67,955
Yandex.Market	1,697	—	13,867
Classifieds	3,717	5,390	5,778
Media Services	1,909	3,867	7,807
Other Bets and Experiments	4,221	7,877	11,851
Eliminations	(5,535)	(8,877)	(13,235)
Total revenues	<u>127,657</u>	<u>175,391</u>	<u>218,344</u>
Adjusted operating costs and expenses			
Search and Portal	62,381	75,671	76,989
Taxi	25,542	46,149	65,561
Yandex.Market	1,970	—	18,293
Classifieds	3,922	5,093	4,715
Media Services	2,754	6,126	11,652
Other Bets and Experiments	8,178	13,814	20,339
Eliminations	(5,535)	(8,877)	(13,204)
Total adjusted operating costs and expenses	<u>99,212</u>	<u>137,976</u>	<u>184,345</u>
Adjusted operating income/(loss)			
Search and Portal	38,575	45,876	47,332
Taxi	(4,850)	(562)	2,394
Yandex.Market	(273)	—	(4,426)
Classifieds	(205)	297	1,063
Media Services	(845)	(2,259)	(3,845)
Other Bets and Experiments	(3,957)	(5,937)	(8,488)
Eliminations	—	—	(31)
Total adjusted operating income	<u>28,445</u>	<u>37,415</u>	<u>33,999</u>

Eliminations represent the elimination of transaction results between the reportable segments, primarily related to advertising, brand royalties and server costs. Adjusted operating costs and expenses of reportable segments exclude share-based compensation expense, amortization of acquisition-related intangible assets, goodwill impairment and compensation expense related to contingent consideration, as well as one-off restructuring costs.

For the reconciliation between total adjusted operating income and net income see Note 17 — “Information about segments, revenues & geographic areas” in the Notes to our consolidated financial statements included elsewhere in this Annual Report.

Revenues

The following table presents our consolidated revenues, by source, in absolute terms and as a percentage of total revenues for the periods presented:

	Year ended December 31,					
	2018		2019		2020	
	RUB	% of revenues	RUB	% of revenues	RUB	% of revenues
	(in millions of RUB, except percentages)					
Online advertising revenues(1):						
Yandex websites	78,696	61.6 %	96,466	55.0 %	105,163	48.2 %
Yandex Advertising Network websites	24,041	18.9	25,272	14.4	21,287	9.7
Total online advertising revenues	102,737	80.5	121,738	69.4	126,450	57.9
Revenues related to Taxi segment, excluding sales of goods	20,564	16.1	44,636	25.4	57,516	26.3
Revenues related to sales of goods	417	0.3	2,145	1.2	20,145	9.2
Other revenues	3,939	3.1	6,872	4.0	14,233	6.6
Total revenues	127,657	100.0 %	175,391	100.0 %	218,344	100.0 %

- (1) We record revenue net of VAT, sales agency commissions and bonuses and discounts. Because it is impractical to track commissions, bonuses and discounts for online advertising revenues generated on our own websites and on those of our partners in the Yandex Advertising Network separately, we have allocated commissions, bonuses and discounts between our own websites and those of our partners in the Yandex Advertising Network proportionally to their respective revenue contributions.

Total online advertising revenues increased by RUB 4,712 million, or 3.9%, from 2019 to 2020 and by RUB 19,001 million, or 18.5%, from 2018 to 2019. Our total online advertising revenues excluding Yandex.Market increased by RUB 339 million, or 0.3%, from RUB 121,738 million in 2019 to RUB 122,077 million in 2020, and increased by RUB 20,606 million, or 20.4%, from RUB 101,132 million in 2018 to RUB 121,738 million in 2019. Online advertising revenue growth over the periods under review resulted primarily from growth in sales of performance based online ads, driven by an increase in the number of paid clicks. We currently expect the rate of online advertising revenues growth in 2021 to be higher than in 2020, reflecting the adverse impact of the COVID-19 pandemic in 2020 and the anticipated recovery in 2021.

Paid clicks on our own websites together with those of our Yandex Advertising Network partners increased 20% from 2019 to 2020 and 17% from 2018 to 2019. The average cost per click on our own websites together with those of our partners in the Yandex Advertising Network decreased 13% from 2019 to 2020, and increased 1% from 2018 to 2019. Excluding Yandex.Market, paid clicks on our own websites together with those of our Yandex Advertising Network partners increased 21% from 2018 to 2019 and 15% from 2019 to 2020. Excluding Yandex.Market, the average cost per click on our own websites together with those of our partners in the Yandex Advertising Network remained flat from 2018 to 2019, and decreased 12% from 2019 to 2020.

During the periods under review, the year-over-year rates of change in paid clicks and average cost-per-click on a quarterly basis were as follows:

Quarter	Year-over-year growth in paid clicks, %	Year-over-year growth in cost-per-click, %
First Quarter 2018	7	8
Second Quarter 2018	10	6
Third Quarter 2018	13	5
Fourth Quarter 2018	10	7
First Quarter 2019	11	7
Second Quarter 2019	17	2
Third Quarter 2019	22	(2)
Fourth Quarter 2019	20	(3)
First Quarter 2020	23	(9)
Second Quarter 2020	22	(30)
Third Quarter 2020	22	(13)
Fourth Quarter 2020	14	(2)

The rate of change in paid clicks and average cost-per-click, and their correlation with the rate of increase in our revenues may fluctuate from period to period based on factors such as seasonality, advertiser competition for keywords, our ability to launch enhanced advertising products that seek to deliver increasingly targeted ads, the fees advertisers are willing to pay based on how they manage their advertising costs, and general economic conditions.

Revenues of Taxi segment, excluding sales of goods. Revenues related to the Taxi segment, excluding sales of goods mainly represent revenues from our Ride-hailing and FoodTech businesses as well as Yandex.Drive. Ride-hailing revenues mainly represent commissions for providing ride-hailing services related to our Yandex.Taxi and Uber services. For ride-hailing services provided to individual transportation services users, we are not a principal and report only Yandex.Taxi's commission fees as revenue. For services provided to corporate transportation services clients we act as the principal and revenue and related costs are recorded gross. FoodTech revenues, excluding sales of goods, include revenues of Yandex.Eats (where we act as an agent for restaurants and grocery stores) and other FoodTech revenue streams. The increase of revenues related to the Taxi segment, excluding sales of goods in 2020 was attributed to the growth of ride-hailing businesses, our corporate Taxi business and to the growth of our FoodTech businesses, driven by the strong performance of Yandex.Eats business, particularly as a result of the COVID-19 pandemic. The increase of revenues of the Taxi segment, excluding sales of goods in 2019 are due to robust growth in the number of rides across our territories driven by aggressive investments in our existing markets as well as in geographical expansion and the effect of the business combination with Uber. We consider the number of rides to be a key performance indicator for our Taxi segment. We define rides as the number of rides completed by the service users (riders) in a given period. Management uses this metric to assess the scale and frequency of usage of our platform and believes that it is the most useful metric for investors to measure the scale and usage of our platform. The number of rides for the years ended December 31, 2018, 2019 and 2020 comprised 0.9 billion rides, 1.4 billion rides and 1.6 billion rides, respectively.

Revenues related to sales of goods. Revenues related to sales of goods principally represent our revenue from Yandex.Market, revenues from our FoodTech businesses (specifically, Yandex.Lavka, where we use first-party (1P) business model and act as a direct retailer) and from our initiatives related to IoT (Internet of Things). Revenues related to sales of goods increased significantly by RUB 18,000 million from 2019 to 2020 and by RUB 1,728 million from 2018 to 2019. The growth was primarily due to our FoodTech businesses, driven by our hyperlocal grocery delivery service, Yandex.Lavka, and consolidation of Yandex.Market, as well as increasing sales of IoT devices.

Other revenues. Other revenues principally represent our revenues from Media Services subscription model, from Marketplace third-party sales, from Search and Portal's Yandex.Disk and Travel Services, from Yandex.Cloud and Geolocation Services. Other revenues increased by RUB 7,361 million, or 107.1%, from 2019 to 2020 and by RUB 2,933 million, or 74.5%, from 2018 to 2019. Other revenues excluding revenues of Yandex.Market increased by 83% from 2019 to 2020 and increased by 74% from 2018 to 2019.

Revenues by reportable segment. Our revenues attributable to the Search and Portal segment increased by RUB 2,774 million, or 2.3%, from 2019 to 2020 and by RUB 20,591 million, or 20.4%, from 2018 to 2019. The growth in this segment's revenues is in line with the growth in our overall online advertising revenues. Search and Portal revenues accounted for approximately 56.9% of total revenues in 2020, compared with 69.3% in 2019 and 79.1% in 2018.

Our revenues attributable to the Taxi segment increased by RUB 22,368 million, or 49.1%, from 2019 to 2020 and by RUB 24,895 million, or 120.3%, from 2018 to 2019. Taxi revenues accounted for approximately 31.1% of total revenues in 2020, compared with 26.0% in 2019 and 16.2% in 2018. The increase of this segment's share of total revenues in 2019 and 2020 is primarily due to the growth of our ride-hailing business driven by an increase in the number of rides and solid performance of our corporate Taxi business, which we recognize on a gross basis, as well as significant growing contribution of our FoodTech businesses.

Our revenues attributable to the Yandex.Market segment amounted to RUB 13,867 million, nil and RUB 1,697 million in 2020, 2019 and 2018, respectively, and accounted for approximately 6.4%, none and 1.3% of total revenues in 2020, 2019 and 2018, respectively.

Our revenues attributable to the Classifieds segment increased by RUB 388 million, or 7.2%, from 2019 to 2020 and by RUB 1,673 million, or 45.0%, from 2018 to 2019. Classifieds revenues accounted for approximately 2.6% of total revenues in 2020, compared with 3.1% in 2019 and 2.9% in 2018. The decrease of this segment's share of total revenues in 2020 compared to 2019 is primarily due to the impact of COVID-19 (including the closure of auto dealerships on the back of the strict lockdown regime due to the COVID-19 pandemic, and a slowdown in real estate

demand as well as COVID-related supply chain disruptions leading to stock shortages at car dealerships). The increase of this segment's share of total revenues in 2019 compared to 2018 is primarily due to rapid growth in its mature markets as well as in the regions, supported by our increased marketing spend in Classifieds in 2018 and 2019.

Our revenues attributable to the Media Services segment increased by RUB 3,940 million, or 101.9%, from 2019 to 2020 and by RUB 1,958 million, or 102.6%, from 2018 to 2019. Media Services revenues accounted for approximately 3.6% of total revenues in 2020, compared with 2.2% in 2019 and 1.5% in 2018. The increase of this segment's share of total revenues in 2019 and 2020 is primarily due to the growth in the number of Yandex Plus subscribers, partially supported by COVID-19 lockdowns in 2020.

Our revenues attributable to the Other Bets and Experiments category increased by RUB 3,974 million, or 50.5%, from 2019 to 2020 and by RUB 3,656 million, or 86.6%, from 2018 to 2019. Other Bets and Experiments revenues were primarily related to Zen and Geolocation Services and increased to approximately 5.4% of total revenues in 2020, compared with 4.5% in 2019 and 3.3% in 2018.

Operating Costs and Expenses

Our operating costs and expenses consist of cost of revenues; product development expenses; sales, general and administrative expenses, depreciation and amortization expense and goodwill impairment. In addition to the reasons discussed below with respect to each category, we generally expect our total operating costs and expenses to increase in absolute terms and as a percentage of revenues in the near term; see “—Key Trends Impacting Our Results of Operations”.

Cost of revenues. Cost of revenues consists primarily of traffic acquisition costs, the costs related to the Taxi segment, excluding cost of goods sold, cost of devices and other goods sold and other cost of revenues.

Traffic acquisition costs are the amounts paid to our partners in the Yandex Advertising Network for serving our online ads on their websites and to our partners who distribute our products or otherwise direct search queries to our websites. These amounts are primarily based on revenue-sharing arrangements. Some of our distribution partners are compensated on the basis of the number of installations of Yandex Browser or search apps.

We pay fees to our distribution partners on a non-refundable basis following the period in which the distribution fees are earned. We do not have a standard term or termination provision that applies to agreements with our distribution partners. Since 2012 and until 2019 Opera was our largest distribution partner. In 2020 its share was 11% of our total distribution costs down from 18% in both 2019 and 2018. Opera was gradually replaced by original equipment manufacturers Samsung and Xiaomi with their shares in our total distribution costs of 28%, 22% and 16% and 11%, 7% and 4% in 2020, 2019 and 2018, respectively.

Cost of revenues related to the Taxi segment, excluding cost of goods sold primarily consists of the cost of corporate taxi services paid to taxi partners for providing services to corporate clients and various outsourced services associated with direct operations (for example, dispatch control, call center services, testing of software security, and logistics costs for the food delivery business), as well as cost related to Yandex.Drive (consisting of costs of leasing cars, gasoline costs and outsourced services such as insurance, maintenance and other services).

Cost of devices and other goods sold (COGS) primarily consist of the costs of Yandex.Market and our FoodTech service Yandex.Lavka, as well as cost of devices sold.

Cost of revenues also includes the expenses associated with the operation of our data centers, including related personnel costs, share-based compensation expense, rent, utilities and telecommunications bandwidth costs, as well as content acquisition costs.

The following table presents the primary components of our cost of revenues in absolute terms and as a percentage of revenues for the periods presented:

	Year ended December 31,		
	2018	2019	2020
	(in millions of RUB, except percentages)		
Traffic acquisition costs:			
Traffic acquisition costs related to the Yandex Advertising Network	14,785	15,518	12,856
Traffic acquisition costs related to distribution partners	5,713	7,622	7,090
Total traffic acquisition costs	20,498	23,140	19,946
<i>as a percentage of revenues</i>	16.1 %	13.2 %	9.1 %
Costs related to Taxi segment, excluding cost of goods sold:	7,692	20,113	29,014
<i>as a percentage of revenues</i>	6.0 %	11.5 %	13.3 %
Cost of devices and other goods sold	1,019	2,215	17,586
<i>as a percentage of revenues</i>	0.8 %	1.3 %	8.1 %
Other cost of revenues	6,684	10,320	19,188
<i>as a percentage of revenues</i>	5.2 %	6.8 %	13.8 %
Total cost of revenues	35,893	55,788	85,734
<i>as a percentage of revenues</i>	28.1 %	31.8 %	39.3 %

Cost of revenues increased by RUB 29,946 million, or 53.7%, from 2019 to 2020, primarily due to a RUB 15,371 million increase in cost of devices and other goods sold, as well as due to a RUB 8,901 million increase in Taxi segment costs, excluding cost of goods sold (principally for costs of logistics service and the increase of costs related to our corporate Taxi business), to a RUB 8,868 increase in other cost of revenues, and decreased by RUB 3,194 million in traffic acquisition costs.

Cost of revenues increased by RUB 19,895 million, or 55.4%, from 2018 to 2019, primarily due to a RUB 12,421 million increase in Taxi segment costs, excluding cost of goods sold (principally for car leases attributable to our car-sharing business and cost of corporate Taxi services), as well as due to a RUB 2,642 million increase in traffic acquisition costs, to a RUB 3,636 million increase in other cost of revenue and to a RUB 1,196 million increase in cost of devices and other goods sold.

The majority of our traffic acquisition costs relate to the Yandex Advertising Network, with a smaller portion relating to distribution relationships. Traffic acquisition costs relating to the Yandex Advertising Network represents our partners' share in the amount of Yandex Advertising Network revenue for the period. These costs decreased by RUB 2,662 million from 2019 to 2020 and increased by RUB 733 million from 2018 to 2019 following the decrease and increase of related revenue. Yandex Advertising Network revenue decreased by RUB 3,985 million from 2019 to 2020 primarily due to the adverse effect of COVID-19 on advertisers' activity in the partner network, as well as due to the decrease of advertising inventory from some of our partners and increased by RUB 1,231 million from 2018 to 2019. Our network partner traffic acquisition costs as a percentage of network partner revenues decreased to 60.4% in 2020 compared with 61.4% in 2019 and 61.5% in 2018. In addition, the amounts paid to our distribution partners decreased by RUB 532 million from 2019 to 2020 due to optimization of distribution TAC rates. The amounts paid to our distribution partners increased by RUB 1,909 million from 2018 to 2019 due to growth in our existing distribution relationships, as well as the additions of new distribution partners. As a percentage of total revenues, traffic acquisition costs decreased from 16.1% in 2018 to 13.2% in 2019 and to 9.1% in 2020, as a result of lower rate of partner revenue growth.

Costs related to the Taxi segment, excluding cost of goods sold increased by RUB 8,901 million, or 44.3%, from 2019 to 2020, and by RUB 12,421 million, or 161.5%, from 2018 to 2019, primarily due to the expansion of our corporate ride-hailing business, where revenues and related costs are recorded on a gross basis, and costs of Yandex.Eats' logistics services.

Cost of devices and other goods sold increased by RUB 15,371 million, from 2019 to 2020, primarily driven by consolidation of Yandex.Market in the amount of RUB 7,141 million. Cost of devices and other goods sold excluding those related to Yandex.Market increased by RUB 8,230 million from 2019 to 2020 due to COGS in Yandex.Lavka, as well as our IoT initiatives. Cost of devices and other goods sold increased by RUB 1,196 million, or 117.4%, from 2018 to 2019 due to costs of sales of our IoT devices.

Other cost of revenues increased by RUB 8,868 million, or 85.9%, from 2019 to 2020, primarily driven by consolidation of Yandex.Market in the amount of RUB 4,005 million. Cost of revenues excluding those related to Yandex.Market increased by RUB 4,863 million from 2019 to 2020 as a result of our investments in content within Media Services and Search and Portal. Other cost of revenues increased by RUB 3,636 million, or 54.4%, from 2018 to 2019, due to increase of expenses in our Media Services business.

We anticipate that cost of revenues will continue to increase in absolute terms primarily as a result of increases in the direct expenses of the Taxi and Yandex.Market segments, IoT devices production and logistics costs, as well as content and data center costs, and will continue to increase as a percentage of revenues in the near term.

Product development. Product development expenses consist primarily of personnel costs incurred for the development, enhancement and maintenance of our search engine and other Yandex services and technology platforms. We also include rent and utilities attributable to office space occupied by development staff in product development expenses. We expense product development costs as they are incurred.

The following table presents our product development expenses in absolute terms and as a percentage of revenues for the periods presented:

	Year ended December 31,		
	2018	2019 (in millions of RUB, except percentages)	2020
Product development expenses	22,579	29,209	36,339
as a percentage of revenues	17.7 %	16.7 %	16.7 %

Product development expenses increased by RUB 7,130 million, or 24.4%, from 2019 to 2020, and by RUB 6,630 million, or 29.4%, from 2018 to 2019. These increases were primarily due to increases in headcount and salaries in 2020 and 2019, as well as increases in share-based compensation expense. Development personnel headcount increased from 4,582 as of December 31, 2018 to 5,784 as of December 31, 2019, and to 6,459 as of December 31, 2020. As a percentage of revenues, product development expenses remained flat from 2019 to 2020, and decreased by 1 percentage point from 2018 to 2019.

We anticipate that product development expenses will increase in absolute terms but will not change materially as a percentage of revenues in 2021.

Sales, general and administrative. Sales, general and administrative expenses consist of compensation and office rent expenses for personnel engaged in customer service, sales, sales support, finance, human resources, facilities, information technology and legal functions; fees for professional services; and advertising and marketing expenditures.

The following table presents our sales, general and administrative expenses in absolute terms and as a percentage of revenues for the periods presented:

	Year ended December 31,		
	2018	2019 (in millions of RUB, except percentages)	2020
Sales, general and administrative expenses	36,206	50,155	62,335
as a percentage of revenues	28.4 %	28.6 %	28.5 %

Sales, general and administrative expenses increased by RUB 12,180 million, or 24.3%, from 2019 to 2020 and by RUB 13,949 million, or 38.5%, from 2018 to 2019. The increase in 2020 compared to 2019 was primarily due to an increase in personnel expenses of RUB 4,633 million which resulted from headcount and salary increases in 2019 and 2020. Personnel expenses increased by RUB 3,727 million in 2019 compared to 2018, as a result of a headcount and salary increases.

Additional factors contributing to the overall increase from 2019 to 2020 were increases in share-based compensation expense of RUB 2,795 million, RUB 1,608 million in office rent and utilities expenses due to additional

rent agreements, RUB 1,421 million in bank and payment systems commissions mainly related to Yandex.Taxi, and RUB 1,384 million in advertising and marketing expenses mainly related to the consolidation of Yandex.Market.

Additional factors contributing to the overall increase from 2018 to 2019 were increases in advertising and marketing expenses, mainly in Russia, of RUB 2,977 million, RUB 1,627 million in bank and payment systems commissions mainly related to Yandex.Taxi, RUB 1,625 million in other professional and outsourced services, RUB 1,346 million in share-based compensation expense, RUB 737 million in recruiting and training services and business travel expenses, RUB 557 million in office rent and utilities expenses due to additional rent agreements, and RUB 427 million in office expenses.

We anticipate that our sales, general and administrative expenses in 2021 will continue to increase in absolute terms in comparison to 2020, as we continue to invest in the promotion of our products and services.

Depreciation and amortization. Depreciation and amortization expense relates to the depreciation of our property and equipment, mainly servers and networking equipment, leasehold improvements, data center equipment and office furniture, and the amortization of our intangible assets with definite lives.

The following table presents our depreciation and amortization expense in absolute terms and as a percentage of revenues for the periods presented:

	Year ended December 31,		
	2018	2019	2020
Depreciation and amortization expense	12,137	14,777	17,687
<i>as a percentage of revenues</i>	<i>9.5 %</i>	<i>8.4 %</i>	<i>8.1 %</i>

Depreciation and amortization expense increased by RUB 2,910 million, or 19.7%, from 2019 to 2020 and by RUB 2,640 million, or 21.8%, from 2018 to 2019. The increases from 2019 to 2020 and from 2018 to 2019 were primarily due to: amortization expense related to technologies and licenses in the amount of RUB 1,212 million (which was mainly related to Yandex.Market consolidation) and RUB 309 million, respectively; depreciation expense related to server and network equipment and infrastructure systems in the amount of RUB 1,008 million and RUB 1,253 million, respectively; depreciation expense related to office furniture and equipment in the amount of RUB 224 million and RUB 367 million, respectively; and depreciation expense related to Yandex.Drive's car-sharing fleet in the amount of RUB 120 million and RUB 393 million, respectively.

We have both operating and finance leases in Yandex.Drive. According to the ASC 842 rules, we divide lease payments under finance leases into the interest and amortization components and recognize the latter under D&A expense. In addition, we depreciate the cost of certain equipment that we install in Yandex.Drive's cars, such as infotainment systems and telematics. We anticipate that depreciation and amortization expense will increase in absolute terms as we continue to invest in our technology infrastructure and in business acquisitions. Any depreciation of the Russian ruble may also result in a material increase in our capital expenditures and respective depreciation and amortization.

Share-based compensation. In our consolidated statements of income, share-based compensation expense is recorded in the same functional area as the expense for the recipient's cash compensation. As a result, share-based compensation expense is allocated among our cost of revenues, product development expenses and sales, general and administrative expenses.

The following table presents our aggregate share-based compensation expense in absolute terms and as a percentage of revenues for the periods presented:

	Year ended December 31,		
	2018	2019	2020
	(in millions of RUB, except percentages)		
Share-based compensation expense	6,552	9,855	15,728
as a percentage of revenues	5.1 %	5.6 %	7.2 %

Share-based compensation expense increased by RUB 5,873 million, or 59.6%, from 2019 to 2020. The growth was primarily related to the exchange of subsidiary-level equity awards previously granted by Yandex.Market and MLU B.V. for new Yandex N.V. restricted share units (RSUs). We accounted for the exchange as a modification resulting in additional cost recognized in Q3 and Q4 2020. In addition, the increase reflected new equity-based grants made in 2019-2020, as well as material appreciation of the U.S. dollar against the ruble.

Share-based compensation expense increased by RUB 3,303 million, or 50.4%, from 2018 to 2019, because of new equity-based awards to new and existing employees granted in 2018 and 2019.

The share-based compensation expense for 2019 and 2020 includes RUB 421 million and RUB 895 million, respectively, related to Business Unit Equity Awards as described in Note 16 to our consolidated financial statements.

We anticipate that share-based compensation expense will increase in absolute terms in the near term because of new equity-based awards to new and existing employees.

Goodwill impairment. The goodwill impairment recorded in 2019 in the amount of RUB 762 million relates to Food Party and was a result of our annual goodwill impairment test. The impairment is the full amount of goodwill recognized at the Food Party acquisition date and allocated to the Taxi segment. The goodwill impairment is the result of the absence of expected synergies from the integration of the Food Party business model with the existing operations of our other businesses or technologies, resulting in a change of business model of Food Party. No goodwill impairment was recognized in 2020.

Adjusted operating costs and expenses by reportable segments. Our adjusted operating costs and expenses attributable to the Search and Portal segment increased by RUB 1,318 million, or 1.7%, from 2019 to 2020 and by RUB 13,290 million, or 21.3%, from 2018 to 2019. The primary factor contributing to the overall increase in 2020 was cost of revenues mainly due to the increase in the volume of devices sales, marketing expenses due to Yandex Plus promotion, as well as depreciation and amortization expense increases, partly offset by the decrease in traffic acquisition costs and office rent and utilities. The increase in 2019 was primarily due to higher personnel expenses and office rent, utilities and traffic acquisition costs, as well as other costs of revenues mainly related to devices and depreciation and amortization expense.

Our adjusted operating costs and expenses attributable to the Taxi segment increased by RUB 19,412 million, or 42.1%, from 2019 to 2020 and by RUB 20,607 million, or 80.7%, from 2018 to 2019. The primary factor contributing to the overall increase both in 2020 and 2019 was the growth of our corporate ride-hailing business (with growth in expenses in line with the revenue growth), as well as investments in rapidly growing FoodTech businesses and investments in the development of our Logistics services. The other factors are increases in personnel expenses and office rent and utilities, resulting from growth in headcount over the periods as we continue to invest in the development of the service. Additional factor contributing to the overall increase from 2018 to 2019 was growth of our car-sharing business (with corresponding growth in revenue).

Our adjusted operating costs and expenses attributable to the Yandex.Market segment increased by RUB 18,293 million, or 100.0%, from 2019 to 2020 and decreased by RUB 1,970 million, or 100.0%, from 2018 to 2019. The decrease in 2019 and the increase in 2020 were mainly due to the deconsolidation of Yandex.Market in April 2018 and its consolidation in July 2020.

Our adjusted operating costs and expenses attributable to the Classifieds segment decreased by RUB 378 million, or 7.4%, from 2019 to 2020 and increased by RUB 1,171 million, or 29.9%, from 2018 to 2019. The primary

factor contributing to the overall decrease in 2020 was the reduction in advertising and marketing expenses due to COVID-19, partly offset by the growth in personnel costs due to headcount increases. The increase in 2019 was primarily due to increases in advertising and marketing expenses as we continued to invest in the development of the service.

Our adjusted operating costs and expenses attributable to the Media Services segment increased by RUB 5,526 million, or 90.2%, from 2019 to 2020 and by RUB 3,372 million, or 122.4% from 2018 to 2019. These increases are mainly due to the growth of content acquisition costs and advertising and marketing expenses, as well as the growth of personnel expenses in both 2019 and 2020.

Our adjusted operating costs and expenses attributable to the Other Bets and Experiments category increased by RUB 6,525 million, or 47.2%, from 2019 to 2020, and increased by RUB 5,636 million, or 68.9%, from 2018 to 2019. The increases in both 2020 and 2019 were primarily due to continued investment in our Self-Driving Group, as well as investments in Zen, Geo, Cloud and Education initiatives.

Interest Income

Interest income increased from RUB 3,315 million in 2019 to RUB 3,869 million in 2020 principally as a result of an increase of average amounts of our deposits during the year. Interest income remained stable at RUB 3,382 million in 2018 and RUB 3,315 million in 2019.

Interest Expense

Interest expense increased from RUB 74 million in 2019 to RUB 2,373 million in 2020 mostly due to a increase of amortization of debt discount and interest expenses related to our convertible bonds issued in the first quarter of 2020. Interest expense decreased from RUB 945 million in 2018 to RUB 74 million in 2019 mostly due to a decrease of amortization of debt discount related to our convertible notes which matured in Q4 2018 by 728 RUB million.

Effect of Yandex.Market consolidation

On July 23, 2020, we completed the acquisition of the Sberbank interest in Yandex.Market (approximately 50%) for RUB 42,000 million. The acquisition is accounted for as a step-acquisition under business combination rules. Accordingly, we remeasured our previously held equity interest in Yandex.Market to fair value, in the amount of RUB 41,838 million, and recorded a gain of RUB 19,230 million. As a result, we became the controlling shareholder in Yandex.Market and its financial results have been consolidated in our consolidated statements from July 24, 2020.

Effect of Yandex.Market deconsolidation

On April 27, 2018, we deconsolidated Yandex.Market from our consolidated financial results and accounted for this investment under the equity method within investments in non-marketable equity securities on the consolidated balance sheets, initially at fair value of RUB 29,985 million. This resulted in a gain on the deconsolidation in the amount of RUB 28,244 million. From April 28, 2018 to July 23, 2020, we recorded our share of Yandex.Market's financial results within the loss from equity method investments line in the consolidated statements of income.

Other Income/(Loss), net

Our other income/(loss), net primarily consists of foreign exchange gains and losses. The following table presents the components of our other income/(loss), net in absolute terms and as a percentage of revenues, for the periods presented:

	Year ended December 31,		
	2018	2019	2020
	(in millions of RUB, except percentages)		
Foreign exchange gains/(losses)	1,169	(1,294)	2,835
Other	(39)	94	(431)
Total other income/(loss), net	1,130	(1,200)	2,404
<i>Total other income/(loss), net, as a percentage of revenues</i>	<i>0.9 %</i>	<i>(0.7)%</i>	<i>1.1 %</i>

Because the functional currency of our operating subsidiaries in Russia is the Russian ruble, changes in the ruble value of these subsidiaries' monetary assets and liabilities that are denominated in other currencies (primarily the U.S. dollar) due to exchange rate fluctuations are recognized as foreign exchange gains or losses in our consolidated statements of income. In 2020 we recognized foreign exchange gain in our Russian subsidiaries in the amount of RUB 4,856 million due to depreciation of the Russian ruble against the U.S. dollar. On the contrary, we recognized foreign exchange losses of RUB 2,021 million in our foreign companies where functional currency primarily is the U.S. Dollar, because they have monetary assets and liabilities denominated in the ruble.

In 2019 because of the material appreciation of the ruble, we recognized foreign exchange losses of RUB 1,304 million in our Russian subsidiaries as other loss, net, arising from changes in the value of the U.S. dollar compared with the Russian ruble during the year. In 2018 we recognized foreign exchange gain in our Russian subsidiaries in the amount of RUB 1,136 million due to depreciation of the Russian ruble against the U.S. dollar

Items recognized as "Other" in "Other income/(loss), net" in 2020 includes a loss from the disposal of our interest in Yandex.Money in the amount of RUB 926 million and gains from other investments in the amount of RUB 288 million.

Income Tax Expense

The following table presents our income tax expense and effective tax rate for the periods presented:

	Year ended December 31,		
	2018	2019	2020
	(in millions of RUB, except percentages)		
Income tax expense	8,201	11,656	13,055
Effective tax rate	15.6 %	51.0 %	35.1 %

Our income tax expense increased by RUB 1,399 million from 2019 to 2020 and increased by RUB 3,455 million from 2018 to 2019, primarily as a result of increases in taxable income.

Our effective tax rate decreased by 15.9 percentage points from 2019 to 2020 and increased by 35.4 percentage points from 2018 to 2019. If we remove the effects of SBC expense, consolidation and deconsolidation of Yandex.Market, deferred tax asset valuation allowances, Yandex.Money disposal, tax provisions recognized, goodwill impairment and certain losses from equity-method investments which are non-deductible, our effective tax rate for 2020 would have been 24.2% and it is in line with 23.4% for 2019 and 24.1% for 2018 as corrected for similar effects in those years.

See "Critical Accounting Policies, Estimates and Assumptions—Tax Provisions" for additional information about our income tax expense.

A reconciliation of our statutory income tax rate to our effective tax rate is set forth in Note 10 of our audited consolidated financial statements included elsewhere in this Annual Report.

Liquidity and Capital Resources

As of December 31, 2020, we had RUB 238,185 million (\$3,224.2 million) in cash, cash equivalents and term deposits. Cash equivalents consist of bank deposits with original maturities of three months or less. We keep a

sufficiently balanced currency basket depending on expected expenses in currencies different from the Russian ruble and aiming at foreign exchange risks mitigation. The certain currency split between the Russian ruble and the U.S. dollar is flexible and is subject to regular modification by management upon market conditions. We maintain our U.S. dollar denominated accounts principally in the Netherlands and in Russia. Our U.S. dollar denominated holdings as of December 31, 2020 accounted for approximately 66.9% of our cash, cash equivalents and term deposits.

The net proceeds to us in March 2020 from the sale of our 0.75% convertible senior notes due March 3, 2025, were RUB 82,050 million (\$1,237.0 million at the exchange rate as of the issue date). The net proceeds from convertible notes were received by our parent company, a Dutch holding company that generates no operating cash flow itself. No repurchase of outstanding notes took place during 2020.

In June 2020, we completed a public offering and concurrent private placement of Class A shares for aggregate net proceeds of \$1,050.9 (RUB 72,650 at the exchange rate as of the offering date).

Other than the proceeds from our convertible notes offering and Class A shares offering, our principal source of liquidity has been cash flows generated from the operations of our Russian subsidiaries. Under current Russian legislation, there are no restrictions on our ability to distribute dividends from our Russian operating subsidiaries to our parent other than a requirement that dividends be limited to the cumulative net profits of our Russian operating subsidiaries, calculated in accordance with Russian accounting principles, which differs from the cumulative net profit calculated in accordance with U.S. GAAP, primarily due to the treatment of accrued expenses (such as rent, sales agency commissions and bonuses, etc.), deferred taxes and differences arising from the capitalization and depreciation of property and equipment and amortization of intangible assets. In addition, these dividends cannot result in negative net assets in our Russian subsidiaries or render them insolvent. Pursuant to applicable Russian statutory rules, the amount that our principal Russian operating subsidiary would be permitted to pay as a dividend to our parent company as of December 31, 2020 was approximately RUB 133,085 million (\$1,801.5 million). See also “Risk Factors— Taxes payable on dividends from our Russian operating subsidiaries to our parent company might not benefit from relief under the Netherlands Russia tax treaty.”.

As of December 31, 2020, we had a bank overdraft balance of RUB 397 million (\$5.4 million) used for maintaining the sufficient amount of funds on the accounts for operational payments during public holidays in January, 2021. We also had several confirmed credit facilities, consisting of credit lines in the amount of RUB 23,163 million (\$313.5 million), documentary credit lines in the amount of RUB 3,314 million (\$44.9 million) and overdraft lines of RUB 2,103 million (\$28.5), that remained unused.

Cash Flows

In summary, our cash flows were:

	Year ended December 31,		
	2018	2019 (in millions of RUB)	2020
Net cash from operating activities	28,212	44,379	32,604
Net cash provided by/(used in) investing activities	25,959	(49,136)	(119,947)
Net cash (used in)/provided by financing activities	(32,804)	(2,394)	139,676
Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents	4,288	(5,282)	23,660

Cash from operating activities.

Cash provided by operating activities consists of net income adjusted for non-cash items, including depreciation and amortization expense, operating lease right-of-use (ROU) assets amortization and the lease liability accretion, amortization of debt discount and issuance costs, share-based compensation expense, deferred income taxes, foreign exchange gains and losses, effect of deconsolidation and consolidation of Yandex.Market, goodwill impairment, amortization of content assets, losses from equity method investments, and the effect of changes in working capital.

Cash provided by operating activities decreased by RUB 11,775 million from 2019 to 2020. This decrease was primarily due to an increase of RUB 11,288 million in cash used in working capital with a slight decrease in net cash

from operations before changes in working capital of RUB 487 million. Cash used in working capital was RUB 21,244 million in 2020 and increased between the periods primarily due to an increase in cash outflow related to accounts payable and accrued liabilities, accounts receivable, net, and change in content assets, partly compensated by an increase in cash inflow from deferred revenue in 2020 compared to 2019.

Cash provided by operating activities increased by RUB 16,167 million from 2018 to 2019. This increase was primarily due to an increase of RUB 16,556 million in net cash from operations before changes in working capital, slightly offset by a decrease in cash provided by changes in working capital of RUB 389 million. Cash used in working capital was RUB 9,956 million in 2019 and slightly increased between the periods primarily due to an increase in cash outflow related to a change in content assets, partly compensated by an increase in cash inflow from a change in content liabilities, as well as a decrease in cash outflow related to accounts receivable, net in 2019 compared to 2018.

We believe that our existing cash, cash equivalents and cash generated from operations will be sufficient to satisfy our currently anticipated cash requirements through at least the next 12 months. To the extent that our cash, cash equivalents and cash from operating activities are insufficient to fund our future activities, we may be required to raise additional funds through equity or debt financings, including bank credit arrangements. Additional financing may not be available on terms favorable to us or at all.

Cash provided by/(used in) investing activities.

Cash used in investing activities in 2020 increased by RUB 70,811 million compared to 2019 as a result of an increase in cash used for new businesses combinations (net of cash acquired) of RUB 33,451 million mainly related to the purchase of residual interest in Yandex.Market less consideration received from the sale of Yandex.Money of RUB 39,580 million in July 2020 (net of the effect of consolidation of its cash and cash equivalents), increases in investment in term deposits (net of maturities) of RUB 28,600 million and an increase in capital expenditure of RUB 4,008 million. There were no proceeds from sale of equity securities in 2020 compared to RUB 4,612 million in 2019.

Cash used in investing activities in 2019 decreased by RUB 75,095 million compared to cash provided by investing activities in 2018 as a result of increases in investment in term deposits (net of maturities) of RUB 69,885 million, and a decrease in cash provided by new businesses combinations (net of cash used in acquisitions) of RUB 20,191 million related to the business combination with Uber in February 2018, which were partly offset by a decrease in capital expenditures of RUB 7,780 million and effect of deconsolidation of cash and cash equivalents of Yandex.Market of RUB 2,181 million in 2018.

Our total capital expenditures were RUB 24,551 million in 2020 and RUB 20,543 million in 2019. Our capital expenditures have historically consisted primarily of the purchases of servers and networking equipment for data centers. We also incurred significant capital expenditures in 2019 and 2020 related to the construction of one of our large data centers and to the construction of new office buildings for our headquarters. To manage enhancements in our search technology, expected increases in internet traffic, advertising transactions and new services, and to support our overall business expansion, we will continue to invest in data center operations, technology, corporate facilities and information technology infrastructure in 2021 and thereafter. Moreover, we may spend a significant amount of cash on acquisitions and licensing transactions from time to time.

Cash (used in)/provided by financing activities.

Cash inflow from financing activities in 2020 was RUB 139,676, consisting mainly of cash inflows from proceeds from issuance of convertible notes of RUB 82,046 million and proceeds from issuance of ordinary shares of RUB 72,650 million, slightly offset by the cash outflow related to repurchases of ordinary shares of RUB 10,165 million.

For 2019, cash outflow from financing activities was RUB 2,394 million, primarily reflecting RUB 1,422 million used for repurchase of ordinary shares, RUB 747 million used in purchase of redeemable noncontrolling interests, and RUB 240 million paid for finance leases.

Off-Balance Sheet Items

We do not currently engage in off-balance sheet financing arrangements, and do not have any material interest or obligation, including a contingent obligation, arising out of a variable interest, in entities referred to as variable interest entities, which include special purpose entities and other structured finance entities.

Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2020:

	Payments due by period				
	Total	Less than one year	One to three year (in millions of RUB)	Three to five year	More than five years
Long-term operating cars lease obligations	3,905	2,229	1,676	—	—
Other long-term operating lease obligations	20,779	7,499	6,572	3,272	3,436
Long-term finance lease obligations	4,798	550	1,074	1,112	2,062
Long-term convertible debt	95,467	693	1,385	93,389	—
Non-cancelable streaming content related purchase obligations	3,662	1,611	2,051	—	—
Non-cancelable other purchase obligations	7,507	3,042	2,442	1,022	1,001
Total contractual obligations	136,118	15,624	15,200	98,795	6,499

The table above presents our long term rent obligations for our office, data center facilities and cars, long-term convertible debt, production and licensing of streaming content and other purchase obligations related to utilities fees, data center operations and facility build-outs, devices production and other services and obligations.

For agreements denominated in U.S. dollars, the amounts shown in the table above are based on the U.S. dollar/Russian ruble exchange rate prevailing on December 31, 2020. All amounts are shown excluded value added tax, where applicable.

Critical Accounting Policies, Estimates and Assumptions

Our accounting policies affecting our financial condition and results of operations are more fully described in our consolidated financial statements for the years ended December 31, 2018, 2019 and 2020, included elsewhere in this Annual Report. The preparation of these consolidated financial statements requires us to make judgments in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe our critical accounting policies that affect the more significant judgments and estimates used in the preparation of our consolidated financial statements are as follows:

Tax Provisions

Significant judgment is required in evaluating our uncertain tax positions and determining our income tax expense. FASB authoritative guidance on accounting for uncertainty in income taxes requires a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement.

Although we believe we have adequately reserved for our uncertain tax positions, no assurance can be given that the final tax outcome of these matters will not be different. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax expense in the

period in which such determination is made. The income tax expense includes the impact of reserve provisions and changes to reserves that are considered appropriate, as well as the related net interest. Our actual Russian taxes may be in excess of the estimated amount expensed to date and accrued as of December 31, 2020, due to ambiguities in, and the evolution of, Russian tax legislation, varying approaches by regional and local tax inspectors, and inconsistent rulings on technical matters at the judicial level. See “Risk Factors—Risks Related to Tax Matters—Changes in the tax systems in the countries in which we operate, or unpredictable or unforeseen application of existing rules, may materially adversely affect our business, financial condition and results of operations.”

In addition, significant management judgment is required in determining whether deferred tax assets will be realized. A valuation allowance is recognized to reduce deferred tax assets to amounts that are more likely than not to ultimately be utilized based on our ability to generate sufficient future taxable income. Establishing or reducing a tax valuation allowance requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning strategies. If actual events differ from management’s estimates, or to the extent that these estimates are adjusted in the future, any changes in the valuation allowance could materially impact our consolidated financial statements.

Recognition and Impairment of Goodwill and Intangible Assets

The FASB authoritative guidance requires us to recognize the assets of businesses acquired and respective liabilities assumed based on their fair values. Our estimates of the fair value of the identified intangible assets of businesses acquired are based on our expectations of the future results of operations of such businesses. The fair value assigned to identifiable intangible assets acquired is supported by valuations that involve the use of a large number of estimates and assumptions provided by management.

We assess the carrying value of goodwill arising from business combinations on an annual basis, or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. Other than our annual review, factors we consider important that could trigger an impairment review include under-performance of our reporting units compared with our internal budgets or changes in projected results, changes in the manner of utilization of the asset, and negative market conditions or economic trends. We determine whether impairment has occurred by assigning goodwill to the reporting unit identified in accordance with the authoritative guidance, and comparing the carrying amount of the reporting unit to the fair value of the reporting unit. We generally measure the fair value of the reporting unit by considering discounted estimated future cash flows using an appropriate discount rate. Therefore, our judgment as to the future prospects of our business has a significant impact on our results and financial condition. If these future prospects do not materialize as expected or there is a future adverse change in market conditions, we may be unable to recover the carrying amount of an asset, resulting in future impairment losses.

Recent Accounting Pronouncements

See Note 1 — “Description of Business and Summary of Significant Accounting Policies” in the Notes to our consolidated financial statements included elsewhere in this Annual Report.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Risk

The functional currency of our Russian operating subsidiaries, which account for the significant majority of our operations, is the Russian ruble. Therefore, our reported results of operations are impacted by fluctuations in exchange rates to the extent that we recognize foreign exchange gains and losses on monetary assets and liabilities denominated in currencies other than the ruble, primarily the U.S. dollar. Total U.S. dollar denominated cash, cash equivalents and term deposits held in Russia amounted to RUB 28,004 million and RUB 32,034 million as of December 31, 2020 and 2019, respectively. If the U.S. dollar had been stronger/weaker by 15% relative to the value of the Russian ruble as of December 31, we would have recognized additional foreign exchange gains/losses before tax of RUB 3,079 million and RUB 3,120 million in 2020 and 2019, respectively.

Furthermore, the revenues and expenses of our Russian operating subsidiaries are primarily denominated in Russian rubles. However, a major portion of our capital expenditures, primarily servers, networking and engineering equipment imported by Russian suppliers, as well as a portion of expenses denominated in a currency other than the

Russian ruble, can be materially affected by changes in the dollar-ruble and euro-ruble exchange rates. In the event of a material appreciation of the U.S. dollar against the ruble, such as that which occurred in 2015 or 2020, the ruble equivalents of these U.S. dollar-denominated expenditures increase and negatively impact our net income and cash flows.

The lease of our Moscow headquarters currently entails outstanding commitments of approximately RUB 17,031 million as of December 31, 2020. The rent under some leases we entered into before 2017 is denominated in U.S. dollars, but payable in rubles at the then-current exchange rate quoted by the Central Bank of Russia. The leases protect the landlord against depreciation of the U.S. dollar against the ruble.

The functional currency of our Dutch parent company is the U.S. dollar. The functional currency of our subsidiaries incorporated in other countries is generally the respective local currency. The financial statements of these non-Russian entities have been translated into rubles using the current rate method, where balance sheet items are translated into rubles at the period-end exchange rate and revenue and expenses are translated using a weighted average exchange rate for the relevant period. The resulting translation gains and losses for the years ended December 31, 2018, 2019 and 2020 are included as a foreign currency translation adjustment and recorded as part of accumulated other comprehensive income on our consolidated balance sheets. U.S. dollar cash, cash equivalents and term deposits comprise the largest portion of our assets in the Netherlands. Total U.S. dollar denominated cash, cash equivalents and term deposits held in the Netherlands amounted to RUB 192,583 million and RUB 29,212 million as of December 31, 2020 and 2019, respectively.

Subsequent to December 31, 2020, the Russian ruble remained volatile against foreign currencies, including the U.S. dollar. The currency exchange rate as of December 31, 2020 was RUB 73.8757 to \$1.00 and, during the period from December 31, 2020 to March 30, 2021, the exchange rate of the Russian ruble slightly depreciated to RUB 75.8287 to \$1.00. The lowest rate reached during this period was RUB 76.2527 to \$1.00 as of January 30, 2021. The highest rate reached during this period was RUB 72.9619 to \$1.00 as of March 17, 2021.

Interest Rate Risk

We had cash, cash equivalents and term deposits of RUB 238,185 million as of December 31, 2020. We do not believe that we have any material exposure to changes in the fair value of our cash, cash equivalents and term deposits as a result of changes in interest rates. We do not enter into investments for trading or speculative purposes. Declines in interest rates, however, will reduce future investment income.

On March 3, 2020, we issued \$1,250.0 million principal amount (RUB 82,909 million as of the issue date) 0.75% convertible notes due 2025, for net proceeds of \$1,237.0 million (RUB 82,050 million as of the issue date). See Note 13 — “Convertible Debt” in the Notes to our consolidated financial statements included elsewhere in this Annual Report.

Item 6. Directors, Senior Management and Employees.

The following table sets forth certain information with respect to each of our executive officers and directors and their respective age and position as of the date of this Annual Report:

Name	Age	Date of Expiration of Current Term of Office	Director or Executive Officer Since	Title
Arkady Volozh	57	2024	2000	Executive Director and Chief Executive Officer
John Boynton	55	2021	2000	Non-Executive Chairman
Tigran Khudaverdyan	39	2022	2019	Deputy CEO and Executive Director
Esther Dyson	69	2021	2006	Non-Executive Director
Alexey Komissarov	51	2023	2019	Non-Executive Director
Rogier Rijnja	58	2022	2013	Non-Executive Director
Charles Ryan	53	2022	2011	Non-Executive Director
Ilya Strebulaev	45	2021	2018	Non-Executive Director
Alexander Voloshin	65	2022	2010	Non-Executive Director
Alexey Yakovitsky	45	2023	2019	Non-Executive Director
G. Gregory Abovsky*	44	N/A	2014	Chief Financial Officer; Chief Operating Officer

*Mr. Abovsky tendered his resignation from Yandex on March 30, 2021, effective April 30, 2021. Following his departure, Vadim Marchuk, the current Vice President of Corporate Development, will serve as acting Chief Financial Officer. The Chief Operating Officer functions will be divided between members of the management team, including Deputy Chief Executive Officer Tigran Khudaverdyan.

Mr. Volozh is the principal founder of Yandex and has been our Chief Executive Officer and a director since 2000. A serial entrepreneur with a background in computer science, Mr. Volozh co-founded several successful IT enterprises, including InfiNet Wireless, a Russian provider of wireless networking technology, and CompTek International, one of the largest distributors of network and telecom equipment in Russia. In 2000, Arkady left his position as CEO at CompTek International to become the CEO of Yandex. Mr. Volozh started working on search in 1989, which led to him establishing Arkadia Company in 1990, a company developing search software. His earlier achievements include the development of electronic search for use in patents, Russian classical literature and the Bible. Mr. Volozh holds a degree in applied mathematics from the Gubkin Institute of Oil and Gas.

Mr. Boynton has been a non-executive director since 2000 and was appointed to serve as Chairman of the Board in 2016. He was a founding shareholder of Yandex and has served the Board in a number of capacities including Chairman of the Nominating and Governance Committee, Chairman of the Compensation Committee, and Member of the Audit Committee. He is a member of the National Association of Corporate Directors. In addition to Yandex, he was co-founder of CompTek and InfiNet Wireless in Russia and has served as a founder, investor and/or board member in a variety of growth companies in technology, healthcare services, and real estate. His career was shaped by a student trip to the Soviet Union in 1983. He was studying Russian language at the time, and that trip inspired him to direct his entrepreneurial energy toward Russia after graduating from Harvard in 1988.

Mr. Khudaverdyan was appointed Deputy CEO of the Company in May 2019. Mr. Khudaverdyan joined Yandex in April 2006, and since then has led several successful Yandex projects, including Yandex.Browser and Yandex.Navigator. He moved to the Yandex.Taxi business in 2015, and has served as Chief Executive Officer of MLU B.V., our ride-hailing and food delivery joint venture with Uber, since its formation. Mr. Khudaverdyan graduated from Moscow State University with a degree in Physics. The Board believes that Mr. Khudaverdyan will bring a deep understanding of the Company's business, operations and technology to the Board. The Board also believes that it is in the best interests of the Company and its shareholders to have a second executive member on the Board.

Ms. Dyson has been a non-executive director at Yandex since 2006. Ms. Dyson is executive founder of Wellville, a US-based 10-year non-profit project to demonstrate the value of investing in health. Ms. Dyson is an active

investor and board member in a variety of IT, healthcare and aerospace start-ups, and also sits on the board of PressReader, another IT company of Russian origin now based in Canada and Medesk (moving from Moscow to London). She started her career as a fact-checker for Forbes Magazine, and then spent five years as a securities analyst on Wall Street. At New Court Securities, Ms. Dyson comprised the sell-side research department, and worked on the initial public offering of Federal Express, among others. At Oppenheimer & Co., she followed the nascent software and personal computer markets. From 1982 to 2007, as the owner of EDventure Holdings (sold to CNET in 2004), she edited its newsletter Release 1.0 and ran its annual PC Forum conference, where Yandex CEO Arkady Volozh spoke in 2005. In addition to Yandex and Luxoft (IPO'd and sold to DXC), her Russian interests have included advisory board seats with both IBS Group and SUP/Live Journal, and investments in the technology companies EPAM, Ostrovok, TerraLink, UCMS and Zingaya. In addition to the boards of PressReader and Medesk, she sits on the boards of BAMF Health and SWVL (a Cairo-based dynamic transportation company). She was an early investor in Flickr and del.icio.us (sold to Yahoo!), Medstory and Powerset (sold to Microsoft), Brightmail (sold to Symantec), and Postini (sold to Google), Meetup (sold to WeWork), and Geometric Intelligence and Jump (sold to Uber), 23andMe and Square, among others. She is the author of "Release 2.0: A design for living in the digital age" (1997). She earned a B.A. in economics from Harvard University in 1972.

Mr. Komissarov is vice-rector of the Russian Presidential Academy of National Economy and Public Administration. He is also a member of PJSC SIBUR Holding's board of directors. From 2015 to 2017, he was director of the Industry Development Fund and served as independent director, member of the Strategy and Investment Committee and chairman of the Budget and Reporting Committee to GLONASS. From 2011 to 2015, he worked in the Moscow government as a minister and head of the Department of Science, Industrial Policy and Entrepreneurship, and also served as advisor to the Mayor. Mr. Komissarov has a degree from the Moscow Automobile and Road Construction State Technical University in Automotive Engineering and Maintenance, an MBA from Kingston University in the UK.

Mr. Rijnja has been a non-executive director of Yandex since 2013. Mr. Rijnja, is Senior Vice President of Human Resources and a member of the executive committee at D.E Master Blenders, a Dutch public company listed on the Amsterdam stock exchange. Prior to joining D.E Master Blenders in 2011, Mr. Rijnja served as head of the human resources departments at several international companies, including Maxeda (2008 to 2011), Numico N.V. (2004 to 2008) and Amazon.com (2002 to 2004). Prior to this, he was director of global management development at Reckitt Benckiser PLC from 1998 to 2002, and a human resources manager for Nike Europe from 1996 to 1998. Between 1989 and 1996, Mr. Rijnja held several positions at Apple in The Netherlands and the United States. Mr. Rijnja has a degree in law studies from Leiden University in The Netherlands.

Mr. Ryan became a non-executive director of Yandex at the time of its initial public offering in 2011. A finance professional with 29 years of experience in both the Russian and international markets, Mr. Ryan co-founded United Financial Group (UFG) and became its Chairman and CEO in 1994. In 1998, Mr. Ryan initiated the New Technology Group within UFG Asset Management, which sponsored an early-stage technology investment in ru-Net Holdings whose investments include Yandex. In 2006, Deutsche Bank acquired 100% of UFG's investment banking business, and Mr. Ryan was appointed chief country officer and CEO of Deutsche Bank Group in Russia and remained in that position until the end of 2008, when he became chairman of UFG Asset Management. From 2008 through the end of 2010, Mr. Ryan was a consultant for Deutsche Bank. Prior to founding UFG, Mr. Ryan worked as an associate and principal banker with the European Bank for Reconstruction and Development in London from 1991 to 1994 and as a financial analyst with CS First Boston from 1989 to 1991. Mr. Ryan is also a founder and the general partner of Almaz Capital Partners, an international VC firm, headquartered in Silicon Valley, which connects entrepreneurs and engineering talent in the USA and Eastern European / CIS countries and brings prominent startups to the global market. Mr. Ryan has a degree in Government from Harvard University.

Mr. Strebulaev has been a non-executive director of Yandex since 2018. Mr. Strebulaev has been on the faculty at the Graduate School of Business, Stanford University since 2004 and currently is the David S. Lobel Professor of Private Equity and a tenured Professor of Finance. He has also been a Research Associate at the National Bureau of Economic Research since 2010. He graduated from the London Business School with a doctorate in Finance. He also holds degrees from Lomonosov Moscow State University (B.Sc. Economics) and the New Economic School, Moscow (M.A. Economics). In addition to his qualifications in Finance, Mr. Strebulaev brings to the Board his expertise in the global technology industry, as well as his experience in corporate innovation and leadership.

Mr. Voloshin has been a non-executive director of Yandex since August 2010 after serving as an advisor to the company for two years. Since February 2012, Alexander Voloshin has served as Chairman of the Board and Independent

Director at JSC Freight One. As the leader of the Moscow International Financial Centre working group, Mr. Voloshin championed an overhaul to Russia's corporate governance rules, helping to update guidance in line with global best practice. He also served as Chairman of the Board of Directors of Uralkali from 2010 to 2014. Prior to joining our Board of Directors, Mr. Voloshin served as Chairman of the Board of MMC Norilsk Nickel from 2008 to 2010 and as Chairman of the Board of Directors of RAO "UES of Russia" from 1999 to 2008. From 1999 to 2003 Mr. Voloshin headed the Russian Presidential Administration. Prior to becoming Chief of Staff of the Russian President he worked as Deputy Chief of Staff from 1998 to 1999, and as Assistant to Chief of Staff from 1997 to 1998. Mr. Voloshin has been Chairman of the Board at Moscow Business School Skolkovo since 2016. He graduated from the Moscow Institute of Transport Engineers in 1978 and holds a degree in economics from the All-Russia Foreign Trade Academy.

Mr. Yakovitsky is the CEO of VTB Capital, VTB Group's investment banking business. He is also a member of VTB Capital's board of directors. In addition, he is the chairman of the Supervisory Board of VTB Bank (Europe) SE, headquartered in Frankfurt, Germany. Mr. Yakovitsky is also a member of the board of directors of VTB Capital Plc, VTB Capital's London subsidiary and a member of the board of directors of Rostelecom. Mr. Yakovitsky started his career in equity research at United Financial Group ("UFG"). He was ranked the #1 telecom analyst for Russia by Institutional Investor in 2004 and was cohead of Russian equity research at UFG and Deutsche Bank (which acquired UFG) in 2005-2008. He then joined VTB Capital in 2008 as co-head of equities and head of research, and became its Moscow CEO in 2009. Mr. Yakovitsky has degrees from Moscow Lomonosov State University, Department of History, as well as from the Nelson A. Rockefeller College of Public Affairs and Policy (Albany, US).

Mr. Abovsky has resigned his positions with Yandex effective April 30, 2021. Mr Abovsky was appointed Chief Operating Officer of Yandex in 2017, in addition to his role of Chief Financial Officer, which he assumed in 2014. Mr. Abovsky joined Yandex as Vice President of Investor Relations in January 2013, taking on the additional role of Vice President of Corporate Development in October 2013. Mr. Abovsky began his career in the investment banking division of Morgan Stanley, and has over 18 years of experience in a variety of finance and investment management roles in the media and technology sectors. Mr. Abovsky holds a B.A. in Business Economics and Russian Literature from Brown University and an M.B.A. with High Distinction from Harvard Business School.

To our knowledge, there are no family relationships among any of the members of our board or senior management.

Compensation and Share Ownership of Executive Officers and Directors.

The aggregate cash compensation paid or accrued in 2020 for members of our senior management (a total of 10 persons), as a group, was RUB 298 million (\$4.0 million). In addition, in 2020, we granted an aggregate of 2,247,930 RSUs and 184,596 PSUs (target number) to the members of this senior management group. Of the total number of RSUs granted, 2,025,709 were immediately vested, the substantial majority of which were granted in exchange for (or buyout of) fully vested outstanding Business Units awards; the remainder will vest over four years (either quarterly or quarterly with a one-year cliff); the PSUs vest annually over a four year period, subject to the achievement of defined performance goals. Based on the level of performance, participants may earn up to 250% of the target number of PSUs. The RSUs and PSUs have ten-year terms.

In February 2020, our Compensation Committee and Board approved grants of 45,000 RSUs to our non-executive directors with quarterly vesting over three years.

In November 2020, our Compensation Committee and Board approved grant of 5,000 RSUs to our non-executive director with quarterly vesting over one year.

For information on share ownership and options held by our directors and senior management, please see "Major Shareholders and Related Party Transactions".

Corporate Governance

The principal standing committees of our board of directors are the audit, compensation, nominating, corporate governance, investment and public interest committees. We have adopted a charter for each of these committees.

Audit Committee

Our audit committee consists of Messrs. Ryan (chairperson), Boynton and Strebulaev. Each member satisfies the “independence” requirements of the NASDAQ listing standards, and Mr. Ryan qualifies as an “audit committee financial expert,” as defined in Item 16A of Form 20-F and as determined by our board of directors. The audit committee oversees our accounting and financial reporting processes and the audits of our consolidated financial statements. The audit committee is responsible for, among other things:

- making recommendations to our board of directors regarding the appointment by the shareholders of our independent auditors;
- coordinating our board’s oversight of the internal control over financial reporting, disclosure controls and procedures and code of conduct;
- overseeing the work of the independent auditors, including resolving disagreements between management and the independent auditors relating to financial reporting;
- pre-approving all audit and non-audit services permitted to be performed by the independent auditors;
- reviewing the independence and quality control procedures of the independent auditors;
- discussing material off-balance sheet transactions, arrangements and obligations with management and the independent auditors;
- reviewing and approving all proposed related-party transactions;
- discussing the annual audited consolidated and statutory financial statements with management;
- periodically reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately with the independent auditors to discuss critical accounting policies, observations on internal controls, the auditor’s engagement letter and independence letter and other material written communications between the independent auditors and the management;
- establishing procedures for an annual internal audit;
- dealing with the internal audit matters and reviewing the findings of annual internal audits prepared by the internal auditors; and
- attending to such other matters as are specifically delegated to our audit committee by our board of directors from time to time.

Compensation Committee

Our compensation committee consists of Messrs. Rijnja (chairperson), Boynton and Ms. Dyson. Each member satisfies the “independence” requirements of the NASDAQ listing standards. The compensation committee assists the board of directors in reviewing and approving or recommending our compensation structure, including all forms of compensation relating to our directors and management. Members of our management may not be present at any committee meeting while the compensation of our chief executive officer is deliberated. Subject to the terms of the remuneration policy approved by our general meeting of shareholders from time to time, as required by Dutch law, the compensation committee is responsible for, among other things:

- reviewing and making recommendations to the board of directors with respect to compensation of our executive and non-executive directors;

- reviewing and approving the compensation, including equity compensation, change-of-control benefits and severance arrangements, of our chief financial officer and such other members of our management as it deems appropriate;
- overseeing the evaluation of our management;
- reviewing periodically and making recommendations to our board of directors with respect to any incentive compensation and equity plans, programs or similar arrangements;
- exercising the rights of our board of directors under any equity plans, except for the right to amend any such plans unless otherwise expressly authorized to do so; and
- attending to such other matters as are specifically delegated to our compensation committee by our board of directors from time to time.

Nominating Committee

The nominating committee consists of five members: Ms. Dyson (chairperson), Messrs. Rijnja, Boynton, Komissarov, and Voloshin. Each member satisfies the “independence” requirements of the NASDAQ listing standards. The committee has formed two subcommittees:

- Subcommittee I consists of one designated director (Mr. Komissarov), one director with a Russian passport and residency (Mr. Voloshin), and one other director (Mr. Boynton). Subcommittee I will recommend to our Board for nomination four directors (the “Class I Directors”), who will then be subject to the approval of our Board as a whole. The designated director will have the right to veto any candidates for such slots, provided that the exercise of such veto has first been approved by the Public Interest Foundation. The current Class I Directors on the Board are Charles Ryan and Ilya Strebulaev. Herman Gref and Mikhail Parakhin, who stepped down in October 2020 and in February 2021, respectively, were also Class I Directors, and these seats are currently vacant;
- Subcommittee II consists of three directors (Messrs. Boynton, Rijnja, and Ms. Dyson) who are not Class I Directors and will, by simple majority, recommend to the Board for nomination six directors (the “Class II Directors”); the designated directors will have no right of veto over candidates for these seats. Our Board must adopt the recommendations of candidates recommended by Subcommittee II, unless our Board votes by a supermajority of ten directors (subject to adjustment for Board vacancies) to reject such recommendation;

Corporate Governance Committee

Our corporate governance committee consists of Messrs. Boynton (chairperson), Voloshin, and Ms. Dyson. Each member satisfies the “independence” requirements of the NASDAQ listing standards. The corporate governance committee assists the board of directors in developing our corporate governance guidelines. The corporate governance committee is also responsible for making recommendations to the Board regarding the composition of certain committees of the Board and for overseeing the Company’s policies and initiatives with respect to environmental, social and governance matters; and for overseeing the evaluation of the Board.

Investment Committee

Our investment committee consists of Messrs. Ryan (chairperson), Boynton, and Ms. Dyson; Mr. Volozh is also an ex officio member. Each member (other than Mr. Volozh) satisfies the “independence” requirements of the NASDAQ listing standards. The investment committee is responsible for, among other things:

- Reviewing, and providing guidance to management and the Board with respect to, potential corporate transactions, including strategic investments, mergers, acquisitions and divestitures transactions (“Potential Transactions”), including the structure, timing or other terms or conditions of such transactions;

- Overseeing management’s and the Board’s due diligence process with respect to Potential Transactions;
- Overseeing the negotiation by management and the Company’s financial, legal and other professional advisors of the definitive terms of any Potential Transaction;
- Monitoring and reporting to the Board regarding the implementation of any Potential Transaction and the integration of any completed transaction;

Public Interest Committee

A description of the Public Interest Committee can be found above under the heading “Item 4. Information on the Company—Governance Structure”.

Employment Agreements

Substantially all of our employees are employed by our operating subsidiaries. Our employment agreements generally contain the minimum statutory notice periods required under Russian or other local law. The employment agreements between our subsidiaries and certain senior managers and other employees contain non-competition and non-solicitation provisions, although we understand that such provisions are generally unenforceable under Russian law.

Employees

The following table indicates the composition of our workforce as of December 31 each year indicated:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Russia	8,318	9,693	11,505
Other	449	399	359
Total	8,767	10,092	11,864
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Product development	4,582	5,784	6,459
Sales, general and administration	3,712	3,808	4,690
Cost of revenues	473	500	715
Total	8,767	10,092	11,864

We also typically employ several thousand contract workers on a part-time basis which are not reflected in the table above, and the numbers of such contract workers generally vary in line with the numbers of full-time staff.

Our employees are not represented by any collective bargaining agreements and we have never experienced a work stoppage. We believe our employee relations are good.

Employee Plans

We grant equity awards in the form of share options, share appreciation rights, restricted shares, restricted share units (or so called “deferred shares”) and performance share units under our Fourth Amended and Restated 2007 Equity Incentive Plan (the “2007 Plan”) and our 2016 Equity Incentive Plan (the “2016 Plan”) and together with the 2007 Plan, the “Plans”) (“Company Awards”). Our 2016 Plan was approved at our 2016 annual general meeting of shareholders on May 27, 2016 and replaced our 2007 Plan. However, there remain unexercised grants under our 2007 Plan. The total number of shares available for issuance under the Plans is equal to 20% of the aggregate number of Class A and Class B shares outstanding from time to time.

Additionally, the 2016 Plan provides employees at certain of our business units, including Taxi, Classifieds, Media Services and Market (the “Participating Subsidiaries”), the opportunity to receive equity awards in respect of such Participating Subsidiary (the “Business Unit Equity Awards”). Business Unit Equity Awards and any awards granted to management of the Participating Subsidiaries outside of the 2016 Plan are to not exceed 20% of such Participating Subsidiary’s shares issued and outstanding from time to time. In the future, additional of our business units may become Participating Subsidiaries.

In the fourth quarter of 2020, we also granted performance share unit (“PSU”) awards under the 2016 Plan, which entitle the recipient to receive a number of Class A shares at no cost based on the satisfaction of both time-based and performance-based criteria.

Plan administration. Our board of directors or its compensation committee administers our Plans. Although our Plans sets forth certain terms and conditions of our equity awards, our board of directors or its compensation committee determines the provisions and terms and conditions of each grant. These include, among other things, the vesting schedule, repurchase provisions, forfeiture provisions, and form of payment upon exercise.

Eligibility. We may grant Company Awards to employees and directors of and consultants to our company and its subsidiaries. With respect to Business Unit Equity Awards, we may grant awards in the equity of a Participating Subsidiary to employees, officers, members of the board of directors, advisors and consultants of such Participating Subsidiary.

Exercise price and term of equity awards. With respect to the Company Awards, the exercise price of options or measurement price of share appreciation rights awards is the average closing price per Class A share on the NASDAQ Global Select Market on the 20 trading days immediately following the grant date. With respect to Business Unit Equity Awards, the exercise price of options or measurement price of share appreciation rights shall be determined from time to time by the Board (following consultation with an independent valuation expert). Restricted share unit awards and performance share unit awards have no exercise or measurement price. Equity awards are generally exercisable up until the tenth anniversary of the grant date so long as the grantee’s relationship with us has not terminated.

Vesting schedule. The notice of grant specifies the vesting schedule. Awards generally vest over a four-year period, with four-sixteenths vesting on the first anniversary of grant and an additional one-sixteenth vesting each quarter thereafter. When a grantee’s employment or service is terminated, the grantee may generally exercise his or her options that have vested as of the termination date within ninety days of termination or as determined by our plan administrator.

Class A Shares.

Equity awards granted since October 2008 are in respect of Class A shares only, in accordance with their terms and the terms of the Plans.

Amendment and Termination. Our board of directors may at any time amend, suspend or terminate our 2016 Plan. Prior to any such amendment, suspension or termination, our board of directors must first make a determination that share options already granted will not be adversely affected. Unless terminated earlier, our 2016 Plan will continue in effect until May 2026.

Equity Award Exchanges.

In February 2018, we made an offer to our senior employees of one of our Business units to exchange up to an aggregate of 425,230 of their outstanding Business Unit Equity Awards for an aggregate of 2,029,987 RSUs. The replacement RSUs are fully vested.

In September 2020, we made an offer to all holders of outstanding MLU equity incentive awards to exchange such awards for RSUs of Yandex N.V. The exchange was for up to an aggregate of 671,526 MLU outstanding equity awards for an aggregate of 2,303,889 RSUs. The replacement RSUs are subject to the same vesting schedules as the initial awards.

Item 7. Major Shareholders and Related Party Transactions.

The following table contains information concerning each of our directors and members of our senior management and each shareholder known by us to beneficially own more than five percent of each class of our

outstanding ordinary shares. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to our shares.

The number of shares outstanding used in calculating the percentage for each listed shareholder includes restricted share units in respect of Class A shares and the shares underlying options held by such shareholder that are exercisable within 60 days of February 15, 2021. The percentage of beneficial ownership is based on 319,920,118 Class A shares and 35,708,674 Class B shares outstanding as of February 15, 2021. All holders of our ordinary shares, including those shareholders listed below, have the same voting rights with respect to such shares. Class A shares have one vote per share, and Class B shares have 10 votes per share.

Unless otherwise indicated, the address of each beneficial owner listed on the table below is c/o Yandex N.V., Schiphol Boulevard 165 Schiphol P7 1118 BG, the Netherlands.

Name of Beneficial Owner	Shares Beneficially Owned as of February 15, 2021					
	Class A Shares		Class B Shares		Total Percentage	
	Number of Shares	%	Number of Shares	%	By Voting Power(1)	By Number of Shares
Directors and Senior Management:						
Arkady Volozh(2)	37,344	*	30,786,700	86.22 %	45.48 %	8.67 %
John Boynton(3)	150,065	*	—	—	*	*
Esther Dyson(4)	193,231	*	—	—	*	*
Rogier Rijnja(5)	7,572	*	—	—	*	*
Charles Ryan(6)	148,717	*	—	—	*	*
Alexander Voloshin(7)	78,941	*	—	—	*	*
Ilya Strebulaev(8)	5,959	*	—	—	*	*
G. Gregory Abovsky(9)	466,875	*	—	—	*	*
Tigran Khudaverdyan(10)	1,614,303	*	—	—	*	*
Mikhail Parakhin(11)	367,500	*	—	—	*	*
Alexey Komissarov(12)	4,733	*	—	—	*	*
Alexey Yakovitsky(13)	9,375	*	—	—	*	*
All directors and senior management as a group (12 persons)(14)	3,084,615	0.97 %	30,786,700	86.22 %	45.93 %	9.52 %
Principal Shareholders:						
Vladimir Ivanov	8,533,491	2.67 %	3,318,884	9.29 %	6.16 %	3.33 %
Capital Group Companies(15)	35,245,851	11.02 %	—	—	5.21 %	9.91 %
Invesco Ltd(16)	28,823,400	9.01 %	—	—	4.26 %	8.10 %
FMR LLC (17)	16,311,700	5.10 %	—	—	2.41 %	4.59 %
Total shares held by directors, management and 5% holders	91,999,057	28.76 %	34,105,584	95.51 %	63.97 %	35.46 %

* Represents beneficial ownership of less than one percent of such class.

- (1) Percentage of total voting power represents voting power with respect to all of our Class A and Class B shares, voting together as a single class. Each holder of Class B shares is entitled to ten votes per Class B share and each holder of Class A shares is entitled to one vote per Class A share on all matters submitted to our shareholders for a vote. The Class A shares and Class B shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by Dutch law or our articles of association. Each Class B share is convertible at any time by the holder into one Class A share and one Class C share. The percentage of total voting power does not take into account the rights of the holder of the Priority Share. See "Information of the Company — Governance Structure."
- (2) Includes (a) 30,786,700 class B shares held by Genesis Trust & Corporate Services Ltd, as Trustee of the LASTAR Trust, the beneficiaries of which include Mr. Volozh or members of his family (b) 29,180 class A shares held directly by Mr. Volozh which were issued upon the settlement of equity awards and (c) options to purchase 8,164 Class A shares. Excludes (x) 122,461 restricted share units in respect of Class A shares that are not vested or

- exercisable within 60 days after February 15, 2021, and (y) 140,956 performance share units in respect of Class A shares (target number) that are not vested or exercisable within 60 days after February 15, 2021.
- (3) Includes (a) 60,000 Class A shares held by trusts, the beneficiaries of which include Mr. Boynton or members of his family, (b) 63,388 Class A shares held by the John W. Boynton IV Trust of 2006, and (c) 26,677 vested restricted share units in respect of Class A shares. Other than in respect of the shares held by the John W. Boynton IV Trust of 2006, Mr. Boynton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. Excludes 8,438 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (4) Includes 33,231 vested restricted share units in respect of Class A shares. Excludes 3,750 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (5) Consists of 7,572 vested restricted share units in respect of Class A shares. Excludes 13,750 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (6) Includes (a) 104,892 Class A shares held by trusts, the beneficiaries of which include Mr. Ryan or members of his family and by Mr. Ryan directly, and (b) 43,825 vested restricted share units in respect of Class A shares. Excludes 13,750 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (7) Consists of 78,941 vested restricted share units in respect of Class A shares. Excludes 6,875 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (8) Consists of 5,959 vested restricted share units in respect of Class A shares. Excludes 1,563 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (9) Consists of options to purchase 466,875 Class A shares that are exercisable within 60 days after February 15, 2021. Excludes (x) 11,716 restricted share units in respect of Class A shares, and (y) options to purchase 17,291 Class A shares, in each case which will vest on Mr. Abovsky's separation from Yandex on April 30, 2021.
 - (10) Consists of (a) options to purchase 467,492 Class A shares that are exercisable within 60 days after February 15, 2021, and (b) options to purchase 1,146,811 Class A shares. Excludes options to purchase 877,551 Class A shares, which are not vested or exercisable within 60 days after February 15, 2021.
 - (11) Consists of options to purchase 367,500 Class A shares that are exercisable in the period from December 31, 2022 to September 30, 2023. Mikhail Parakhin has resigned from the Board, effective February 25, 2021.
 - (12) Consists of 4,733 vested restricted share units in respect of Class A shares. Excludes 13,125 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (13) Consists of 9,375 vested restricted share units in respect of Class A shares. Excludes 13,125 restricted share units in respect of Class A shares that are not vested or exercisable within 60 days after February 15, 2021.
 - (14) Includes (a) 210,313 vested restricted share units in respect of Class A shares, and (b) options to purchase 2,456,842 Class A shares that are exercisable within 60 days after February 15, 2021. Excludes (x) 373,499 restricted share units in respect of Class A shares, and (y) options to purchase 1,296,593 Class A shares and restricted share units that are not vested or exercisable within 60 days after February 15, 2021.
 - (15) The number of shares reported is based on Bloomberg data as of December 31, 2020 and represents what we believe to be its aggregate beneficial ownership as of December 31, 2020. The principal business office of Capital Group Companies is 333 So Hope Street 55th, FL, Los Angeles CA 90071.
 - (16) The number of shares reported is based solely on the Schedule 13G/A filed by Invesco Ltd on February 12, 2021 and represents its beneficial ownership as of December 31, 2020. The principal business office of Invesco Ltd is 555 Peachtree Street NE, Suite 1800, Atlanta, GA 30309.

(17) The number of shares reported is based solely on the Schedule 13G filed by FMR LLC on February 5, 2021 and represents its beneficial ownership as of December 31, 2020. The principal business office of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.

Holdings by U.S. Shareholders

As of February 15, 2021, there was one holder of record of Class A shares (Cede & Co., as nominee for DTC) located in the United States, which held approximately 100% of our outstanding Class A shares by number, which represented approximately 47.26% of our outstanding shares by voting power.

Related Party Transactions

Shareholders' Agreement

Shareholders holding an aggregate of approximately 44 million Class A and Class B shares, representing approximately 52% of the voting power of our outstanding shares, are parties to a shareholders agreement, the principal terms of which are as follows:

Board composition. The parties have agreed to vote all of our shares held by them in favor of electing or re-electing those persons nominated by our board of directors for election or re-election as a director at any general meeting of our shareholders.

Compliance with foreign ownership laws. The parties have agreed to comply with any applicable laws from time to time in effect that regulate the owners of Yandex by non-Russian parties.

Amendments to articles of association. The parties have agreed that they will vote against any proposal to amend the articles of association in such a way as to eliminate:

- our multiple class share structure, with differential voting rights;
- the staggered three-year terms of our directors;
- the provision that our directors may only be removed by a two-thirds majority of votes cast representing at least 50% of our outstanding share capital;
- requirements that certain matters, including an amendment of our articles of association, may only be brought to our shareholders for a vote upon a proposal by our board of directors;
- the supermajority requirements for shareholder approval of certain significant corporate actions, including a legal merger or demerger of our company or the amendment of our articles of association;
- the right of our board of directors to approve the accumulation by a party, group of related parties or parties acting in concert of the legal or beneficial ownership of 10% or more, in number or by voting power, of our outstanding Class A and Class B shares (taken together); or
- the rights of the holder of the priority share.

Term and Amendment. The shareholders agreement will remain in effect so long as any Class B shares remain outstanding. The agreement may be terminated and amended, and any provision thereof waived, with the prior written consent of parties to the agreement holding shares representing two-thirds or more of the voting power of the outstanding share capital held by parties to the agreement. The agreement will terminate with respect to any particular shareholder upon its affirmative election if it no longer holds any Class B Shares, as a result of the transfer of all Class B shares held by it, or the voluntary or mandatory conversion of all Class B Shares held by it into Class A Shares.

Registration Rights Agreement

We are party to a registration rights agreement with our major shareholders that allows them to require us to register Class A shares held by them under the U.S. Securities Act of 1933, as amended (the "Securities Act"), under certain circumstances.

Demand registration rights. Shareholders party to the agreement together holding approximately 34 million Class A and Class B shares have the right to require that we register their securities for sale. Certain other shareholders have the right to join in a demand registration. We have the right not to effect a demand registration (a) if we have already effected one demand registration, (b) if the aggregate price, net of underwriters' discounts or commissions, of all registrable securities included in such registration is less than \$7,500,000, (c) if the initiating shareholders propose to register securities that may be immediately registered on Form F-3, or (d) in a jurisdiction where we would be required to qualify to do business or execute a general consent to service of process in effecting such a registration. We have the right to defer filing of a registration statement for up to 120 days if our board of directors determines in good faith that filing of a registration statement would be detrimental to us, but we cannot exercise such deferral right more than once in any 12-month period.

Piggyback registration rights. If we propose to file a registration statement for a public offering of our securities other than relating to an employee share option, share purchase or similar plan or pursuant to a merger, exchange offer, or similar transaction, then we must offer holders of registrable securities an opportunity to include in this registration all or any part of their registrable securities. We must use our best effort to cause the underwriters in any underwritten offering to permit the shareholders who so requested to include their shares on the same terms and conditions as our securities to be registered.

Form F-3 registration rights. While we are eligible to use Form F-3, one or more shareholders party to the agreement holding shares with an aggregate market value of at least \$50,000,000 have the right to request that we file a registration statement on Form F-3. We are not obligated to file a registration statement on Form F-3 if (a) we have already effected two registrations on Form F-3 for holders of registrable securities during the 12-month period preceding a registration request, (b) the aggregate price, net of underwriters' commissions or discounts, of registrable securities included in such registration is less than \$10 million, or (c) in a jurisdiction where we would be required to qualify to do business or execute a general consent to service of process in effecting such a registration. We have the right to defer filing of a registration statement for up to 120 days if our board of directors determines in good faith that filing of a registration statement would be detrimental to us, but we cannot exercise such deferral right more than once in any 12-month period.

Expenses of registration. We will pay all expenses relating to any demand, piggyback or F-3 registration, other than underwriting commissions and discounts.

Relationship with Sberbank

Sberbank is a major financial institution and the largest savings bank in the Russian Federation. Approximately 51% of its voting shares are held by the Central Bank of the Russian Federation. Herman Gref, the Chief Executive Officer and Chairman of the Executive Board of Sberbank, was a member of our Board of Directors till October 29, 2020.

Yandex.Money and Yandex.Market Joint Ventures

In July 2013, we sold a 75 percent (less 1 ruble) interest in our Yandex.Money business to Sberbank for \$60 million in cash and entered into a joint venture arrangement with Sberbank in respect of the future operation of this business, which continued under the Yandex.Money brand.

On April 27, 2018, the Company and Sberbank formed a joint venture based on the Yandex.Market platform. As a part of the deal, Sberbank subscribed for new ordinary shares of Yandex.Market for RUB 30,000 million. Since that date, each of the Company and Sberbank held an equal number of the outstanding shares in Yandex.Market, with up to 10% of outstanding shares allocated to management and an equity incentive pool.

On June 23, 2020, the Company and Sberbank entered into a binding agreement to reorganize their joint ventures, Yandex.Market and Yandex.Money. On July 23, 2020, the Company completed the acquisition of the Sberbank interest in Yandex.Market (approximately 50%) for RUB 42,000 million and sold to Sberbank a 25% plus RUB 1 interest in Yandex.Money for approximately RUB 2,420 million. A net cash consideration of RUB 39,580 million has been transferred by the Company to Sberbank.

Before the sale of equity interest in Yandex.Money to Sberbank and related disposal of equity investment, the Company retained a noncontrolling interest and significant influence over Yandex.Money's business. After the sale completed on July 23, 2020, Yandex.Money passed under control of Sberbank. In 2020, the Company continued to use Yandex.Money for payment processing and to provide other services. The amount of revenues from other services was RUB 37 million and RUB 32 million (\$0.4 million) for the years ended December 31, 2019 and 2020, respectively. The amount of fees for online payment commissions was RUB 783 million and RUB 512 million (\$6.9 million) for the years ended December 31, 2019 and 2020 respectively. As of December 31, 2019, the amount of accounts receivable from Yandex.Money was RUB 214 million and the amount of accounts payable to Yandex.Money was RUB 13 million. We believe that the terms of the agreements with Yandex.Money are comparable to the terms obtained in arm's-length transactions with unrelated similarly situated customers and suppliers.

Before the completion of reorganization, Yandex.Market was accounted for as a joint venture for the period since April 28, 2018 till July 23, 2020, as the Company held a noncontrolling interest and exercised significant influence over Yandex.Market's business in the designated period. In 2020, the Company continued to provide advertising and other services to Yandex.Market, while acquiring traffic and content. In 2019, we also subleased to Yandex.Market part of our premises. The amount of revenues from advertising services was RUB 805 million and RUB 290 million (\$3.9 million) for the years ended December 31, 2019 and 2020 respectively. The amount of revenues from subleasing and other services was RUB 1,738 million and RUB 1,141 million (\$15.4 million) for the years ended December 31, 2019 and 2020, respectively. The amount of related cost of revenues was RUB 29 million and RUB 8 million (\$0.1 million) for the years ended December 31, 2019 and 2020 respectively. As of December 31, 2019, the amount of accounts receivable from Yandex.Market was RUB 318 million and the amount of accounts payable was RUB 11 million.

Internet-acquiring agreement with Sberbank

In October 2017, we entered into an internet-acquiring agreement with Sberbank. The amount of fees was RUB 1,760 million for the year ended December 31, 2019 and RUB 1,990 million (\$26.9 million) for the period from January 1, 2020 till October 29, 2020. As of December 31, 2019, the amount of accounts receivable related to internet-acquiring was RUB 468 million.

Other agreements with Sberbank

The Company may from time to time in the ordinary course of business enter into other transactions with Sberbank group companies.

Loans granted to related parties

As of December 31, 2019 and 2020, we had loans outstanding in the aggregate principal amount of RUB 43 and RUB 38 (\$0.5 million), respectively, to certain senior employees. The interest rate on the loans is up to 3% per annum and they mature in 2020-2028.

Item 8. Financial Information.

See the financial statements beginning on page F-1.

Dividends

We do not have any present plan to pay cash dividends on our shares in the near term. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

If and when we pay dividends in the future, they will be payable on a *pari passu* basis on the outstanding Class A and Class B shares and the priority share. Although our Class C shares are technically entitled to a maximum dividend of €0.01 per share when we declare dividends on our Class A and Class B shares, we intend to repurchase all Class C shares issued upon conversion of our Class B shares promptly following their issuance such that no dividends would be payable on our Class C shares. Cash dividends on our shares, if any, will be paid in U.S. dollars.

Item 9. The Listing.

Markets

Our Class A ordinary shares are currently listed on the NASDAQ Global Select Market, under the symbol “YNDX”.

In June 2014, our Class A ordinary shares were admitted to trading on Moscow Exchange (MOEX) and are currently listed in the Listing A Level 1, top quotation list on MOEX, under the symbol “YNDX”.

Item 10. Additional Information.

Memorandum and Articles of Association

We incorporate into this Annual Report the description of our amended articles of association contained in our F-1 registration statement (File No. 333-173766) originally filed with the SEC on April 28, 2011, as amended. Our articles of association were amended as of May 21, 2012, May 22, 2013, May 23, 2014, May 22, 2015 and June 1, 2016. Such amendments reduced the number of authorized shares upon the conversion of our Class B shares into Class A shares or were technical in nature to conform with changes in the requirements of Dutch law. On December 23, 2019, our articles of association were further amended in connection with our restructuring. See also “Item 4. Information on the Company – Governance Structure”.

Material Contracts

Convertible debt

In the first quarter of 2020 we issued and sold \$1.25 billion in aggregate principal amount of 0.75% convertible senior notes due 2025, to institutional investors that are not U.S. persons, outside the United States, in reliance on Regulation S under the U.S. Securities Act of 1933, as amended.

In connection with the offering of the notes, we entered into a Trust Deed, dated March 3, 2020, with BNY Mellon Corporate Trustee Services Limited, as trustee. The Trust Deed includes the terms and conditions upon which the notes are to be authenticated, issued and delivered. The notes are convertible into cash, our Class A shares or a combination of cash and our Class A shares, at our election, based on an initial conversion rate 47.5% premium above the reference share price of \$40.7289. The reference share price was calculated by taking the volume weighted average price of our Class A shares between opening and closing of trading on the NASDAQ Global Select Market on February 25, 2020. Accordingly, the corresponding initial conversion price is approximately \$60.0751 per Class A share, subject to adjustment on the occurrence of certain events. Prior to March 18, 2023, the notes are convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time until the close of business on the business day immediately preceding the maturity date of the notes.

The notes bear interest at a rate of 0.75% per year, payable semi-annually in arrears on September 3rd and March 3rd of each year, beginning on September 3rd, 2020. The notes mature on March 3, 2025, unless earlier repurchased, redeemed or converted in accordance with their terms. The notes are senior unsecured obligations and we do not have the right to redeem the notes prior to maturity, except in connection with certain changes in tax laws.

The net proceeds from the convertible note offering were \$1.237 billion, after deducting the initial purchasers’ discount and estimated offering expenses.

Yandex.Taxi joint venture with Uber

Contribution Agreement with respect to Yandex.Taxi

On July 13, 2017, we entered into a Contribution Agreement (the "Contribution Agreement") with Uber International C.V. ("Uber"), a wholly owned subsidiary of Uber Technologies, Inc., to combine Yandex.Taxi and the ride-hailing, food delivery and related logistics businesses of Uber in Russia and neighboring countries. On February 7, 2018, the transaction contemplated by the Contribution Agreement was closed.

The Contribution Agreement contains warranties, indemnities and covenants customary for a joint venture combination of this nature.

Both parties have licensed their respective brands to MLU for use in the territories. In addition, Yandex licensed its core maps, location-based services and related technology to MLU.

At closing and in connection with the Contribution Agreement, Yandex and Uber entered into a deed of covenant, pursuant to which each agreed to accept certain restrictive covenants towards MLU in the ride-hailing, food delivery, and related logistics business in the territories for an agreed period, as well as certain non-solicitation restrictions with respect to employees of MLU.

Shareholders Agreement with respect to Yandex.Taxi

On February 7, 2018, Yandex and Uber entered into a shareholders agreement, later amended as of September 9, 2020 (the "Shareholders Agreement") in respect of the governance and operation of MLU. Pursuant to the Shareholders Agreement, Yandex has the right to appoint a majority of the members of the supervisory board of MLU. As a significant minority shareholder, Uber has protective rights customary for a joint venture of this nature. Both parties have agreed to customary restrictions on transfer of their shares in MLU, as well as customary rights of first refusal, tag-along, drag-along and public offering registration rights.

Vezet Transaction

On July 14, 2019, MLU B.V. entered into an agreement to purchase the intellectual property assets and call centers of the Vezet group of companies in Russia, through the acquisition of 100% of the issued share capital of Axelcroft Limited (the "2019 SPA"), from Fasten CY limited ("Fasten"). Fasten operated taxi businesses under a number of brands, including Vezet and Rutaxi, in over 100 Russian cities. The parties terminated the 2019 SPA on February 2, 2021

On February 2, 2021, the parties entered into a new share purchase agreement in respect of Axelcroft, covering a different transaction perimeter and consideration structure. The transaction closed on the same day.

The sellers are entitled to receive up to \$178 million in cash, including \$78 million which will be subject to certain integration milestones.

The integration of the acquired assets with the MLU platform is in progress and expected to be completed in the second quarter of 2021. The acquisition agreement contains representations, warranties and indemnities customary for a transaction of this nature.

Sberbank Transactions

On June 23, 2020, we entered into a binding framework agreement with Sberbank (the "Framework Agreement"), pursuant to which we agreed to acquire Sberbank's indirect 45% interest in our Yandex.Market joint venture, and Sberbank agreed to acquire our 25% (plus RUB 1) interest in our Yandex.Money joint venture.

Pursuant to the Framework Agreement:

- we agreed to acquire from Digital Assets Limited, a subsidiary of Sberbank, 45% of the issued share capital of Yandex.Market for cash consideration of RUB 42.0 billion (based on an implied equity valuation of the

business of RUB 87.3 billion) (approximately \$600 million) (the "Yandex.Market Transaction");

- we agreed to sell to Digital Assets Limited our 25% (plus RUB 1) participation interest in Yandex.Money for cash consideration of RUB 2.4 billion (approximately \$34 million), subject to adjustment at closing (the "Yandex.Money Transaction," and together with the Yandex.Market Transaction, the "Sberbank Transactions");
- we and Sberbank agreed to terminate the agreements establishing the Yandex.Market joint venture and the Yandex.Money joint venture, together with certain operational agreements, with effect from the closing of the Sberbank Transactions;
- all non-compete and exclusivity obligations of Yandex in respect of financial services terminated, with effect from the closing of the Sberbank Transactions;
- all non-compete and exclusivity obligations of Sberbank in respect of e-commerce businesses terminated, with effect from the closing of the Sberbank Transactions; and
- for a transitional period following the closing of the Sberbank Transactions, we will continue providing certain services with respect to the business operations of Yandex.Money, and Sberbank will continue to provide certain services with respect to the business operations of Yandex.Market, including rights to use certain intellectual property.

The Framework Agreement contains certain customary warranties, indemnities and covenants. Sberbank and we have also agreed to certain non-solicitation restrictions with respect to employees of Yandex.Market and Yandex.Money, respectively.

On July 3, 2020 the Sberbank Transactions were approved by the Russian antitrust authority.

Immediately following the closing of the Sberbank Transactions, Sberbank directly and indirectly became the owner of a 100% interest in Yandex.Money, and we became the owner of a 90% interest in Yandex.Market. At the same time, 10% of the equity in Yandex.Market continued to be owned by an equity incentive foundation to facilitate current and future equity ownership by management and employees of Yandex.Market.

Drive Contribution

On September 4, 2020, Yandex and MLU entered into an agreement pursuant to which Yandex contributed the Yandex.Drive car-sharing business from Yandex N.V. to MLU, in exchange for new equity shares in MLU. Immediately following the contribution, Yandex held 61.7% and Uber held 33.5% of MLU B.V; the remaining shares were reserved for MLU management and employees. The contribution agreement contains representations, warranties and indemnities customary for a transaction of this nature. The contribution closed in the third quarter of 2020.

Exchange Controls

Under existing laws of the Netherlands, there are no exchange controls applicable to the transfer to persons outside of the Netherlands of dividends or other distributions with respect to, or of the proceeds from the sale of, shares of a Dutch company.

Taxation

Taxation in the Netherlands

General

The information set out below is a general summary of the material Dutch tax consequences in connection with the acquisition, ownership and transfer of our Class A shares. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of our Class A shares, who

may be subject to special tax treatment under any applicable law, and this summary is not intended to be applicable in respect of all categories of holders of the Class A shares. In particular, this summary is not applicable in respect of any holder who is, is deemed to be or is treated as a resident of the Netherlands for Dutch tax purposes nor to a holder that holds, alone or together with his partner, whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of, or certain other rights over, profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation proceeds. Such interest in our Class A shares is further referred to as a Substantial Interest (*aanmerkelijk belang*).

Please note that under Dutch tax law an individual is considered as a holder of Class A shares as well if he/she is deemed to hold an interest in the Class A shares pursuant to the attribution rules of article 2.14a of the Dutch Income Tax Act 2001, with respect to property that has been segregated, for instance in a trust or a foundation.

The summary is based upon the tax laws of the Netherlands as in effect on the date of this Annual Report, as well as regulations, rulings and decisions of the Netherlands and its taxing and other authorities available on or before such date and now in effect. All references in this summary to the Netherlands and Netherlands law are to the European part of the Kingdom of The Netherlands and its law, respectively, only. All of the foregoing is subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend that investors or shareholders consult with their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of our Class A shares, including, in particular, the application to their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of our Class A shares.

Our company currently takes the view that it is a resident of the Netherlands for tax purposes, including for purposes of tax treaties concluded by the Netherlands, and this summary so assumes. This summary further assumes that the holders of Class A shares will be treated for Dutch tax purposes as the absolute beneficial owners of those Class A shares and any dividends (as defined below) received or realized with respect to such shares.

Dividend Withholding Tax

General

Dividends paid on the Class A shares to a holder of such shares are generally subject to Dutch dividend withholding tax at a rate of 15%. The term “dividends” for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognized for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares in excess of the average paid-in capital recognized for Dutch dividend withholding tax purposes;
- the par value of shares issued to a shareholder or an increase of the par value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognized for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognized for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the general meeting of our shareholders has resolved in advance to make such a repayment and provided that the par value of the shares concerned has been reduced by a corresponding amount by way of an amendment of our articles of association.

Generally we are responsible for the withholding of taxes at source and the remittance of the amounts withheld to the Dutch tax authorities; the dividend withholding tax will not be for our account.

If we have received a profit distribution from a foreign subsidiary located (a) in a jurisdiction with which the Netherlands has concluded a treaty for the avoidance of double taxation or (b) in Bonaire, St. Eustatius, Saba, Aruba, Curacao or St. Maarten, in which subsidiary we hold at least 25% of the nominal paid-up capital or if the relevant tax treaty therein provides, we hold at least 25% of the voting rights, which distribution is exempt from Dutch corporate income tax and has been subject to a foreign withholding tax of at least 5%, we are not required to transfer to the Dutch tax authorities the full amount of Dutch dividend withholding tax in respect of dividends distributed by our company. The amount that does not have to be transferred to the Dutch tax authorities can generally not exceed the lesser of (i) 3% of the portion of the dividends distributed by our company that is subject to Dutch dividend withholding tax; and (ii) 3% of the profit distributions our company received from qualifying foreign subsidiaries in the calendar year in which our company distributes the dividends (up to the moment of such dividend distribution) and the two previous calendar years; further limitations and conditions apply.

The amount of Dutch withholding tax that we may retain reduces the amount of dividend withholding tax that we are required to pay to the Dutch tax authorities, but does not reduce the amount of tax we are required to withhold from dividends paid to a holder of our Class A shares. Upon request, a holder of our Class A shares will be notified by our company of the amount of the Dutch withholding tax that was retained by us.

Non-residents of the Netherlands (including but not limited to U.S. holders)

The following is a description of the material Dutch tax consequences of holders of our Class A shares who under certain circumstances may not be subject to the above described 15% Dutch dividend withholding tax.

Entities (i) that are resident in another EU Member State, in a State of the European Economic Area (the “EEA”) i.e. Iceland, Norway and Liechtenstein, or a country outside the EU/EEA which has an arrangement for the exchange of tax information with the Netherlands; and (ii) that are not subject to taxation by reference to profits in such State, in principle have the possibility to obtain a full refund of Dutch dividend withholding tax, provided such entities would not have been subject to Dutch corporate income tax either had they been resident within the Netherlands, and provided further that such entities do not perform a similar function to that of a tax exempt investment institutions or fiscal investment institutions as referred to in the Dutch Corporate Income Tax Act 1969, and with respect to entities resident in a country outside the EU/EEA which has an arrangement for the exchange of tax information with the Netherlands, provided such entities hold their Class A shares as a portfolio investment, i.e. such shares are not held with a view to the establishment or maintenance of lasting and direct economic links between such holder of Class A shares and our company, and these shares do not allow such holder to effectively participate in the management or control of our company.

Further, a holder of Class A shares who is resident in another EU Member State or in a State of the EEA i.e. Iceland, Norway and Liechtenstein, in principle has the possibility to obtain a refund of Dutch dividend withholding tax, provided that (i) such dividends are not taxable with the holder of Class A shares for personal income tax purposes or corporate income tax purposes and (ii) insofar the Dutch dividend withholding tax exceeds the amount of personal income tax or corporate income tax that would have been due had the holder of Class A shares been resident in the Netherlands, and with respect to a holder of Class A shares resident in a country outside the EU/EEA which has an arrangement for the exchange of tax information with the Netherlands, provided the Class A shares are held by such holder as a portfolio investment, i.e. such shares are not held with a view to the establishment or maintenance of lasting and direct economic links between such holder of Class A shares and our company, and these shares do not allow such holder to effectively participate in the management or control of our company.

A holder of Class A shares who is considered to be a resident of the United States and is entitled to the benefits of the 1992 Double Taxation Treaty between the United States and the Netherlands (“U.S. holder”), as amended most recently by the Protocol signed March 8, 2004 (the “Treaty”) will generally be subject to Dutch dividend withholding tax at the rate of 15% unless such U.S. holder is an exempt pension trust as described in article 35 of the Treaty, or an exempt organization as described in article 36 of the Treaty.

U.S. holders that are exempt pension trusts or exempt organizations as described in articles 35 and 36, respectively, of the Treaty may qualify for an exemption from Dutch withholding tax and may generally claim (i) in the case of an exempt pension trust full exemption at source by timely filing two completed copies of form IB 96 USA signed by the U.S. holder accompanied with U.S. form 6166 (as issued by the U.S. Internal Revenue Service and valid for the relevant tax year) or (ii) in the case of either an exempt pension trust or an exempt organization a full refund by

filing through the withholding agent as mentioned in article 9 of the Dutch Dividend Withholding Tax Act 1965 (which is generally the company) one of the following forms signed by the U.S. holder within three years after the end of the calendar year in which the withholding tax was levied:

- if the U.S. holder is an exempt pension trust as described in article 35 of the Treaty: two completed copies of Form IB 96 USA accompanied with U.S. Form 6166 as issued by the U.S. Internal Revenue Service valid for the relevant tax year and
- if the U.S. holder is an exempt organization as described in article 36 of the Treaty: two completed copies of Form IB 95 USA accompanied with U.S. Form 6166 as issued by the U.S. Internal Revenue Service, valid for the relevant tax year.

Taxes on Income and Capital Gains

General

The description of taxation set out in this section of this Annual Report is not intended for any holder of Class A shares who is:

- an individual for whom the income or capital gains derived from the Class A shares are attributable to employment activities the income from which is taxable in the Netherlands; or
- an individual who or an entity which holds, or is deemed to hold, a Substantial Interest in our company (as defined above).

Non-residents of the Netherlands (including, but not limited to, U.S. holders)

A Non-Resident of the Netherlands who holds Class A shares is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax described above) on the income and capital gains derived from the Class A shares, provided that:

- such Non-Resident of the Netherlands does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands or effectively managed in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Class A shares are attributable or deemed attributable;
- in the case of a Non-Resident of the Netherlands who is an individual, (a) such individual does not carry out any activities in the Netherlands with respect to the Class A shares that exceed ordinary active asset management (*normaal vermogensbeheer*), (b) the benefits derived from such Class A shares are not intended as remuneration for activities performed by a holder of Class A shares or by a person connected to such holder as meant by article 3.92b paragraph 5 of the Dutch Income Tax Act 2001 and (c) such individual does not derive income or capital gains from the Class A shares that are taxable as benefits from "other miscellaneous activities" in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*);
- in the case of a Non-Resident of the Netherlands which is an entity, it is neither entitled to a share in the profits of an enterprise effectively managed in the Netherlands, nor co-entitled to the net worth of such enterprise, other than by way of the holding of securities, to which enterprise the Class A shares or payments in respect of the Class A shares are attributable; and
- in the case of a Non-Resident of the Netherlands who is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or, through an employment contract, to which enterprise the Class A shares or payments in respect of Class A shares are attributable.

A U.S. holder that is entitled to the benefits of the Treaty and whose Class A shares are not attributable to a Dutch enterprise or deemed enterprise, will generally not be subject to Dutch taxes on any capital gain realized on the disposal of such Class A shares.

Gift, Estate or Inheritance Taxes

No Dutch gift, estate or inheritance taxes will arise on the transfer of Class A shares by way of a gift by, or on the death of, a holder of Class A shares who is neither resident nor deemed to be resident in the Netherlands, unless in the case of a gift of the Class A shares by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands (i) such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or (ii) the gift of the Class A shares is made under a condition precedent and the holder of these shares is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift, estate and inheritance taxes, an individual who holds the Dutch nationality will be deemed to be resident in the Netherlands if he or she has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his or her death. Additionally, for purposes of Dutch gift tax, an individual not holding the Dutch nationality will be deemed to be resident in the Netherlands if he or she has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value-Added Tax

There is no Dutch value-added tax payable in respect of payments in consideration for the sale of the Class A shares (other than value added taxes on fees payable in respect of services not exempt from Dutch value added tax).

Other Taxes and Duties

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar documentary tax or duty other than court fees payable in the Netherlands by a holder of Class A shares in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Class A shares.

Residence

Other than as set forth above, a holder of Class A shares will not become or be deemed to become a resident of the Netherlands, nor will a holder of Class A shares otherwise become subject to taxation in the Netherlands, solely by reason of holding the Class A shares.

Taxation in the United States

The following summary of the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our Class A shares is based upon current law and does not purport to be a comprehensive discussion of all the tax considerations that may be relevant to a decision to purchase our Class A shares. This summary is based on current provisions of the Internal Revenue Code, existing, final, temporary and proposed United States Treasury Regulations, administrative rulings and judicial decisions, in each case as available on the date of this Annual Report. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

This section summarizes the material U.S. federal income tax consequences to U.S. holders, as defined below, of Class A shares. This summary addresses only the U.S. federal income tax considerations for U.S. holders that hold the Class A shares as capital assets. This summary does not address all U.S. federal income tax matters that may be relevant to a particular U.S. holder, nor does it address any state, local or foreign tax matters or matters relating to any U.S. federal tax other than the income tax. Each investor should consult its own professional tax advisor with respect to the tax consequences of the purchase, ownership and disposition of the Class A shares. This summary does not address tax

considerations applicable to a holder of Class A shares that may be subject to special tax rules including, without limitation, the following:

- certain financial institutions;
- insurance companies;
- dealers or traders in securities, currencies, or notional principal contracts;
- tax-exempt entities;
- regulated investment companies;
- persons that hold the Class A shares as part of a wash sale, hedge, straddle, conversion, constructive sale or similar transaction;
- persons that hold the Class A shares through partnerships or certain other pass-through entities;
- persons that own (or are deemed to own) 10% or more of our voting shares; and
- persons that have a “functional currency” other than the U.S. dollar.

Further, this summary does not address alternative minimum tax consequences or indirect effects on the holders of equity interests in entities that own our Class A shares. In addition, this discussion does not consider the U.S. tax consequences to non-U.S. holders of Class A shares.

For the purposes of this summary, a “U.S. holder” is a beneficial owner of Class A shares that is, for U.S. federal income tax purposes:

- an individual who is either a citizen or resident of the United States;
- a corporation, or other entity that is treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state of the United States or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more “United States persons,” within the meaning of the Internal Revenue Code, have the authority to control all of the substantial decisions of such trust.

If a partnership holds Class A shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership.

We will not seek a ruling from the U.S. Internal Revenue Service (“IRS”) with regard to the U.S. federal income tax treatment of an investment in our Class A shares, and we cannot assure you that that the IRS will agree with the conclusions set forth below.

Distributions. Subject to the discussion under “*Passive Foreign Investment Company Considerations*” below, the gross amount of any distribution (including any amounts withheld in respect of Dutch withholding tax) actually or constructively received by a U.S. holder with respect to Class A shares will be taxable to the U.S. holder as a dividend to the extent paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will be non-taxable to the U.S. holder to the extent of, and will be applied against and reduce, the U.S. holder’s adjusted tax basis in the Class A shares. Distributions in excess of our current and accumulated earnings and profits and such adjusted tax basis will generally be taxable to the U.S. holder as capital gain from the sale or exchange of property. However, since we do not calculate our

earnings and profits under U.S. federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The amount of any distribution of property other than cash will be the fair market value of that property on the date of distribution. The U.S. holder will not be eligible for any dividends-received deduction in respect of the dividend otherwise allowable to corporations.

Under the Internal Revenue Code, qualified dividends received by certain non-corporate U.S. holders (i.e. individuals and certain trusts and estates) currently are subject to a maximum income tax rate of 20%. This reduced income tax rate is applicable to dividends paid by “qualified foreign corporations” to such non-corporate U.S. holders that meet the applicable requirements, including a minimum holding period (generally, at least 61 days during the 121-day period beginning 60 days before the ex-dividend date). We believe that we are a qualified foreign corporation under the Internal Revenue Code. Accordingly, dividends paid by us to non-corporate U.S. holders with respect to Class A shares that meet the minimum holding period and other requirements are expected to be treated as “qualified dividend income.” However, dividends paid by us will not qualify for the 20% U.S. federal income tax rate cap if we are treated, for the tax year in which the dividends are paid or the preceding tax year, as a “passive foreign investment company” for U.S. federal income tax purposes, as discussed below. Dividends paid by us that are not treated as qualified dividends will be taxable at the normal (and currently higher) ordinary income tax rates, except to the extent that they are taxable otherwise if we are a passive foreign investment company as described below.

Dividends received by a U.S. holder with respect to Class A shares generally will be treated as foreign source income for the purposes of calculating that holder’s foreign tax credit limitation. Subject to applicable conditions and limitations, and subject to the discussion in the next two paragraphs, any Dutch income tax withheld on dividends may be deducted from taxable income or credited against a U.S. holder’s U.S. federal income tax liability. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us generally will constitute “passive category income” (but, in the case of some U.S. holders, may constitute “general category income”).

A “United States person,” within the meaning of the Internal Revenue Code, that is an individual, an estate or a nonexempt trust is generally subject to a 3.8% surtax on the lesser of (i) the United States person’s “net investment income” for the year and (ii) the excess of the United States person’s “modified adjusted gross income” for that year over a threshold (which, in the case of an individual, will be between \$125,000 and \$250,000, depending on the individual’s U.S. tax filing status). A U.S. holder’s net investment income generally will include, among other things, dividends on, and gains from the sale or other taxable disposition of, our Class A shares, unless (with certain exceptions) those dividends or gains are derived in the ordinary course of a trade or business. Net investment income may be reduced by deductions properly allocable thereto; however, the U.S. foreign tax credit may not be available to reduce the surtax.

Upon making a distribution to shareholders, we may be permitted to retain a portion of the amounts withheld as Dutch dividend withholding tax. See “—Taxation in the Netherlands—Dividend Withholding Tax—General.” The amount of Dutch withholding tax that we may retain reduces the amount of dividend withholding tax that we are required to pay to the Dutch tax authorities but does not reduce the amount of tax we are required to withhold from dividends paid to U.S. holders. In these circumstances, it is likely that the portion of dividend withholding tax that we are not required to pay to the Dutch tax authorities with respect to dividends distributed to U.S. holders would not qualify as a creditable tax for U.S. foreign tax credit purposes.

Sale or other disposition of Class A shares. A U.S. holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale or exchange of Class A shares in an amount equal to the difference between the U.S. dollar value of the amount realized from such sale or exchange and the U.S. holder’s tax basis for those Class A shares. Subject to the discussion under “*Passive Foreign Investment Company Considerations*” below, this gain or loss will be capital gain or loss and will generally be treated as from sources within the United States. Capital gain or loss will be long-term capital gain or loss if the U.S. holder held the Class A shares for more than one year at the time of the sale or exchange; in general, long-term capital gains realized by non-corporate U.S. holders are eligible for reduced rates of tax. The deductibility of losses incurred upon the sale or other disposition of capital assets is subject to limitations.

Passive foreign investment company considerations. A corporation organized outside the United States generally will be classified as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes in any taxable year in which, after applying the applicable look-through rules, either: (i) at least 75% of its gross income is passive income, or (ii) at least 50% of the average gross value of its assets is attributable to assets that produce passive

income or are held for the production of passive income. In arriving at this calculation, a pro rata portion of the income and assets of each corporation in which we own, directly or indirectly, at least a 25% interest by value, must be taken into account. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. We believe that we were not a PFIC for any prior tax year after 2013. Based on estimates of our gross income and the average value of our gross assets, and on the nature of the active businesses conducted by our “25% or greater” owned subsidiaries, we do not expect to be a PFIC in the current taxable year and do not expect to become one in the foreseeable future. However, because our status for any taxable year will depend on the composition of our income and assets and the value of our assets for such year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC for the current taxable year or any future taxable year. In particular, the value of our assets may be determined in large part by reference to the market price of our Class A shares, which may fluctuate considerably. If we were a PFIC for any taxable year during which a U.S. holder held Class A shares, gain recognized by the U.S. holder on a sale or other disposition (including a pledge) of the Class A shares would be allocated ratably over the U.S. holder’s holding period for the Class A shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for that taxable year. Similar rules would apply to the extent any distribution in respect of Class A shares exceeds 125% of the average of the annual distributions on Class A shares received by a U.S. holder during the preceding three years or the holder’s holding period, whichever is shorter. Elections may be available that would result in alternative treatments (such as a mark-to-market treatment) of the Class A shares. In addition, if we are considered a PFIC for the current taxable year or any future taxable year, U.S. holders will be required to file annual information returns for such year, whether or not the U.S. holder disposed of any Class A shares or received any distributions in respect of Class A shares during such year.

Backup Withholding and Information Reporting. U.S. holders generally will be subject to information reporting requirements with respect to dividends on Class A shares and on the proceeds from the sale, exchange or disposition of Class A shares that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an “exempt recipient.” In addition, certain U.S. holders who are individuals may be required to report to the IRS information relating to their ownership of the Class A shares, subject to certain exceptions (including an exception for shares held in an account maintained by a U.S. financial institution). U.S. holders may be subject to backup withholding (currently at 24%) on dividends and on the proceeds from the sale, exchange or disposition of Class A shares that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax and the amount of any backup withholding will be allowed as a credit against a U.S. holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Documents on Display

We are subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is December 31. Such reports and other information, when so filed, may be accessed at www.sec.gov/edgar or at ir.yandex.com/sec.cfm. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Item 11. Quantitative and Qualitative Disclosures About Market Risk.

See “Operating and Financial Review and Prospects—Quantitative and Qualitative Disclosures About Market Risk.”

Item 12. Description of Securities Other than Equity Securities.

Not applicable.

PART II.

Item 13. Defaults, Dividend Arrearages and Delinquencies.

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

Not applicable.

Item 15. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The company's management, with the participation of the company's chief executive officer and chief financial officer, evaluated the effectiveness of the company's disclosure controls and procedures as of December 31, 2020. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on the evaluation of the company's disclosure controls and procedures as of December 31, 2020, the company's chief executive officer and chief financial officer concluded that, as of such date, the company's disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This rule defines internal control over financial reporting as a process designed by, or under the supervision of, a company's chief executive officer and chief financial officer and effected by its board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

In accordance with guidance issued by the Securities and Exchange Commission, companies are permitted to exclude acquisitions from their final assessment of internal control over financial reporting for the first fiscal year in which the acquisition occurred. Our management's evaluation of internal control over financial reporting excluded the internal control activities of Yandex.Market, which we acquired in July 2020, as discussed in Note 3, "Business combination and Investment transactions" of the Notes to the Consolidated Financial Statements. We have included the financial results of Yandex.Market in the consolidated financial statements from the date of acquisition. Total revenues subject to Yandex.Market's internal control over financial reporting represented approximately 6% of our consolidated total revenues for the fiscal year ended December 31, 2020. Total assets subject to Yandex.Market's internal control over financial reporting represented approximately 19% of our consolidated total assets as of December 31, 2020 (of which 10% represented by goodwill and 2% by intangible assets).

Management assessed the design and operating effectiveness of our internal control over financial reporting as of December 31, 2020. This assessment was performed under the direction and supervision of our chief executive officer and chief financial officer, and based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, we concluded that as of December 31, 2020, our internal control over financial reporting was effective.

There has been no change in the company's internal control over financial reporting occurred during the fiscal year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

The effectiveness of our internal control over financial reporting as of December 31, 2020 has been audited by JSC KPMG, our independent registered public accounting firm. Their report may be found below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
Yandex N.V.:

Opinion on Internal Control Over Financial Reporting

We have audited Yandex N.V. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2020, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and our report dated March 31, 2021 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Yandex.Market during 2020, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, Yandex.Market's internal control over financial reporting associated with approximately 6% of consolidated total revenue and approximately 19% of consolidated total assets (of which 10% represented by goodwill and 2% by intangible assets) included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Yandex.Market.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ JSC "KPMG"

Moscow, Russia

March 31, 2021

Item 16A. Audit Committee Financial Expert.

Mr. Ryan qualifies as an "audit committee financial expert," as defined in Item 16A of Form 20-F and as determined by our board of directors.

Item 16B. Code of Ethics.

We have adopted a written code of ethics that applies to our Board of Directors, all of our employees, including our principal executive and principal financial officers, and any of the company's direct and indirect subsidiaries. A copy of the code of ethics, which we refer to as our "Code of Business Ethics and Conduct", is available on our website at <http://yandex.com/documents.cfm>. Any amendments to our code of ethics will be disclosed on our website within five business days of the occurrence.

Item 16C. Principal Accountant Fees and Services.

The following table summarizes the fees of JSC KPMG, our independent registered public accounting firm, or its affiliates billed to us for each of the last two fiscal years:

	<u>2019</u>	<u>2020</u>
	<u>(RUB in million)</u>	
Audit Fees(1)	133.0	204.4
All Other Fees(2)	—	35.0
Total Fees	<u>133.0</u>	<u>239.4</u>

(1) Audit fees for 2020 and 2019 were for professional services provided for the interim review procedures and the audit of our consolidated annual financial statements included in our Annual Reports on Form 20-F or services normally provided in connection with statutory and regulatory filings or engagements for those fiscal years.

(2) All other fees relate to due diligence investigations and advisory services.

Pre-Approval Policies for Non-Audit Services

In 2011, we established a policy pursuant to which we will not engage our auditors to perform any non-audit services unless the audit committee pre-approves the service. The audit committee pre-approved all of the non-audit

services performed for us by JSC KPMG during 2020.

Item 16D. Exemptions from the Listing Standards for Audit Committees.

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Period	(a) Total Number of Shares Purchased(1)	(b) Average Price Paid per Share(2)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(3)
January 1 - 31, 2020	112,900	\$ 44.0809	112,900	\$ 275,414,496
February 1 - 29, 2020	109,786	\$ 42.9955	109,786	\$ 270,694,195
March 1 - 31, 2020	3,398,302	\$ 33.0973	3,398,302	\$ 158,219,710
April 1 - 30, 2020	592,175	\$ 34.2352	592,175	\$ 137,946,502
May 1 - 31, 2020	—	—	—	—
June 1 - 30, 2020	—	—	—	—
July 1 - 31, 2020	—	—	—	—
August 1 - 31, 2020	—	—	—	—
September 1 - 30, 2020	—	—	—	—
October 1 - 31, 2020	—	—	—	—
November 1 - 30, 2020	—	—	—	—
December 1 - 31, 2020	—	—	—	—
Total	4,213,163	\$ 33.8095	4,213,163	\$ 137,946,502

Period	(a) Total Number of Shares Purchased(1)	(b) Average Price Paid per Share(2)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(3)
January 1 - 31, 2019	—	—	—	—
February 1 - 28, 2019	—	—	—	—
March 1 - 31, 2019	—	—	—	—
April 1 - 30, 2019	—	—	—	—
May 1 - 31, 2019	—	—	—	—
June 1 - 30, 2019	—	—	—	—
July 1 - 31, 2019	—	—	—	—
August 1 - 31, 2019	—	—	—	—
September 1 - 30, 2019	—	—	—	—
October 1 - 31, 2019	—	—	—	—
November 1 - 30, 2019	190,000	\$ 40.5886	190,000	\$ 292,288,168
December 1 - 31, 2019	285,791	\$ 41.6281	285,791	\$ 280,391,233
Total	475,791	\$ 41.2130	475,791	\$ 280,391,233

(1) - As of trade date;

(2) - Weighted average per month;

(3) - On March 11, 2013, we announced that our board of directors had authorized a program to repurchase up to 12 million of our Class A shares from time to time in open market transactions. On December 10, 2013, we announced that our board of directors had authorized an increase in our existing 12 million share repurchase program by 3 million shares, to a total of up to 15 million shares. The program was completed in June 2014. On July 29, 2014, we announced an additional increase of the amended repurchase program for an additional 3 million shares.

In June 2018, the Company's Board of Directors authorized a program to repurchase up to \$100 worth of Class A shares from time to time in open market transactions in effect for up to twelve months. In July 2018, the Company's Board of Directors authorized an increase in the existing program to approximately \$150 worth of Class A shares.

On November 18, 2019 we announced a share repurchase program of up to \$300 million of Class A shares from time to time in open market transactions effective for up to the following twelve months.

Item 16F. Changes in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance.

The Sarbanes Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our company, to comply with various corporate governance practices. In addition, NASDAQ rules provide that foreign private issuers may follow home country practice in lieu of the NASDAQ corporate governance standards, subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws. The home country practices followed by our company in lieu of NASDAQ rules are described below:

- We do not follow NASDAQ's quorum requirements applicable to meetings of shareholders. In accordance with Dutch law and generally accepted business practice, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders.
- We do not follow NASDAQ's requirements regarding the provision of proxy statements for general meetings of shareholders. Dutch law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in the Netherlands. We do intend to provide shareholders with an agenda and other relevant documents for the general meeting of shareholders.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes Oxley Act, the rules adopted by the SEC and NASDAQ's listing standards. As a Dutch company listed on a government recognized stock exchange, we are required to apply the provisions of the Dutch Corporate Governance Code, or explain any deviation from the provisions of such code in our Dutch Annual Report required by Dutch law.

Item 16H. Mine Safety Disclosure.

Not applicable.

YANDEX N.V.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
Yandex N.V.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Yandex N.V. and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity for each of the years in the three year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements as of and for the year ended December 31, 2020 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Russian rubles have been translated into United States dollars on the basis set forth in Note 1 "Description of Business and Summary of Significant Accounting Policies – Convenience translation" to the consolidated financial statements.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 31, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical

audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition date fair values of certain intangible assets and the previously held equity interest in Yandex.Market

As discussed in Note 3 “Business Combinations and Investment Transactions” to the consolidated financial statements, on July 23, 2020, the Company acquired the remaining 49.9745% equity interest in Yandex.Market. As a part of the transaction, the Company acquired certain identifiable intangible assets, including seller relationships and a price comparison platform. The acquisition date fair value for seller relationships was RUB 4,480 mln and price comparison platform RUB 5,844 mln. The Company also re-measured its previously held equity interest to its acquisition date fair value and recognized a gain of RUB 19,230 mln, which is presented as effect of Yandex.Market consolidation in the consolidated statement of income. The Company used a combination of income and market valuation approaches to determine the estimated fair value of its previously held equity interest. The Company used the income valuation approach to determine the estimated fair value of the seller relationships and cost approach to determine the estimated fair values of the price comparison platform.

We identified the evaluation of the acquisition date fair values of the seller relationships and price comparison platform, and the previously held equity interest in Yandex.Market as a critical audit matter, because subjective and complex auditor judgment was required to evaluate:

- the assumptions used in estimating the acquisition date fair value of previously held equity interest, specifically the forecasted revenue growth rates, forecasted adjusted earnings margins, terminal growth rates and discount rates assumptions,
- the assumptions used in estimating the acquisition date fair value of seller relationships, specifically the forecasted revenue growth rates, forecasted adjusted earnings margins and churn rate and
- the estimate of time in man-hours required to reconstruct the platform used to evaluate the price comparison platform.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company’s valuation process for business combination, including controls over the relevant assumptions listed above. We compared forecasted revenue growth rates and forecasted adjusted earnings margins, churn rate and time in man-hours required to reconstruct to Yandex.Market historical results. We involved valuation professionals with specialized skills and knowledge, who assisted in:

- Developing an estimate of fair value of the previously held equity interest based on the total enterprise fair value using publicly available market data, the Company’s cash flow forecast, and independently developed terminal growth rates and discount rates, and comparing the results to the Company’s fair value estimate,
- Developing an estimate of fair value of the seller relationships using the Company’s cash flow forecast and churn rate based on publicly available market data, and comparing the result to the Company’s fair value estimate;
- Developing an estimate of fair value of the price comparison platform using the time in man-hours required to reconstruct the platform and comparing the result to the Company’s fair value estimate.

/s/ JSC “KPMG”

We have served as the Company’s auditor since 2017.

Moscow, Russia
March 31, 2021

YANDEX N.V.

CONSOLIDATED BALANCE SHEETS

(In millions of Russian rubles ("RUB") and U.S. dollars ("\$"), except share and per share data)

	Notes	As of December 31,		
		2019 RUB	2020 RUB	2020 \$
ASSETS				
Cash and cash equivalents	4	56,415	132,398	1,792.2
Term deposits		31,891	105,787	1,432.0
Accounts receivable, less allowance for doubtful accounts of RUB 815 and RUB 1,798, respectively	4	17,832	25,440	344.4
Prepaid expenses		3,315	6,727	90.9
Inventory		808	4,810	65.1
Funds receivable, net		1,226	2,289	31.0
Other current assets	4	8,797	12,950	175.3
Total current assets		120,284	290,401	3,930.9
Property and equipment, net	7	47,856	61,772	836.2
Operating lease right-of-use assets	8	21,218	20,800	281.6
Intangible assets, net	9	10,365	21,842	295.7
Non-current content assets, net	11	3,295	7,464	101.0
Goodwill	9	52,205	104,275	1,411.5
Long-term prepaid expenses		2,289	1,391	18.8
Investments in non-marketable equity securities	3, 4	28,073	1,135	15.4
Deferred tax assets	10	1,847	1,639	22.2
Other non-current assets	4	3,694	4,893	66.2
Total non-current assets		170,842	225,211	3,048.6
TOTAL ASSETS		291,126	515,612	6,979.5
LIABILITIES AND SHAREHOLDERS' EQUITY				
Accounts payable and accrued liabilities	4	34,978	43,634	590.6
Income and non-income taxes payable	4	8,020	11,440	154.9
Deferred revenue	1	3,542	6,645	89.9
Total current liabilities		46,540	61,719	835.4
Convertible debt	13	—	83,277	1,127.3
Deferred tax liabilities	10	1,951	3,838	52.0
Operating lease liabilities	8	10,841	12,830	173.7
Other accrued liabilities		2,359	4,689	63.4
Total non-current liabilities		15,151	104,634	1,416.4
Total liabilities		61,691	166,353	2,251.8
Commitments and contingencies	12	—	—	—
Redeemable noncontrolling interests	15	14,246	3,167	42.9
Shareholders' equity:				
Priority share: €1.00 par value; shares authorized (1 and 1), shares issued (1 and 1) and outstanding (nil and 1)	14	—	—	—
Ordinary shares: par value (Class A €0.01, Class B €0.10 and Class C €0.09); shares authorized (Class A: 500,000,000, Class B: 37,138,658 and Class C: 37,748,658 as of December 31, 2019 and 2020); shares issued (Class A: 293,527,655 and 320,430,479, Class B: 37,138,658 and 35,708,674, and Class C: 610,000 and 1,429,984); shares outstanding (Class A: 292,719,508 and 318,501,858, Class B: 37,138,658 and 35,708,674, and Class C: nil)	14	261	278	3.8
Treasury shares at cost (Class A: 808,147 and 1,928,621, Priority share: 1 and nil)		(411)	(6)	(0.1)
Additional paid-in capital		68,050	160,762	2,176.1
Accumulated other comprehensive income		4,841	17,976	243.3
Retained earnings	1, 4	122,187	146,988	1,989.7
Total equity attributable to Yandex N.V.		194,928	325,998	4,412.8
Noncontrolling interests		20,261	20,094	272.0
Total shareholders' equity		215,189	346,092	4,684.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		291,126	515,612	6,979.5

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

CONSOLIDATED STATEMENTS OF INCOME

(In millions of Russian rubles and U.S. dollars, except share and per share data)

	Notes	Year ended December 31,			
		2018 RUB	2019 RUB	2020 RUB	2020 \$
Revenues	17, 18	127,657	175,391	218,344	2,955.6
Operating costs and expenses:					
Cost of revenues(1)		35,893	55,788	85,734	1,160.5
Product development(1)		22,579	29,209	36,339	491.9
Sales, general and administrative(1)		36,206	50,155	62,335	843.8
Depreciation and amortization		12,137	14,777	17,687	239.4
Goodwill impairment	9	—	762	—	—
Total operating costs and expenses		106,815	150,691	202,095	2,735.6
Income from operations		20,842	24,700	16,249	220.0
Interest income		3,382	3,315	3,869	52.4
Interest expense		(945)	(74)	(2,373)	(32.1)
Effect of deconsolidation/consolidation of Yandex.Market	3	28,244	—	19,230	260.3
Loss from equity method investments		(194)	(3,886)	(2,175)	(29.4)
Other income/(loss), net		1,130	(1,200)	2,404	32.4
Income before income tax expense		52,459	22,855	37,204	503.6
Income tax expense	10	8,201	11,656	13,055	176.7
Net income		44,258	11,199	24,149	326.9
Net loss attributable to noncontrolling interests		1,726	1,627	1,363	18.4
Net income attributable to Yandex N.V.		45,984	12,826	25,512	345.3
Net income per Class A and Class B share:					
Basic	2	140.77	39.21	74.87	1.01
Diluted	2	137.20	38.21	72.03	0.98
Weighted average number of Class A and Class B shares outstanding:					
Basic	2	326,667,118	327,127,314	340,764,574	340,764,574
Diluted	2	335,162,062	335,428,137	353,382,841	353,382,841

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

Cost of revenues	180	293	449	6.1
Product development	4,450	6,294	9,216	124.8
Sales, general and administrative	1,922	3,268	6,063	82.0

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Russian rubles and U.S. dollars)

	Year ended December 31,			
	2018 RUB	2019 RUB	2020 RUB	2020 \$
Net income	44,258	11,199	24,149	326.9
Foreign currency translation adjustment:				
Foreign currency translation adjustment, net of tax of nil	8,102	(4,306)	13,676	185.1
Reclassification adjustment, net of tax of nil	—	—	893	12.1
Total other comprehensive income/(loss)	8,102	(4,306)	14,569	197.2
Total comprehensive income	52,360	6,893	38,718	524.1
Total comprehensive (income)/loss attributable to noncontrolling interests	(133)	2,592	(71)	(1.0)
Total comprehensive income attributable to Yandex N.V.	52,227	9,485	38,647	523.1

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Russian rubles and U.S. dollars)

	Notes	Year ended December 31,			
		2018 RUB	2019 RUB	2020 RUB	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income		44,258	11,199	24,149	326.9
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation of property and equipment	7	9,833	12,164	13,862	187.6
Amortization of intangible assets	9	2,304	2,613	3,825	51.8
Amortization of content assets	11	184	1,167	3,013	40.8
Operating lease right-of-use assets amortization and the lease liability accretion	8	5,466	9,195	9,643	130.5
Amortization of debt discount and issuance costs		728	—	1,667	22.6
Share-based compensation expense		6,552	9,855	15,728	212.9
Deferred income tax (benefit)/expense		(2,264)	1,845	685	9.3
Foreign exchange (gains)/losses	4	(1,169)	1,294	(2,835)	(38.4)
Effect of deconsolidation/consolidation of Yandex.Market	3	(28,244)	—	(19,230)	(260.3)
Goodwill impairment	9	—	762	—	—
Loss from equity method investments		194	3,886	2,175	29.4
Other		(63)	355	1,166	15.8
Changes in operating assets and liabilities excluding the effect of acquisitions:					
Accounts receivable, net		(4,705)	(3,469)	(6,333)	(85.7)
Prepaid expenses and other assets		(5,352)	(5,242)	(5,607)	(76.0)
Inventory		(225)	(543)	(1,501)	(20.3)
Accounts payable and accrued liabilities		719	991	(3,674)	(49.7)
Deferred revenue		479	786	2,617	35.4
Content assets	11	(575)	(4,451)	(7,300)	(98.8)
Content liabilities		92	1,972	554	7.5
Net cash from operating activities		<u>28,212</u>	<u>44,379</u>	<u>32,604</u>	<u>441.3</u>
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:					
Purchases of property and equipment and intangible assets		(28,323)	(20,543)	(24,551)	(332.3)
Proceeds from sale of property and equipment		235	44	106	1.4
Acquisitions of businesses, net of cash acquired	3	19,844	(347)	(33,798)	(457.5)
Investments in non-marketable equity securities		(155)	(72)	(15)	(0.2)
Proceeds from sale of equity securities	3	34	4,612	—	—
Investments in term deposits		(55,592)	(90,975)	(364,894)	(4,939.3)
Maturities of term deposits		92,469	57,967	303,286	4,105.4
Loans granted, net of proceeds from repayments		(372)	178	(81)	(1.1)
Deconsolidation of cash and cash equivalents of Yandex.Market		(2,181)	—	—	—
Net cash provided by/(used in) investing activities		<u>25,959</u>	<u>(49,136)</u>	<u>(119,947)</u>	<u>(1,623.6)</u>

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In millions of Russian rubles and U.S. dollars)

	Notes	Year ended December 31,			
		2018	2019	2020	2020
		RUB	RUB	RUB	\$
CASH FLOWS (USED IN)/PROVIDED BY FINANCING ACTIVITIES:					
Proceeds from exercise of share options		115	156	1,176	15.9
Repurchases of share options		—	(88)	(828)	(11.2)
Purchase of redeemable noncontrolling interests		—	(747)	(3,213)	(43.5)
Purchase of non-redeemable noncontrolling interests		—	—	(1,709)	(23.1)
Proceeds from sale of noncontrolling interests		—	20	—	—
Ordinary shares issuance costs		—	—	(96)	(1.3)
Proceeds from overdraft borrowings		—	—	397	5.4
Repayment of convertible debt		(21,281)	—	—	—
Repurchases of ordinary shares		(10,085)	(1,422)	(10,165)	(137.6)
Proceeds from issuance of convertible debt	13	—	—	82,046	1,110.6
Proceeds from issuance of ordinary shares	14	—	—	72,650	983.4
Payment for contingent consideration		(1,504)	(91)	(63)	(0.9)
Payment for finance leases		(3)	(240)	(374)	(5.1)
Other financing activities		(46)	18	(145)	(1.9)
Net cash (used in)/provided by financing activities		(32,804)	(2,394)	139,676	1,890.7
Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents		4,288	(5,282)	23,660	320.2
Net change in cash and cash equivalents, and restricted cash and cash equivalents		25,655	(12,433)	75,993	1,028.6
Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period		43,231	68,886	56,453	764.2
Cash and cash equivalents, and restricted cash and cash equivalents, end of period		68,886	56,453	132,446	1,792.8
RECONCILIATION OF CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents, beginning of period		42,662	68,798	56,415	763.6
Restricted cash and cash equivalents, beginning of period		569	88	38	0.6
Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period		43,231	68,886	56,453	764.2
Cash and cash equivalents, end of period		68,798	56,415	132,398	1,792.2
Restricted cash and cash equivalents, end of period		88	38	48	0.6
Cash and cash equivalents, and restricted cash and cash equivalents, end of period		68,886	56,453	132,446	1,792.8
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash paid for income taxes		8,874	11,183	12,399	167.8
Cash paid for acquisitions	3	956	351	40,030	541.9
Convertible notes coupon paid		112	—	346	4.7
Interest paid for finance leases		—	—	113	1.5
Operating cash flows from operating leases		5,475	9,199	10,790	146.1
Non-cash operating activities:					
Right-of-use assets obtained in exchange for operating lease obligations		7,235	12,233	6,190	83.8
Non-cash investing activities:					
Settlement of loans granted and interest receivable through acquisition		795	—	—	—
Acquired property and equipment and intangible assets not yet paid for		693	1,240	1,475	20.0
Non-cash financing activities:					
Right-of-use assets obtained in exchange for finance lease obligations		113	1,568	3,612	48.9

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In millions of Russian rubles and U.S. dollars, except share and per share data)

	Priority Share Issued and Outstanding (Note 14)*		Ordinary Shares Issued and Outstanding		Treasury shares at cost	Additional Paid-In Capital	Accumulated Other Comprehensive Income/(Loss)	Retained Earnings	Non-redeemable NCI	Total	Redeemable non-controlling interests
	Shares	Amount RUB	Shares	Amount RUB							
Balance as of January 1, 2018	1	—	326,304,842	271	(3,814)	16,469	1,864	68,461	—	83,251	9,821
Share-based compensation expense	—	—	—	—	—	6,552	—	—	—	6,552	—
Exercise of share options (Note 16)	—	—	3,182,860	—	—	110	—	—	—	110	—
Tax withholding related to exercise of share awards	—	—	—	—	—	(84)	—	—	—	(84)	—
Class B shares conversion	—	—	—	(8)	—	8	—	—	—	—	—
Repurchases of shares (Note 14)	—	—	(4,760,679)	—	(10,157)	—	—	—	—	(10,157)	—
Reissue of shares for options exercised	—	—	—	—	3,202	(3,202)	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	6,243	—	1,809	8,052	50
Business combinations (Note 3)	—	—	—	—	—	49,384	—	—	22,588	71,972	278
Settlement of contingent consideration by Class A shares	—	—	—	—	—	500	—	—	—	500	—
Other	—	—	—	—	—	(8)	75	(29)	—	38	—
Net income / (loss)	—	—	—	—	—	—	—	45,984	(1,661)	44,323	(65)
Change in redemption value of redeemable noncontrolling interests	—	—	—	—	—	—	—	(2,951)	—	(2,951)	2,951
Balance as of December 31, 2018	1	—	324,727,023	263	(10,769)	69,729	8,182	111,465	22,736	201,606	13,035
Share-based compensation expense	—	—	—	—	—	9,855	—	—	—	9,855	—
Exercise of share options (Note 16)	—	—	5,591,934	—	—	156	—	—	—	156	—
Tax withholding related to exercise of share awards	—	—	—	—	—	(102)	—	—	—	(102)	—
Class B shares conversion	—	—	—	(2)	—	2	—	—	—	—	—
Repurchases of shares (Note 14)	—	—	(460,791)	—	(1,206)	—	—	—	—	(1,206)	—
Reissue of shares for options exercised	—	—	—	—	11,564	(11,564)	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	(3,341)	—	(947)	(4,288)	(18)
Purchase of redeemable noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(747)
Other	—	—	—	—	—	(26)	—	189	—	163	(218)
Net income / (loss)	—	—	—	—	—	—	—	12,826	(1,528)	11,298	(99)
Change in redemption value of redeemable noncontrolling interests	—	—	—	—	—	—	—	(2,293)	—	(2,293)	2,293
Balance as of December 31, 2019	1	—	329,858,166	261	(411)	68,050	4,841	122,187	20,261	215,189	14,246
Effect of adoption of ASU 2016-13 (Note 1)	—	—	—	—	—	—	—	(232)	(16)	(248)	—
Adjusted balance as of January 1, 2020	1	—	329,858,166	261	(411)	68,050	4,841	121,955	20,245	214,941	14,246
Share-based compensation expense	—	—	—	—	—	16,013	—	—	—	16,013	—
Exercise of share options (Note 16)	—	—	7,057,689	—	—	1,186	—	—	—	1,186	—
Tax withholding related to exercise of share awards	—	—	—	—	—	(178)	—	—	—	(178)	—
Repurchases of shares (Note 14)	—	—	(4,228,163)	—	(10,585)	—	—	—	—	(10,585)	—
Reissue of shares for options exercised	—	—	—	—	10,994	(10,994)	—	—	—	—	—
Repurchase of share options	—	—	—	—	—	8,816	—	(2,214)	—	6,602	(9,793)
Issue of new shares (Public Offering and PIPE) (Note 14)	—	—	21,522,840	17	—	72,538	—	—	—	72,555	—
Foreign currency translation adjustment	—	—	—	—	—	—	12,171	—	1,383	13,554	51
Convertible loan (Note 13)	—	—	—	—	—	6,792	—	—	—	6,792	—
Disposal of investment in Yandex.Money (Notes 3, 4)	—	—	—	—	—	—	—	893	—	893	—
Acquisition of Yandex.Market (Note 3)	—	—	—	—	—	—	—	—	47	47	493
Yandex Self-Driving and Yandex.Drive Car-Sharing Businesses	—	—	—	—	—	—	—	—	—	—	—
Restructure (Note 3)	—	—	—	—	—	(1,561)	71	—	(219)	(1,709)	—
Other	—	—	—	—	(4)	100	—	(94)	1	3	—
Net income / (loss)	—	—	—	—	—	—	—	25,512	(1,363)	24,149	—
Change in redemption value of redeemable noncontrolling interests	—	—	—	—	—	—	—	1,829	—	1,829	(1,830)
Balance as of December 31, 2020	1	—	354,210,532	278	(6)	160,762	17,976	146,988	20,094	346,092	3,167
Balance as of December 31, 2020, \$	1	—	354,210,532	278	(6)	160,762	17,976	146,988	20,094	346,092	3,167
					(0.1)	2,176.1	243.3	1,989.7	272.0	4,684.8	42.9

* Priority share held in treasury as of December 31, 2019; was transferred to Public Interest Foundation upon formation in 2020.

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

I. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Yandex N.V., the parent company, together with its consolidated subsidiaries (collectively “Yandex” or the “Company”), is a technology company that builds intelligent products and services powered by machine learning. Yandex is one of Europe's largest internet companies and the leading search and ride-hailing provider in Russia.

Yandex N.V. was incorporated under the laws of the Netherlands in June 2004 and is the holding company of Yandex LLC, incorporated in the Russian Federation in October 2000, and other subsidiaries.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The accompanying consolidated financial statements differ from the financial statements prepared by the Company's individual legal entities for statutory purposes in that they reflect certain adjustments, not recorded in the accounting records of the Company's individual legal entities, which are appropriate to present the financial position, results of operations and cash flows in accordance with U.S. GAAP. Distributable retained earnings of the Company are based on amounts reported in statutory accounts of individual entities and may significantly differ from amounts calculated on the basis of U.S. GAAP.

Principles of Consolidation

The consolidated financial statements include the accounts of Yandex N.V. and the entities it controls. All inter-company transactions and balances within the Company have been eliminated upon consolidation.

Noncontrolling interests in consolidated subsidiaries are included in the consolidated balance sheets as a separate component of equity. The Company reports consolidated net income inclusive of both the Company's and the noncontrolling interests' share, as well as amounts of consolidated net income/(loss) attributable to each of the Company and the noncontrolling interests.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. The most significant estimates relate to fair value of investment in Yandex. Market determined in connection with the business combination (Note 3), impairment assessments of investments in non-marketable equity securities, redeemable noncontrolling interests, initial recognition and impairment assessments of goodwill and intangible assets, selection of the content assets amortization method, useful lives of property and equipment and intangible assets, allowance for credit losses, fair values of share-based awards, deferred tax assets recoverability, convertible loan and operating lease incremental borrowing rate, fair values of financial instruments, income taxes and contingencies. The Company bases its estimates on historical experience with consideration given to current events such as the impacts of the coronavirus pandemic (“COVID-19”) on the assumptions and other inputs supporting significant estimates and judgments that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Foreign Currency Translation

The functional currency of the Company's parent company is the U.S. dollar. The functional currency of the Company's operating subsidiaries is generally the respective local currency. The Company has elected the Russian ruble as its reporting currency. All balance sheet items are translated into Russian rubles based on the exchange rate on the balance sheet date and revenue and expenses are translated at the monthly weighted average rates of exchange. Translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income. Foreign exchange transaction gains and losses are included in other income/(loss), net in the accompanying consolidated statements of income.

Convenience Translation

Translations of amounts from RUB into U.S. dollars for the convenience of the reader have been made at the exchange rate of RUB 73.8757 to \$1.00, the prevailing exchange rate as of December 31, 2020 (except as otherwise stated). No representation is made that the RUB amounts could have been, or could be, converted into U.S. dollars at such rate.

Certain Risks and Concentrations

A significant portion of the Company's revenues is derived from online advertising, the market for which is highly competitive and rapidly changing. Significant changes in this industry or changes in users' internet preferences or advertiser spending behavior could adversely affect the Company's financial position and results of operations. Other revenues, primarily represented by commission-based revenues of the Taxi business, continue to represent an increasing share of the Company's total revenues. Significant changes in the ride-hailing industry could adversely affect the Company's financial position and results of operations.

In addition, the Company's principal business activities are within the Russian Federation. Laws and regulations affecting businesses operating in the Russian Federation are subject to frequent changes, which could impact the Company's financial position and results of operations.

Approximately half of the Company's revenue is collected on a prepaid basis; credit terms are extended to major sales agencies and to larger loyal clients. Accounts receivable are typically unsecured and are primarily derived from revenues earned from customers located in the Russian Federation.

No individual customer or groups of affiliated customers represented more than 10% of the Company's revenues in 2018, 2019 and 2020.

Financial instruments that can potentially subject the Company to a significant concentration of credit risk consist, in addition to accounts receivable, primarily of cash, cash equivalents and term deposits. The primary focus of the Company's treasury strategy is to preserve capital and meet liquidity requirements.

The Company's treasury policy addresses the level of credit exposure by working with different geographically diversified banking institutions, subject to their conformity to an established minimum credit rating for banking relationships. To manage the risk exposure, the Company mainly maintains its portfolio of investments in a variety of term deposits.

Revenue Recognition

Revenue is recognized when the control of promised goods or services is transferred to the Company's customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

goods or services. The Company identifies its contracts with customers and all performance obligations within those contracts. The Company then determines the transaction price and allocates the transaction price to the performance obligations within the Company's contracts with customers, recognizing revenue when, or as, the Company satisfies its performance obligations. The Group excludes from the measurement of its revenues any tax collected on behalf of third parties.

The Company's principal revenue streams and their respective accounting treatments are discussed below:

Online Advertising Revenues

The Company's online advertising revenues are generated from serving online ads on its own websites and on Yandex Advertising Network (platform for ads placement) members' websites. Advance payments received by the Company from advertisers are recorded as deferred revenue on the Company's consolidated balance sheets and recognized as online advertising revenues in the period services are provided.

Advertising bonuses that are paid to agencies are accounted for as an offset to revenues and amounted to RUB 9,367, RUB 10,576 and RUB 10,322 (\$139.7) in 2018, 2019 and 2020, respectively.

In accordance with U.S. GAAP, the Company reports online advertising revenues gross of fees paid to Yandex Advertising Network members, because the Company is the principal to its advertisers and retains collection risk. The Company records fees paid to advertising network members as traffic acquisition costs, a component of cost of revenues.

The Company recognizes online advertising revenues based on the following principles:

The Company's Yandex.Direct service offers advertisers the ability to place performance-based ads on Yandex and Yandex Advertising Network member websites targeted to users' search queries or website content. The Company recognizes as revenues fees charged to advertisers as "click throughs" (cost per click or CPC) occur or users take specified actions, like placing an order on the website or filling out a request (cost per action or CPA). A "click through" occurs each time a user clicks on one of the performance based ads that are displayed next to the search results or on the content pages of Yandex or Yandex Advertising Network members' websites. The Company's Yandex.Market marketplace services are priced on CPA model, while price comparison services are mainly priced on a CPC basis and revenue recognized only when a user clicks on product offerings placed by merchants on Yandex.Market.

The Company recognizes revenue from brand advertising on its websites and on Yandex Advertising Network member websites as "impressions" are delivered. An "impression" is delivered when an advertisement appears on pages viewed by users.

The Company may accept a lower consideration than the amount promised per the contract for certain revenue transactions and certain customers may receive cash-based incentives or credits, which are accounted for as variable consideration when estimating the amount of revenue to recognize. The Company believes that there will be no significant changes to the estimates of variable consideration.

Revenues of Taxi business

The revenues of the Taxi business primarily consist of commissions for providing ride-hailing services and food delivery services.

For ride-hailing services provided to individual users, the Company is not a principal and reports only commission fees as revenue. For services provided to corporate transportation services clients the Company acts as the

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

principal and revenue and related costs are recorded gross. In the regions, where revenues exceed promotional discounts to users and minimum fare guarantees to drivers, the discounts and guarantees are netted against revenues.

The Company uses its ride-hailing platform to provide various services to riders, Fleet Management Companies (“FMCs”, which are companies that manage and employ large numbers of drivers), individual taxi drivers and corporate clients. Individual users (riders) access the platform for free and the Company has no performance obligation to individual users. As a result, only taxi FMCs, individual drivers and corporate clients are considered the Company’s customers.

Principal vs. Agent Considerations

The Company evaluates the presentation of revenue on a gross versus net basis based on whether it acts as a principal by controlling the service provided to the passenger or whether it acts as an agent by enabling individual taxi drivers to interact directly with service users and provide the service to the passenger.

In its relationship with FMCs and individual drivers, the Company is not a principal. The Company enables drivers to obtain rides and receive payment for the rides through the use of the Company’s technology applications. While the Company facilitates setting the price for the rides, the driver and the rider have the discretion to accept the transaction price through the Company’s technology application. The Company is not responsible for fulfilling the transportation services being provided to the service user, nor does the Company have inventory risk related to these services. Accordingly, the Company acts as an agent in the transaction. The Company reports revenue on a net basis, reflecting the fee owed to the Company from the drivers as revenue, and not the gross amount collected from the service user.

The Company has exercised judgment in determining whether the Company is the principal or agent in transactions with corporate clients since the Company subcontracts FMCs or individual drivers to deliver the transportation service promised to corporate clients. The Company presents revenue on a gross basis based upon its conclusion that it controls the transportation service provided to corporate clients. In reaching this conclusion, the Company considered the following key facts and circumstances:

- The Company controls the quality of transportation services promised to its corporate customers, such as prioritization of corporate rides, and setting quality and response requirements for FMCs and individual taxi drivers in order for them to be eligible to offer corporate rides.
- The platform’s backend provides on-demand analytics and expense reporting capabilities to corporate clients, thus reducing their administrative costs. The Company considers this to be a significant part of the corporate client’s user experience.
- The Company is contractually responsible for providing on-demand transportation services to corporate clients (in order to service corporate clients, the Company enters into an additional contract with FMCs pursuant to which the FMC is the service provider and the Company is the service recipient). In case of customer dissatisfaction, the Company, rather than FMCs or individual taxi drivers, must provide a remedy.
- The Company is required to compensate FMCs and individual taxi drivers regardless of whether the corporate client accepts a ride or not; therefore, the Company has inventory risk.

The Company has full discretion in setting ride prices for corporate clients.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

For food delivery services provided to individual users, the Company is not a principal and reports only Yandex.Eats's commission fees as revenue. For food delivery services performed by the Company and not the restaurant itself, the Company recognizes revenue gross of the amounts payable to third-party delivery agents as the Company has the primary responsibility for the fulfillment of the delivery service. Third-party delivery costs are recorded as cost of goods sold. In the regions where revenues exceed promotional discounts to users, the discounts are netted against revenues.

For the both of the ride-hailing services and food delivery services provided in the regions, where discounts to users exceed the related revenues, the excess is presented in sales, general and administrative expenses in the consolidated statements of income.

For car-sharing business the Company uses the provisions of ASC 842 Leases to account for its car fleet rental revenues and other related products and services. The Company recognizes car fleet rentals revenues when obligations under the terms of the contract with a customer are satisfied. Generally, this occurs evenly over the period of rental as the control over the promised services is transferred to the customer and associated benefits are consumed.

The Company recorded RUB 21,960 (\$297.3) of promotional discounts to users and minimum fare guarantees in 2020 (RUB 19,095 in 2019 and RUB 14,311 in 2018), of which RUB 21,220 (\$287.2) (RUB 17,202 in 2019 and RUB 11,574 in 2018) were netted against revenues and RUB 740 (\$10.0) (RUB 1,893 in 2019 and RUB 2,737 in 2018) were presented in sales, general and administrative expenses.

Revenues from sales of goods

The Company's revenues from sales of goods primarily consist of e-grocery revenues and revenues from devices and other goods sold.

E-grocery revenues are generated from the sale and delivery of consumer products to individual customers. Products are ordered through mobile application and then delivered from the Company's hyperlocal dark stores. Revenue from e-grocery services is recognized when control of the goods is transferred to the customers, which generally occurs upon delivery.

The Company's revenue from sale of devices and other goods is recognized once control over the goods has been transferred to the customer.

Other Revenue

The Company's other revenue primarily consists of revenues from the Company's media services.

The Company's revenue from its media services is recognized over the period when the respective services are provided to users.

Practical Expedients and Exemptions

The Company does not disclose the value of unsatisfied performance obligations as of period end for contracts with an original expected duration of one year or less and contracts for which the Company recognizes revenue at the amount to which the Company has the right to invoice for services performed.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Cost of Revenues

Cost of revenues consists of traffic acquisition costs, cost of devices and other goods sold, Yandex.Drive car leases, gasoline costs and outsourced services such as insurance, maintenance and other services, cost of corporate taxi services, logistics, content acquisition costs, expenses associated with the operation of the Company's data centers and other cost of revenues. Traffic acquisition costs consist of amounts ultimately paid to Yandex Advertising Network members and to certain other partners ("distribution partners") who distribute the Company's products or otherwise direct search queries to the Company's websites. These amounts are primarily based on revenue-sharing arrangements with advertising network members and distribution partners. Traffic acquisition costs are expensed as incurred.

Product Development Expenses

Product development expenses consist primarily of personnel costs incurred for the development of, enhancement to and maintenance of the Company's search engine and other Company's services and technology platforms. Product development expenses also include rent and utilities attributable to office space occupied by development staff. Product development expenses mainly relate to the relatively minor upgrades and enhancements and are expensed as incurred.

Advertising and Promotional Expenses

The Company expenses advertising and promotional costs in the period in which they are incurred. For the years ended December 31, 2018, 2019 and 2020, promotional and advertising expenses totaled RUB 15,372, RUB 18,350 and RUB 19,734 (\$267.1), respectively.

Social Security Contributions

The Company makes contributions to governmental pension, medical and social funds on behalf of its employees. These contributions are expensed as incurred. In Russia, the amount was calculated using a regressive rate (from 14.0% to 4.0% for accredited IT companies and from 30.2% to 15.3% for other companies in 2020, 2019 and 2018) based on the annual compensation of each employee. The rates for 2021 remain the same for other companies (from 30.2% to 15.3%) and have been lowered for accredited IT companies to a range from 7.8% to 0.3%.

Share-Based Compensation

The Company grants share options, share appreciation rights ("SARs"), restricted share units ("RSUs"), performance share units ("PSUs"), "Synthetic Options" and business unit equity awards (together, "Share-Based Awards") to its employees and consultants.

The Company estimates the fair value at the grant date of share options, SARs and business unit equity awards that are expected to vest using the Black-Scholes-Merton ("BSM") pricing model and recognizes the fair value on a straight-line basis over the requisite service period. The fair value of RSUs is measured based on the fair market values of the underlying shares on the dates of grant. The fair value of PSUs and Synthetic Options is measured using the Monte-Carlo pricing model and is recognized on a straight-line basis over the requisite service period. This model incorporates assumptions such as stock price volatility, contractual terms, maturity, risk free rates and expected dividends.

The assumptions used in calculating the fair value of Share-Based Awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, the Company's share-based compensation expense could be materially different in the future. The Company accounts for forfeitures as they occur.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Cancellation of an award accompanied by the concurrent grant of a replacement award is accounted for as a modification of the terms of the cancelled award ("modification awards"). The compensation costs associated with modification awards are recognized if either the original vesting condition or the new vesting condition has been achieved. Such compensation costs cannot be less than the grant-date fair value of the original award. The incremental compensation cost is measured as the excess of the fair value of the replacement award over the fair value of the cancelled award at the cancellation date. Therefore, in relation to the modification awards, the Company recognizes share-based compensation over the vesting periods of the new awards, which comprises (1) the amortization of the incremental portion of share-based compensation over the remaining vesting term and (2) any unrecognized compensation cost of the original award, using either the original term or the new term, whichever is higher for each reporting period.

Income Taxes

Current tax expense/(benefit) is calculated as the estimated amount expected to be recovered from or paid to the taxing authorities based on the taxable income for the period. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for carryforwards. Deferred tax assets, including those for operating loss carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the deferred tax asset or liability is expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are classified as non-current. Deferred tax assets are reduced by a valuation allowance to the amount that is more likely than not to be realized. In making such a determination, management consider all available evidence, including future reversals of existing taxable temporary differences, projected future taxable income, limitations and enacted changes to the tax legislation in respective jurisdictions, tax-planning strategies, and results of recent operations.

The Company accounts for uncertainty in tax positions recognized in the consolidated financial statements by recognizing a tax benefit from tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. For those tax positions that meet the more-likely-than-not recognition threshold, the Company recognize for the largest amount of tax benefit that is more likely than 50 percent likely to be realized. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized. The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the consolidated statements of income. Accrued interest and penalties are presented in the consolidated balance sheets within other accrued liabilities, non-current or income and non-income taxes payable together with unrecognized tax benefits based on the timing of expected resolution.

Comprehensive Income

Comprehensive income is defined as the change in equity during a period from non-owner sources. U.S. GAAP requires the reporting of comprehensive income in addition to net income. Comprehensive income of the Company includes net income and foreign currency translation adjustments. For the years ended December 31, 2018, 2019 and 2020 total comprehensive income included, in addition to net income, the effect of translating the financial statements of the Company's legal entities domiciled outside of Russia from these entities' functional currencies into Russian rubles.

Accumulated other comprehensive income of RUB 4,841 as of December 31, 2019 and RUB 17,976 (\$243.3) as of December 31, 2020 consists solely of cumulative foreign currency translation adjustment.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Noncontrolling Interests and Redeemable Noncontrolling Interests

Interests held by third parties in consolidated majority-owned subsidiaries are presented as noncontrolling interests, which represent the noncontrolling stockholders' interests in the underlying net assets of the Company's consolidated majority-owned subsidiaries. Noncontrolling interests that are not redeemable are reported in the equity section of the consolidated balance sheets. The net income/(loss) attributable to noncontrolling interest reflects the share of the net income of the Company's consolidated subsidiaries, in which there are either noncontrolling interests or redeemable noncontrolling interests.

Ownership interests in the Company's consolidated subsidiaries held by the senior employees of these subsidiaries are considered redeemable as according to the terms of the business unit equity awards the employees have the right to redeem their interests for cash. Accordingly, such redeemable noncontrolling interests have been presented as mezzanine equity in the consolidated balance sheets. Adjustments to the redemption value of the redeemable noncontrolling interests are recorded through retained earnings.

Fair Value of Financial Instruments

Financial instruments carried on the balance sheets include cash and cash equivalents, term deposits, restricted cash, investments in equity securities, accounts receivable and funds receivable, loans to employees, accounts payable, convertible debt and accrued liabilities. The carrying amounts of cash and cash equivalents, short-term deposits, current restricted cash, accounts receivable and funds receivable, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of those instruments.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1—observable inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2—inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3—unobservable inputs that are supported by little or no market activities.

Term Deposits

Bank deposits are classified depending on their original maturity as (i) cash and cash equivalents if the original maturities are three months or less; (ii) current term deposits if the original maturities are more than three months, but no more than one year; and (iii) non-current term deposits if the original maturities are more than one year.

Investments in Equity Securities

Investments in the stock of entities in which the Company can exercise significant influence but does not own a majority equity interest or otherwise control are accounted for using the equity method. The Company records its share of the results of these companies within the loss from equity method investments line on the consolidated statements of income or as an adjustment to equity to reflect the Company's share in the changes of the investee's capital. Investments in the non-marketable stock of entities in which the Company can exercise little or no influence are accounted for using the cost method. Both equity and cost method accounted investments are included in investments in the non-marketable equity securities line on the consolidated balance sheets.

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The Company reviews its investments in equity securities for other-than-temporary impairment whenever events or changes in business circumstances indicate that the carrying value of the investment may not be fully recoverable. Investments identified as having an indication of impairment are subject to further analysis to determine if the impairment is other-than-temporary and this analysis requires estimating the fair value of the investment. The determination of fair value of the investment involves considering factors such as current economic and market conditions, the operating performance of the companies including current earnings trends and forecasted cash flows, and other company and industry specific information. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded to other income/(loss), net in the consolidated statements of income and a new cost basis in the investment is established.

Variable Interest Entities

Entities that do not have sufficient equity at risk to allow the entity to finance its activities without additional financial support or in which the equity investors, as a group, do not have the characteristic of a controlling financial interest are referred to as variable interest entities ("VIE"). A VIE is consolidated by the variable interest holder that is determined to have the controlling financial interest (primary beneficiary) as a result of having both the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. The Company determines whether it is the primary beneficiary of an entity subject to consolidation based on a qualitative assessment of the VIE's capital structure, contractual terms, nature of the VIE's operations and purpose, and the Company's relative exposure to the related risks of the VIE on the date it becomes initially involved in the VIE. The Company reassesses its VIE determination with respect to an entity on an ongoing basis.

Accounts Receivable and Allowance for Credit Losses

The Company maintains an allowance for credit losses for expected uncollectible trade accounts receivable, which is recorded as an offset to accounts receivable, and changes in such amounts are classified as general and administrative expenses in the consolidated statements of income. The Company determined that the expected loss rates should be calculated using the historical loss rates adjusted for current market conditions and reasonable and supportable forecasts of future economic conditions such as changes in unemployment rates to inform adjustments to historical loss data. The historical rates are calculated for each of the aging categories used for pooling trade receivables. To determine the collected portion of each bucket, the collection time of each trade receivable is identified. To determine the appropriate allowance for expected credit losses, the Company considers certain historical information, credit quality indicators, such as aging, collection history, and creditworthiness of debtors. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues.

The Company has certain concentrations of outstanding trade receivables in international locations that impact the Company's assessment of the credit quality of receivables. The Company monitors the macroeconomic and political environment in each of these locations in its assessment of the credit quality of trade receivables.

Inventories

Inventories, consisting of products available for sale, are primarily accounted for using the weighted average method, and are valued at the lower of cost and net realizable value. The Company estimates the net realizable value of such inventories based on analysis and assumptions. A change to the carrying value of inventories is recorded to cost of revenues.

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Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their useful lives. Capital expenditures incurred before property and equipment are ready for their intended use are capitalized as assets not yet in use.

Depreciation is computed under the straight-line method using estimated useful lives as follows:

	Estimated useful lives
Servers and network equipment	3.0-4.0 years
Infrastructure systems	3.0-10.0 years
Office furniture and equipment	3.0 years
Buildings	10.0-20.0 years
Land rights	50.0 years
Leasehold improvements	the shorter of 5.0 years or the remaining period of the lease term
Other equipment	2.0-10.0 years

Land is not depreciated.

Depreciation of assets included in assets not yet in use commences when they are ready for the intended use.

Leases

The Company determines if an arrangement is or contains a lease at inception by assessing whether the arrangement contains an identified asset and whether it has the right to control the identified asset. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the lease term. ROU assets are based on the measurement of the lease liability and also include any lease payments made prior to or on lease commencement and exclude lease incentives and initial direct costs incurred, as applicable.

As the implicit rate in the Company's leases is generally unknown, the Company uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. The Company gives consideration to its credit risk, term of the lease and total lease payments and adjusts for the impacts of collateral, as necessary, when calculating its incremental borrowing rates. The lease terms may include options to extend or terminate the lease when it is reasonably certain the Company will exercise any such options. Lease costs for the Company's operating leases are recognized on a straight-line basis within operating expenses over the lease term. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of finance leases is included in interest expense and recognized using the effective interest method over the lease term.

The Company determines lease payments related to the use of the underlying leased assets at lease commencement and lease modification dates. Based on the terms of the individual lease agreement, such lease payments may represent fixed payments (including in-substance fixed payments) or variable lease payments. Variable lease payments mainly relate to car leases for Yandex.Drive and represent mileage-based payments.

The Company accounts for lease concessions (rent discounts and rent deferrals) received as a result of the COVID-19 pandemic as if they were part of the enforceable rights and obligations in the original contracts by recognizing negative variable lease cost.

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The Company separates its leases into property and car leases by their class of underlying assets. For property leases the Company separately accounts for lease and non-lease components based on the identifiable standalone price of such non-lease components and, as a result, allocates part of lease contract consideration to non-lease component and accounts for it separately. For car leases the Company has elected to not separate lease and non-lease components for any leases within its existing classes of assets and, as a result, accounts for any lease and non-lease components as a single lease component. The Company has also elected to not apply the recognition requirement to any leases within its existing classes of assets with a term of 12 months or less.

Operating leases are included in the other current assets and accounts payable and accrued liabilities lines for current leases and in the operating lease right-of-use assets and operating lease liabilities lines for non-current leases in the Company's consolidated balance sheets. Finance leases are included in the property and equipment, net, accounts payable and accrued liabilities lines for current leases and other accrued liabilities line for non-current leases in the Company's consolidated balance sheets.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase consideration over the Company's share of fair value of the net assets of acquired businesses. During the measurement period, which may be up to one year from the acquisition date, the Company may apply adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill. Goodwill is not subject to amortization but is tested for impairment at least annually.

The Company performs a qualitative assessment to determine whether further impairment testing on goodwill is necessary. If the Company believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test is required. Otherwise, no further testing is required. The quantitative impairment test is performed by comparing the carrying value of each reporting unit's net assets (including allocated goodwill) to the fair value of those net assets. If the reporting unit's carrying amount is greater than its fair value, the Company recognizes a goodwill impairment charge for the amount by which the carrying value of a reporting unit exceeds its fair value.

The Company did not recognize any goodwill impairment for the years ended December 31, 2018 and 2020. In 2019, the Company recognized goodwill impairment in the amount of RUB 762 related to the acquisition of Food Party LLC as a result of the annual goodwill impairment test. The impairment was in the full amount of goodwill recognized at the Food Party LLC acquisition date and allocated to the Taxi segment.

The Company amortizes intangible assets using the straight-line method and estimated useful lives of assets ranging from 1.0 to 15.9 years, with a weighted-average life of 7.8 years:

	<u>Estimated useful lives</u>
Acquisition-related intangible assets:	
Content and software	1.0-10.0 years
Customer relationships	2.0-15.9 years
Patents and licenses	3.0-6.8 years
Non-compete agreements	2.0-5.0 years
Trade names and domain names	2.0-10.0 years
Workforce	4.0 years
Supplier relationships	1.0-4.5 years
Other technologies and licenses	the shorter of 5.0 years or the underlying license terms

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Impairment of Long-lived Assets Other Than Goodwill

The Company evaluates the carrying value of long-lived assets other than goodwill for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. When such a determination is made, management's estimate of undiscounted cash flows to be generated by the assets is compared to the carrying value of the assets to determine whether impairment is indicated. If impairment is indicated, the amount of the impairment recognized in the consolidated financial statements is determined by estimating the fair value of the assets and recording a loss for the amount by which the carrying value exceeds the estimated fair value. This fair value is usually determined based on estimated discounted cash flows.

Content assets

The Company licenses and produces content assets in order to offer users unlimited viewing or limited viewing of films and series (or titles) via subscription, transaction and advertising models. Most of the content license agreements are for a fixed fee. Payments for content assets, including additions to streaming assets and the changes in related liabilities, are classified within net cash from operating activities in the consolidated statements of cash flows. For licensed content assets, the Company recognizes the assets per content and records a corresponding liability at the gross amount of the liability when the license period begins and all the following conditions have been met:

- the cost of the content asset is known or reasonably determinable;
- the content asset is accepted in accordance with the conditions of agreement;
- the content asset is available for its first streaming or showing.

Content which is licensed for less than a year is recognized as current content assets within the other current assets line and content which is licensed for a period of more than one year is recognized as non-current content assets on the consolidated balance sheets. Reclassification is not applied after initial classification to current content assets or non-current content assets.

For produced content, the Company capitalizes costs associated with content production, including development costs, direct costs and production overhead when incurred. These amounts are included in the non-current content assets line in the consolidated balance sheets. Produced content assets are expected to be amortized within four years after launch. For films and series predominantly monetized individually, the amortization of capitalized costs is based on the proportion of the film's (or series') revenues recognized for such period to the film's (or series') estimated remaining ultimate revenues (i.e., the total revenue to be received throughout a film's or series' life cycle).

For the advertising model, the Company's general policy is to amortize each content's costs on a straight-line basis over its license period. For the subscription model, the Company's general policy is to amortize each content asset based on the estimated number of future showings. For the transaction model, the Company's general policy is to amortize each content asset based on the estimated viewing patterns. The Company amortizes content assets (licensed and produced) in the cost of revenues line on the consolidated statements of income. The Company reviews factors impacting the amortization of content assets on an ongoing basis.

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The Company's video business model is subscription-based, rather than based on revenues generated from the advertising or the transaction models. The principal content assets, both licensed and produced, are reviewed in aggregate at a film group level when an event or change in circumstances indicates a change in the expected usefulness of the content asset or that the fair value may be less than unamortized cost. To date, the Company has not identified any such event or changes in circumstances. If such changes are identified in the future, these aggregated content assets will be stated at the lower of unamortized cost or fair value.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued an ASU 2016-13 which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost to be presented at the net amount expected to be collected. This ASU replaces the existing incurred loss impairment model with a forward-looking expected credit loss model which will result in earlier recognition of credit losses. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The Company adopted the standard effective January 1, 2020, using the modified retrospective method with a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption.

The following table presents the impact of adopting current expected credit losses on January 1, 2020 on the Company's financial assets, retained earnings and non-redeemable NCI:

	December 31, 2019	Transition Adjustment	January 1, 2020
	RUB	RUB	RUB
Allowance:			
Accounts receivable, net	17,832	(214)	17,618
Prepaid expenses	3,315	(12)	3,303
Other current assets	8,797	(43)	8,754
Long-term prepaid expenses	2,289	(28)	2,261
Retained Earnings			
Decrease to retained earnings, pre-tax		(297)	
Tax effect		49	
Decrease to retained earnings, net of tax effect		<u>(248)</u>	
Non-redeemable NCI effect of adoption		<u>(16)</u>	

Effect of Recently Issued Accounting Pronouncements Not Yet Effective

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes (Topic 740). ASU 2019-12 removes certain exceptions for performing intraperiod tax allocations, recognizing deferred taxes for investments, and calculating income taxes in interim periods. The guidance also simplifies the accounting for franchise taxes, transactions that result in a step-up in the tax basis of goodwill, and the effect of enacted changes in tax laws or rates in interim periods. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020 and early adoption is permitted. While the Company is continuing to assess the potential impacts of ASU 2019-12, it does not expect ASU 2019-12 to have a material effect, if any, on its financial statements.

In January 2020, the FASB issued ASU 2020-01, "Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815," which clarifies the interaction of the accounting for equity investments under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company adopted the standard effective January 1, 2021, and is currently evaluating the impact that the guidance will have on the consolidated financial statements.

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In August 2020, the FASB issued ASU 2020-06, “Debt — Debt With Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity,” which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. The Company is currently evaluating the impact that the guidance will have on the consolidated financial statements.

No other recent accounting pronouncements were issued by FASB and the SEC that are believed by management to have a material impact on the Company’s present or future financial statements.

2. NET INCOME PER SHARE

Basic net income per Class A and Class B ordinary share for the years ended December 31, 2018, 2019 and 2020 is computed on the basis of the weighted average number of ordinary shares outstanding using the two class method. Basic net income per share is computed using the weighted average number of ordinary shares outstanding during the period, including restricted shares. Diluted net income per ordinary share is computed using the effect of the outstanding Share-Based Awards calculated using the “treasury stock” method.

The computation of the diluted net income per Class A share assumes the conversion of Class B shares, while the diluted net income per Class B share does not assume the conversion of those shares. The net income per share amounts are the same for Class A and Class B shares because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation. The number of Share-Based Awards excluded from the diluted net income per ordinary share computation, because their effect was anti-dilutive for the years ended December 31, 2018, 2019 and 2020, was 3,016,826, 4,305,674 and 208,387, respectively. The effects of Business Unit Equity Awards were excluded from the diluted net income per ordinary share computation for the year ended December 31, 2018, because the effects were anti-dilutive.

The Company’s convertible notes due 2018 provided for a flexible settlement feature. In December 2018, the convertible debt matured and the Company repaid the convertible debt for cash.

The convertible notes due 2025 provide for a flexible settlement feature. The Company intends to settle upon conversion the principal amount of the debt for cash. The convertible debt is included in the calculation of diluted net income per share if its inclusion is dilutive under the treasury stock method. The convertible notes due 2018 and 2025 were anti-dilutive in the years ended December 31, 2018 and 2020, respectively.

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The components of basic and diluted net income per share were as follows:

	Year ended December 31,							
	2018		2019		2020		2020	
	Class A RUB	Class B RUB	Class A RUB	Class B RUB	Class A RUB	Class A \$	Class B RUB	Class B \$
Net income, allocated for basic	40,595	5,389	11,349	1,477	22,811	308.7	2,701	36.6
Reallocation of net income as a result of conversion of Class B to Class A shares	5,389	—	1,477	—	2,701	36.6	—	—
Reallocation of net income to Class B shares	—	(136)	—	(38)	—	—	(103)	(1.4)
Dilution in Classifeds	—	—	(10)	—	(57)	(0.8)	—	—
Net income, allocated for diluted	45,984	5,253	12,816	1,439	25,455	344.5	2,598	35.2
Weighted average ordinary shares outstanding—basic	288,380,711	38,286,407	289,468,245	37,659,069	304,679,612	304,679,612	36,084,962	36,084,962
Dilutive effect of:								
Conversion of Class B to Class A shares	38,286,407	—	37,659,069	—	36,084,962	36,084,962	—	—
Share-Based Awards	8,494,944	6,529	8,300,823	—	12,618,267	12,618,267	—	—
Weighted average ordinary shares outstanding—diluted	335,162,062	38,292,936	335,428,137	37,659,069	353,382,841	353,382,841	36,084,962	36,084,962
Net income per share attributable to ordinary shareholders:								
Basic	140.77	140.77	39.21	39.21	74.87	1.01	74.87	1.01
Diluted	137.20	137.20	38.21	38.21	72.03	0.98	72.03	0.98

3. BUSINESS COMBINATIONS AND INVESTMENT TRANSACTIONS

Acquisitions in 2020

Yandex.Market

On June 23, 2020, the Company and Sberbank entered into a binding agreement to reorganize their joint ventures (see below Formation of Yandex.Market joint venture in 2018), Yandex.Market and Yandex.Money. On July 23, 2020, the Company completed the acquisition of the Sberbank interest in Yandex.Market (approximately 50%) for RUB 42,000 (\$568.5) and sold to Sberbank a 25% plus RUB 1 interest in Yandex.Money for approximately RUB 2,420 (\$32.8). A net cash consideration of RUB 39,580 (\$535.8) was paid by the Company to Sberbank. The acquisition was accounted for as a step-acquisition under business combination rules. Accordingly, the Company remeasured its previously held equity interest in Yandex.Market to fair value, in the amount of RUB 41,838 (\$566.3), and recorded a gain of RUB 19,230 (\$260.3). Fair value has been determined using a combination of the income and market approach. This fair value measurement is based on significant unobservable inputs and thus represents a Level 3 measurement as defined by ASC 820. The most significant quantitative inputs used to measure the fair value based on the discounted cash flow methodology were the future revenue growth rates, projected adjusted earnings margins, terminal growth rate and discount rates. The inputs are based on the Company's past experience and best estimates of future cash flows.

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Set out below is the condensed balance sheet of Yandex.Market as of July 23, 2020, reflecting the allocation of the purchase price to net assets acquired:

	July 23, 2020
	RUB
ASSETS:	
Cash and cash equivalents	6,206
Term deposits	11,200
Accounts receivable	1,719
Other current assets	5,336
Property and equipment	3,139
Intangible assets	12,655
Goodwill	51,836
Operating lease right-of-use assets	4,462
Other non-current assets	517
Total assets	97,070
LIABILITIES:	
Accounts payable and accrued liabilities	5,708
Other current liabilities	800
Operating lease liabilities, non-current	4,213
Other non-current liabilities	1,971
Total liabilities	12,692
Total net assets acquired	84,378
Fair value of previously held equity interest	41,838
Fair value of the noncontrolling interest	47
Fair value of the redeemable noncontrolling interest	493
Total cash consideration for the acquisition	42,000
Total cash consideration from the sale of Yandex.Money	2,420
Net cash paid for the acquisition less consideration of the sale of Yandex.Money	39,580

Of the RUB 12,655 (\$171.3) assigned to intangible assets, RUB 5,844 (\$79.1) and RUB 1,747 (\$23.7) relates to the acquired price comparison and marketplace platforms, respectively, included in content and software category (Note 9) that will be amortized over a period of 6.0 years and RUB 4,480 (\$60.6) represents seller relationships included in customer relationships category (Note 9) that will be amortized over a period of 11.2 years. The Company used cost approach to determine the fair values of the price comparison and marketplace platforms and the income valuation approach to determine the fair value of the seller relationships. The most significant quantitative input used to determine the fair value of the price comparison platform was time in man-hours required to reconstruct the platform. The most significant quantitative inputs used to determine the fair value of the seller relationships were the future revenue growth rates, projected adjusted earnings margins and churn rate. The inputs are based on the Company's past experience and best estimates of future cash flows.

The RUB 51,836 (\$701.7) of goodwill was assigned to the Market reportable segment. The Company expects to achieve significant synergies with various Yandex services from deeper integration of Yandex.Market within the Yandex ecosystem. None of the goodwill is expected to be deductible for income tax purposes.

The results of operations of Yandex.Market contributed after acquisition for the period since July 24, 2020 to December 31, 2020 include revenue in the amount of RUB 13,867 (\$187.7) and net loss in the amount of RUB 5,558 (\$75.2).

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The following unaudited pro forma information presents the combined results of operations of the Company and Yandex.Market for the years ended December 31, 2019 and 2020 as if the acquisition of Yandex.Market completed as of January 1, 2019:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Revenues	192,189	231,869	3,138.6
Net income	6,220	21,374	289.3

These amounts have been calculated after the elimination of revenue related to intercompany transactions and adjusting the results of Yandex.Market to reflect amortization associated with intangibles acquired and related income tax results. These unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operations of the combined company would have been if the acquisition had occurred as of January 1, 2019, nor are they indicative of future results of operations.

Yandex Self-Driving and Yandex.Drive Car-Sharing Businesses Restructuring

In September 2020, the Company and Uber International C.V. (“Uber”), a subsidiary of Uber Technologies Inc. completed the spin-off of the self-driving vehicles business (“Self-Driving Group”), from the Company’s subsidiary MLU B.V. to the Company. Simultaneously with the spin-off transaction, the Company invested a further \$100.0 (RUB 7,607 as of the date of the transaction) in the form of equity and \$50.0 (RUB 3,804 as of the date of the transaction) in the form of a convertible loan into Self-Driving Group. The Company also purchased a portion of Uber’s stake in Self-Driving Group. The Company also restructured the ownership of the Yandex.Drive car-sharing business from the Company to MLU B.V. Financial results of the restructuring were recorded directly in the Company’s equity.

Immediately after the restructuring, Yandex Self-Driving Group (“Yandex SDG”) was owned by the Company and Uber with respective ownership of 72.8% and 18.6%, while the remaining shares are reserved for Yandex SDG management and employees. MLU B.V., including the Yandex.Drive car-sharing business, was owned by Yandex and Uber with their respective ownership of 61.7% and 33.5%, while the remaining shares are reserved for management and employees of the MLU business.

Other

During the year ended December 31, 2020, the Company completed other acquisitions for total consideration of approximately RUB 529 (\$7.2), including cash consideration of RUB 450 (\$6.1) and fair value of consideration of RUB 79 (\$1.1). In aggregate, RUB 26 (\$0.4) was cash acquired, RUB 253 (\$3.4) was attributed to intangible assets, RUB 234 (\$3.2) was attributed to goodwill, RUB 28 (\$0.4) was attributed to other net current assets assumed and RUB 12 (\$0.2) was attributed to deferred tax liabilities. Goodwill is mainly attributable to the Search and Portal reportable segment and primarily arises due to specific synergies that result from the integration with the existing operations of other businesses or technologies of the Company.

The result of operations for the periods prior to the other acquisitions would not have been materially impacted by these acquisitions. Accordingly, no pro forma financial information is presented.

Acquisitions in 2019**TheQuestion**

In March 2019, the Company completed the acquisition of assets and assumption of liabilities of Znanie Company Limited (Cyprus) and its two subsidiaries, Znanie Development Company Limited (Cyprus) and Znanie LLC

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(Russia) (“TheQuestion”). TheQuestion is an internet-based question-and-answer social network. The primary purpose of the acquisition of TheQuestion was to enlarge the database of answers to specific search queries and to enhance the quality of search results provided by Yandex’s Search portal. The fair value of the consideration transferred totaled RUB 384, including cash consideration of RUB 351 and deferred consideration of RUB 33. The deferred consideration arrangement requires the Company to pay additional cash consideration to the former investors within a four-year period. No additional consideration has been paid to date. The Company accounted for the acquisition as a business combination.

Set out below is the condensed balance sheet of TheQuestion as of March 11, 2019, reflecting an allocation of the purchase price to net assets acquired:

	<u>March 11, 2019</u>
	RUB
ASSETS:	
Intangible assets	113
Other current assets	5
Goodwill	295
Total assets	<u>413</u>
Current liabilities	6
Deferred tax liabilities	23
Total liabilities	<u>29</u>
Net assets	384
Total purchase consideration	<u>384</u>

The RUB 295 assigned to goodwill is attributable to the Search and Portal reportable segment and is primarily attributable to expected synergies that result from convergence with TheQuestion’s unique question-and-answer data. RUB 113 assigned to intangible assets relates to software that were amortized over a period of 1 year.

The results of operations of TheQuestion for the period prior to the acquisition would not have had a material impact on the Company’s results of operations for the year ended December 31, 2018. Accordingly, no pro forma financial information is presented.

Acquisitions in 2018**Uber**

In February 2018, the Company and Uber completed the combination of Yandex.Taxi Holding B.V. with several Uber legal entities into MLU B.V., a Dutch private limited liability company. The Company and Uber each contributed their legal entities operating the ride-hailing and food delivery businesses in Russia, Kazakhstan, Azerbaijan, Armenia, Belarus and Georgia, and \$100.0 (RUB 5,722 as of the date of acquisition) and \$225.0 (RUB 12,874 as of the date of acquisition) in cash, respectively. The merger was accounted for as a business combination.

Immediately after the completion of the transaction, Uber Technologies Inc. transferred 1,527,507 of its Class A Common Shares to the Company in exchange for additional 2.03% in the share capital of MLU B.V. At the same time, Uber Technologies Inc. entered into an arrangement with the Company to hold an option to repurchase these shares after the 3-year period from the one-year anniversary of deal close, while the Company has an option to sell these shares to Uber. This option was exercised in the year 2019.

As a result of the above transactions, 61.00% of the share capital of the combined entity was held by the Company, 37.96% by Uber and 1.04% by the employees of the MLU business based on the total number of outstanding shares.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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The acquisition-date fair value of the consideration transferred amounted to RUB 53,261, which consisted of cash consideration, in the amount of RUB 3,061 and non-cash consideration, represented by the fair value of noncontrolling interest in the Yandex.Taxi business contributed.

The fair value of non-cash consideration at the acquisition date was RUB 50,200, which was determined using a discounted cash flow model. This fair value measurement is based on significant unobservable inputs and thus represents a Level 3 measurement as defined by ASC 820.

Set out below is the condensed balance sheet of the Uber business contributed as of February 7, 2018, reflecting the allocation of the purchase price to net assets acquired:

	<u>February 7, 2018</u>
	<u>RUB</u>
ASSETS:	
Cash and cash equivalents	20,762
Other current assets	314
Property and equipment	70
Intangible assets	7,257
Goodwill	42,026
Investments in non-marketable equity securities	4,392
Total assets	<u>74,821</u>
LIABILITIES:	
Other current liabilities	403
Deferred tax liabilities	1,508
Total liabilities	<u>1,911</u>
Total net assets acquired	72,910
Fair value of the noncontrolling interest	19,649
Total purchase consideration	<u>53,261</u>

Of the RUB 7,257 assigned to intangible assets, approximately RUB 2,115 relates to the acquired license in the territories for the Uber brand that will be amortized over a period of 6.9 years and approximately RUB 5,142 represents customer relationships that will be amortized over a period of 15.9 years.

The RUB 42,026 of goodwill was assigned to the Taxi reportable segment. The Company expects to achieve significant synergies and cost reductions using Yandex's deep technological expertise and the global ride-hailing expertise of Uber. None of the goodwill is expected to be deductible for income tax purposes.

The Company recognized RUB 482 of acquisition related costs that were expensed in the year ended December 31, 2018. These costs are recorded in sales, general and administrative expenses in the consolidated statements of income.

The fair value of the noncontrolling interest was determined based on the fair value of the Uber business contributed. The fair value was estimated using a discounted cash flow model. As Uber was a private company as of the closing date, the fair value measurement is based on significant inputs that are not observable in the market and thus represents a Level 3 measurement as defined in ASC 820.

The fair value of the Uber business was determined using cash flow projections based on financial budgets and forecasts covering a five-year period. The cash flows beyond that five-year period have been estimated based on sustainable long-term growth rates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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The results of operations of the Uber business contributed after acquisition for the period since February 7, 2018 to December 31, 2018 include revenue in the amount of RUB 861 and net loss in the amount of RUB 1,380.

The unaudited pro forma consolidated statements of income, as if had been included in the consolidated results of the Company for the year ended December 31, 2018, would include revenue in the amount of RUB 1,031 and net loss in the amount of RUB 1,495.

The unaudited pro forma amounts have been calculated after applying the Company's accounting policies and adjusting the results of the Uber business contributed to reflect the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had been applied on January 1, 2017, together with the consequential tax effects.

Edadeal

In October 2018, the Company completed the acquisition of 90% in Edadeal LLC and its subsidiary ("Edadeal"), a daily deal and coupon aggregator, which is used to find deals for grocery stores, thus increasing the Company's ownership interest from 10% to 100%. As of the date of acquisition, the Company measured the fair value of the Company's initial 10% equity investments in Edadeal at the amount of RUB 26, which was reflected in the purchase consideration. Cash consideration transferred totaled RUB 233. The acquisition was accounted for as a business combination.

Set out below is the condensed balance sheet of Edadeal as of October 5, 2018, reflecting the allocation of the purchase price to net assets acquired:

	October 5, 2018 RUB
ASSETS:	
Cash and cash equivalents	20
Accounts receivable	176
Other current assets	15
Intangible assets, net	357
Goodwill	622
Deferred tax assets	5
Total assets	1,195
Long-term debt	621
Short-term debt	174
Accounts payable and accrued liabilities	84
Deferred tax liabilities	57
Total liabilities	936
Net assets	259
Total purchase consideration	259

The RUB 622 assigned to goodwill is attributable to the Search and Portal reportable segment and is primarily attributable to expected synergies that result from convergence with Edadeal's unique audience and data. Of the RUB 357 assigned to intangible assets, approximately RUB 251 relates to software that will be amortized over a period of 4.0 years, RUB 61 relates to customer relationships and RUB 45 relates to brand.

The results of operations of Edadeal for the period prior to acquisition would not have had a material impact on the Company's results of operations for the years ended December 31, 2017 and 2018. Accordingly, no pro forma

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financial information is presented. The results of operations of Edadeal did not have a material impact on the Company's results of operations for the year ended December 31, 2018.

Formation of Yandex.Market joint venture in 2018*Yandex.Market*

On April 27, 2018, the Company and Sberbank formed a joint venture based on the Yandex.Market platform. As a part of the deal, Sberbank subscribed for new ordinary shares of Yandex.Market for RUB 30,000. From that date until July 23, 2020, each of the Company and Sberbank held an equal number of the outstanding shares in Yandex.Market, with up to 10% of outstanding shares allocated to management and an equity incentive pool. The Company retained a noncontrolling interest and significant influence over Yandex.Market's business. Accordingly, Yandex.Market's results of operations before the transaction were classified within continuing operations.

On April 27, 2018, the Company deconsolidated Yandex.Market from the Company's consolidated financial results and through July 23, 2020 accounted for its investment under the equity method within the investments in non-marketable equity securities line in the consolidated statements of income, initially at fair value of RUB 29,985. It resulted in a gain on the deconsolidation in the amount of RUB 28,244. Fair value was determined using valuation techniques such as discounted cash flows. From April 28, 2018 till July 23, 2020, the Company recorded a share of Yandex.Market's financial results within the loss from equity method investments line in the consolidated statements of income.

Other

During the year ended December 31, 2018, the Company completed other acquisitions for total consideration of approximately RUB 751. In aggregate, RUB 17 was cash acquired, RUB 14 was attributed to property and equipment, RUB 130 was attributed to intangible assets, RUB 792 was attributed to goodwill, RUB 15 was attributed to deferred tax liabilities, RUB 22 was attributed to net current assets assumed and RUB 209 was attributed to redeemable noncontrolling interests. Goodwill is mainly attributable to the Taxi reportable segment and primarily arises due to specific synergies that result from the integration with the existing operations of other businesses or technologies of the Company.

4. CONSOLIDATED FINANCIAL STATEMENTS DETAILS**Cash and Cash Equivalents**

Cash and cash equivalents as of December 31, 2019 and 2020 consisted of the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Cash	35,829	60,006	812.3
Cash equivalents:			
Bank deposits (1)	20,192	72,369	979.6
Investments in money market funds	3	4	0.1
Other cash equivalents	391	19	0.2
Total cash and cash equivalents	<u>56,415</u>	<u>132,398</u>	<u>1,792.2</u>

(1) Bank deposits with original maturities of three months or less are included in cash equivalents. Bank deposits with maturities of more than three months are classified as term deposits.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Current expected credit losses for cash, cash equivalents, term deposits, funds receivable and other financial assets were immaterial for the year ended December 31, 2020. All of the Company's cash is held at financial institutions that management believes to be of high credit quality.

The financial assets measured at amortized cost primarily consist of trade accounts receivable. In developing the trade accounts receivable portfolio, the Company pooled certain assets with similar credit risk characteristics based on the nature of customers, policies used to grant credit terms and their historical and expected credit loss patterns. Financial assets that do not share risk characteristics with other financial assets were evaluated separately. The Company manages trade receivables using delinquency as a key credit quality indicator.

Trade Accounts Receivable, Net

Trade accounts receivable as of December 31, 2019 and 2020 consisted of the following:

	2019 RUB	2020 RUB	2020 \$
Trade accounts receivable - third parties	18,345	27,238	368.7
Trade accounts receivable - related parties (Note 18)	302	—	—
Allowance for credit losses	(815)	(1,798)	(24.3)
Total accounts receivable, net	17,832	25,440	344.4

Movements in the allowance for expected current credit losses on trade receivables for the years ended December 31, 2019 and 2020 were as follows:

	2019 RUB	2020 RUB	2020 \$
Balance at the beginning of the period	670	815	11.0
Adoption of ASU No. 2016-13 (Note 1)	—	214	2.9
Current period provision for expected credit losses	311	865	11.7
Write-off	(166)	(179)	(2.4)
Foreign exchange difference	—	83	1.1
Balance at the end of the period	815	1,798	24.3

Accounts receivable balances are considered past due when payment has not been received by the date indicated on the relevant invoice or based on agreed upon terms between the customer and the Company. The Company considers the performance of the customer receivables portfolio and its impact on allowance for credit losses. The Company also evaluates the credit quality based on the aging status and payment activity.

The Company's past due receivables exceeding one year were in amount of RUB 1,063 (\$14.4) as of December 31, 2020.

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Other Current Assets

Other current assets as of December 31, 2019 and 2020 consisted of the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
VAT reclaimable	3,879	7,573	102.5
Prepaid income tax	1,321	1,484	20.1
Loans to employees	998	1,238	16.8
Other receivables	1,009	819	11.1
Loans granted to third parties	328	528	7.1
Current content assets	395	499	6.8
Interest receivable	409	426	5.8
Prepaid other taxes	107	148	2.0
Restricted cash	22	29	0.3
Loans granted to related parties (Note 18)	5	6	0.1
Other	324	200	2.7
Total other current assets	<u>8,797</u>	<u>12,950</u>	<u>175.3</u>

The loans granted to third parties as of December 31, 2020 represent RUB denominated loans bearing interest of 3%-12% which are expected to be fully repaid in 2021–2025, along with accrued interest.

The accrued interest receivable as of December 31, 2019 and 2020 was in the amount of RUB 415 and RUB 426 (\$5.8), respectively, and is reflected in other current and non-current assets within the Company's consolidated balance sheets and excluded from the amortized cost basis of financing receivables. The Company did not write-off any accrued interest receivable during the twelve months ended December 31, 2019 and 2020.

Other Non-current Assets

Other non-current assets as of December 31, 2019 and 2020 consisted of the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Loans to employees	2,763	3,855	52.2
VAT reclaimable	820	718	9.7
Contract assets	—	234	3.2
Loans granted to related parties (Note 18)	38	32	0.4
Restricted cash	16	19	0.3
Loans granted to third parties	37	18	0.2
Interest receivable	6	—	—
Other non-current assets	14	17	0.2
Total other non-current assets	<u>3,694</u>	<u>4,893</u>	<u>66.2</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

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Investments in Non-Marketable Equity Securities

Investments in non-marketable equity securities as of December 31, 2019 and 2020 consisted of the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Yandex.Market B.V.	25,075	—	—
Yandex.Money	2,132	—	—
Unaffiliated technology companies	447	636	8.6
Venture capital funds	419	499	6.8
Total investments in non-marketable equity securities	<u>28,073</u>	<u>1,135</u>	<u>15.4</u>

In March 2020, the Company purchased 49% of the shares of II-Technologies that were subsequently sold in August 2020. In December 2020, the Company invested RUB 108 (\$1.5) in a company specializing in genetic tests and analyses.

In July 2020, the Company completed the acquisition of the Sberbank interest in Yandex.Market (approximately 50%) and sold to Sberbank a 25% plus RUB 1 interest in Yandex.Money. As a result of the divestment of Yandex.Money, other non-operating loss in the amount of RUB 926 (\$12.5) was recognized. For more details on the transaction refer to Note 3.

Prior to these transactions the Company accounted for its investments in Yandex.Market and Yandex.Money under the equity method. The Company recorded its share of the results of Yandex.Money in the amount of net income of RUB 464, RUB 455 and RUB 316 (\$4.3) and its share of the results of Yandex.Market in the amount of net loss of RUB 576, RUB 4,330 and RUB 2,470 (\$33.4) for the years ended December 31, 2018, 2019 and 2020, respectively, within the loss from equity method investments line in the consolidated statements of income.

Summarized Financial Information of Yandex.Market B.V.

The following table presents summarized information about the assets and liabilities of the Company's equity method investee Yandex.Market B.V. as of December 31, 2019:

	<u>2019</u>
	RUB
Current assets	30,136
Non-current assets	6,297
Current liabilities	7,448
Non-current liabilities	5,140

The following table presents summarized information about the results of operations of Yandex.Market B.V. for the period from the deconsolidation of Yandex.Market B.V. through December 31, 2018, for the year ended December 31, 2019 and for the period of 2020 prior to the consolidation of Yandex.Market (Note 3):

	<u>2018*</u>	<u>2019</u>	<u>2020**</u>	<u>2020</u>
	RUB	RUB	RUB	\$
Total revenues	6,196	19,370	14,964	202.6
Total operating expenses	(8,026)	(28,900)	(19,990)	(270.6)
Net loss	(611)	(7,777)	(4,514)	(61.1)

* From April 28 through December 31, 2018

** From January 1 through July 23, 2020

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Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of December 31, 2019 and 2020 comprised the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Trade accounts payable and accrued liabilities - third parties	21,443	30,647	414.8
Trade accounts payable and accrued liabilities - related parties (Note 18)	11	—	—
Operating lease liabilities, current (Note 8)	10,603	8,620	116.7
Salary and other compensation expenses payable/accrued to employees	2,459	4,046	54.8
Finance lease liability, current (Note 8)	462	321	4.3
Total accounts payable and accrued liabilities	<u>34,978</u>	<u>43,634</u>	<u>590.6</u>

Other Income/(Loss), Net

The following table presents the components of other income/(loss), net for the periods presented:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	RUB	\$
Foreign exchange gains/(losses)	1,169	(1,294)	2,835	38.4
Other	(39)	94	(431)	(6.0)
Total other income/(loss), net	<u>1,130</u>	<u>(1,200)</u>	<u>2,404</u>	<u>32.4</u>

Income and non-income taxes payable

The Income and non-income taxes payable line of consolidated balance sheets includes income taxes payable in the amount of RUB 418 and RUB 454 (\$6.1) as of December 31, 2019 and 2020, respectively.

Reclassifications Out of Accumulated Other Comprehensive Income

Reclassifications of losses out of accumulated other comprehensive income for the years ended December 31, 2018, 2019 and 2020 were as follows:

	<u>Location</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
		RUB	RUB	RUB	\$
Foreign Currency Translation Adjustment, net of tax of nil	Other income/(loss), net	—	—	893	12.1

For the year ended December 31, 2020, the reclassifications resulted from the sale of a 25% plus one ruble interest in the charter capital of Yandex.Money (Note 4, Investments in Non-Marketable Equity Securities).

5. DERIVATIVE AND NON-DERIVATIVE FINANCIAL INSTRUMENTS

The Company does not enter into derivative arrangements for hedging, trading or speculative purposes. However, some of the Company's contracts have embedded derivatives that are bifurcated and accounted for separately from the host agreements. None of these derivatives are designated as hedging instruments.

The Company recognizes such derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value and records changes in the fair value of the derivatives in the accompanying consolidated statements of income as other income/(loss), net.

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The fair value of derivative instruments as of December 31, 2019 and 2020 was as follows:

	Balance Sheet Location	2019	2020	2020
		RUB	RUB	\$
Foreign exchange contracts	Other non-current assets	14	—	—
Total derivative assets		<u>14</u>	<u>—</u>	<u>—</u>
Foreign exchange contracts	Other accrued liabilities	1	—	—
Total derivative liabilities		<u>1</u>	<u>—</u>	<u>—</u>

The effect of derivative instruments not designated as hedging instruments on income for the years ended December 31, 2018, 2019 and 2020 amounted to losses of RUB 1, RUB 98 and RUB 1,590 (\$21.5), respectively and presented within the foreign exchange (gains)/losses line in the Company's consolidated statements of cash flows.

The Company used non-derivative financial instruments to protect the Company from the risk that U.S. dollar-denominated purchases of its servers and network equipment will be adversely affected by changes in the exchange rates and to avoid volatility of balances related to property and equipment, net on the consolidated balance sheets. In the first and third quarters of 2019, the Company designated \$108.3 (RUB 7,010 at the exchange rate as of the dates of designation) of its U.S. dollar-denominated deposits with a third-party bank as a hedging instrument to hedge the foreign currency exposure to changes in the fair value of the unrecognized firm commitments on purchases of its servers and network equipment. As of December 31, 2019, these deposits were used in the full amount. No such deposits were placed during the year ended December 31, 2020.

6. FAIR VALUE MEASUREMENTS

The fair value of assets and liabilities as of December 31, 2019 and 2020, including those measured at fair value on a recurring basis, consisted of the following:

	As of December 31, 2019				As of December 31, 2020				
	Level 1 RUB	Level 2 RUB	Level 3 RUB	Total RUB	Level 1 RUB	Level 2 RUB	Level 3 RUB	Total RUB	Total \$
Assets:									
Derivative contracts (Note 5)	—	14	—	14	—	—	—	—	—
Restricted cash (Note 4)	38	—	—	38	48	—	—	48	0.6
Loans to employees (Note 4)	—	3,804	—	3,804	—	5,131	—	5,131	69.5
Loans granted (Note 4)	—	365	—	365	—	546	—	546	7.3
	<u>38</u>	<u>4,183</u>	<u>—</u>	<u>4,221</u>	<u>48</u>	<u>5,677</u>	<u>—</u>	<u>5,725</u>	<u>77.4</u>
Liabilities:									
Convertible debt (Note 13)	—	—	—	—	—	119,739	—	119,739	1,620.8
Derivative contracts (Note 5)	—	1	—	1	—	—	—	—	—
Redeemable noncontrolling interests (Note 15)	—	—	14,246	14,246	—	—	3,167	3,167	42.9
	<u>—</u>	<u>1</u>	<u>14,246</u>	<u>14,247</u>	<u>—</u>	<u>119,739</u>	<u>3,167</u>	<u>122,906</u>	<u>1,663.7</u>

There were no transfers of financial assets and liabilities between the levels of the fair value hierarchy during the years ended December 31, 2018, 2019 and 2020.

The total gains attributable to bank deposits and investments in money market funds amounted to RUB 2,897, RUB 2,755 and RUB 3,279 (\$44.4) in 2018, 2019 and 2020, respectively. Such amounts are included in interest income in the consolidated statements of income.

The Company measures at fair value non-financial assets and liabilities recognized as a result of business

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combinations (Note 3).

7. PROPERTY AND EQUIPMENT, NET

Property and equipment, net of accumulated depreciation, as of December 31, 2019 and 2020 consisted of the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Servers and network equipment	59,409	74,478	1,008.2
Land and buildings	16,133	18,587	251.6
Infrastructure systems	9,537	14,343	194.2
Office furniture and equipment	4,843	5,847	79.1
Finance lease right-of-use assets (Note 8)	1,680	3,858	52.2
Leasehold improvements	1,980	3,087	41.8
Other equipment	1,607	3,152	42.7
Assets not yet in use	3,778	5,817	78.7
Total	<u>98,967</u>	<u>129,169</u>	<u>1,748.5</u>
Less: accumulated depreciation	<u>(51,111)</u>	<u>(67,397)</u>	<u>(912.3)</u>
Total property and equipment, net	<u>47,856</u>	<u>61,772</u>	<u>836.2</u>

Assets not yet in use primarily represent infrastructure systems, computer equipment and other assets under installation, including related prepayments, and comprise the cost of the assets and other direct costs applicable to purchase and installation. Leasehold improvements included in assets not yet in use amounted to RUB 98 and RUB 85 (\$1.2) as of December 31, 2019 and 2020, respectively.

Depreciation expenses related to property and equipment for the years ended December 31, 2018, 2019 and 2020 amounted to RUB 9,833, RUB 12,164 and RUB 13,862 (\$187.6), respectively.

8. LEASES

The Company had operating leases for corporate offices, parking spots and leases for cars used in the Yandex.Drive service. The Company's leases have remaining lease terms of 1 to 5 years, some of which include options to terminate the leases within 1 year.

The components of lease expense were as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	RUB	\$
Total operating lease cost	<u>5,466</u>	<u>9,195</u>	<u>9,643</u>	<u>130.5</u>
Total variable lease cost	<u>—</u>	<u>—</u>	<u>2,039</u>	<u>27.6</u>
Finance lease cost:				
Amortization of right-of-use assets	3	174	348	4.7
Interest on lease liabilities	1	75	134	1.8
Total finance lease cost	<u>4</u>	<u>249</u>	<u>482</u>	<u>6.5</u>

Variable lease payments mainly related to car leases for Yandex.Drive and represent mileage-based payments introduced in 2020.

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Supplemental balance sheet information related to leases was as follows:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Operating leases			
Operating lease right-of-use assets	21,218	20,800	281.6
Operating lease liabilities – current (Note 4)	10,603	8,620	116.7
Operating lease liabilities – non-current	10,841	12,830	173.7
Total operating lease liabilities	<u>21,444</u>	<u>21,450</u>	<u>290.4</u>
Finance lease liabilities – current (Note 4)	462	321	4.3
Finance lease liabilities – non-current	1,094	3,387	45.9
Total finance lease liabilities	<u>1,556</u>	<u>3,708</u>	<u>50.2</u>

Maturities of lease liabilities were as follows:

Year ended December 31,	<u>Operating leases</u>		<u>Finance leases</u>	
	RUB	\$	RUB	\$
2021	9,728	131.7	550	7.4
2022	5,202	70.4	528	7.1
2023	3,046	41.2	546	7.4
2024	2,400	32.5	570	7.7
2025	872	11.8	542	7.3
Thereafter	3,436	46.5	2,062	28.0
Total lease payments	<u>24,684</u>	<u>334.1</u>	<u>4,798</u>	<u>64.9</u>
Less imputed interest	(3,234)	(43.7)	(1,090)	(14.7)
Total	<u>21,450</u>	<u>290.4</u>	<u>3,708</u>	<u>50.2</u>

Information about weighted-average remaining lease term is presented below:

	<u>2019</u>	<u>2020</u>
Weighted average remaining lease term, years		
Operating leases	2.6	4.2
Finance leases	7.3	8.0

Information about weighted-average discount rate is presented below:

	<u>2019</u>	<u>2020</u>
Weighted average discount rate, %		
Operating leases	7.3%	6.2%
Finance leases	8.9%	6.4%

The Company recognized sublease income of RUB 1,473, RUB 7,544 and 8,525 RUB (\$115.4) for the years ended December 31, 2018, 2019 and 2020, respectively, presented within the revenues line in the consolidated statements of income.

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As of December 31, 2020, the Company had additional finance leases in respect of expanding the Company's logistics infrastructure that have not yet commenced with undiscounted future minimum lease payments totalling RUB 9,406 (\$127.3). These finance leases will commence in fiscal year 2021 with lease terms of 20 years.

9. GOODWILL AND INTANGIBLE ASSETS, NET

The changes in the carrying amount of goodwill were as follows:

	Search and Portal RUB	Taxi RUB	Yandex. Market RUB	Classifieds RUB	Media Services RUB	Total RUB	Total \$
Balance as of January 1, 2019							
Gross amount of goodwill	2,228	43,682	—	5,188	2,140	53,238	—
Accumulated impairment loss	—	—	—	—	(576)	(576)	—
	<u>2,228</u>	<u>43,682</u>	<u>—</u>	<u>5,188</u>	<u>1,564</u>	<u>52,662</u>	<u>—</u>
Acquisitions (Note 3)	295	—	—	—	—	295	—
Impairment	—	(762)	—	—	—	(762)	—
Foreign currency translation adjustment	4	—	—	6	—	10	—
Balance as of December 31, 2019							
Gross amount of goodwill	2,527	43,682	—	5,194	2,140	53,543	—
Accumulated impairment loss	—	(762)	—	—	(576)	(1,338)	—
	<u>2,527</u>	<u>42,920</u>	<u>—</u>	<u>5,194</u>	<u>1,564</u>	<u>52,205</u>	<u>706.7</u>
Acquisitions (Note 3)	192	42	51,836	—	—	52,070	704.7
Balance as of December 31, 2020							
Gross amount of goodwill	2,719	43,724	51,836	5,194	2,140	105,613	1,429.6
Accumulated impairment loss	—	(762)	—	—	(576)	(1,338)	(18.1)
	<u>2,719</u>	<u>42,962</u>	<u>51,836</u>	<u>5,194</u>	<u>1,564</u>	<u>104,275</u>	<u>1,411.5</u>

As a rule, goodwill is non-deductible for income tax purposes for business combinations.

Intangible assets, net of amortization, as of December 31, 2019 and 2020 consisted of the following intangible assets:

	2019			2020			
	Cost RUB	Less: Accumulated amortization RUB	Net carrying value RUB	Cost RUB	Less: Accumulated amortization RUB	Net carrying value RUB	Net carrying value \$
Acquisition-related intangible assets:							
Trade names and domain names	3,291	(1,233)	2,058	3,575	(1,796)	1,779	24.1
Customer relationships	6,108	(1,180)	4,928	10,651	(1,793)	8,858	119.9
Content and software	1,153	(832)	321	8,905	(1,445)	7,460	101.0
Supplier relationships	12	(12)	—	120	(18)	102	1.4
Workforce	276	(276)	—	276	(276)	—	—
Patents and licenses	52	(44)	8	52	(52)	—	—
Non-compete agreements	41	(40)	1	41	(41)	—	—
Total acquisition-related intangible assets:	<u>10,933</u>	<u>(3,617)</u>	<u>7,316</u>	<u>23,620</u>	<u>(5,421)</u>	<u>18,199</u>	<u>246.4</u>
Other intangible assets:							
Technologies and licenses	7,316	(4,839)	2,477	7,709	(4,840)	2,869	38.8
Assets not yet in use	572	—	572	774	—	774	10.5
Total other intangible assets:	<u>7,888</u>	<u>(4,839)</u>	<u>3,049</u>	<u>8,483</u>	<u>(4,840)</u>	<u>3,643</u>	<u>49.3</u>
Total intangible assets	<u>18,821</u>	<u>(8,456)</u>	<u>10,365</u>	<u>32,103</u>	<u>(10,261)</u>	<u>21,842</u>	<u>295.7</u>

Amortization expenses of acquisition-related intangible assets for the years ended December 31, 2018, 2019 and 2020 were RUB 1,007, RUB 1,179 and RUB 1,924 (\$26.1) respectively.

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Trade names and domain names in the amount of RUB 2,115 and customer relationships in the amount of RUB 5,142 represent intangible assets acquired in 2018 under the transaction with Uber (Note 3).

Amortization expenses of other intangible assets for the years ended December 31, 2018, 2019 and 2020 were RUB 1,297, RUB 1,434 and RUB 1,901 (\$25.7), respectively.

Estimated amortization expense over the next five years and thereafter for intangible assets subject to amortization as of December 31, 2020 is as follows:

	Acquired intangible assets	Other intangible assets	Total intangible assets	
	RUB	RUB	RUB	\$
2021	2,872	1,109	3,981	53.9
2022	2,732	941	3,673	49.7
2023	2,511	523	3,034	41.1
2024	2,431	236	2,667	36.1
2025	2,018	60	2,078	28.1
Thereafter	5,635	—	5,635	76.3
Total	18,199	2,869	21,068	285.2

10. INCOME TAX

Income taxes are computed in accordance with Russian Federation, Dutch and other national tax laws. The taxable income of Yandex LLC was subject to federal and local income tax at a combined nominal rate of 20% for the years ended December 31, 2018, 2019 and 2020. Yandex N.V. is incorporated in the Netherlands, and its taxable profits were subject to income tax at the rate of 25% in the years ended December 31, 2018, 2019 and 2020.

Dividends paid to Yandex N.V. by its Russian subsidiaries are subject to a 5% dividend withholding tax, computed in accordance with the laws of the Russian Federation and in reliance on the provisions of the Netherlands-Russia tax treaty. Due to the so-called participation exemption, dividends distributed by the Company's Russian subsidiaries to Yandex N.V. are exempt from income tax in the Netherlands.

Income tax expense for the years ended December 31, 2018, 2019 and 2020 consisted of the following:

	2018	2019	2020	2020
	RUB	RUB	RUB	\$
Current tax expense—Russia	8,220	9,052	12,421	168.1
Current tax expense/(benefit)—Netherlands	1,672	563	(119)	(1.6)
Current tax expense—other	573	196	68	0.9
Total current tax expense	10,465	9,811	12,370	167.4
Deferred tax (benefit)/expense - Russia	(1,656)	1,351	1,219	16.5
Deferred tax (benefit)/expense - Netherlands	(270)	418	(719)	(9.7)
Deferred tax (benefit)/expense-other	(338)	76	185	2.5
Total deferred tax (benefit)/expense	(2,264)	1,845	685	9.3
Total income tax expense	8,201	11,656	13,055	176.7

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The components of income before income tax expense for the years ended December 31, 2018, 2019 and 2020 were as follows:

	2018	2019	2020	2020
	RUB	RUB	RUB	\$
Income before income tax expense—Russia	33,392	38,626	40,332	545.9
Income/(loss) before income tax expense—Netherlands	17,665	(16,916)	(3,348)	(45.3)
Income before income tax expense—other	1,402	1,145	220	3.0
Total income before income tax expense	52,459	22,855	37,204	503.6

The amount of income/(loss) before income tax expense in the Netherlands in the years ended December 31, 2018 and 2020 included gains from deconsolidation and consolidation of Yandex.Market (Note 3) in the amounts of RUB 28,244 and RUB 19,230 (\$260.3) respectively, which were non-taxable.

The amount of income tax expense that would result from applying the Dutch statutory income tax rate to income before income taxes reconciled to the reported amount of income tax expense was as follows for the years ended December 31, 2018, 2019 and 2020:

	2018	2019	2020	2020
	RUB	RUB	RUB	\$
Expected expense at Dutch statutory income tax rate of 25%	13,115	5,714	9,301	125.9
Effect of:				
Tax on inter-company dividends	802	764	936	12.7
Non-deductible share-based compensation	1,638	2,464	3,932	53.2
Other expenses not deductible for tax purposes	721	1,908	1,921	26.0
(Reversal)/accrual of unrecognized tax benefit	(102)	319	121	1.6
Reversal of prior year unrecognized tax benefit accrual following tax audits	—	(417)	—	—
Equity method loss of Yandex.Market	73	1,088	618	8.4
Effect of deconsolidation/consolidation of Yandex.Market	(7,061)	—	(4,807)	(65.1)
Difference in foreign tax rates	(1,832)	(2,381)	(2,244)	(30.4)
Change in valuation allowance	850	2,285	3,428	46.4
Other	(3)	(89)	(151)	(2.0)
Income tax expense	8,201	11,656	13,055	176.7

Movements in the valuation allowance were as follows:

	2018	2019	2020	2020
	RUB	RUB	RUB	\$
Balance at the beginning of the period	(922)	(1,730)	(3,810)	(51.6)
Charged to expenses	(850)	(2,285)	(3,428)	(46.4)
Foreign currency translation adjustment	42	205	(272)	(3.7)
Acquisition-related change	—	—	(1,094)	(14.8)
Other	—	—	764	10.4
Balance at the end of the period	(1,730)	(3,810)	(7,840)	(106.1)

As of December 31, 2019 and 2020, the Company included accrued interest and penalties related to unrecognized tax benefits, totaling RUB 121 and RUB 157 (\$2.1), respectively, as a component of other accrued liabilities, non-current and RUB 52 and none, respectively, as a component of prepaid income tax in the other current assets line. As of December 31, 2019 and 2020, RUB 439 and RUB 427 (\$5.8), respectively, of unrecognized tax benefits, if recognized, would affect the effective tax rate. The interest and penalties recorded as part of income tax expense in the years ended December 31, 2018, 2019 and 2020 resulted in a benefit of RUB 50 and expenses of RUB

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106 and RUB 24 (\$0.3), respectively. The Company does not anticipate significant increases or decreases in unrecognized income tax benefits over the next twelve months.

A reconciliation of the total amounts of unrecognized tax benefits was as follows:

	2018 RUB	2019 RUB	2020 RUB	2020 \$
Balance at the beginning of the period	290	239	439	5.9
Increases related to prior years tax positions	9	155	53	0.7
Decreases related to prior years tax positions	(111)	(11)	(61)	(0.8)
Increases related to current year tax positions	51	56	105	1.5
Settlements	—	—	(109)	(1.5)
Balance at the end of the period	239	439	427	5.8

Temporary differences between the financial statement carrying amount and the tax bases of assets and liabilities and carryforwards gave rise to the following deferred tax assets and liabilities as of December 31, 2019 and 2020:

	2019 RUB	2020 RUB	2020 \$
Assets/(liabilities) arising from tax effect of:			
Deferred tax asset			
Accrued expenses	2,977	3,985	53.9
Net operating loss carryforward	3,452	10,214	138.3
Intangible assets	606	946	12.8
Property and equipment	464	468	6.3
Content assets	—	59	0.8
Operating lease liabilities	4,572	3,407	46.1
Finance lease liabilities	306	180	2.4
Other	75	159	2.2
Total deferred tax asset	12,452	19,418	262.8
Valuation allowance	(3,810)	(7,840)	(106.1)
Total deferred tax asset, net of valuation allowance	8,642	11,578	156.7
Deferred tax liability			
Convertible debt discount	—	(2,081)	(28.2)
Property and equipment	(1,937)	(2,570)	(34.8)
Intangible assets	(1,480)	(3,627)	(49.1)
Content assets	(155)	(652)	(8.8)
Unremitted earnings	(953)	(1,875)	(25.4)
Deferred expenses	(148)	(165)	(2.2)
Allowance for doubtful accounts	(25)	(3)	—
Operating lease assets	(3,651)	(2,319)	(31.5)
Finance lease assets	(328)	(119)	(1.6)
Other	(69)	(366)	(4.9)
Total deferred tax liability	(8,746)	(13,777)	(186.5)
Net deferred tax liability	(104)	(2,199)	(29.8)
Net deferred tax assets	1,847	1,639	22.2
Net deferred tax liabilities	(1,951)	(3,838)	(52.0)

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As of December 31, 2020, Yandex N.V. had net operating loss carryforwards (“NOLs”) for Dutch income tax purposes of RUB 7,757 (\$105.0), of which tax losses in the amount of RUB 3,501 were generated before January 1, 2019. For Dutch corporate tax purposes tax losses incurred in 2018 and earlier will start to expire in 2025 and may be set against taxable profit up to and including 2027. Tax losses arising beginning on or after January 1, 2019 may be carried forward for 6 years, i.e., will expire between 2025 and 2026. As of December 31, 2020, a benefit of RUB 402 (\$5.4) related to the Dutch NOLs described above would be recorded by the Company in additional paid-in capital if and when realized.

As of December 31, 2020, the Company had NOLs for Russian income tax purposes of RUB 30,568 (\$413.8) which have an indefinite term of carryforward. Russian income tax law also specifies that the tax base for 2021 may be reduced by 50% maximum of tax losses carried forward.

As of December 31, 2020, the Dutch entities of the Company (other than Yandex N.V. described above) also had NOLs for Dutch income tax purposes of RUB 7,009 (\$94.9). For Dutch corporate tax purposes tax losses incurred in 2018 and earlier in the amount of RUB 4,878 will start to expire in 2024 and may be set against taxable profit up to 2027. Tax losses arising beginning on or after January 1, 2019 may be carried forward for 6 years, i.e., will expire between 2025 and 2026.

NOLs for other jurisdictions income tax purposes amounted to RUB 4,303 (\$58.2) and RUB 2,669 as of December 31, 2020 and 2019 respectively were mainly related to Turkey, Israel and Switzerland.

The Company has accrued for 5% dividend withholding tax on the portion of the current year profit of the Company’s principal Russian operating subsidiary that was considered not to be indefinitely reinvested in Russia. As of December 31, 2020, the amount of unremitted earnings upon which dividend withholding taxes were not provided was approximately RUB 101,225 (\$1,370.2). The Company estimated that the amount of the unrecognized deferred tax liability which would become payable by the Company in case of a dividend distribution related to those earnings was approximately RUB 5,061 (\$68.5).

The tax years 2018-2020 remain open for examination by the Russian tax authorities with respect to all Russian subsidiaries. The tax authorities did not appoint tax audit for the year 2017 in 2020. The year 2017 is now closed for the tax audit due to statute of limitation expiration.

The tax years 2015-2020 remain open for examination by the Dutch tax authorities with respect to Yandex N.V.

II. CONTENT ASSETS

Content assets as of December 31, 2019 and 2020 consisted of the following:

	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	\$
Licensed content, net	2,992	5,882	79.6
Produced content, net			
Released, less amortization	101	844	11.4
Completed and not released	—	116	1.6
In production and in development	597	1,121	15.2
Total	<u>3,690</u>	<u>7,963</u>	<u>107.8</u>
Less current content assets, net	<u>395</u>	<u>499</u>	<u>6.8</u>
Non-current content assets, net	<u>3,295</u>	<u>7,464</u>	<u>101.0</u>

The following table represents the amortization of content assets:

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	2018	2019	2020	2019
	RUB	RUB	RUB	\$
Licensed content	180	1,045	2,625	35.5
Produced content	4	122	388	5.3
Total amortization of content assets	184	1,167	3,013	40.8

As of December 31, 2020, the portion of the costs of completed and not released films that the Company expects to amortize during the twelve months are RUB 35 (\$0.5).

As of December 31, 2020, the estimated amortization expense of unamortized cost of content assets over the next three years is as follows:

	Licensed content	Produced content	Total content assets	
	RUB	RUB	RUB	\$
2021	3,541	146	3,687	49.9
2022	1,309	251	1,560	21.1
2023	626	300	926	12.5
Total	5,476	697	6,173	83.5

12. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The Company has entered into purchase commitments for streaming content with future payments, excluding value added tax, amounting to RUB 1,611 (\$21.8) in 2021, RUB 1,797 (\$24.3) in 2022, RUB 254 (\$3.4) in 2023 and nil in 2024 and thereafter. The Company has also entered into purchase commitments for other goods and services with future payments, excluding value added tax, amounting to RUB 3,042 (\$41.2) in 2021, RUB 1,298 (\$17.6) in 2022, RUB 1,144 (\$15.5) in 2023, RUB 717 (\$9.7) in 2024, RUB 305 (\$4.1) in 2025 and RUB 1,001 (\$13.5) in 2026 and thereafter. U.S. dollar amounts have been translated into RUB at a rate of RUB 73.8757 to \$1.00, the official exchange rate quoted as of December 31, 2020 by the Central Bank of the Russian Federation.

Legal Proceedings

In the ordinary course of business, the Company is a party to various legal proceedings, and subject to claims, certain of which relate to copyright infringement, as well as to the alleged breach of certain contractual arrangements. The Company intends to vigorously defend any lawsuit and believes that the ultimate outcome of any pending litigation, other legal proceedings or other matters will have no material adverse effect on the financial condition, results of operations or liquidity of the Company.

The Company records a liability when it is probable that a loss has been incurred and the amount can be reasonably estimated. Losses that are reasonably possible and can be estimated are disclosed. Significant judgment is required to determine both likelihood of there being and the estimated amount of a loss related to such matters. As of December 31, 2019 and 2020, the Company recorded corresponding liabilities of RUB 16 and RUB 39 (\$0.5) respectively, in accounts payable and accrued liabilities line on the consolidated balance sheets for all of its legal matters that were probable and reasonably estimable.

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As of December 31, 2020, the Company was subject to various legal and regulatory matters that have arisen in the normal course of business. Related claims amounted to RUB 2,617 (\$35.4) and include, among others, employment-related claims, data and privacy matters, claims for compensation in connection with car accidents in the Taxi segment, claims for termination of contracts, and other matters. The Company has not recognized a liability in respect of those claims because the management does not believe that the Company has incurred a probable material loss by reason of any of those matters.

Environment and Current Economic Situation

The Company's operations are primarily located in the Russian Federation. Consequently, the Company is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to interpretation and frequent changes.

Taxes are subject to review and investigation by a number of authorities authorized by law to impose fines and penalties. Although the Company believes it has provided adequately for all tax liabilities based on its understanding of the tax legislation, the above factors may create tax risks for the Company. Approximately RUB 427 (\$5.8) of unrecognized tax benefits have been recorded as liabilities, and the Company is uncertain as to if or when such amounts may be settled (Note 10). Related to unrecognized tax benefits, the Company has also recorded a liability for potential penalties of RUB 84 (\$1.1) and interest of RUB 73 (\$1.0). As of December 31, 2020, except for the income tax contingencies described above, the Company accrued RUB 382 (\$5.2) for contingencies related to non-income taxes, including penalties and interest. Additionally, the Company has identified possible contingencies related to non-income taxes, which are not accrued. Such possible non-income tax contingencies could materialize and require the Company to pay additional amounts of tax. As of December 31, 2020, the Company estimated such contingencies related to non-income taxes, including penalties and interest, to be up to approximately RUB 14,921 (\$202.0).

The 2020 year turned out to be extremely difficult for the global economy and financial markets mainly because of the outbreak of the coronavirus disease, COVID-19. The Russian economy has also suffered from the pandemic, especially during the first wave, which began at the end of March and peaked in the beginning of May (in terms of the number of new cases). In order to curb the spread of the disease, the Russian government announced a non-working month in April and required the closure of all public places (parks, restaurants, cultural and sports establishments), which had a significant negative impact on all macroeconomic indicators, business activity and consumer confidence. During the second wave (which began in late September), no large-scale restrictions were imposed (except for certain high-risk groups of the population), but nevertheless, most people continued to work and study remotely, while working hours of restaurants and access to cultural and sports events were limited. Some of the restrictions were eased in early 2021.

According to the statistical office of the Russian Federation (Rosstat), real GDP in Russia was down 3.1% in 2020, on the back of a similar decline in domestic and external demand. The peak decline was in Q2 with GDP down 8%, followed by a less severe declines in Q3 and Q4. On the domestic side, household consumption contributed the most to the contraction as it declined by 8.6% (mostly due to the nature of the anti-COVID restrictions), while fixed investments was down by 6.2%. Higher public spending, driven by the response to the spread of the pandemic, and the need to support the economy amidst lower oil/gas revenues, worsened the fiscal stance: the federal budget registered a deficit of RUB 4.1 trillion (3.8% of GDP), compared to a surplus of RUB 1.9 trillion in 2019 (1.8% of GDP).

The effects of the pandemic and the economic fallout were widespread, but particularly reflected in unemployment rates, a sharp decline in business activity, business closures and, as a result, declines in household incomes and consumer confidence. According to Rosstat, in 2020 the unemployment rate in Russia reached the highest level in 10 years and rose from 4.6% to 5.9%. Real disposable incomes of the population decreased by approximately 3.5% in 2020. The peak of the decline occurred in Q2 with real income declining 8%, followed by a subsequent recovery in Q3 and Q4 to a decline of 5.3% and 1.7% respectively. Cumulatively, the real disposable income declined 10.6%

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since 2014 (driven by negative growth in 2015-2016 and 2020 as well as flattish trends in 2018 and +1% growth in 2019).

The OPEC+ decision to delay the easing of production cuts in February and March supported oil prices during 2020. After a sharp decrease in Q1, the Brent oil price increased and stabilized at the level of around 45 USD per barrel in June-October. A solid recovery, which started in November, has continued into 2021, with Brent oil prices rising to over 65 USD per barrel in March 2021. The Russian ruble significantly fluctuated throughout the year, with the exchange rate at 62 rubles per USD at the beginning of the year, the peak level at 80 rubles per USD (in March and in October 2020) and then a stabilization at 74-75 rubles per USD in the end of the year. Overall, the Russian ruble depreciated by 19% against USD during 2020.

The Central Bank of Russia responded quickly to the situation and continued its accommodative policy by cutting the key rate from 6.25% to 4.25%. The entire reduction was carried out during the first 7 months of 2020 as a supportive measure for the pandemic crisis. Inflation amounted to 4.91% for the year 2020 compared to 3.04% in 2019.

All these factors among others contributed to the 4% reduction in the online advertising market in 2020 (based on AKAR data). Notably, the digital advertising market has outperformed other formats and increased by 4% in 2020. Online advertising has increased its share in the total advertising market from 49.4% in 2019 to 53.4% in 2020.

In 2020, the balance of trade and capital flows were significantly impacted by declining oil prices, weaker global demand for exported goods and services, significant volatility in financial markets and increased geopolitical risks. The current account surplus was \$32.5 billion (or 2.2% of GDP), but less than \$64.8 billion in 2019. Capital outflows from the private sector increased from \$22.1 billion in 2019 to \$47.8 billion. During the most acute period of the pandemic in the second quarter of 2020, capital outflows were relatively moderate (\$11.9 billion). However, in the second half of 2020 capital outflows increased compared to the same period in 2019 as foreign investors reduced their investments in Russian assets due to increased geopolitical risks.

In early 2021 the economy has started to show some signs of recovery supported by improving consumer and business activity as well as a decrease of unemployment rates. The speed of the further acceleration of economic growth in 2021 will highly depend on the epidemiological situation in Russia (including the potential spread of new variants of the coronavirus and vaccination progress) and other macroeconomic factors.

13. CONVERTIBLE DEBT

On March 3, 2020, the Company issued and sold \$1,250.0 (RUB 82,909 at the exchange rate as of the issue date) in aggregate principal amount of 0.75% convertible notes due March 3, 2025 (the "Notes") at par. The convertible notes constitute senior unsecured obligations of the Company. Interest at an annual rate of 0.75% is payable semi-annually on March 3 and September 3 of each year, beginning on September 3, 2020. The Notes are convertible into cash, Class A shares of the Company or a combination of cash and Class A shares, at the Company's election, under circumstances described below, based on an initial conversion price of \$60.0751 per Class A share (which represents a conversion rate of approximately 16.65 Class A shares per \$1,000 principal amount of Notes, the bond's nominal is \$0.2 or 3,329 shares per bond), subject to adjustment on the occurrence of a fundamental change event as defined in the terms and conditions of the Notes and on the occurrence of certain other events. It is the Company's current intent to settle the principal amount of the Notes with cash. The Notes are convertible, at the option of the holder, prior to September 3, 2024, if (i) the arithmetic mean of the parity value (as defined in the terms and conditions of the Notes) on each trading day in any period of 20 consecutive trading days in a period of 30 consecutive trading days ending on (and including) the dealing day immediately preceding the final dealing day of any quarter is greater than \$0.26; (ii) if certain parity events as defined in the terms and conditions of the Notes occur; (iii) if a delisting event occurs in respect of the Class A shares; or (iv) upon the occurrence of specified corporate events. On or after September 3, 2024, the Notes can be converted at the option of the holder regardless of the foregoing circumstances at any time until the close of business on the 10th

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business day immediately preceding the maturity date of the Notes. The noteholder could accelerate the maturity date upon the event of default, a fundamental change event or a delisting event. The Company will not have the right to redeem the Notes prior to maturity, except (i) on or after March 18, 2023, if on each of 20 dealing days (whether or not consecutive) in any period of 30 consecutive dealing days the volume weighted average price on the NASDAQ Global Select Market of a Class A share exceeds 130% of the conversion price; (ii) if 85% or more in principal amount of the Notes originally issued shall have been previously converted and/or repurchased and cancelled; or (iii) in connection with certain changes in tax laws. As of December 31, 2020, none of the conditions allowing the conversion of the Notes or the redemption events have been met.

The net proceeds to the Company from the sale of the Notes were RUB 82,050 (\$1,237.0 at the exchange rate as of the issue date). Debt issuance costs were approximately RUB 869 (\$13.1 at the exchange rate as of the issue date), of which RUB 93 (\$1.4 at the exchange rate as of the issue date) was allocated to additional paid-in capital and RUB 776 (\$11.7 at the exchange rate as of the issue date) was allocated to deferred issuance costs and will be amortized as interest expense over the term of the Notes.

The Company separately accounts for the liability and equity components of the Notes. The carrying value of the liability component of RUB 74,055 (\$1,116.5 at the exchange rate as of the issue date) as of the date of issuance was recognized at the present value of its cash flows using a discount rate of 3.059%, the Company's estimated borrowing rate at the date of the issuance for a similar debt instrument without the conversion feature. Debt discount is amortized using the effective interest method over the period from the origination date through the stated maturity date. The value of the equity component of RUB 8,854 (\$133.5 at the exchange rate as of the issue date) as of the date of issuance was calculated by deducting the fair value of the liability component from the initial proceeds ascribed to the convertible debt instrument as a whole and was recorded as a debt discount. The tax effect of the value of the equity component is RUB 1,971 (\$29.7 at the exchange rate as of the issue date). The carrying value of the equity component remains unchanged from the date of issuance.

The carrying value of the Notes as of December 31, 2020 consisted of the following:

	December 31, 2020	
	RUB	\$
0.75% Convertible Senior Notes due March 2025	92,344	1,250.0
Unamortized debt discount	(8,343)	(112.9)
Unamortized debt issuance cost	(724)	(9.8)
Total convertible debt	83,277	1,127.3

The remaining unamortized debt discount of RUB 8,343 (\$112.9) as of December 31, 2020 will be amortized over the remaining life of the Notes, which is approximately 4.2 years. The effective interest rate on the liability component for the period was 3.2%.

The Company recognized RUB 2,240 (\$30.3) as interest expenses related to the contractual interest coupon, amortization of the debt discount and issuance expenses for the year ended December 31, 2020.

14. SHARE CAPITAL

The Company has three authorized classes of ordinary shares, Class A, Class B and Class C with €0.01, €0.10 and €0.09 par value, respectively. The principal features of the three classes of ordinary shares are as follows:

- Class A shares, par value €0.01 per share, entitled to one vote per share. The Class A shares share ratably with the Class B shares, on a *pari passu* basis, in any dividends or other distributions.

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- Class B shares, par value €0.10 per share, entitled to ten votes per share. Class B shares may only be transferred to qualified holders. In order to sell a Class B share, it must be converted into a Class A share.
- Class C shares, par value €0.09 per share, entitled to nine votes per share. The Class C shares are entitled to a fixed nominal amount in the event of a dividend or distribution limited to €0.01 per share in any one financial year if any such shares were to be outstanding on the record date for a dividend declaration. The Class C shares are used for technical purposes related to the conversion of Class B shares into Class A shares. During the periods between conversion and cancellation, all Class C shares are held by the Yandex Conversion Foundation (Stichting Yandex Conversion). The Yandex Conversion Foundation was incorporated under the laws of the Netherlands in October 2008 for the sole purpose of facilitating the conversion of Class B shares into Class A shares. The Yandex Conversion Foundation is managed by a board of directors appointed by the Company.

On September 21, 2009, the Company issued a Priority Share to Sberbank. In December 2019, the Priority Share was repurchased by the Company and held in treasury as of December 31, 2019. In March 2020 The Priority Share was transferred to the Public Interest Foundation, a unitary non-commercial organization without membership established by the Company. As amended, the Priority Share gives the holder (other than the Company) the right to veto the accumulation of stakes in the Company in excess of 10% by a single entity, a group of related parties or parties acting in concert, as well as the right to make binding nominations of two of the 12 members of the Company's Board of Directors. Transfer of the Priority Share requires the approval of the Board. The Priority Share was repurchased from Sberbank at its par value of €1, and is entitled to a normal pro rata dividend distribution.

The share capital as of each balance sheet date was as follows (EUR in millions):

	December 31, 2019			December 31, 2020		
	Shares	EUR	RUB	Shares	EUR	RUB
Authorized:	574,887,317			574,887,317		
Priority share	1			1		
Class A ordinary shares	500,000,000			500,000,000		
Class B ordinary shares	37,138,658			37,138,658		
Class C ordinary shares	37,748,658			37,748,658		
Issued and fully paid:	331,276,314	€ 6.7	267	357,569,138	€ 6.9	290
Priority share	1	—	—	1	—	—
Class A ordinary shares	293,527,655	2.9	130	320,430,479	3.2	151
Class B ordinary shares	37,138,658	3.7	133	35,708,674	3.6	128
Class C ordinary shares	610,000	0.1	4	1,429,984	0.1	11

Class C shares held in treasury were not disclosed as such due to the technical nature of this class of shares.

The Company repurchases its Class A shares from time to time in part to reduce the dilutive effects of its Share-Based Awards to employees of the Company.

On November 18, 2019 the Company announced a share repurchase program of up to \$300 of Class A shares from time to time in open market transactions effective for up to the following twelve months.

For the year ended December 31, 2019, the Company repurchased 460,791 Class A shares at an average price of \$41.16 per share for a total amount of RUB 1,205. Treasury stock was accounted for under the cost method.

For the year ended December 31, 2020, the Company repurchased 4,228,163 Class A shares at an average price \$33.86 per share for a total amount of RUB 10,585 (\$143.3). Treasury stock was accounted for under the cost method.

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On June 29, 2020 the Company carried out a public offering and listing of 8,121,827 Class A shares on the NASDAQ (“SPO”). Goldman Sachs & Co. LLC (“underwriter”) was the sole underwriter of the offering. Prior to the closing, the underwriter exercised in full its option to purchase an additional 1,218,274 Class A shares, and accordingly the Company issued an aggregate of 9,340,101 Class A shares at an offering price of \$49.25 per share in the public offering, for gross proceeds of \$460.0 (RUB 31,799 at the exchange rate as of the offering date).

In addition, concurrent with the public offering, the Company carried out a private placement of 4,060,913 Class A shares to each of three private investors, or an aggregate of 12,182,739 Class A shares, at the public offering price of \$49.25 per share, for gross proceeds of \$600.0 (RUB 41,477 at the exchange rate as of the offering date).

The total number of new Class A shares issued in the public offering and the private placement was 21,522,840 Class A shares, and the aggregate gross proceeds were \$1,060.0 (RUB 73,276 at the exchange rate as of the offering date), before deducting underwriting discounts and commissions, placement agent fees, and estimated aggregate offering expenses.

The expenses payable by the Company related to the offerings were eligible to be charged against the gross proceeds of the offerings, i.e. additional paid-in capital based on ASC 340-10-S99-1. These expenses were represented by underwriter’s commissions and other expenses, including legal, accounting, printer and other fees. Total amount of related expenses was RUB 721 (\$9.8).

15. REDEEMABLE NONCONTROLLING INTERESTS

Redeemable noncontrolling interests (RNCI) mainly relate to the equity incentive arrangements the Company has made available to the senior employees of the Taxi, Classifieds and Yandex.Market business units, pursuant to which such persons are eligible to acquire depository receipts (DRs), or receive options to acquire DRs, which entitle them to economic interests in the respective subsidiaries of the Company.

The redeemable noncontrolling interests as of December 31, 2019 and 2020 were measured at the redemption value and consisted of the following:

	2019	2020	2020
	RUB	RUB	\$
RNCI related to DRs acquired by senior employees	3,681	215	2.9
RNCI related to options to acquire DRs	10,565	2,455	33.3
RNCI recognized in connection with the business combinations (Note 3)	—	497	6.7
Total redeemable noncontrolling interests	14,246	3,167	42.9

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The changes in the redeemable noncontrolling interests were as follows:

	2019	2020	2020
	RUB	RUB	\$
Balance at the beginning of period	13,035	14,246	192.8
Change in redemption value	1,337	569	7.7
Additional recognition	956	490	6.6
Purchase of redeemable noncontrolling interests	(747)	(9,793)	(132.6)
Acquisition of redeemable noncontrolling interests	—	493	6.7
Exchange of noncontrolling interests	—	(2,889)	(39.1)
Net loss attributable to redeemable noncontrolling interests	(99)	—	—
Other	(218)	—	—
Foreign currency translation adjustment	(18)	51	0.8
Balance at the end of period	14,246	3,167	42.9

The fair value of the redeemable noncontrolling interests was measured at the redemption value using a discounted cash flow (“DCF”) methodology. The most significant quantitative inputs used to measure the redemption value are the future revenue growth rates, projected adjusted earnings margins, terminal growth rate and discount rates. The inputs are based on the Company’s past experience and best estimates of future cash flows (Note 6).

In September 2020, the Company offered the employees of one of its business units an opportunity to exchange up to an aggregate of 201,395 of their outstanding Business Unit Equity Awards for an aggregate of 838,463 RSUs; this exchange was completed in October 2020. The replacement RSUs vest on the same schedule as the initial awards. The exchange was accounted for as a modification of the Business Unit Equity Awards resulting in an additional RUB 627 (\$8.5) recognized immediately upon modification (Note 16). The exchange effect of redeemable noncontrolling interests was RUB 2,889 (\$39.1) in 2020.

In July 2020, the Company recognized RUB 493 (\$6.7) of redeemable noncontrolling interests due to the acquisition of a majority interest in Yandex.Market (Note 3).

During the years ended December 31, 2019 and 2020, the Company completed the purchase of redeemable noncontrolling interests in the amount of RUB 747 and RUB 9,793 (\$132.6), respectively.

No dividends were paid or payable to the redeemable noncontrolling interests in the years ended December 31, 2019 and 2020.

16. SHARE-BASED COMPENSATION**Employee Equity Incentive Plan**

The Company has granted Share-Based Awards to employees of the Company pursuant to its Fourth Amended and Restated 2007 Equity Incentive Plan (the “2007 Plan”) and its 2016 Equity Incentive Plan (the “2016 Plan,” and together with the 2007 Plan, the “Plans”).

The 2007 Plan was adopted in February 2007 and amended in 2007, 2008, 2011, 2012, and 2013. The 2016 Plan was approved at the 2016 annual general meeting of shareholders on May 27, 2016 and replaced the 2007 Plan. However, there remain unexercised grants under the 2007 Plan.

A share option issued under the Plans entitles the holder to purchase an ordinary share at a specified exercise price. SARs issued under the Plans entitle the holder to receive a number of Class A shares determined by reference to

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appreciation from and after the date of grant in the fair market value of a Class A share over the measurement price. RSUs awarded under the Plans entitle the holder to receive a fixed number of Class A shares at no cost upon the satisfaction of certain time-based vesting criteria. In the fourth quarter of 2020, the Company also granted performance share unit (“PSU”) awards under the 2016 Plan, which entitle the recipient to receive a number of Class A shares at no cost based on the satisfaction of both time-based and performance-based criteria. The performance criteria in respect of the PSU awards granted in 2020 are the total shareholder return of Yandex Class A shares compared with the total shareholder return of the companies in the Nasdaq 100 index over the applicable measurement period, and the PSU awards entitle the participant to earn up to 250% of the target number of PSUs granted, based on such performance. The holders of RSUs and PSUs have no rights to dividends or dividend equivalents. The 2016 Plan provides for the issuance of Share-Based Awards to employees, officers, advisors and consultants of the Company and members of the Board of the Company to acquire or, in regard to SARs, to benefit from the appreciation of ordinary shares representing in the aggregate a maximum of 20% of the issued share capital of the Company.

Under the Plans, the award exercise or measurement price per share is set at the “fair market value” and denominated in U.S. dollars on the date the Share-Based Awards are granted by the Company’s Board. For purposes of the Plans, “fair market value” means (A) at any time when the Company’s shares are not publicly traded, the price per share most recently determined by the Board to be the fair market value; and (B) at any time when the shares are publicly traded, (i) in the case of RSUs and PSUs, the closing price per Class A Share (as adjusted to account for the ratio of shares to depository shares, if necessary) on the date of such determination; and (ii) in the case of Options and Share Appreciation Rights, the average closing price per Class A Share (as adjusted to account for the ratio of Class A Shares to such depository shares, if necessary) on the 20 trading days immediately following the date of determination. Share-Based Awards granted under the Plans generally vest over a four-year period. Generally, 25% of the Share-Based Awards vest after one year, with the remaining Share-Based Awards vesting in equal amounts on the last day of each quarter over the following three years. If a grantee ceases to be an eligible participant because of termination by the grantee for good reason or because of termination by the Company for any reason other than for cause within three months following the consummation of a change of control under 2007 Plan and nine months under 2016 Plan, the Share Based Award(s) held by such grantee shall become fully vested and immediately exercisable. The maximum term of a Share-Based Award granted under the Plans may not exceed ten years. The 2016 Plan expires at midnight on May 27, 2026. After its expiration, no further grants can be made under the 2016 Plan but the vesting and effectiveness of Share-Based Awards previously granted will remain unaffected.

The Company estimates the fair value of share options and SARs using the BSM pricing model. The weighted average assumptions used in the BSM pricing model for grants made under the 2016 Plan in the year ended December 31, 2019 were as follows:

	<u>2019</u>
Dividend yield	—
Expected annual volatility	39.4-41.1 %
Risk-free interest rate	1.64-1.88 %
Expected life of the awards (years)	5.91-6.05
Weighted-average grant date fair value of awards (per share)	\$ 15.97

No SARs grants were made for the years ended December 31, 2018, 2019 and 2020. No share options grants were made for the year ended December 31, 2020.

The Company used the following assumptions in the BSM pricing model when valuing its Share-Based Awards:

- *Expected volatility.* For 2019 grants, the Company used historical volatility of the Company’s own shares.
- *Expected term.* The expected term of awards granted has been calculated following the “simplified” method, using half of the sum of the contractual and vesting terms, because the Company has no historical

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pattern of exercises sufficient to estimate the expected term on a more reliable basis.

- *Dividend yield.* This assumption is measured as the average annualized dividend estimated to be paid by the Company over the expected life of the award as a percentage of the share price at the grant date. The Company did not declare any dividends with respect to 2018, 2019 or 2020. Currently, the Company does not have any plans to pay dividends in the near term. Because optionees were generally compensated for dividends and the Company has no plans to pay cash dividends in the near term, it used an expected dividend yield of zero in its option pricing model for awards granted in the year ended December 31, 2019.
- *Fair value of ordinary shares.* The Company estimated the fair value of its ordinary shares using the closing price of its ordinary shares on the NASDAQ Global Select Market on the date of grant.
- *Risk-free interest rate.* The Company used the risk-free interest rates based on the U.S. Treasury yield curve in effect at the grant date.

The following table summarizes awards activity for the Company:

	Options		SARs		RSUs		PSUs	
	Quantity	Weighted average exercise price per share	Quantity	Weighted average exercise price per share	Quantity	Weighted average exercise price per share	Quantity	Weighted average exercise price per share
Outstanding as of December 31, 2019	<u>3,314,842</u>	\$ 37.17	<u>126,100</u>	\$ 32.75	<u>12,801,232</u>	—	—	—
Granted	—	—	—	—	10,361,259	—	218,159	—
Exercised	(544,788)	29.43	(25,000)	32.85	(6,365,193)	—	—	—
Forfeited	—	—	—	—	(868,911)	—	—	—
Cancelled	—	—	—	—	(38,428)	—	—	—
Outstanding as of December 31, 2020	<u>2,770,054</u>	\$ 38.70	<u>101,100</u>	\$ 32.72	<u>15,889,959</u>	—	<u>218,159</u>	—

The granted quantity for an aggregate of about 2,303,889 RSUs was as a result of exchange from MLU equity incentive awards to RSUs of Yandex N.V., as described further in the note.

The following table summarizes information about outstanding and exercisable awards as of December 31, 2020:

Exercise Price (\$)	Type of award	Awards Outstanding			Awards Exercisable		
		Number outstanding	Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value	Number exercisable	Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
\$36.62	Option	1,068,554	8.59	\$ 35.2	400,708	8.59	\$ 13.2
\$40.00	Option	1,701,500	7.13	50.3	1,305,000	7.10	38.6
Total Options		<u>2,770,054</u>	<u>7.70</u>	<u>85.5</u>	<u>1,705,708</u>	<u>7.45</u>	<u>51.8</u>
\$20.99	SARs	1,100	0.91	—	1,100	0.91	—
\$32.85	SARs	100,000	2.56	3.7	100,000	2.56	3.7
Total SARs		<u>101,100</u>	<u>2.54</u>	<u>3.7</u>	<u>101,100</u>	<u>2.54</u>	<u>3.7</u>
Total RSUs	RSU	15,889,959	8.80	1,105.6	5,371,991	8.51	373.8
Total PSUs	PSU	218,159	9.87	20.6	—	—	—
Total Options, SARs, RSUs and PSUs		<u>18,979,272</u>	<u>8.62</u>	<u>\$ 1,215.4</u>	<u>7,178,799</u>	<u>8.18</u>	<u>\$ 429.3</u>

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The following table summarizes information about non-vested share awards:

	Options		RSUs		PSUs	
	Quantity	Weighted Average Grant Date Fair Value	Quantity	Weighted Average Grant Date Fair Value	Quantity	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2019	1,798,554	\$ 15.43	9,235,579	\$ 32.92	—	\$ —
Granted	—	—	10,561,259	54.14	218,159	94.23
Vested	(734,208)	15.36	(8,377,555)	44.38	—	—
Forfeited	—	—	(868,911)	36.78	—	—
Cancelled	—	—	(32,404)	37.96	—	—
Non-vested as of December 31, 2020	1,064,346	\$ 15.48	10,517,968	\$ 44.77	218,159	\$ 94.23

As of December 31, 2020, there was RUB 35,604 (\$482.0) of unamortized share-based compensation expense related to unvested share options, RSUs and PSUs which is expected to be recognized over a weighted average period of 2.86 years.

Since February 2019, the Company granted share-based awards (“Synthetic Options”) to the employees of the Zen and Geolocation Services operating segments, respectively, which entitle the participants to receive Synthetic Shares, which represent the participant’s right to a Payout Amount (the value of Synthetic Shares) related to the appreciation in value of vested Synthetic Shares. The Company estimates the fair value of Synthetic Options using the Monte-Carlo pricing model.

The Company recognized share-based compensation expense in respect of such Synthetic Options in the amount of RUB 907 and RUB 457 (\$6.2) for the years ended December 31, 2019 and 2020. As of December 31, 2020, there was RUB 700 (\$9.5) of unamortized share-based compensation expense related to unvested Synthetic Options.

Business Unit Equity Awards

The Company restructured certain of its business units into separate legal structures in its E-commerce, Taxi, Classifieds operating segments in 2016 and its Media Services segment in 2018 (together, the “Participating Subsidiaries”). In connection with these restructurings, and to align the incentives of the relevant employees with the operations of the Participating Subsidiaries, the Company granted 4.6 million equity incentive awards under the 2016 Plan to the senior employees of these business units in 2015-2020, which entitle the participants to receive options to acquire redeemable depository receipts representing shares in the respective operating subsidiaries (Note 15) upon the satisfaction of defined vesting criteria (the “Business Unit Equity Awards”), of which 2.5 million remain outstanding as of December 31, 2020. The exercise price of the Business Unit Equity Awards is determined from time to time by the Board and the standard vesting schedule for Business Unit Equity Awards under the 2016 Plan is consistent with Share-Based Awards granted in respect of the Company’s shares. Business Unit Equity Awards and any awards granted to management of the Participating Subsidiaries outside of the 2016 Plan are not to exceed 20% of such Participating Subsidiary’s shares issued and outstanding from time to time.

The Company has recorded share-based compensation expense in respect of Business Equity Awards in the amount of RUB 564, RUB 421 and RUB 895 (\$12.1) for the years ended December 31, 2018, 2019 and 2020, respectively.

MLU B.V. 2018 Equity Incentive Plan

MLU B.V., a subsidiary of the Company, granted options and restricted share units (“RSUs”) to the employees of the MLU B.V. and its subsidiaries (the “MLU Group”) pursuant to the MLU B.V. 2018 Equity Incentive Plan (the “2018 Plan”). The 2018 Plan was adopted by the Management Board of MLU B.V. on February 7, 2018. Options issued

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under the 2018 Plan entitle the holder to acquire depositary receipts over Class A shares of MLU B.V. at a specified exercise price. RSUs awarded under the 2018 Plan entitle the holder to receive a fixed number of depositary receipts over Class A shares of MLU B.V. at no cost upon the satisfaction of certain time-based vesting criteria.

In September 2020, the MLU Group offered to all holders of outstanding MLU equity incentive awards the opportunity to exchange such awards for RSUs of Yandex N.V. An aggregate of 671,526 MLU equity awards were exchanged for an aggregate of 2,303,889 Yandex RSUs. The replacement RSUs vest under the same schedule as the exchanged awards. Awards in respect of approximately 2,720 MLU RSUs remain outstanding following the exchange.

Prior to the exchange described above, the 2018 Plan provided for the issuance of Share-Based Awards to employees, officers, directors, advisors and consultants of the Group to receive a fixed number of depositary receipts over Class A shares of MLU B.V. representing in the aggregate a maximum of 5.7% of the fully diluted share capital of the Group.

The fair value of MLU B.V. RSUs is measured based on the fair market values of the underlying shares on the dates of grant. Since the MLU Group's shares are not publicly traded, it estimated the fair value of its shares on the basis of valuations arrived at by employing the "income approach" and the "market approach" valuation methodologies.

Share-Based Awards granted under the MLU B.V. Plan generally vest over a four-year period. Approximately 25% of the Share-Based Awards vest after one year, with the remaining Share-Based Awards vesting in equal amounts on the last day of each quarter over the following three years. The maximum term of a Share-Based Award granted under the Plan may not exceed ten years.

The MLU Group estimates the fair value of share options using the BSM pricing model. The weighted average assumptions used in the BSM pricing model for grants made under the 2018 Plan in the year ended December 31, 2019 were as follows:

	<u>2019</u>
Dividend yield	—
Expected annual volatility	50.00 %
Risk-free interest rate	7.76-8.88 %
Expected life of the awards (years)	6.06 - 6.10
Weighted-average grant date fair value of awards (per share)	\$ 131.25

No share options grants were made for the year ended December 31, 2020.

The MLU Group used the following assumptions in the BSM pricing model when valuing its Share-Based Awards:

- *Expected volatility.* The MLU Group used 50% volatility which is higher than Yandex N.V.'s shares volatility.
- *Expected term.* The expected term of awards granted has been calculated following the "simplified" method, using half of the sum of the contractual and vesting terms, because the MLU Group has no historical pattern of exercises sufficient to estimate the expected term on a more reliable basis.
- *Dividend yield.* This assumption is measured as the average annualized dividend estimated to be paid by the MLU Group over the expected life of the award as a percentage of the share price at the grant date. The MLU Group did not declare any dividends with respect to 2019 and 2020. Currently, the MLU Group

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does not have any plans to pay dividends in the near term, therefore it used an expected dividend yield of zero in its option pricing model for awards granted in the year ended December 31, 2019.

- *Fair value of ordinary shares.* Since the MLU Group's ordinary shares are not publicly traded, it estimated the fair value of its ordinary shares on the basis of valuations arrived at by employing the "income approach" and the "market approach" valuation methodologies.
- *Risk-free interest rate.* The MLU Group used the risk-free interest rates based on the Russian Ruble Interest Rate Swap yield curve in effect at the grant date.

The following table summarizes share options and RSUs activity for the MLU Group under the Plan:

	Options		RSUs	
	Quantity	Weighted average exercise price per share	Quantity	Weighted average exercise price per share
Outstanding as of December 31, 2019	179,522	\$ 215.28	271,542	\$ —
Granted	—	—	118,308	—
Exercised	(13,916)	202.97	(38,776)	—
Forfeited	(9,642)	203.83	(34,973)	—
Cancelled	(155,964)	217.08	(313,374)	—
Transfers from the MLU Group	—	—	(7)	—
Outstanding as of December 31, 2020	—	\$ —	2,720	\$ —

The cancelled quantity for an aggregate of about 468,543 RSUs and share options was as a result of exchange from MLU equity incentive awards to RSUs of Yandex N.V., as described above.

The following table summarizes information about outstanding and exercisable RSUs under the MLU Plan as of December 31, 2020:

Exercise Price (\$)	Type of award	Awards Outstanding		Awards Exercisable	
		Number outstanding	Average Remaining Contractual Life (in years)	Number exercisable	Average Remaining Contractual Life (in years)
Total RSUs	RSU	2,720	8.34	749	8.17
Total RSUs		2,720	8.34	749	8.17

The total intrinsic value of options and RSUs exercised during the years ended December 31, 2019 and 2020 was RUB 90 and RUB 603 (\$8.2), respectively.

The total fair value of options and RSUs vested during the years ended December 31, 2019 and 2020 was RUB 1,405 and RUB 1,220 (\$16.5), respectively.

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The following table summarizes information about non-vested share options and RSUs under the Plan:

	Options		RSUs	
	Quantity	Weighted Average Grant Date Fair Value	Quantity	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2018	69	\$ 132.54	101,983	\$ 163.40
Granted	256,812	131.25	191,214	218.27
Vested	(36,040)	132.05	(58,244)	179.91
Forfeited	(32)	132.64	(10,586)	193.31
Cancelled	(77,380)	132.07	(17,560)	214.72
Non-vested as of December 31, 2019	143,429	\$ 130.60	206,807	\$ 203.59
Granted	—	—	118,308	226.97
Vested	(34,939)	130.18	(44,260)	203.71
Forfeited	(9,642)	132.07	(34,973)	216.10
Cancelled	(98,848)	130.60	(244,532)	212.83
Transfers to the Group	—	—	621	119.42
Non-vested as of December 31, 2020	—	\$ —	1,971	\$ 209.77

The MLU Group has recorded share-based compensation expense in respect of RSUs and share options under the MLU B.V. 2018 Equity Incentive Plan in the amount of RUB 1,204 and RUB 2,295 (\$31.1) for the years ended December 31, 2019 and 2020, respectively.

As of December 31, 2020, there was RUB 22 (\$0.3) of unamortized share-based compensation expense related to unvested RSUs under MLU B.V. 2018 Equity Incentive Plan which is expected to be recognized over a weighted average period of 2.22 years.

Share-Based Compensation Expense

The Company recognized share-based compensation expense of RUB 6,552, RUB 9,855 and RUB 15,728 (\$212.9) for the years ended December 31, 2018, 2019 and 2020, respectively.

The MLU award exchange described above was accounted for as a modification of the MLU equity incentive awards resulting in additional SBC expense in the amount of RUB 1,069 (\$14.5) recognized immediately upon modification and RUB 1,499 (\$20.3) to be recognized over the remaining vesting period.

17. INFORMATION ABOUT SEGMENTS, REVENUES & GEOGRAPHIC AREAS

The Company's chief operating decision maker ("CODM") is the management committee including its CEO, deputy CEO, COO and a group of CEO and his deputy's direct reports. The Company reports its financial performance based on the following reportable segments: Search and Portal, Taxi, Yandex.Market (prior to deconsolidation of Yandex.Market on April 27, 2018 and after its consolidation effective July 24, 2020), Classifieds and Media Services. The results of the Company's remaining operating segments, including Zen, Geolocation Services, Yandex.Cloud, Yandex.Education, Edadeal, Self-Driving Group and Investments, that do not meet the quantitative or the qualitative thresholds for disclosure, are combined into the other category defined as Other Bets and Experiments which is shown separately from the reportable segments and reconciling items. The structure of the operating segments was revised in the third quarter of 2020. Previously Edadeal was part of the Search and Portal segment, and Self-Driving Group was a part of the Taxi operating segment, while Yandex.Drive, currently part of the Taxi operating segment, was presented

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

within the Other Bets and Experiments. These changes insure consistency with internal reporting. Segment results below have been restated for all periods to reflect these reclassifications.

Reportable segments derive revenues from the following services:

- Search and Portal, which includes Search, Mail 360, Weather, News, Uslugi, Travel, Alice voice assistant and number of other services offered in Russia, Belarus and Kazakhstan, as well as our Devices business (Internet of Things);
- The Taxi segment includes the Company's ride-hailing business (which consists of Yandex.Taxi in Russia and 17 other countries across CIS and EMEA by the end of 2020, and Uber in Russia and CIS) for both B2C and B2B, Logistics, FoodTech businesses (including Yandex.Eats, the Company's ready-to-eat and grocery delivery service, and Yandex.Lavka, the Company's hyperlocal convenience store delivery service) and Yandex.Drive, the Company's car-sharing business;
- The Yandex.Market segment (deconsolidated and treated as an equity investee under the equity method accounting for the period from April 28, 2018 till July 23, 2020) includes the Company's price comparison service, e-commerce marketplace and several small experiments
- The Classifieds segment includes Auto.ru, Yandex.Realty, Yandex.Jobs, and Yandex Classifieds, and derives revenues from online advertising and listing fees;
- Media Services (including our subscription service Yandex Plus, Yandex Music, KinoPoisk, Yandex.Afisha and our production center Yandex.Studio), which derive revenue from Media Services subscription model, advertising and ticketing revenues.

Operating segments of the Company may integrate products managed by other operating segments into their services, for which they are forced to pay royalties or other types of compensation. Such compensations represent intersegment transactions, which are included in revenues of the reportable segments presented below. The Company considers it is impracticable to separately present revenues from external customers and intersegment transactions for each reportable segment as such information is not readily available and is not presented to CODM.

The Company accounts for intersegment revenues as if the services were provided to third parties, that is, at the level approximating current market prices.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

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The measures of the segments' profits and losses that are used by the CODM to assess segment performance and decide how to allocate resources are presented below. Each segment's assets and capital expenditures are not reviewed by the CODM.

	2018 RUB	2019 RUB	2020 RUB	2020 \$
Search and Portal:				
Revenues	100,956	121,547	124,321	1,682.9
Depreciation and amortization	(10,037)	(12,020)	(12,922)	(175.0)
Adjusted operating income	38,575	45,876	47,332	640.6
Taxi:				
Revenues	20,692	45,587	67,955	919.9
Depreciation and amortization	(798)	(1,432)	(1,707)	(23.1)
Adjusted operating (loss)/income	(4,850)	(562)	2,394	32.4
Yandex.Market:				
Revenues	1,697	—	13,867	187.7
Depreciation and amortization	(11)	—	(1,213)	(16.4)
Adjusted operating loss	(273)	—	(4,426)	(59.9)
Classifieds:				
Revenues	3,717	5,390	5,778	78.2
Depreciation and amortization	(67)	(27)	(7)	(0.1)
Adjusted operating (loss)/income	(205)	297	1,063	14.4
Media Services:				
Revenues	1,909	3,867	7,807	105.7
Depreciation and amortization	(71)	(94)	(144)	(1.9)
Adjusted operating loss	(845)	(2,259)	(3,845)	(52.0)
Other Bets and Experiments:				
Revenues	4,221	7,877	11,851	160.4
Depreciation and amortization	(1,005)	(1,007)	(1,318)	(17.8)
Adjusted operating loss	(3,957)	(5,937)	(8,488)	(114.9)
Eliminations:				
Intersegment revenues	(5,535)	(8,877)	(13,235)	(179.2)
Depreciation and amortization	(148)	(197)	(376)	(5.1)
Adjusted operating loss	—	—	(31)	(0.4)
Total:				
Revenues from external customers	127,657	175,391	218,344	2,955.6
Depreciation and amortization	(12,137)	(14,777)	(17,687)	(239.4)
Adjusted operating income	28,445	37,415	33,999	460.2

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The reconciliation between adjusted operating income and net income is as follows:

	2018 RUB	2019 RUB	2020 RUB	2020 \$
Adjusted operating income	28,445	37,415	33,999	460.2
Less: share-based compensation expense	(6,552)	(9,855)	(15,728)	(212.9)
Add: interest income	3,382	3,315	3,869	52.4
Less: interest expense	(945)	(74)	(2,373)	(32.1)
Add: other income/(loss), net	936	(5,086)	229	3.0
Add: effect of deconsolidation/consolidation of Yandex.Market	28,244	—	19,230	260.3
Less: amortization of acquisition-related intangible assets	(1,007)	(1,179)	(1,924)	(26.1)
Less: compensation expense related to contingent consideration	(44)	(38)	—	—
Less: one-off restructuring cost	—	(881)	(98)	(1.2)
Less: goodwill impairment	—	(762)	—	—
Less: income tax expense	(8,201)	(11,656)	(13,055)	(176.7)
Net income	44,258	11,199	24,149	326.9

The Company's revenues consisted of the following:

	2018 RUB	2019 RUB	2020 RUB	2020 \$
Online advertising revenues(1):				
Yandex websites	78,696	96,466	105,163	1,423.5
Yandex Advertising Network websites	24,041	25,272	21,287	288.2
Total online advertising revenues	102,737	121,738	126,450	1,711.7
Revenues related to Taxi segment, excluding sales of goods	20,564	44,636	57,516	778.5
Revenues related to sales of goods	417	2,145	20,145	272.7
Other revenues	3,939	6,872	14,233	192.7
Total revenues	127,657	175,391	218,344	2,955.6

- (1) The Company records revenue net of VAT, advertising bonuses and discounts. Because it is impractical to track bonuses and discounts for online advertising revenues generated on Yandex websites and on those of the Yandex Advertising Network members separately, the Company has allocated bonuses and discounts between its Yandex websites and the Yandex Advertising Network websites proportionately to their respective gross revenue contributions.

Revenues disaggregated by geography, based on the billing address of the customer, consisted of the following:

	2018 RUB	2019 RUB	2020 RUB	2020 \$
Revenues:				
Russia	118,128	162,958	204,205	2,764.2
Rest of the world	9,529	12,433	14,139	191.4
Total revenues	127,657	175,391	218,344	2,955.6

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The following table sets forth long-lived assets other than financial instruments and deferred tax assets by geographic area:

	2018 RUB	2019 RUB	2020 RUB	2020 \$
Long-lived assets:				
Russia	117,602	131,267	208,514	2,822.5
Finland	5,946	5,668	8,307	112.4
Rest of the world	1,070	1,135	1,692	23.0
Total long-lived assets	124,618	138,070	218,513	2,957.9

18. RELATED-PARTY TRANSACTIONS

The Company has in place a registration rights agreement with its major shareholders that allows them to require the Company to register Class A shares held by them under the U.S. Securities Act of 1933, as amended (the "Securities Act"), under certain circumstances. In such circumstances, the Company is obliged to pay all expenses, other than underwriting commissions and discounts, relating to any such registration.

Before the sale of the Company's equity interest in Yandex.Money to Sberbank and the related disposal of equity investment (Note 3), the Company retained a noncontrolling interest and significant influence over Yandex.Money's business from July 2013 through the date of disposal. Prior the completion of the sale on July 23, 2020, the Company considered the payment processing services received from Yandex.Money and other services provided to Yandex.Money as transactions with a related party. In 2018, the Company also subleased part of its premises to Yandex.Money.

On April 27, 2018, the Company and Sberbank formed a joint venture based on the Yandex.Market platform. As a part of the deal, Sberbank subscribed for new ordinary shares of Yandex.Market for RUB 30,000. From that date until July 2020, each of the Company and Sberbank held an equal number of the outstanding shares in Yandex.Market, with up to 10% of outstanding shares allocated to management and an equity incentive pool. On July 23, 2020 the Company purchased the equity interest in Yandex.Market held by Sberbank and obtained control over the business (Note 3). Before the completion of the reorganization, Yandex.Market was accounted for as a joint venture for the period since April 28, 2018 till July 23, 2020, as the Company held a noncontrolling interest and exercised significant influence over Yandex.Market's business in the designated period. The Company considered advertising, sublease and other services provided to Yandex.Market and traffic and content acquisition expenses incurred from Yandex.Market for the designated period as transactions with related parties.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The following tables provide summarized information about transactions that have been entered into with the related parties and balances of accounts with them:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	RUB	\$
Online advertising revenue:				
Yandex.Market	469	805	290	3.9
Revenues from subleasing and other services:				
Yandex.Market	1,001	1,738	1,141	15.4
Yandex.Money	51	37	22	0.3
Fees for online payment commissions:				
Yandex.Money	432	783	314	4.3
Cost of revenues:				
Yandex.Market	—	29	8	0.1
Yandex.Money	—	—	86	1.2
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
	RUB	RUB	RUB	\$
Accounts receivable:				
Yandex.Market	407	302	—	—
Yandex.Money	37	31	—	—
Total accounts receivables from related parties:	444	333	—	—
Prepaid expenses and other current assets:				
Yandex.Market	—	16	—	—
Yandex.Money	307	76	—	—
Total prepaid expenses and other current assets from related parties:	307	92	—	—
Accounts payable:				
Yandex.Market	70	11	—	—
Yandex.Money	—	13	—	—
Total accounts payables from related parties:	70	24	—	—

The Company believes that the terms of the agreements with Yandex.Money are comparable to the terms obtained in arm's-length transactions with unrelated similarly situated customers and suppliers of the Company.

As of December 31, 2019 and 2020, the amount of loans granted to certain senior employees was RUB 43 and RUB 38 (\$0.5), respectively (Note 4). The loans bear interest rates up to 3% per annum and mature in 2020-2028 as of December 31, 2020.

19. SUBSEQUENT EVENTS

Acquisition of Axelcroft Group

In February 2021, MLU B.V., a subsidiary of the Company, entered into a Share purchase agreement with Fasten CY limited and completed the acquisition of 100% of the shares in Axelcroft Limited and its subsidiaries ("Axelcroft Group"), which held certain assets of the ride-hailing and cargo business of Vezet Group, for cash consideration of up to \$178.0 (RUB 13,440 at the exchange rate as of February 2, 2021, the Share purchase agreement date), including deferred payment and contingent consideration of up to \$78.0 (RUB 5,889 at the exchange rate as of February 2, 2021, the Share purchase agreement date) subject to successful achievement of certain integration

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

(in millions of Russian rubles and U.S. dollars, except share and per share data)

milestones. Given the recent timing of the transaction, the initial accounting for the transaction is incomplete at the time these financial statements were authorized for issuance. Accordingly, not all relevant disclosures are available for this transaction.

New grants

In February 2021, the Company granted pursuant to the 2016 Plan (i) RSUs and PSUs to purchase an aggregate of up to 1,520,583 Class A shares to its employees; (ii) 2,132,749 RSUs in respect of the Self-Driving Group (representing 6.3% of the equity of Self-Driving Group on a fully diluted basis); and (iii) 1,085,229 Synthetic Options in respect of four of the Company's business units, which may be settled in Company RSUs representing 7% of the equity of each of these business units.

Lease agreements

In February 2021, the Company negotiated prolongation of lease agreements for its rented office space located in its headquarters complex in Moscow to extend lease terms until July 2024 and to change currency of lease payments from U.S. dollars to Russian rubles. The additional right-of-use assets arising from obtaining lease liability under the agreements amounted to RUB 9,509 (\$128.7).

Equity Investments

In January – March 2021, the Company invested \$131.2 (RUB 9,754 at the exchange rate as of the trade date) in the initial public offerings of several special purpose acquisition companies (SPACs), and to date has sold \$6.1 of the initial investments (RUB 450 at the exchange rate as of the trade date).

New forward agreements

In February 2021, the Company entered into USD purchase forward agreements with a third-party bank amounted to \$54.5 (RUB 4,047 at the exchange rate as of the dates of designation) designated as a hedging instrument to hedge its exposure to the variability in expected future cash flows related to forecasted purchases of servers and network equipment.

PART III.

Item 17. Financial Statements

See “Item 18. Financial Statements.”

Item 18. Financial Statements.

See the financial statements beginning on page F-1.

Item 19. Exhibits.

Exhibit Number	Description of Document
1.1	Amendment to the Articles of Association of Yandex N.V., amended as of December 23, 2019 (incorporated by reference to Exhibit 1.1 of our Annual Report on Form 20-F (file no. 001-35173) filed with the Securities and Exchange Commission on April 2, 2020)
2.1	Description of Capital Stock (incorporated by reference to Exhibit 2.1 of our Annual Report on Form 20-F (file no. 001-35173) filed with the Securities and Exchange Commission on April 2, 2020)
4.1*	Contribution Agreement dated as of July 13, 2017 among MLU B.V., Yandex N.V., Stichting Yandex Equity Incentive and Uber International C.V. (incorporated by reference to Exhibit 4.2 of our Annual Report on Form 20-F (file no. 001-35173) filed with the Securities and Exchange Commission on March 27, 2018)
4.2*†	Shareholders Agreement in relation to MLU B.V. dated as of February 7, 2018 as amended and restated on September 9, 2020 among Yandex N.V., Uber International C.V., Stichting MLU Equity Incentive and MLU B.V.
4.3*	Amendment Deed to Contribution Agreement dated January 31, 2018 among MLU B.V., Yandex N.V., Stichting Yandex Equity Incentive and Uber International C.V. (incorporated by reference to Exhibit 4.6 of our Annual Report on Form 20-F (file no. 001-35173) filed with the Securities and Exchange Commission on March 27, 2018)
4.4	Amended and Restated Shareholders Agreement (incorporated by reference to Exhibit 10.1 from our Registration Statement on Form F-1 (file no. 333-173766) filed with the Securities and Exchange Commission on April 28, 2011)
4.5	Amended and Restated Registration Rights Agreement (incorporated by reference to Exhibit 10.2 from our Registration Statement on Form F-1 (file no. 333-173766) filed with the Securities and Exchange Commission on April 28, 2011)
4.6*	Agreement for Sale and Purchase of Future Thing dated November 27, 2018 by and between Limited Liability Company NAPA and Limited Liability Company YANDEX (Translation) (incorporated by reference to Exhibit 4.8 of our Annual Report on Form 20-F (file no. 001-35173) filed with the Securities and Exchange Commission on April 19, 2019)
4.7	Deed of Trust dated as of March 3, 2020 between the Yandex N.V. and BNY Mellon Corporate Trustee Services Limited, as trustee (incorporated by reference to Exhibit 99.1 of our Report on Form 6-K (file no. 001-35173) filed with the Securities and Exchange Commission on August 5, 2020)
4.8†	Deed of termination dated February 2, 2021, by and between MLU B.V. and Fasten CY Limited
4.9*†	Agreement for the Sale and Purchase of the Issued Share Capital of Axelcroft Limited, dated February 2, 2021, by and between MLU B.V. and Fasten CY Limited
4.10*†	Framework Agreement dated as of June 23, 2020 among Yandex N.V., Sberbank of Russia and the other parties thereto
4.11*†	Contribution Agreement dated as of September 14, 2020 among Yandex N.V. and MLU B.V.
8.1†	Principal Subsidiaries
12.1†	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2†	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1†	Certification by Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1†	Consent of JSC KPMG, Independent Registered Public Accounting Firm
101	The following financial information formatted in Inline eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of December 31, 2019 and 2020, (ii) Consolidated Statements of Income for the Years Ended December 31, 2018, 2019 and 2020, (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2018, 2019 and 2020, (iv) Consolidated Statements of Cash Flows for the Years Ended December 31, 2018, 2019 and 2020, (v) Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2018, 2019 and 2020, and (vi) Notes to Consolidated Financial Statements
104	Inline XBRL for the cover page of this Annual Report on Form 20-f, included in the Exhibit 101 Inline XBRL Document Set

* Confidential treatment requested as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission

† Filed herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

YANDEX N.V.
By: /s/ ARKADY VOLOZH

Name: Arkady Volozh
Title: *Chief Executive Officer*

Date: March 31, 2021

7 February 2018

(As amended and restated on 9 September 2020)

YANDEX N.V.

and

UBER INTERNATIONAL C.V.

and

STICHTING MLU EQUITY INCENTIVE

and

MLU B.V.

SHAREHOLDERS' AGREEMENT IN RELATION TO MLU B.V.

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THIS AGREEMENT (this "Agreement") is made as a DEED on 7 February 2018:

BETWEEN:

- (1) **YANDEX N.V.**, a limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands, registered with the trade register of the Chamber of Commerce under number 27265167 ("**Yandex**");
- (2) **UBER INTERNATIONAL C.V.**, a limited partnership (*commanditaire vennootschap*) formed under the laws of the Netherlands, having its registered office at Mr. Treublaan 7, 1097 DP Amsterdam (The Netherlands), registered with the trade register of the Chamber of Commerce under number 58046143 ("**Uber**");
- (3) **STICHTING MLU EQUITY INCENTIVE**, a foundation (*stichting*) incorporated under the laws of the Netherlands, having its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands, registered with the trade register of the Chamber of Commerce under number 70818614 (the "**Foundation**"); and
- (4) **MLU B.V.**, a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands, registered with the trade register of the Chamber of Commerce under number 69160899 (the "**Company**"),

(each a "**Party**" and together the "**Parties**").

RECITALS:

(Capitalised terms used in these Recitals that are not set out above are defined in Clause 1.1 below).

- (A) On 13 July 2017, the Company, Yandex, Uber and Stichting Yandex Equity Incentive, a foundation (*stichting*) formed under the laws of the Netherlands, having its corporate seat at Amsterdam, its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands and registered with the trade register of the Chamber of Commerce under number 57035504 (the "**Yandex Foundation**") entered into the Contribution Agreement pursuant to which Yandex, the Yandex Foundation and Uber agreed to contribute to the Company certain of their respective right, title and interests to the Business in the Territories, in each case as set forth in the Contribution Agreement.
- (B) Upon Completion, Yandex shall transfer to Uber [***] B Shares in exchange for [***] shares of Class A Common Stock in Uber Technologies, Inc. in accordance with the Exchange Agreement (the "**Secondary Sale**").
- (C) Immediately following Completion and the consummation of the Secondary Sale, Yandex Foundation will transfer all its Shares in the capital of the Company to the Foundation, following which Yandex Foundation shall immediately cease to be a Shareholder of the Company and the Company will issue [***] new A Shares to the Foundation (the "**Roll-Over**"). The Parties acknowledge and agree that Yandex Foundation shall be exempted from the quality requirement for holding Shares, as included in the Articles. The Company hereby confirms that the Yandex Foundation is exempted from the quality requirement in accordance with article 33 of the Articles.
- (D) Immediately following Completion and the consummation of the Secondary Sale and the Roll-Over, the issued share capital of the Company will be USD 2,254,667, divided into [***] A Shares with a nominal value of USD 0.10 each and [***] B Shares with a nominal value of USD 0.10 each, and the entire issued share capital will be held as follows:
 - (i) Yandex shall hold [***] B Shares, representing [***] of the issued share capital of the Company;
 - (ii) Uber shall hold [***] B Shares, representing [***] of the issued share capital of the Company; and
 - (iii) the Foundation shall hold [***] A Shares, representing [***] of the issued share capital of the Company.
- (E) It is intended that the Group shall carry on the Group Business.

- (F) The Parties acknowledge that the Foundation is a Party to this Agreement solely for the purposes of Clauses 5.3 (*Appointment and removal of Managing Directors*), 6.6 (*Appointment and removal of Supervisory Directors*), 9 (*Decisions of Shareholders of the Company*), 11 (*Reserved Matters*), 19 (*Transfers of Shares*), 27 (*Notices*), 28 (*Term*), 28 (*Announcement and Confidentiality*), 29 (*Miscellaneous*), 31 (*Governing Law and Dispute Resolution*) and 32 (*Process Agent*).
- (G) The Parties have agreed to make provision for the management and administration of the affairs of the Group on the terms and conditions set out in this Agreement.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

Definitions

- 1.1 In this Agreement, the following words and expressions shall have the following meanings:

"Acceptance Period" has the meaning given in Clause 18.3.3;

"Affiliate" means in relation to any person, any other person directly or indirectly Controlled by, or Controlling of, or under common Control with, that person provided that, for the purposes of this Agreement, neither the Company nor any Group Company is to be regarded as an Affiliate of a Shareholder;

"Anti-Dilution Shares" has the meaning given in Clause 18.11;

"Applicable Law" means all laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any competent Governmental Authority and all codes of practice having force of law, statutory guidance and policy notes, in each case to the extent applicable to the Parties or any of them, any Group Company, or as the context requires;

"Applicable Tax Legislation" means all laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction related to Tax, in each case to the extent applicable to the Parties or any of them, any Group Company, or as the context requires;

"Approved Auditor" means, subject to conflicts, any one of EY, PricewaterhouseCoopers, KPMG, Deloitte or such other reputable international audit firm as agreed by the Shareholders from time to time;

"Articles" means the articles of association of the Company as amended from time to time;

"A Shares" means the A ordinary shares of USD 0.10 each in the capital of the Company, each carrying one (1) vote per share;

"B Shares" means the B ordinary shares of USD 0.10 each in the capital of the Company, each carrying ten (10) votes per share;

"Breach Notice" has the meaning given in Clause 26.1;

"Budget" means with respect to the 2018 financial year and each subsequent financial year, the budget of the Group for the particular financial year (in a format approved from time to time by the Supervisory Board), including monthly estimates of profit and loss, cashflow and balance sheet statements and key performance indicators, in each case for the financial year to which the budget relates, and also including projections for the next two financial years) as approved in accordance with this Agreement (including Schedule 8 (*Budget*)), in each case as the same may be amended from time to time in accordance with this Agreement;

"Business" means the business of facilitating, through a technology application, each of the following: ridesharing, food delivery, and logistics (using the core technology application) and all ancillary and related activity thereto (using the core technology application);

"Business Day" means a day (not being a Saturday or Sunday) on which banks are open for general banking business in Moscow (Russian Federation), Amsterdam (Netherlands) and San Francisco (United States);

"Buyer" means the purchaser of any Shares in accordance with the terms of this Agreement;

"CEO" has the meaning given in Clause 5.2;

"CFO" has the meaning given in Clause 4.1.3

"COO" has the meaning given in Clause 4.1.4;

"CTO" has the meaning given in Clause 4.1.5;

"Charter", means in relation to a Group Company, its charter, articles of association or similar constitutional document as amended from time to time (including, for the avoidance of doubt, the Articles);

"Clause" means a clause of this Agreement;

"Company Prepared Returns" has the meaning given in Clause 24.1;

"Completion" has the meaning given in the Contribution Agreement;

"Completion Date" has the meaning given in the Contribution Agreement;

"Compliance Breach" has the meaning given in Clause 26.1;

"Confidential Information" means the existence and contents of this Agreement and the other Transaction Agreements, the arrangements contemplated by this Agreement and the other Transaction Agreements, the identity of the Shareholders, any information of a confidential nature which may become known to a Party from any of the other Parties as a result of negotiating, entering into or performing its obligations pursuant to this Agreement or any other Transaction Agreement, information of whatever nature concerning the Business and the Group Companies (including information provided to a Shareholder by the Observer it appointed), and any information of a confidential nature which is expressly indicated by a Party to be confidential in relation to a Party or any of its Affiliates or subsidiary undertakings or parent undertakings;

"Conflict of Interest" means a direct or indirect personal conflict of interest within the meaning of article 2:239 paragraph 6 or 2:250 paragraph 5 Dutch Civil Code as the case may be;

"Contribution Agreement" means the agreement for the contribution by Yandex and Uber to the Company of certain of their respective right, title and interests to the Business in the Territories entered into between the Company, Yandex, Uber and Yandex Foundation on 13 July 2017, as the same may be amended or otherwise modified from time to time in accordance with its terms;

"Control" of a given person means the power or authority, whether exercised or not, to direct the business, management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the voting of more than [***] of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of board of directors of such person. The terms **"Controlled"** and **"Controlling"** have meanings correlative to the foregoing;

"Corrupt Act" means, either in private business dealings or in dealings with the public or government sector, directly or indirectly giving, making, offering, receiving or agreeing to make (either individually or in agreement with others) any payment, gift or other advantage which (i) would violate any Corruption Laws; or (ii) is made to or for a Public Official or other person with the intention of influencing them and improperly obtaining or retaining an advantage in the conduct of business. The Parties acknowledge that this Agreement is not

intended to prohibit lawful and good faith, reasonable and proportionate hospitality, promotional and other business expenditure;

"Corruption Laws" means all Applicable Laws in connection with bribery and corruption, including:

- (a) legislation in applicable jurisdictions implementing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December, 1997, which entered into force on 15 February, 1999, and the Convention's Commentaries;
- (b) the United States Foreign Corrupt Practices Act of 1977, as amended;
- (c) the United Kingdom Bribery Act 2010; and
- (d) the Russian Federal Law On Combatting Corruption No. 273-FZ dated 25 December 2008 (in Russian, *Федеральный закон от 25.12.2008 N 273-ФЗ "О противодействии коррупции"*) and the Russian Federal Law On Combatting Legalisation (Laundering) of Proceeds from Crime and Financing of Terrorism No. 115-FZ dated 7 August 2001 (in Russian, *Федеральный закон от 07.08.2001 N 115-ФЗ "О противодействии легализации (отмыванию) доходов, полученных преступным путем, и финансированию терроризма"*);

"Deed of Adherence" means a deed in the form set out in Schedule 1;

"Deed of Covenant" means the deed of covenant between the Company, Yandex and Uber dated on or about the date hereof;

"Default Notice" has the meaning given in Clause 25.3;

"Defaulting Shareholder" has the meaning given in Clause 25.3;

"Dispute" has the meaning given in Clause 31.2;

"Drag Along Notice" has the meaning given in Clause 24.1;

"Drag Sale" has the meaning given in Clause 24.4;

"Drive Contribution Agreement" means the contribution agreement entered into between Yandex and the Company on or about the date in September 2020 on which this Agreement is amended and restated, pursuant to which, amongst other things, Yandex agrees to transfer the entire charter capital of Yandex.Carsharing LLC to the Company;

"Drive Deed of Covenant" means the deed of covenant entered into between Yandex and the Company on or about the date in September 2020 on which this Agreement is amended and restated, pursuant to which Yandex (conditional upon Russian Completion (as defined in the Drive Contribution Agreement) occurring) gives the Company certain undertakings in connection with the business of car-sharing and activities products and services ancillary or related to car-sharing;

"Dutch Director" has the meaning given in Clause 5.2;

"Encumbrance" means any option, charge (fixed or floating), mortgage, lien, pledge, equity, right to acquire, right of pre-emption, right of first refusal, title retention or any other security interest of any kind or any agreement to create any of the foregoing, or any other third party interest, equity, or right except for encumbrances that occur under this Agreement or the Articles;

"Entry Price" means the price per B Share (in USD) on the Completion Date based on the RUB to USD exchange rate set by the Central Bank of Russia on the Completion Date;

"Equity Incentive Plan" means the employee equity incentive plan adopted by the Company from time to time;

"Equity Incentive Pool" means [***] A Shares (excluding A Shares underlying equity incentive awards that are fully vested on the date hereof);

"Equity Proportions" means the respective proportions in which the Shares are held from time to time by each of the Shareholders, save that if the expression **"Equity Proportions"** is used in the context of some (but not all) of the Shareholders, it shall mean the respective proportions in which Shares are held by each of those particular Shareholders;

"Escalation Matter" has the meaning given in Clause 11.4;

"Event of Default" has the meaning given in Clause 25.1;

"Event of Default Remedy Notice" has the meaning given in Clause 25.5;

"Excess New Securities" has the meaning given in Clause 18.6;

"Exchange Agreement" has the meaning given in the Contribution Agreement;

"Excluded Territories" means either or both of the Yandex Excluded Territories and/or the Uber Excluded Territories, as the context requires, and **"Excluded Territory"** shall mean any of them, as the context requires;

"Excluded Territories Subsidiaries" has the meaning given in 3.8 and shall include the Yandex Excluded Territories Subsidiaries and the Uber Excluded Territories Subsidiaries;

"Exit Offer" has the meaning given in Clause 24.1;

"FAS" means the Federal Antimonopoly Service of the Russian Federation;

"Governmental Authority" means any government or state and any ministry, department or political subdivision thereof, and any person exercising executive, judicial, regulatory or administrative functions of, or pertaining to, government (including any independent regulator) or any other governmental entity, instrumentality, agency, authority, corporation, committee or commission under the direct or indirect control of a government, and for the avoidance of doubt includes any court or competent authority or tribunal;

"Group" means the Company and the Subsidiaries of the Company from time to time, and **"Group Company"** means any of them;

"Group Business" means the Business plus, following Russian Completion (as defined in the Drive Contribution Agreement), the business of car-sharing and all activities products and services ancillary or related to car-sharing (including facilitating car-sharing through a technology application);

"Initial Proportion" means the number of B Shares held by each of Yandex and Uber as of immediately following the consummation of the Secondary Sale, which number of B Shares are set forth opposite each of Yandex and Uber in Schedule 9; provided, that notwithstanding anything herein to the contrary, for the purposes of determining at any given time whether Yandex or Uber, as the case may be, hold a certain percentage of their respective Initial Proportion, any B Shares held at such time by a Permitted Affiliate of such Shareholder shall be treated as if it were held by such Shareholder;

"Initial Territories" means Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan;

"Insolvency Event" means a person or any person having Control of a person:

- (a) being deemed to be insolvent or bankrupt under Applicable Law;
- (b) being unable, or admitting its inability, to pay its debts as they fall due (and for the purposes of this paragraph, it is unable to pay its debts if one of the circumstances set out in section 123(1)(a), (b) (disregarding for these purposes the restriction to England and Wales) or (e) of the Insolvency Act 1986 or any other Applicable Law);
- (c) making a composition or arrangement with its creditors or putting a proposal to its creditors for a voluntary arrangement for a composition of its debts or a scheme of arrangement (other than for the purposes of a bona fide reconstruction or amalgamation);

- (d) passing a resolution putting itself into voluntary liquidation (other than for the purposes of a bona fide amalgamation or reconstruction);
- (e) suffering the appointment of a provisional liquidator, a receiver, a manager or an administrative receiver; or
- (f) being subject to any other corporate action, legal proceedings or other formal procedure or step taken for any form of liquidation (other than a voluntary solvent liquidation for the purposes of a bona fide amalgamation or reconstruction), dissolution, receivership, administrative receivership, administration, arrangement or scheme with creditors, moratorium, stay or limitation of creditors' rights, interim or provisional supervision by the court or by persons appointed by the court (or any equivalent or similar procedure under the Applicable Law of any jurisdiction in which the relevant person is incorporated, registered, domiciled or resident or carries on business or has assets);

"Intellectual Property" means (i) copyright, patents, database rights, trademarks, logos, domain names, and rights in trade marks, designs, know-how and confidential information (whether registered or unregistered), (ii) applications for registration, and rights to apply for registration, of any of the foregoing rights and (iii) all other equivalent or similar forms of intellectual property rights or protection existing anywhere in the world;

"Key Terms" means: (i) the number of Shares to be transferred; (ii) the agreed aggregate consideration for the proposed transfer, and the consideration per Share; and (iii) all other material terms and conditions of the proposed transfer;

"Listed" means admitted for unrestricted trading on a recognised investment exchange of international standing.

"Liquidity Event" means:

- (a) a Strategic Sale; or
- (b) a Qualified IPO;

"Lock-up Period" means the period commencing on the Completion Date and ending on [***];

"Management Board" means the Company's management board (*bestuur*) as constituted from time to time;

"Management Representative" in the context of an Escalation Matter, has the meaning given in Clause 11.6.1;

"Managing Director" has the meaning given in Clause 5.2;

"Yandex" means Yandex and, in case of a transfer to a Permitted Affiliate pursuant to Clause 19.4, shall include that Permitted Affiliate;

"Yandex Contribution" has the meaning given in the Contribution Agreement;

"Yandex Excluded Territory" has the meaning given in Clause 3.5, and a reference to the "Yandex Excluded Territories" shall mean all of them;

"Yandex Excluded Territory Committee" has the meaning given in Clause 3.7.2;

"Yandex Excluded Territories Subsidiary" has the meaning given in 3.8.2;

"Yandex Foundation" has the meaning given in Recital (A);

"Yandex Supervisory Director" has the meaning given in Clause 6.2.1;

"Yandex Trademark Licensing Agreement" means the trademark license agreement between the Yandex and the Company dated on or about the date the hereof;

"Marketable Securities" means the Listed marketable equity securities and depositary receipts of a Listed company, with an aggregate public float value immediately prior to the relevant Transfer of no less than USD 10 billion;

"New Securities" has the meaning given in Clause 18.1;

"New Territory" and **"New Territories"** has the meaning given in Clause 3.1;

"Nominee Supervisory Directors" and **"Nominee Supervisory Director"** has the meaning given in Clause 6.2.2;

"Non-Cash Consideration" means the monetary value of the Marketable Securities calculated by reference to the VWAP of the middle market quotations for such Marketable Securities as shown by the relevant stock exchange or listing authority for each of the [***] on the relevant stock exchange or listing authority immediately preceding the relevant Transfer, multiplied by the number of Marketable Securities the subject of the relevant Transfer;

"Non-Defaulting Shareholder" has the meaning given in Clause 25.3;

"Non-Restricted Information" has the meaning given in Clause 3.13;

"Notice of Intention" has the meaning given in Clause 3.1;

"Observer" has the meaning given in Clause 7.20;

"Offer" has the meaning given in Clause 20.1;

"Operating Yandex Subsidiaries" means:

- (a) Yandex.Taxi Kazakhstan LLC, a private company registered under the law of the Republic of Kazakhstan (registered with the Justice Division of Almatinsky district of Almaty Justice Department, business identification number 161240022428); and
- (b) Yandex.Taxi AM LLC, a limited liability company registered under the laws of Armenia (registration number 286.110.954365) and whose registered office is at Armenia, Yerevan, Khorenarsy str. 28, 0018;

"Operating Subsidiaries" means the Operating Uber Subsidiaries and the Operating Yandex Subsidiaries;

"Operating Uber Subsidiaries" means:

- (a) Uber Kazakhstan LLP a limited liability partnership organised and existing under laws of Kazakhstan (company number 160540014930) and whose registered office is at Block B, 101 Tole Bi Street, Almalinsky District, 050012 Almaty City, Kazakhstan;
- (b) Uber Systems Bel LLC a limited liability company organised and existing under the laws of Belarus (company number 192518372) and whose registered office is at Surganova str., 29, premise 1, room 26, 220012, Minsk, Belarus; and
- (c) Uber Azerbaijan LLC a limited liability company organised and existing under the laws of Azerbaijan (company number 2003320301) and whose registered office is at Xocali avenue, 55, AZ1025, Baku, Azerbaijan;

"Other Shareholder(s)" means either of Yandex (and/or its Permitted Affiliates) or Uber (and/or its Permitted Affiliates), being the Shareholder (excluding, for the avoidance of doubt, the Foundation) that is not a Selling Shareholder for the purposes of Clause 20 (*Right of First Refusal*) and Clause 21 (*Tag Along Rights*);

"Participating Shareholder" has the meaning given in Clause 21.2;

"Party Warranties" means the warranties set out at Schedule 5 (*Party Warranties*);

"People's Republic of China" means the sovereign state of the People's Republic of China excluding the Special Administrative Regions of Hong Kong and Macau, and Taiwan;

"Permitted Affiliate" means:

- (a) in respect of Yandex, any Affiliate of Yandex;
- (b) in respect of Uber, any Affiliate of Uber;

(c) in respect of any other Shareholder, any wholly-owned and Controlled corporate Affiliate of such Shareholder, and in each case which is not a Prohibited Purchaser;

"Prescribed Price" has the meaning given in Clause 23.5.2;

"Prescribed Terms" has the meaning given in Clause 23.5.2;

"Pro-rata Offer" has the meaning given in Clause 18.2;

"Pro-rata Entitlement" has the meaning given in Clause 18.3.2;

"Proceeding" means any action, suit, claim (including a claim for refund or credit with respect to an overpayment of Tax), demand, complaint, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, application, audit, examination, investigation or enquiry, whether formal or informal, commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel.

"Prohibited Purchaser" means any person who (i) is, or has an Affiliate that is, a Restricted Party; or (ii) would in the circumstances cause the Company or an Affiliate or subsidiary undertaking of the Company to become a target of Sanctions;

"Prohibited Transferee" means such persons as the Shareholders may agree from time to time;

"Public Official" means any person (whether appointed or elected) holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise (including any officer or employee of a state-owned or state-operated entity) or a public international organisation any political party or official thereof, or any candidate for political office;

"Qualified IPO" means:

- (a) the closing of the offer and sale of shares or securities representing shares in the Company in a firm commitment underwritten offering to the public;
- (b) the listing and trading of such shares and securities on the New York Stock Exchange, the NASDAQ Stock Market, the London Stock Exchange (or any other international securities exchange of recognised international standing with the mutual consent of Yandex and Uber);
- (c) results in aggregate primary and/or secondary cash proceeds of not less than [***] (net of underwriting discounts and commissions); and
- (d) in which the per share price is at least [***] (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalisation with respect to the Shares);

"Qualified IPO Notice" has the meaning given in Clause 21.2;

"Qualifying Issue" has the meaning given in Clause 18.11.

"Regulatory Approvals" means in relation to any matter, any necessary approvals required in any jurisdiction by any Governmental Authority in order for the matter to be implemented or completed (including any necessary FAS approvals);

"Related Agreement" means each Transaction Agreement other than this Agreement;

"Related Party" means, save as expressly contemplated by the Transaction Agreements, a Shareholder or any Affiliate of a Shareholder, any subsidiary undertaking or parent undertaking of a Shareholder, any other subsidiary undertaking of such a parent undertaking or any of their respective directors, officers or senior management, provided that for the purposes of this Agreement no Group Company is to be regarded as a Related Party of a Shareholder;

"Related Party Contract" means any contract, arrangement or transaction (i) between, on the one hand, a Group Company and, on the other hand, a Related Party; or (ii) pursuant to which a Group Company has third party rights against a Related Party. For the avoidance of doubt, each of the Drive Contribution Agreement and the Drive Deed of Covenant is a Related Party Contract (Yandex being the 'Related Party' in each case);

"Relevant Financing" means any equity financing transaction by the Company, the sole purpose of which is the financing of the governance and operation (or proposed operation) of the Business of the Company in any New Territory;

"Reserved Matters" has the meaning given in Clause 11.1;

"Restricted Entity" means such persons as the Shareholders may agree from time to time;

"Restricted Excluded Territory Information" has the meaning given in Clause 3.9;

"Restricted Party" means any individual or entity that is:

- (a) listed on, or owned or controlled (as such terms, including any applicable ownership and control requirements, are defined and construed in the applicable Sanctions laws and regulations or in any official guidance in relation to such Sanctions laws and regulations) by a person listed on, a Sanctions List;
- (b) a government of a Sanctioned Country;
- (c) an agency or instrumentality of, or an entity directly or indirectly owned or controlled by, a government of a Sanctioned Country;
- (d) resident in, or incorporated under the laws of, a Sanctioned Country;
- (e) otherwise a target of Sanctions,
- (f) but in any such case of paragraphs (a) to (e) shall not include any individual or entity targeted only by Sectoral Sanctions;

"Restructuring" has the meaning given in Clause 15.8.4;

"ROFO Acceptance Notice" has the meaning given in 23.6;

"ROFO Acceptance Period" has the meaning given in 23.6;

"ROFO Notice" has the meaning given in Clause 23.5;

"ROFO Offer" has the meaning given in Clause 23.5.3;

"ROFR Acceptance Notice" has the meaning given in Clause 20.2;

"ROFR Period" has the meaning given in Clause 20.2;

"Roll-Over" has the meaning given in Recital (C);

"RP Claim" means any claim that a Group Company has or may have against a Related Party under or in connection with a Related Party Contract);

"Rules" has the meaning given in Clause 31.2;

"Russian Yandex Taxi Subsidiaries" means:

- (a) Yandex.Taxi LLC, a limited liability company registered under the laws of the Russian Federation (under main registration number 5157746192731); and
- (b) Yandex.Taxi Technology LLC, a limited liability company registered under the laws of the Russian Federation (under main registration number 1177746073328).

"Russian Subsidiaries" means each of the Russian Uber Subsidiary and the Russian Yandex Taxi Subsidiaries and any other Subsidiary of the Company incorporated in the Russian Federation from time to time;

"Russian Uber Subsidiary" means Uber Technology, LLC a limited liability company organised and existing under the laws of the Russian Federation (company number

5137746103677) and whose registered office is at 2/14 Bryusov pereulok, bldg 9, 125009, Moscow, Russian Federation;

"Sanctioned Country" means any country or other territory subject to broad economic embargo under any Sanctions, which definition, as of the date of this Agreement, includes Crimea (as defined and construed in the applicable Sanctions laws and regulations), Cuba, Iran, North Korea, Sudan and Syria but excludes the Russian Federation;

"Sanctions" means any laws or regulations relating to economic or financial sanctions or trade embargoes or related restrictive measures imposed, administered or enforced from time to time by a Sanctions Authority including, for the avoidance of doubt, any Sectoral Sanctions;

"Sanctions Authority" means (i) the United Nations Security Council; (ii) the United States government; (iii) the European Union; (iv) the United Kingdom government; and (v) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury, the United States Department of State and Department of Commerce, and Her Majesty's Treasury;

"Sanctions List" means any of the lists of specifically designated nationals or designated or sanctioned individuals or entities (or equivalent) issued by any Sanctions Authority, each as amended, supplemented or substituted from time to time;

"Secondary Sale" has the meaning given in Recital (B);

"Sectoral Sanctions" means any Sanctions imposed by any Sanctions Authority that do not freeze or block the assets and/or economic resources of a designated person or comprehensively freeze or block making available funds or economic resources to such designated person, but merely restrict the ability of certain individuals or entities to access financing or export or import equipment, goods, technology or services, including, for the avoidance of doubt, the Sanctions imposed under the Sectoral Sanctions Identification List maintained by the Office of Foreign Assets Control of the US Department of Treasury;

"Selling Shareholder" has the meaning given in Clause 20.1;

"Senior Managers" or "Senior Management" means the CFO, COO and CTO, in each case of the Group, and any other officers of the Group that the Parties have agreed from time to time report directly to the CEO;

"Senior Management Candidate" has the meaning given in Clause 4.6.1;

"Shareholders" means the holders of Shares from time to time, and the term **"Shareholder"** shall be construed as any one of them;

"Shares" means any issued and outstanding shares in the capital of the Company (of whatever class) from time to time;

"Strategic Sale" means a bona fide arm's length transfer to a Third Party Purchaser (or group of directly or indirectly related Third Party Purchasers) (whether through a single transaction or a series of related transactions) of all of the Shares held by the Shareholders;

"Subsidiaries" means the subsidiary undertakings of the Company from time to time and at the date of this Agreement includes the Russian Subsidiaries and the Operating Subsidiaries, and **"Subsidiary"** means any one of them;

"Supervisory Board" means the Company's supervisory board (*raad van commissarissen*) as constituted from time to time;

"Supervisory Director" means a member of the supervisory board of the Company from time to time;

"Surviving Provisions" means Clauses 1 (*Interpretation*), 23.12 - 23.13 (*Qualified IPO lock-up period*), 23.14 (*Registration Rights*), 27 (*Notices*), 29 (*Announcements and Confidentiality*), 30 (*Miscellaneous*) (except Clauses 30.1 (*Warranties*) and 30.15 (*Further*

Assurance)) and 31 (*Governing law and Dispute Resolution*), 32 (*Process Agent*), paragraphs 5 and 6 of Schedule 3 (*Transfer Terms*), and Schedule 4 (*Registration Rights*);

"Tag Along Notice" has the meaning given in Clause 21.1;

"Tax" or **"Taxes"** means any federal, national, state, local or foreign net income, alternative or add-on minimum, estimated, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, capital, profits, lease, service, fringe benefits, license, withholding, payroll, employment, social security, excise, severance, stamp, occupation, premium, property, environmental, windfall profit tax, registration, capital stock, social security (or similar), unemployment, disability, customs duty or other tax of any kind whatsoever, including any governmental fee or other like assessment or charge in the nature of a tax, and unclaimed property (which for the purposes of this Agreement shall be treated as Tax), together with all interest, penalties, additions to tax and additional amounts with respect thereto.

"Tax Authority" means any Governmental Authority responsible for the imposition, administration, assessment, and/or collection of any Tax.

"Territories" means the Initial Territories and any New Territories as agreed between the Parties in accordance with this Agreement, and the term **"Territory"** shall be construed as any one of them;

"Third Party Completion Notice" has the meaning given in Clause 20.4.3;

"Third Party Issue" has the meaning given in Clause 18.8.

"Third Party Purchaser" means a bona fide third party purchaser who is not an Affiliate or subsidiary undertaking or parent undertaking of, or acting in concert with, any Shareholder or any of its Affiliates;

"Transaction Agreements" has the meaning given in the Contribution Agreement;

"Transfer" means, with respect to any holder of Shares, to:

- (a) create or allow to subsist any Encumbrance in respect of any of its Shares or any interest in (or in respect of) any of its Shares;
- (b) create or permit to subsist any trust over any Shares;
- (c) sell, assign, transfer or otherwise dispose of or deal with, or grant any option over, any of its Shares or an interest, or a right, in (or in respect of) its Shares;
- (d) enter into any agreement or other arrangement in respect of the votes or other rights attached to, or any benefits (economic or otherwise) or privileges pertaining to, any of its Shares;
- (e) enter into any derivative or put/call arrangement referenced to any of its Shares or the rights attached to, or any benefits (economic or otherwise) or privileges pertaining to, any of its Shares; or
- (f) enter into any agreement or arrangement to do any of the foregoing,

in each case, whether directly or indirectly, with or without consideration, and whether voluntarily or involuntarily or by operation of law (and **"Transferred"** shall be construed accordingly);

"Transfer Notice" has the meaning given in Clause 20.1;

"Transfer Terms" means the terms set out in Schedule 3 (*Transfer Terms*);

"Uber" means Uber and, in case of a transfer to a Permitted Affiliate pursuant to Clause 19.4, shall include that Permitted Affiliate;

"Uber Cash Contribution" has the meaning given in the Contribution Agreement;

"Uber Contribution" has the meaning given in the Contribution Agreement;

"Uber Excluded Territory" has the meaning given in Clause 3.5, and a reference to the **"Uber Excluded Territories"** shall mean all of them;

"Uber Excluded Territory Committee" has the meaning given in Clause 3.7.1;

"Uber Excluded Territories Subsidiary" has the meaning given in 3.8.1;

"Uber Supervisory Director" has the meaning given in Clause 6.2.2;

"Uber Newco" means Uber ML Holdco B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered office at 1017 HL Amsterdam, the Netherlands, Vijzelstraat 68, registered with the trade register of the Chamber of Commerce under number 69444692;

"Uber IPO" has the meaning given in Clause 12.6;

"Uber Trademark Licensing Agreement" means the trademark license agreement between Uber and the Company dated on or about the date hereof;

"U.S. GAAP" means generally accepted accounting principles in the United States;

"U.S. Investor" has the meaning given to it in Schedule 7;

"US Qualified IPO" means a Qualified IPO through which the Company has filed a registration statement with the SEC;

"Vendor" means the seller of any Shares in accordance with the terms of this Agreement;

"Written Request" in the context of an Escalation Matter, has the meaning given in Clause 11.4; and

"VWAP" means the volume average weighted price calculated by reference to the relevant Bloomberg screen or if not applicable or available, any price published with respect to the relevant securities by its relevant stock exchange or listing authority.

Principles of interpretation

1.2 In this Agreement:

- 1.2.1 any reference to this Agreement includes the Schedules to it, each of which forms part of this Agreement for all purposes;
- 1.2.2 references to this Agreement shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- 1.2.3 the contents page and headings in this Agreement are for convenience only and shall not affect its interpretation;
- 1.2.4 references to any document (including this Agreement) or a provision of any document includes such document or provision thereof as amended or supplemented in accordance with its terms, and whether or not such other document or provisions thereof is or becomes ineffective for any reason;
- 1.2.5 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced, provided that, as between the Parties, no such amendment, consolidation, modification, re-enactment or replacement shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any Party;
- 1.2.6 words in the singular shall include the plural and vice versa, and references to one gender include other genders;
- 1.2.7 a reference to a person shall include a reference to any individual, firm, company or other body corporate, an individual's executors or administrators, Governmental

- Authority, unincorporated association, trust or partnership (whether or not having separate legal personality);
- 1.2.8 a reference to a particular person shall include a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and, subject to Clauses 30.2 and 30.3, permitted assigns;
- 1.2.9 a reference to a Clause, paragraph, Schedule (other than to a schedule to a statutory provision) or Recital shall be a reference to a clause, paragraph, schedule or recital (as the case may be) of or to this Agreement;
- 1.2.10 if a period is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day, unless otherwise specified;
- 1.2.11 references to any English or Russian legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England or Russia (as relevant) be deemed to include what most nearly approximates the English or Russian legal term in that jurisdiction and references to any English or Russian statute or enactment shall be deemed to include any equivalent or analogous laws or rules in any other jurisdiction;
- 1.2.12 words and expressions defined in the Companies Act 2006 shall bear the same meaning as in that Act, unless expressly provided otherwise;
- 1.2.13 references to writing shall include any modes of reproducing words in any legible form (but shall not include email unless expressly stated otherwise);
- 1.2.14 an Event of Default "**subsists**" if it has not been waived by, or remedied to the satisfaction of, the Non-Defaulting Shareholders;
- 1.2.15 references to documents "**in the agreed form**" or any similar expression shall be to documents agreed between the Shareholders prior to the execution of this Agreement and initialled for identification only by, or on behalf of, the Shareholders;
- 1.2.16 references to a "**director**" of a Group Company is taken to mean a member of the board of directors or management board of any Group Company, but is not taken to mean a general director (sole executive body) of any Group Company;
- 1.2.17 a reference to "**shares**" or "**share capital**" includes a reference to "**participation interests**" and "**charter capital**";
- 1.2.18 a reference to "**RUB**", "**RUR**", "**Roubles**" or "**Rubles**" is to the lawful currency of the Russian Federation. A reference to "**USD**", "**US\$**" "**\$**" or "**Dollars**" is to the lawful currency of the United States of America. A reference to "**EUR**", "**Euro**" or "**€**" is to the lawful currency of the member states of the European Union that have adopted or may adopt the single currency in accordance with the legislation of the European Union for European Monetary Union;
- 1.2.19 for the purposes of determining whether a shareholding threshold is satisfied in this Agreement, a reference to a Shareholder shall include a reference to the shareholding of that Shareholder when aggregated together with the shareholdings of its Permitted Affiliate transferees;
- 1.2.20 a reference to a Shareholder is to that Shareholder or to any Permitted Affiliate transferee of its Shares (for the avoidance of doubt, from that Shareholder or otherwise) to whom its rights have been assigned in accordance with Clause 30.3;
- 1.2.21 persons "**acting in concert**" comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to acquire or consolidate control over Shares. Without prejudice to the general application of foregoing provisions of this Clause 1.2.21, unless the contrary is established to the reasonable satisfaction of the Shareholders acting unanimously:
- (A) a company and each of its Affiliates and subsidiary undertakings and parent undertakings will be presumed to be acting in concert;

- (B) a person and each of his connected persons (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) will be presumed to be acting in concert;
 - (C) a company and each of its officers and directors will be presumed to be acting in concert;
 - (D) a company and any person who (together with his Affiliates, subsidiary undertakings, parent undertakings and connected persons) exercises control (within the meaning of section 1124 of the Corporation Tax Act 2010) over such company will be presumed to be acting in concert;
 - (E) a broker or other organisation providing advice in relation to any actual or proposed Transfer Notice, ROFR Acceptance Notice, Drag Along Notice, Tag Along Notice, or Third Party Completion Notice and the client of such broker or other organisation to which such advice is so provided will be presumed to be acting in concert; and
 - (F) a nominee holding any Share(s) and the (actual or potential) holder(s) of the beneficial interest(s) in such Share(s) will be presumed to be acting in concert;
- 1.2.22 except where the context otherwise requires, a reference to time or the time of any day is to Moscow time on the relevant date and events stated or deemed to occur upon, or actions required to be performed by, any given date shall be deemed to occur at, or must be performed before, 5:00pm; and
- 1.2.23 references to fractional holdings of Shares shall be rounded up to the nearest whole Share.
- 1.3 The Foundation is a Shareholder solely for the purposes of Clauses 5.3 (*Appointment and removal of Managing Directors*), 6.6 (*Appointment and removal of Supervisory Directors*), 9 (*Decisions of Shareholders of the Company*), 11 (*Reserved Matters*), 19 (*Transfers of Shares*), 27 (*Notices*), 28 (*Term*), 29 (*Announcement and Confidentiality*), 30 (*Miscellaneous*), 31 (*Governing Law and Dispute Resolution*) and 32 (*Process Agent*) and shall have no other rights and obligations hereunder and, for the avoidance of doubt, all references to a Shareholder in this Agreement are not to be construed as references to the Foundation other than for those purposes, and the Foundation hereby waives any right (whether statutory or contractual) which would otherwise accrue hereunder but for this Clause 1.3.
- 1.4 The *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. The terms "**other**", "**or otherwise**", "**whatsoever**", "**including**", "**include**", "**for example**" and "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words accompanying those terms.
- 1.5 The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.
- Several liabilities**
- 1.6 Save where expressly stated otherwise in this Agreement:
- 1.6.1 all warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person in this Agreement are given or entered into severally; and

1.6.2 all warranties, representations, indemnities, covenants, agreements and obligations in favour of two or more persons in this Agreement are for the benefit of them jointly and each of them severally.

Procurement with respect to the Group

- 1.7 If, under this Agreement, a Party has undertaken to another Party to procure that any Group Company shall do any act or thing, the Party in question shall not be in breach of that undertaking if:
- 1.7.1 in the case of any Party who nominated or voted for the appointment of a director of a Group Company, that director has exercised his votes as a director in favour of the doing of the act or thing in question;
 - 1.7.2 in the case of any Party whose candidates comprise a majority of members of a board of directors or a management board of a Group Company, such members and members of the governing bodies of other Group Companies Controlled by such Group Company, as applicable, have exercised their votes in favour of the doing of the act or thing in question; and
 - 1.7.3 without prejudice to Clause 2.2, that Party has exercised its voting rights (if any) and other rights as a holder of Shares or other equity participation interests in the relevant Group Company in favour of the doing of the act or thing in question,
- provided that nothing in this Clause 1.7 shall require a director of a Group Company to act or vote in a manner inconsistent with his fiduciary and statutory duties as a director. The provisions of this Clause 1.7 shall apply *mutatis mutandis* to obligations to procure that any Group Company shall not do particular acts or things, so that the obligation to vote in favour or to act so as to bring about an act or thing shall be replaced by an obligation to vote against or act so as to prevent the occurrence of that act or thing.

2. BUSINESS AND OBJECTIVES

- 2.1 It is the intention of the Parties that at all times during the continuance of this Agreement the business of the Group shall be confined to the Group Business. For the avoidance of doubt, the Company may itself be active in the Group Business, or it may be principally a holding company of the Group, and the nature and scope of the Company's involvement (if any) in the Group Business may change from time to time.
- 2.2 Each Shareholder undertakes to exercise its voting and any other rights attaching to the Shares and its rights pursuant to this Agreement to:
- 2.2.1 procure that the Group Business is conducted by the Group:
 - (A) on sound commercial profit-making principles with the aim of generating the maximum achievable maintainable profits available for distribution to the extent consistent with good business practice; and
 - (B) in accordance with Applicable Laws, Articles and the Charters;
 - 2.2.2 procure that the Management Board determines the general policy of the Company in the carrying on of the Group Business under supervision of the Supervisory Board in accordance with the express provisions of this Agreement and of the Articles; and
 - 2.2.3 procure that each Group Company is operated and managed consistently with this Agreement and complies with the restrictions imposed upon it under its Charter.

3. NEW TERRITORIES AND COMPETING OPERATIONS

New Territories

- 3.1 Subject always to Clause 11 (*Reserved Matters*), where the Company intends or proposes to enter and operate the Business in a geographical region outside of the Initial Territories (each a "**New Territory**" and collectively the "**New Territories**"), it will provide written notice

- to the Shareholders of its intention in accordance with Clause 3.3 (a "**Notice of Intention**"). A Notice of Intention shall include a statement that (i) the Company is considering entering and operating the Business in a New Territory and (ii) the estimated timeframe for commencement of operations in the New Territory. For the avoidance of doubt, other than as set forth in the sub clauses (i) and (ii) above, a Notice of Intention shall not include any details about the Company's entry plans (including, but not limited to, strategy relating to the roll out of Company operations in such New Territories); provided, however, that such information as may reasonably be necessary to evaluate such Notice of Intention may be provided on a "counsel only" basis.
- 3.2 No binding decision will be made by the Management Board or the Supervisory Board regarding entry into a New Territory until such time as the Supervisory Board receives written confirmation from the Shareholders within [***] of delivery of the Notice of Intention relating to such jurisdiction that they have reasonably co-operated with each other, including obtaining separate or joint external legal advice where considered necessary, and agreed in writing (acting reasonably) as to whether the proposed operation of the Business in a New Territory would be in compliance with all applicable anti-trust and other similar laws; provided, in the event that:
- 3.2.1 Uber or Yandex (as the case may be) does not provide a written confirmation in accordance with Clause 3.2, or otherwise engage with the Company with respect to the proposed entry into such New Territory, within [***] of delivery of such applicable Notice of Intention, the Supervisory Board may make a binding decision to enter into such New Territory if, and only if, it receives clear, unambiguous and up-to-date advice from an independent leading international law firm duly appointed by the Company that the proposed operation of the Business in such New Territory would be in compliance with all applicable anti-trust and other similar laws; or
- 3.2.2 the Shareholders (acting reasonably) disagree or receive conflicting legal advice as to whether the proposed operation of the Business in such New Territory would be in compliance with all applicable anti-trust and other similar laws, the Supervisory Board may make a binding decision to enter into such New Territory if, and only if, it receives clear, unambiguous and up-to-date advice from an independent leading international law firm that has (i) been jointly appointed by the Shareholders (acting reasonably) and (ii) had the opportunity to review any conflicting legal advice previously received by each Shareholder, that the proposed operation of the Business in such New Territory would be in compliance with all applicable anti-trust and other similar laws.
- 3.3 If Uber or Yandex (or any of their Affiliates):
- 3.3.1 is operating its own Business in the New Territory as of the date of the Notice of Intention, any Notice of Intention issued pursuant to Clause 3.1 shall be issued (to both Shareholders) no less than [***] prior to the date of the intended commencement of operations of the Business in such New Territory; or
- 3.3.2 is not operating its own Business in the New Territory as of the date of the Notice of Intention, any Notice of Intention issued pursuant to Clause 3.1 shall be issued (to both Shareholders) no less than [***] prior to the date of the intended commencement of operations of the Business in such New Territory.
- 3.4 Each Shareholder must promptly provide (including on an external-counsel only basis if reasonably requested) all information reasonably requested by the other Shareholder to enable the requesting Shareholder to independently undertake the analysis required to reach a view on the matters contained in Clause 3.2 and 3.2.
- 3.5 In the case of any New Territory in respect of which a Notice of Intention has been timely given pursuant to Clause 3.3 above, upon the Company (or any of its Subsidiaries) commencing operations of the Business in such New Territory, such New Territory shall become part of the Territories (and the definition of "Territories" herein shall be deemed to

be amended to include such New Territory and the term of protective undertakings set out in the Deed of Covenant shall commence in respect thereof), unless:

- 3.5.1 Uber or Yandex (or any of their Affiliates) is already operating its own Business in the New Territory as of the date of the Notice of Intention; or
- 3.5.2 where Uber or Yandex (or any of their Affiliates) is not already operating its own Business in the New Territory as of the date of the Notice of Intention:
 - (A) Uber or Yandex (as the case may be) has provided written notice, within [***] of the applicable Notice of Intention, to elect to exclude such New Territory from the protective undertakings contained in the Deed of Covenant such that Uber or Yandex (or any of their Affiliates), as the case may be, may choose to independently operate its own Business or any other business in competition with the Company or any of its Subsidiaries, in such New Territory; or
 - (B) Uber fails to subscribe for (and Yandex has subscribed for) or Yandex fails to subscribe for (and Uber has subscribed for), as the case may be, at least its pro rata share of any Relevant Financing in such New Territory,

(in relation to Uber, any such New Territory being a "**Uber Excluded Territory**" and in relation to Yandex, any such New Territory being a "**Yandex Excluded Territory**", and collectively referred to as the "**Excluded Territories**"). For the avoidance of doubt, any such New Territory referred to in Clauses 3.5.1 or 3.5.2 shall only be considered an "Excluded Territory" upon the Company (or any of its Subsidiaries) commencing operations of the Business in such New Territory.

3.6 Each of Uber or Yandex, as the case may be, undertakes:

- 3.6.1 in the event a Notice of Intention is given in accordance with Clause 3.3.1, to promptly upon receipt of such notice take the necessary steps and measures to establish and implement information barriers and Chinese walls to ensure that Uber or Yandex business team(s) (as the case may be) involved in day-to-day operations of Business activities in the relevant New Territory (or New Territories) are not informed or otherwise provided any information with respect to the Company's potential entry and operation of the Business in such New Territory; and
- 3.6.2 in the event a Notice of Intention is given in accordance with Clause 3.3.2 and Uber or Yandex (as the case may be) have acted in accordance with Clause 3.5.2(A) or 3.5.2(B), to promptly take the necessary steps and measures to establish and implement information barriers and Chinese walls to ensure that Uber or Yandex business team(s) (as the case may be) involved in day-to-day operations of Business activities in the relevant New Territory (or New Territories) are not informed or otherwise provided any information with respect to the Company's potential entry and operation of the Business in such New Territory,
(and, for the avoidance of doubt, involvement in day-to-day operations of Business activities, for the purpose of this Clause 3.6 includes business team(s) involved in strategy and operational planning to assess opportunities for entry and operation of the Business in New Territories).

Excluded Territories

- 3.7 Subject always to Clause 11 (*Reserved Matters*), the Supervisory Board shall have authority, by majority vote, to form two committees thereof:
 - 3.7.1 one comprised exclusively of Supervisory Directors other than Uber Supervisory Directors (the "**Uber Excluded Territories Committee**"), and to delegate to such Uber Excluded Territories Committee all authority of the Supervisory Board to take

- all actions and decisions of the Supervisory Board in respect of the Business of the Company and its Subsidiaries in the Uber Excluded Territories; and
- 3.7.2 one comprised exclusively of Supervisory Directors other than Yandex Supervisory Directors (the "**Yandex Excluded Territories Committee**"), and to delegate to such Yandex Excluded Territories Committee all authority of the Supervisory Board to take all actions and decisions of the Supervisory Board in respect of the Business of the Company and its Subsidiaries in the Yandex Excluded Territories.
- 3.8 Subject always to Clause 11 (*Reserved Matters*), and notwithstanding anything to the contrary in this Agreement, the Company (or any of its Subsidiaries) shall, and Uber or Yandex (as the case may be) shall procure that the Company (or any of its Subsidiaries) shall, form or incorporate a new and separate Subsidiary (whether or not wholly-owned by the Company) in any Excluded Territory solely for the purposes of operating the Business in such Excluded Territory (the "**Excluded Territories Subsidiaries**") and, for the avoidance of doubt, where such Subsidiary is formed or incorporated in a:
- 3.8.1 Uber Excluded Territory, it shall be an Uber Excluded Territories Subsidiary and Uber shall not have any governance rights or obligations with respect to such Uber Excluded Territories Subsidiary; and
- 3.8.2 Yandex Excluded Territory, it shall be a Yandex Excluded Territories Subsidiary and Yandex shall not have any governance rights or obligations with respect to such Yandex Excluded Territories Subsidiary.
- 3.9 Subject to Clause 11 (*Reserved Matters*), and notwithstanding anything to the contrary in this Agreement or the Articles, the Company shall not, and shall cause its Subsidiaries not to:
- 3.9.1 in the case of an Uber Excluded Territory, provide to Uber or the Uber Supervisory Directors any non-public information, access to records or facilities, or audit or inspection rights (including, for the avoidance of doubt, any financial information or audit rights Uber may otherwise be entitled to in accordance with Clauses 12.3 to 12.13 (*Information*) inclusive and Clauses 12.14 and 12.15 (*Audit rights*)), relating solely to the operations of the Company and its Subsidiaries in the Uber Excluded Territories; and
- 3.9.2 in the case of a Yandex Excluded Territory, provide to Yandex or the Yandex Supervisory Directors any non-public information, access to records or facilities, or audit or inspection rights (including, for the avoidance of doubt, any financial information or audit rights Yandex may otherwise be entitled to in accordance with Clauses 12.3 to 12.13 (*Information*) inclusive and Clauses 12.14 and 12.15 (*Audit rights*)), relating solely to the operations of the Company and its Subsidiaries in the Yandex Excluded Territories.
- Information that is restricted in accordance with this Clause 3.9 shall, for the purposes of Clause 3.12 below, be referred to as the "**Restricted Excluded Territory Information**".
- 3.10 The restrictions in Clause 3.9 shall not apply to such information, access or rights solely to the extent necessary for Uber or the Uber Supervisory Directors, on the one hand, or Yandex or the Yandex Supervisory Directors, on the other, as applicable, to (i) monitor and ensure compliance with Corruption Laws, the Anti-Corruption Compliance Programme and applicable Sanctions and (ii) comply with its or their obligations under this Agreement and any Applicable Law.
- 3.11 The Company shall, and Uber and Yandex shall procure that the Company shall, take such steps and measures to establish and implement such policies and procedures, including information barriers and Chinese walls, as are necessary to ensure that Uber and the Uber Supervisory Directors, on the one hand, or Yandex or the Yandex Supervisory Directors, on the other, as applicable, do not receive any information, access to records or facilities, or audit or inspection rights in contravention of Clause 3.9.

- 3.12 Notwithstanding Clause 3.9, the financial position and results of operations of the Company in the Excluded Territories shall be included in the consolidated financial statements of the Company and each of Uber and Yandex shall be entitled to receive such consolidated financial statements of the Company in accordance with Clauses 12.3 to 12.13 (*Financial Matters and Information*) inclusive, subject to appropriate redactions made in respect of the Excluded Territories (as applicable).
- 3.13 Without prejudice to Clauses 3.10 and 3.12, to the extent any Restricted Excluded Territory Information also relates to the business of any Group Company operating the Business in a Territory that is not an Excluded Territory (the "**Non-Restricted Information**"), the Company will use (and will cause its Subsidiaries to use) reasonable best efforts to separate such Non-Restricted Information from the Restricted Excluded Territory Information so that the Non-Restricted Information can be shared with Uber or Yandex (as applicable) or, to the extent such Restricted Excluded Territory Information is not reasonably separable, will provide such Restricted Excluded Territory Information in redacted form or will otherwise provide access to Uber or Yandex (as applicable) to the portion of the Restricted Excluded Territory Information comprised of Non-Restricted Information only.
- 3.14 Notwithstanding anything contained herein to the contrary, in the event that the Company abandons or ceases operating the Business in an Excluded Territory, the rights, obligations and restrictions applicable to such Excluded Territory contained in Clauses 3.7 to 3.13 (inclusive) shall cease to apply on and from the date that the Company abandons or ceases operating the Business in such Excluded Territory.

Competing operations following expiry of the Deed of Covenant

- 3.15 In the event that Uber or Yandex proposes to operate a Business, or any other business, that competes with the Business being operated by the Company or any of its Subsidiaries, in any of the Territories following expiration of the applicable protective undertaking periods in the Deed of Covenant, Uber or Yandex (as applicable) shall provide the Company with written notice of its intention to do so at least [***] to the intended date of commencement of operations in such Territory or Territories (as applicable).
- 3.16 In the event that a notice is provided to the Company in accordance with Clause 3.15 by:
- 3.16.1 Uber (or any of its Affiliates), the Territory or Territories (as applicable) covered by the notice so delivered shall become an Uber Excluded Territory; and
- 3.16.2 Yandex (or any of its Affiliates), the Territory or Territories (as applicable) covered by the notice so delivered shall become a Yandex Excluded Territory,

(and such definitions herein shall be deemed to be amended to include such Territory or Territories (as applicable)) and the provisions applicable to Excluded Territories contained in Clauses 3.7 to 3.13 shall be applicable to such Territory or Territories covered by the relevant notice (as applicable).

4. MANAGEMENT AND GOVERNANCE OF THE GROUP

Management and supervision of the Group

- 4.1 Without prejudice to the decision-making powers of the Shareholders expressly set out in this Agreement, the Shareholders agree that the management of the Group, under the supervision of the Supervisory Board, shall be performed by, as the case may be:
- 4.1.1 the Management Board;
- 4.1.2 the management bodies of each Subsidiary;
- 4.1.3 the persons fulfilling the role that is equivalent to the chief financial officer of the Group, which on the date of this Agreement is Stanislav Drozdik (the "**CFO**");
- 4.1.4 the persons fulfilling the role that is equivalent to the managing director for growth and strategy, including the duties of chief marketing officer of the Group, which on the date of this Agreement is Daniil Shuleiko (the "**COO**"); and

4.1.5 the persons fulfilling the role that is equivalent to the chief technology officer of the Group, which on the date of this Agreement is Andrey Egunov (the "**CTO**"),

in each case in accordance with this Agreement, the Articles and the Charters.

Management of the Subsidiaries

4.2 The Shareholders agree that the management of each Subsidiary shall be performed by:

4.2.1 the general meeting of its shareholders or participants (as the case may be);

4.2.2 its general director (in the case of the Russian Subsidiaries and any other Subsidiaries incorporated in the Russian Federation);

4.2.3 its board of directors (in the case of the Operating Subsidiaries and any other Subsidiaries incorporated outside the Russian Federation from time to time); and

4.2.4 its board of directors (in the case of the Excluded Territories Subsidiaries and any other Subsidiaries incorporated in the Excluded Territories from time to time).

in each case in accordance with this Agreement and the relevant Charter.

4.3 The Company shall, and the Shareholders shall procure that the Company shall, in each case subject to Clause 11 (*Reserved Matters*):

4.3.1 exercise control over the Subsidiaries by directly and indirectly (through other Subsidiaries) exercising its voting rights as a shareholder or participant (as the case may be) in the Subsidiaries and by directly and indirectly (through other Subsidiaries) appointing the directors or general directors of the Subsidiaries (in each case, where applicable);

4.3.2 procure that each Subsidiary promptly takes all actions and decisions necessary in order to implement decisions made by its direct or indirect parent undertakings (including the Company); and

4.3.3 subject to Clause 5, procure that if it becomes aware that any Subsidiary or any officer or employee of any Group Company is taking or has taken any action or decision in contravention of the requirements of Clauses 4.3.2 or 11, each Group Company shall as soon as reasonably practicable take such reasonable action as is necessary to correct such action or decision including, if applicable, removing from office any officer or employee of such Group Company responsible for the taking of such contravening action or decision.

Appointment and removal of Senior Management

4.4 Subject to Clause 11 (*Reserved Matters*) and Clauses 4.5 to 4.8 (inclusive), the Management Board shall be responsible for the appointment of the CFO, COO or CTO (each a "**Senior Manager**" and collectively the "**Senior Management**") of the Group.

4.5 Each Senior Manager shall have such authority as the Management Board may from time to time delegate to them via a power of attorney.

4.6 Prior to any appointment made pursuant to Clause 4.4, Uber shall be entitled to:

4.6.1 receive, with at least [***] notice, the names and details (including resume and times and dates of any interview) of any candidate(s) being considered, pursued or interviewed by the Management Board for appointment to any Senior Management position (a "**Senior Management Candidate**");

4.6.2 be represented in at least one interview with any final Senior Management Candidate proposed to be appointed; and

4.6.3 make recommendations to the Management Board as to the suitability of any Senior Management Candidate.

4.7 The Company undertakes to reasonably consider the recommendations made by Uber in accordance with Clause 4.6.3.

- 4.8 Unless otherwise agreed in writing by the Shareholders, each of the Company and Yandex undertakes to procure that any person appointed to Senior Management:
- 4.8.1 must have the appropriate skills, qualifications and experience required of a member of Senior Management having regard to the nature of the Group Business and the size of the Group; and
- 4.8.2 must not be related to (A) any member of the existing Senior Management of the Group or (B) any member of the senior management of Yandex (or any of its Affiliates).
- 4.9 Subject to Clause 11 (*Reserved Matters*), the remuneration (including any bonus or any profit sharing, share option or other incentive scheme or any equity-linked remuneration scheme) of the Senior Managers shall be determined by the Management Board, under the supervision of the Supervisory Board (or any compensation committee thereof), in accordance with the global market standards for such role from time to time.
- 4.10 Uber shall be entitled to receive prior written notice, within a reasonable period, of any intention or decision by the Management Board to terminate the service or employment contract of any Senior Manager and shall be entitled to make recommendations to the Management Board in relation to the proposed termination, such recommendation to be reasonably considered by the Management Board.

Relationship of this Agreement and Articles and Charters

- 4.11 If, during the continuance of this Agreement, there is any conflict between the provisions of this Agreement and of the Articles or the Charters, then as between the Shareholders, during such period, the provisions of this Agreement shall prevail to the extent permitted by Applicable Law and Yandex and Uber shall work together to procure the relevant amendment to the Articles or the Charters that ensures consistency between the Articles or the Charters and this Agreement if so required.
- 4.12 For the avoidance of doubt, Uber and the Company shall take all necessary actions and steps to give effect to the provisions of this Agreement with respect to the United Excluded Territories. This shall include, but not be limited to, (i) the exercise of voting (and any other rights pursuant to the terms of this Agreement) in a manner that will allow each of the Subsidiaries to obtain all necessary resolutions with respect to the United Excluded Territories, and (ii) refraining from any actions which may block the passing of such necessary resolution(s) with respect to the United Excluded Territories.

Administrator

- 4.13 The Company and the Shareholders agree that, upon Completion, Alex de Cuba shall perform certain administrative and corporate services on behalf of the Company, such services to include maintenance of the Company's register but (unless otherwise agreed by Yandex and Uber, acting together) to exclude provision of a registered address to the Company. For so long as Yandex and Uber each hold more than [***] of their Initial Proportions (respectively), the Company shall be entitled to appoint, remove and replace an administrator or corporate service provider if Yandex and Uber (acting reasonably) so request jointly in writing.

5. THE MANAGEMENT BOARD

Role of the Management Board

- 5.1 The Management Board shall be charged with the management of the business and affairs, the administration and the representation of the Company, subject to the provisions in this Agreement and the Articles. In carrying out its duties, the Management Board shall be guided by the best interests of the Company and its business, including its stakeholders. All powers not expressly reserved for the Management Board or the Supervisory Board by Dutch Civil Code or the Articles or this Agreement fall to the Shareholders' general meeting.
- 5.2 The Company shall have a Management Board composed of two managing directors (*bestuurders*) (the "**Managing Directors**", each a "**Managing Director**"). One of the

Managing Directors shall be the chief executive officer (the "**CEO**") and may be a non-resident of the Netherlands and the other Managing Director shall be an individual who is a resident in the Netherlands (the "**Dutch Director**"). In the event that a Dutch Director no longer has his place of residence in the Netherlands, he shall forthwith inform the Management Board thereof. Only natural persons may be a Dutch director.

Appointment, removal and remuneration of Managing Directors

- 5.3 Yandex shall be entitled to nominate, remove or replace (as the case may be) the CEO and Dutch Director by written notice to the Company and Yandex and Uber shall procure that the persons so nominated from time to time are appointed, removed or replaced (as the case may be) as CEO and Dutch Director, provided that the rights and obligations of the Company, Yandex and Uber contained in Clauses 4.6, 4.7, 4.8 and 4.10 with respect to appointment of Senior Managers shall apply, *mutatis mutandis*, to the appointment of the CEO and Dutch Director.
- 5.4 The CEO and Dutch Director shall be appointed by Shareholders at a Shareholders' general meeting and, for the avoidance of doubt, each of Yandex, Uber and the Foundation shall be entitled to vote its Shares in respect of such appointment.
- 5.5 Subject to Clause 11 (*Reserved Matters*), the remuneration (including any bonus or any profit sharing, share option or other incentive scheme or any equity-linked remuneration scheme) of the Managing Directors shall be determined by the Supervisory Board (or any compensation committee thereof) in accordance with the global market standards for such role from time to time.

Meetings

- 5.6 Management Board meetings shall be held in person at the head offices of the Company, unless in exceptional circumstances an alternative location is determined in advance by the CEO provided that no Management Board meetings are held in the United Kingdom. Management Board meetings shall be held monthly, unless the Management Board decides otherwise. In addition, the Management Board shall meet at the request of any of its Managing Directors. Management Board meetings will be convened by the CEO giving [***] prior notice, or such shorter period if, at the sole discretion of the CEO, the circumstances so require. Together with the notice of the meeting, an agenda shall be sent stating the items which shall be discussed at such meeting, accompanied by supporting documents relating to such items, if any.

Conflicts of interest

- 5.7 A Managing Director who has a Conflict of Interest shall immediately report this to the other Managing Director, the Supervisory Directors and the Shareholders. Such Managing Director will make himself available to provide all information relevant to the Conflict of Interest to the other Managing Director, the Supervisory Directors and the Shareholders.
- 5.8 In the event of a Conflict of Interest referred to in Clause 5.7, the number of Managing Directors required to validly deliberate and vote will not be met and, accordingly, the Management Board shall be required to submit the decision on such matter to the Supervisory Directors.

Decision-making

- 5.9 Decisions of the Management Board can only be validly taken in a meeting where all Managing Directors are present in person.
- 5.10 Subject always to Clause 11 (*Reserved Matters*), decisions of the Management Board shall have been validly passed when all votes are cast in favour.
- 5.11 In the event of a tied vote at a Management Board meeting, the proposed resolution shall be rejected and the status quo preserved.

- 5.12 A resolution of the Management Board may, instead of at a meeting, be passed in writing, which shall include an electronic message and a message transmitted by any other accepted means of communication, provided that such message can be printed.

Representation at Management Board meetings

- 5.13 Any Managing Director shall be entitled to appoint the other Managing Director as his proxy by power of attorney who will be entitled in the absence of his appointor to do all the things which his appointor is authorised or empowered to do and with the same number of votes as his appointor, provided the authorisation is granted in respect of (i) specific transaction(s) or (ii) limited in time or scope with due observance of Clause 5.6.

6. THE SUPERVISORY BOARD

Role of the Supervisory Board

- 6.1 The Supervisory Board shall be charged with the supervision of the Management Board and the Company's business. The Supervisory Board shall also assist the Management Board by providing advice. In carrying out their duties, the Supervisory Directors shall be guided by the best interests of the Company and its business, including its stakeholders.

Appointment and removal of Supervisory Directors

- 6.2 Unless otherwise agreed by the Shareholders as a Reserved Matter, the Supervisory Board shall have a maximum of [***] members, of whom:

6.2.1 Yandex shall be entitled, for so long as Yandex (together with its Permitted Affiliates) holds:

- (A) [***] or more of its Initial Proportion, to nominate [***] Supervisory Directors to the Supervisory Board;
- (B) at least [***] but less than [***] of its Initial Proportion, to nominate [***] Supervisory Directors to the Supervisory Board;
- (C) at least [***] but less than [***] of its Initial Proportion, to nominate [***] Supervisory Directors to the Supervisory Board; and
- (D) at least [***] but less than [***] of its Initial Proportion, to nominate [***] Supervisory Director to the Supervisory Board,

by notice to the Company (each a "**Yandex Supervisory Director**"), provided that the failure by Yandex to nominate its Yandex Supervisory Directors shall not be deemed to be a waiver by Yandex of its right to nominate any of its Yandex Supervisory Directors at any time; and

6.2.2 Uber shall be entitled, for so long as Uber (together with its Permitted Affiliates) holds:

- (A) [***] or more of its Initial Proportion, to nominate [***] Supervisory Directors to the Supervisory Board;
- (B) at least [***] but less than [***] of its Initial Proportion, to nominate [***] Supervisory Directors to the Supervisory Board; and
- (C) at least [***] but less than [***] of its Initial Proportion, to nominate [***] Supervisory Director to the Supervisory Board,

by notice to the Company (each a "**Uber Supervisory Director**" and together with the Yandex Supervisory Directors, the "**Nominee Supervisory Directors**" and each an "**Nominee Supervisory Director**"), provided that the failure by Uber to nominate its Uber Supervisory Directors shall not be deemed to be a waiver by Uber of its right to nominate any of its Uber Supervisory Directors at any time.

- 6.3 To the extent that the number of Nominee Supervisory Directors nominated by Yandex or Uber from time to time exceeds their entitlement under Clauses 6.2.1 and 6.2.2 (respectively), Yandex or Uber (as applicable) shall procure that such excess number of Nominee Supervisory Director(s) is/are removed in accordance with this Clause 6 and the number of Nominee Supervisory Directors of the Supervisory Board shall be correspondingly reduced.
- 6.4 Subject to Clause 11 (*Reserved Matters*), and notwithstanding Clause 6.2, one third party investor as determined by the Supervisory Board ("**Third Party Investor**") may (with effect from the completion of its investment in the Company) nominate an additional Supervisory Director to the Supervisory Board on one occasion, provided that such Supervisory Director shall not be a representative of, or otherwise affiliated with, a Restricted Entity.
- 6.5 In nominating persons to be appointed as Nominee Supervisory Directors in accordance with clauses 6.2.1 and 6.2.2, each of Yandex and Uber shall appoint as a Yandex Supervisory Director and Uber Supervisory Director (respectively) at least one person that shall be an individual who is resident in the Netherlands for tax purposes.
- 6.6 Yandex and Uber shall procure that the persons so nominated from time to time are appointed as Supervisory Directors. For the purposes of this Agreement, a Supervisory Director shall be deemed to have been appointed by a Shareholder if he or she is appointed as a Supervisory Director following his nomination for appointment to the Supervisory Board by the relevant Party as contemplated by this Clause 6.
- 6.7 The Supervisory Directors shall be appointed by Shareholders at a Shareholders' general meeting and, for the avoidance of doubt, each of Yandex, Uber and the Foundation shall be entitled to vote its Shares in respect of such appointment.
- 6.8 Each Shareholder may require any Supervisory Director nominated by it to be removed or replaced by written notice to the Company. The Shareholders shall procure that any such removal or replacement shall be made in accordance with this Agreement and the Articles as soon as practicable after the relevant notice is delivered to the Company. Any Supervisory Director nominated by a Shareholder under this Clause 6 may be removed or replaced only in accordance with this Clause 6.
- 6.9 In the event of a vacancy on the Supervisory Board as a result of the death or resignation of any Supervisory Director or otherwise (including if a person is, or becomes, ineligible to be a Supervisory Director under Applicable Law or any provision of the Articles), the Shareholders shall use their best endeavours to ensure, insofar as they are able, that no person is appointed to fill such vacancy except following appointment in accordance with this Clause 6 by the Shareholder that appointed the Supervisory Director whose office shall have become vacant.
- 6.10 The Shareholder requiring a Supervisory Director to be removed in accordance with Clause 6.6 shall indemnify and hold harmless the Company for any liability arising from any such removal.
- 6.11 The Company shall promptly take such steps as are necessary in relation to any appointment or removal of any Supervisory Director under this Agreement, including to effect all relevant changes to the trade register of the Chamber of Commerce.
- 6.12 Each individual appointed pursuant to this Clause 6 shall be appointed for an indefinite term subject to the terms of this Agreement, the Dutch Civil Code and the Articles, unless removed or unless they resign in accordance with the terms of this Agreement or the Articles. Where the law provides for a maximum term of office, the Shareholders shall take all necessary actions to renew such appointment (unless such Supervisory Director is otherwise dismissed or resigns in accordance with the terms of this Agreement or the Articles) prior to the expiry of the term of office of such Supervisory Director.
- Chairman**
- 6.13 Yandex shall nominate the Chairman of the Supervisory Board, and the Shareholders shall procure that the Supervisory Directors shall elect such person to act as the Chairman of the

Supervisory Board. The Chairman of the Supervisory Board shall not have a second or casting vote or any other special voting powers.

Remuneration

- 6.14 The Supervisory Directors shall not be entitled to receive fees or remuneration from the Company in their capacity as supervisory directors of the Company or otherwise in connection with the performance of their duties as Supervisory Directors, except (if applicable) as may otherwise be agreed in writing by the Shareholders. The determination of any issues related to the remuneration of Supervisory Directors in their capacity as directors shall fall within the competence of the Shareholders.

Confidentiality

- 6.15 Subject to Clause 12.12, each Shareholder shall procure that any Supervisory Director appointed by it in accordance with this Clause 6 shall keep confidential (as contemplated by Clauses 29.4 to 29.6) all information which such Supervisory Director receives about the Group and the Group Business or the Shareholders or their Affiliates or subsidiary undertakings or parent undertakings.

Representation

- 6.16 Any Supervisory Director shall be entitled to appoint another Supervisory Director as his proxy (by power of attorney disclosed to the Supervisory Board prior to the applicable meeting of the Supervisory Board and a Supervisory Director may be appointed as an proxy by more than one other Supervisory Director) who will be entitled in the absence of his appointor to do all the things which his appointor is authorised or empowered to do and with the same number of votes as his appointor, under the condition however that at least two Supervisory Directors are present at the meeting. For the avoidance of doubt, a Supervisory Director who is also a proxy shall be entitled, in the absence of his appointor (1) to cast a separate vote(s) on behalf of his appointor in addition to his own vote(s) and (2) to be counted as part of the quorum of the Supervisory Board on his own account and in respect of the Supervisory Director(s) for whom (s)he is the proxy.

7. MEETINGS OF THE SUPERVISORY BOARD

Supervisory Board Meetings

- 7.1 Supervisory Board meetings shall be held at least quarterly and otherwise as frequently as needed in the Netherlands and if such meetings are to be held elsewhere, they shall not consistently be held in one other jurisdiction (not being the Netherlands) but in that case rotate among more jurisdictions with the majority of such meetings in any calendar year to be held in the Netherlands.
- 7.2 Any Supervisory Director shall be entitled to require the Company to convene a meeting of the Supervisory Board by giving written notice to the Company in which case the Company shall ensure that such meeting is promptly called in accordance with the provisions of this Agreement and the Articles. At least [***] written notice shall be given to each of the Supervisory Directors and each Shareholder of all Supervisory Board meetings (unless all the Supervisory Directors agree in writing to shorter notice).
- 7.3 Each notice of a Supervisory Board meeting shall be sent to each Supervisory Director and each Shareholder that has nominated (or is entitled to nominate) a Supervisory Director and shall:
- 7.3.1 specify a reasonably detailed agenda of the matters to be discussed at the meeting including all matters to be submitted for approval;
 - 7.3.2 be accompanied by any relevant supporting documents; and
 - 7.3.3 be sent by email, and may be supplemented by copies sent by courier.

Any matter not on the agenda and described in reasonable detail may not be raised at the meeting unless all the Supervisory Directors agree.

- 7.4 Meetings of the Supervisory Board shall be held in-person in the Netherlands, unless in exceptional circumstances (i) an alternative location is determined in advance by the Chairman and provided that no meetings will be held in the United Kingdom or (ii) it is determined that the meeting will be held by a conference call/video conference between Supervisory Directors some of whom are in different places and provided further that no Supervisory Director participates from the United Kingdom and each Supervisory Director who participates is able to hear each of the other participating Supervisory Directors addressing the meeting, and, if he so wishes, to address all of the other participating Supervisory Directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment (including web based conferencing) or by a combination of those methods. Participation in such a meeting by conference call/video-conference shall constitute attendance and presence at such meeting. A meeting held as described in this Clause 7.4 shall be deemed to be held at the registered office of the Company in the Netherlands.
- 7.5 Save in relation to a Reserved Matter, decisions taken outside formal Supervisory Board meetings (other than pursuant to Clause 7.12) shall, before going into effect, be ratified in a formal Supervisory Board meeting organised in accordance with 7.1.
- 7.6 The Shareholders shall use their reasonable endeavours to ensure that Supervisory Directors appointed or requested to be appointed by them attend Supervisory Board meetings that are convened in accordance with Clause 7.1.

Quorum

- 7.7 Unless otherwise specified in this Agreement the quorum for a Supervisory Board meeting shall be satisfied if at least four Supervisory Directors (including if any Yandex Supervisory Directors have been appointed at the relevant time, at least one Yandex Supervisory Director and, if any Uber Supervisory Directors have been appointed at the relevant time, at least one Uber Supervisory Director) are present (or represented by Proxy in accordance with Clause 6.16) and entitled to vote at the time the relevant business is transacted.
- 7.8 If a quorum is not present within 90 minutes of the time appointed for the meeting (or ceases to be present for 90 minutes), the meeting shall be adjourned to be held [***] later at the same time and place (unless all Supervisory Directors agree otherwise). Without prejudice to Clause 11 (*Reserved Matters*), the quorum at such adjourned meeting shall be as set out in Clause 7.7.
- 7.9 If a quorum is not present within 90 minutes of the time appointed for such re-convened meeting (or ceases to be present for 90 minutes), that meeting shall be adjourned to be held [***] later at the same time and place (unless all Supervisory Directors agree otherwise). Without prejudice to Clause 11 (*Reserved Matters*), the quorum at the second re-convened meeting shall be:
- 7.9.1 if a quorum was not present at the initial meeting and the first re-convened meeting due to the absence of an Uber Supervisory Director, at least four Supervisory Directors (including if any Yandex Supervisory Directors have been appointed at the relevant time, at least one Yandex Supervisory Director); otherwise
- 7.9.2 as set out in Clause 7.7.
- 7.10 Supervisory Directors shall be regarded as present for quorum purposes if represented in accordance with Clause 6.16.

Voting at Supervisory Board meetings

- 7.11 Each Supervisory Director shall have one vote (except that, for the avoidance of doubt, a Supervisory Director who is representing another Supervisory Director shall be entitled to exercise both his own vote and the vote of the other Supervisory Director that he represents).
- 7.12 Save in relation to a Reserved Matter that is considered by the Supervisory Board, all business arising at any Supervisory Board meeting shall be determined by resolution passed

by a majority of the total votes of all Supervisory Directors present, entitled to vote and voting. Notwithstanding the foregoing, decisions of the Supervisory Board may also be taken without a meeting, without prior notice, and without a vote, by unanimous written resolution unless prohibited under the Articles and Applicable Law.

- 7.13 If there is a tie of votes in a vote taken in relation to the resolutions of the Supervisory Board, the proposal shall be deemed to be rejected.
- 7.14 The Shareholders shall ensure that the Company shall maintain its corporate seat, corporate registration and principal business address (including amongst others its administration, bookkeeping and main bank accounts) in the Netherlands.
- 7.15 The Company shall procure that minutes are prepared of each Supervisory Board meeting as soon as reasonably practicable following each Supervisory Board meeting and circulated to all Supervisory Directors for signature by at least one Yandex Supervisory Director and one Uber Supervisory Director.

Committees

- 7.16 The Supervisory Directors may by majority resolution delegate any of their powers (except in relation to any Reserved Matter, which must be made by the Supervisory Board to a committee consisting of at least three Supervisory Directors, of whom:
 - 7.16.1 Yandex shall be entitled, for so long as Yandex holds:
 - (A) at least [***] of its Initial Proportion, to nominate the majority of members to the committee; and
 - (B) at least [***] but less than [***] of its Initial Proportion, to nominate at least one (1) member to the committee; and
 - 7.16.2 Uber shall be entitled, for so long as Uber maintains at least [***] of its Initial Proportion, to nominate at least one (1) member to the committee.
- 7.17 A committee constituted in accordance with Clause 7.16 may include, without limitation a:
 - 7.17.1 compensation committee;
 - 7.17.2 audit committee;
 - 7.17.3 nominations committee;
 - 7.17.4 compliance committee;
 - 7.17.5 Uber Excluded Territories Committee; and
 - 7.17.6 Yandex Excluded Territories Committee.
- 7.18 Decisions of a committee shall be taken by majority resolution, subject to compliance with the Reserved Matters as set out in Schedule 2 of this Agreement.
- 7.19 Save as otherwise agreed by the Shareholders or specified in Clause 7.16, the provisions of this Agreement and the Articles with respect to the regulation of meetings of the Supervisory Board shall apply, *mutatis mutandis*, to meetings of any committee.

Observers

- 7.20 Subject to Clause 11 (*Reserved Matters*), the Company may invite up to [***] representatives nominated in writing by Yandex and up to [***] representative nominated by Uber, from time to time (an "**Observer**"), to attend all meetings of the Supervisory Board, any committee constituted in accordance with Clause 7.16, and all meetings of the board of directors or other executive bodies of any Subsidiary (as applicable), in a non-voting observer capacity. In addition to inviting an Observer to attend all such meetings, the Company (or the relevant Subsidiary) shall give an Observer copies of all notices, minutes, consents, and other materials that it provides to its Supervisory Directors, members of executive bodies or committee members (as the case may be) at the same time as such documents are provided to such persons.

- 7.21 Notwithstanding Clause 7.20, the Supervisory Board shall exclude any Observer from access to any meeting or any portion thereof if the Supervisory Board reasonably believes that (a) such exclusion is reasonably necessary to satisfy its fiduciary duties, to preserve attorney-client privilege or to protect highly confidential proprietary information, (b) there is, or is reasonably likely to be, a conflict of interest between the Group, on the one hand, and such Observer, on the other hand, with respect to matters to be discussed or actions to be taken at such meeting, or (c) such Observer is a representative or otherwise affiliated with a Restricted Entity or otherwise a competitor of the Company or any of its Subsidiaries, or for other similar reasons.
- 7.22 Subject to Clause 12.12, each Shareholder shall procure that any Observer nominated by it in accordance with Clause 7.20 shall:
- 7.22.1 keep confidential (as contemplated by Clauses 29.4 to 29.6) all information which they receive about the Group and the Group Business or the Shareholders or their Affiliates or subsidiary undertakings or parent undertakings; and
- 7.22.2 enter into a confidentiality agreement with the Company on terms which are consistent with and not less restrictive than the confidentiality provisions of this agreement and those applicable to the Supervisory Directors, including without limitation provisions that shall not prejudice legal privilege or give rise to any regulatory or anti-trust issues for the Group.

Recusal

- 7.23 Each Shareholder and any Nominee Supervisory Director shall be entitled to recuse itself (and abstain from voting) in relation to any meeting where such meeting will address a matter relating to Sanctions or a Restricted Party by prior written notice to the other Shareholders or Supervisory Directors (as applicable) specifying the relevant matter. Following such written notice, the relevant meeting shall only be entitled to address the issue in relation to which the relevant person recused itself (for which purposes, if otherwise required, the presence of the person who has recused itself shall not be required for the meeting to be quorate and the vote of such person shall not be required to approve measures or actions in respect of such issue) and all other matters shall be postponed to a separate meeting.

Conflicts of interest

- 7.24 A Supervisory Director who has a Conflict of Interest shall immediately report this to the other Supervisory Directors and the Shareholders. He will make himself available to provide all information relevant to the Conflict of Interest to the other Supervisory Directors and the Shareholders, but he may not participate in the discussions and the decision making process with respect to the subject matter to which the conflict pertains.
- 7.25 A Supervisory Director who serves as supervisory director, officer or employee of any company or firm with which the Company (or other Group Company, as applicable) shall contract or otherwise engage in business shall not, solely by reason of such affiliation with such other company or firm, be held as having a Conflict of Interest for the purpose of Clause 7.24.
- 7.26 Where, by reason of a Conflict of Interest, the number of Supervisory Directors required in order to validly deliberate and vote is not met, the Supervisory Board may decide to submit the decision on this specific item to the Shareholders' general meeting. This Clause 7.26 and Clause 7.24 are without prejudice to Clauses 11.8 and 11.9.

Tax matters

- 7.27 The Parties will take reasonable measures to ensure that the Company will at all times be compliant with Dutch law and regulations that have an effect on the tax position of the Company.

8. INDEMNIFICATION OF MANAGING DIRECTORS AND SUPERVISORY DIRECTORS, INSURANCE AND ADVANCEMENT OF EXPENSES

The Shareholders acknowledge and agree that the indemnification and advancement agreements in respect of each Managing Director and Supervisory Director shall provide for the following (and, for the avoidance of doubt, if there is any conflict between this Clause 8 and any indemnification and advancement agreement in respect of each Managing Director and Supervisory Director, then the provisions of this Clause 8 shall prevail to the extent permitted by Applicable Law):

- 8.1 The Managing Directors and Supervisory Directors nominated by the Shareholders may have certain rights to indemnification, advancement of expenses and/or insurance provided by the applicable Shareholder that nominated them, which are intended to be secondary to the primary obligation of the Company to indemnify such Managing Directors and Supervisory Directors as provided herein. Notwithstanding anything contained herein to the contrary, the Company:
 - 8.1.1 shall be the indemnitor of first resort (i.e., its obligations to such Managing Directors and Supervisory Directors are primary and any obligation of any Shareholder to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Managing Directors and Supervisory Directors are secondary);
 - 8.1.2 shall be required to advance the full amount of expenses incurred by such Managing Directors and Supervisory Director and shall be liable for the full amount of all expenses, liabilities and losses reasonably incurred or suffered by such Managing Directors and Supervisory Directors to the extent legally permitted and as required by the terms of this Agreement (or any other agreement between the Company and such Managing Director or Supervisory Director), without regard to any rights such Managing Directors and Supervisory Directors may have against any Shareholder; and
 - 8.1.3 hereby irrevocably waives, relinquishes and releases each Shareholder from any and all claims against such Shareholder for contribution, subrogation or any other recovery of any kind in respect thereof. No advancement or payment by any Shareholder on behalf of any Managing Director and Supervisory Director nominated by such Shareholder with respect to any claim for which such Managing Director or Supervisory Director has sought indemnification from the Company shall affect the foregoing, and the Shareholders shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Managing Director and Supervisory Director against the Company.
- 8.2 Upon Completion and thereafter upon the request of a Shareholder whose Equity Proportion is at least [***], the Company and the relevant Group Company shall:
 - 8.2.1 obtain directors' and officers' liability insurance ("**D&O Insurance**") for the benefit of the Managing Director(s) and Supervisory Director(s) nominated by such Shareholder (as required by the requesting Shareholder) on customary terms that are satisfactory to that requesting Shareholder (acting reasonably) and, in any case, no less favourable than would be applicable to the Managing Directors and Supervisory Directors in their capacity as directors of any Yandex or Uber group company (as applicable) provided that such terms are available in the market of the relevant jurisdiction in which the D&O Insurance is obtained; and
 - 8.2.2 terminate or renew any such D&O Insurance on the same or varied terms as are satisfactory to that requesting Shareholder (acting reasonably).
- 8.3 The Company shall be responsible for all costs and expenses of such D&O Insurance (including any amounts payable upon a termination or renewal requested pursuant to this Clause 8). Expenses incurred by Managing Director(s) and Supervisory Director(s) who may be entitled under any Applicable Law to advancement of expenses in defending any claim for which the Managing Director(s) and Supervisory Director(s) may be entitled to recourse under the D&O Insurance shall be payable by the Company.

9. **DECISIONS OF SHAREHOLDERS OF THE COMPANY**

- 9.1 Decisions of the Shareholders may be taken either at a Shareholders' general meeting or (where permitted under the Articles and by Applicable law) by written resolution of the Shareholders. Subject to the Articles and Applicable Law, on each occasion when decisions are to be taken by Shareholders, the Shareholders shall consider (acting reasonably) whether such decisions shall be taken by written resolution of the Shareholders (taking into account practicality, cost, legal, fiscal and other relevant considerations).
- 9.2 Shareholders' general meetings shall take place in accordance with the Articles and Applicable Law in the Netherlands. Shareholders' general meetings (including adjourned meetings) may be convened by the Supervisory Board, and the Supervisory Board shall convene a Shareholders' general meeting upon the request of one or more Shareholders who together hold [***] or more of the Shares.
- 9.3 At [***] written notice (excluding the day on which the notice is given and the day on which the meeting is held) shall be given to the Shareholders of any Shareholders' general meeting (by email, and may be supplemented by copies sent by courier) unless a shorter notice period is approved by the Shareholders unanimously, and shall specify the location, date and time of the Shareholders' general meeting and an agenda specifying in reasonable detail the matters to be discussed at the Shareholders' general meeting together with all relevant matters to be approved to the extent then available; provided that if the holders of all Shares are present or represented at a Shareholders' general meeting, the Shareholders' general meeting may be held without prior notice. Matters not on the agenda, or business conducted in relation to those matters, described in reasonable detail, may not be raised at a Shareholders' general meeting unless all Shareholders agree in writing.
- 9.4 A Shareholder may act at a Shareholders' general meeting by appointing another person to serve as such Shareholder's proxy in writing.
- 9.5 The quorum at a Shareholders' general meeting shall, for so long as Yandex or Uber hold at least [***] of their respective Initial Proportion, be one representative of each of Yandex or Uber (as applicable), in each case present (whether in person, by authorised representative or by proxy).
- 9.6 If a quorum is not present within 90 minutes of the time appointed for the Shareholders' general meeting (or ceases to be present for 90 minutes), the chairman of the Shareholders' general meeting shall adjourn the meeting to be held [***] after the original date at the same time and place (unless all Shareholders agree otherwise). Without prejudice to Clause 11 (*Reserved Matters*), the quorum at such adjourned meeting shall be as set out in Clause 9.5. Notice of the adjourned Shareholders' general meeting shall be given by the Company.
- 9.7 If a quorum is not present within 90 minutes of the time appointed for such re-convened meeting (or ceases to be present for 90 minutes), the chairman of the Shareholders' general meeting shall adjourn the meeting to be held [***] after the original date at the same time and place (unless all Shareholders agree otherwise). Without prejudice to Clause 11 (*Reserved Matters*), the quorum at the second re-convened meeting shall be:
- 9.7.1 if a quorum was not present at the initial general meeting and the first re-convened general meeting due to the absence of Uber, for so long as Yandex holds at least [***] of its Initial Proportion, one representative of Yandex (whether in person, by authorised representative or by proxy); otherwise
- 9.7.2 as set out in Clause 9.5.
- 9.8 Except for the Reserved Matters and where otherwise required by Applicable Law, the Shareholders shall decide on matters by Shareholders holding more than half of the share capital of the Company.
- 9.9 Subject to Clause 9.10, all Shareholders' general meetings shall be held at the registered office or at such other place within the Netherlands as shall be specified or fixed in the notices or waivers of notice thereof.

9.10 The Shareholders may participate in and hold a Shareholders' general meeting using a conference telephone or similar communications equipment by means of which all Shareholders participating in the Shareholders' general meeting can hear each other. Participation in such a meeting shall constitute attendance and presence in person at such meeting.

9.11 The Company shall procure that minutes are prepared of each Shareholders' general meeting as soon as reasonably practicable following each Shareholder meeting and circulated to all Shareholders.

10. CORPORATE GOVERNANCE OF SUBSIDIARIES

10.1 Without prejudice to the remainder of this Clause 10, the Parties agree that the structure, scope of competence, formation and operational procedures of the governing bodies of the Subsidiaries shall at all times comply with the provisions of this Agreement to the fullest extent permitted by the Applicable Law. The Shareholders and the Company shall promptly procure (at the cost and expense of the Company) that the Charters of the Subsidiaries shall reflect the same at all times and that all decisions, resolutions and approvals of each Group Company are adopted or passed as necessary to amend or replace the Charter, as applicable, of the relevant Subsidiary accordingly.

10.2 Pursuant to this Agreement and the relevant Charter (as amended or replaced pursuant to Clause 10.1), each Subsidiary shall have the following governing bodies:

10.2.1 a general shareholders meeting or equivalent body; and

10.2.2 a sole executive body comprised of the general director (in Russian, *генеральный директор*), the managing director or the equivalent of a managing director (as applicable),

provided that, in the event the Applicable Laws require that the structure of governing bodies of any Subsidiary to be different to the one contemplated above, the Parties shall work together to procure the relevant amendment to the Charter of such Subsidiary as may be required, provided in all cases that the provisions of such amended Charter shall comply with the provisions of this Agreement to the fullest extent permitted by Applicable Law and, without limiting the generality of the foregoing, no decision in respect of any Reserved Matters is taken other than with the consent of Uber or an Uber Supervisory Director in accordance with Clause 11 (*Reserved Matters*).

10.3 Where the Supervisory Board or the Shareholders (as the case may be) have passed a decision, in accordance with the provisions of this Agreement and the relevant Charters, in relation to any Subsidiary which is not a direct Subsidiary of the Company ("**Affected Subsidiary**"), the Shareholders and the Company shall procure, so far as they are legally able, that the relevant governing bodies of the Subsidiary being the direct shareholder or participant of such Affected Subsidiary shall pass all corporate decisions as necessary in order to implement the Supervisory Board's or Shareholder's (as the case may be) decision in relation to such Affected Subsidiary.

10.4 The Charter of each Subsidiary shall expressly provide for all Reserved Matters (to the extent applicable) in relation to such Subsidiary (or any subsidiary of that Subsidiary) to be resolved at the general shareholders meeting of that Subsidiary.

11. RESERVED MATTERS

Approval of Reserved Matters

11.1 For so long as Uber holds at least [***] of its Initial Proportion, the Company, the Supervisory Board and the Management Board shall not do or permit to be done, and the Shareholders and the Company (in relation to the Subsidiaries) shall procure, in accordance with Applicable Laws, that no Group Company shall do or permit to be done, any matters listed in Schedule 2 or anything the effect of which is analogous or comparable in substance to

- any of the matters listed in Schedule 2 ("**Reserved Matters**") without the prior written approval of:
- 11.1.1 (if the matter is to be considered by the Shareholders, as indicated in Clause 11.2 and Schedule 2), Uber; and
 - 11.1.2 (if the matter is to be considered by the Supervisory Board) a majority of the votes of the Supervisory Directors present, entitled to vote and voting, which majority must include at least one Uber Supervisory Director.
- 11.2 The Shareholders agree that:
- 11.2.1 all Reserved Matters marked in ***bold and italics*** in Schedule 2 shall be considered and resolved by the Shareholders; and
 - 11.2.2 all other Reserved Matters shall be considered and resolved by the Supervisory Board.
- 11.3 If Uber or the Uber Supervisory Directors (as applicable) do not provide written approval with respect to a Reserved Matter, the Company and the Subsidiaries shall not be entitled to transact on such Reserved Matter.
- Reserved Matter escalation process**
- 11.4 An "**Escalation Matter**" is a situation in which Yandex wishes to implement a Reserved Matter and a Yandex Supervisory Director or Yandex has, in accordance with this Agreement (i) proposed a resolution to approve such Reserved Matter to be passed at a meeting of the Supervisory Board or a general meeting of the Shareholders or (ii) requested in writing that Uber (or the Uber Supervisory Directors) provide written consent to such Reserved Matter (a "**Written Request**"), and:
- 11.4.1 in the case of a proposal before the general meeting of Shareholders, Uber either (i) failed to attend two successive such general meetings at which such Reserved Matter is duly proposed, or (ii) voted against or abstained on the vote in respect of such proposal, with the result that it was not approved as a Reserved Matter;
 - 11.4.2 in the case of a proposal before the Supervisory Board, either (i) two successive meetings of the Supervisory Board (excluding a meeting adjourned in accordance with Clause 7.8) the agenda for which meetings includes such proposal are inquorate by reason of the absence of one or more Uber Supervisory Directors, or (ii) one or more Uber Supervisory Directors voted against or abstained on the vote in respect of such proposal, with the result that it was not approved as a Reserved Matter; or
 - 11.4.3 in the case of a Written Request, Uber or one or more Uber Supervisory Directors (as appropriate) has failed within [***] of such Written Request to provide its or his written consent in respect of the relevant proposal, with the result that it was not approved as a Reserved Matter.
- 11.5 Yandex may within [***] of the occurrence of an Escalation Matter in accordance with Clause 11.4 serve written notice on Uber (an "**Escalation Notice**"):
- 11.5.1 stating that in its opinion an Escalation Matter has occurred; and
 - 11.5.2 identifying the Reserved Matter giving rise to the Escalation Matter.
- 11.6 The Shareholders undertake that they shall:
- 11.6.1 within [***] following the service of the Escalation Notice, refer the Escalation Matter to a chief operating officer or chief financial officer (a "**Management Representative**") of each Shareholder (or of the ultimate holding company within its Shareholder's group, if applicable), who will meet at least once in person if possible and practicable, or by video-conference, to attempt, in good faith, to resolve such matter within [***] from the date the Escalation Matter is so referred to them; and

- 11.6.2 in the event that the Management Representatives cannot resolve the Escalation Matter within [***] of the referral of such matter to them, the Escalation Matter will be referred to the chief executive officer of each Shareholder (or of the ultimate holding company within its Shareholder's group, if applicable), who will meet at least once in person, if possible and practicable, or by video-conference, to attempt, in good faith, to resolve such matter within [***] from the date the Escalation Matter is so referred to them.
- 11.7 If an Escalation Matter is not resolved pursuant to the escalation mechanism outlined in Clauses 11.4, 11.5 and 11.6 the Reserved Matter will not be implemented and the status quo preserved.
- RP Claims**
- 11.8 Subject to Clause 11.10, a Shareholder that is, or a Related Party of which is, a party to a Related Party Contract shall exercise its voting rights at any Shareholders' general meeting convened to decide on such matter in accordance with the instructions of those Shareholders who are not parties to the Related Party Contract giving rise to such RP Claim.
- 11.9 Subject to Clause 11.10, a Supervisory Director appointed by a Shareholder that is, or a Related Party of which is, a party to a Related Party Contract shall not be entitled to vote on any Supervisory Board resolution in relation to an RP Claim and no Supervisory Board meeting at which a resolution in relation to a RP Claim is considered shall be inquorate by virtue of the absence of Supervisory Directors appointed by the Shareholder that is (or whose Related Party is) a party to a Related Party Contract.
- 11.10 Without prejudice to Uber's rights pursuant to Clauses 11.8 and 11.9 in respect of the Drive Contribution Agreement, such Clauses shall not limit Yandex's rights and benefits pursuant to paragraph 13 (*Actions by Third Parties*) of Schedule 3 (*Limitations of Liability*) of the Drive Contribution Agreement.
- 12. FINANCIAL MATTERS AND INFORMATION**
- Auditors**
- 12.1 The auditors of the Group shall be one of the Approved Auditors or such other auditors as may be approved by the Supervisory Board or the Shareholders in accordance with Clause 11 (*Reserved Matters*), and the first such auditor shall be KPMG.
- Financial year**
- 12.2 The Company's financial year shall be 1 January to 31 December.
- Information**
- 12.3 The Company undertakes to each of Yandex and Uber that it will:
- 12.3.1 allow each of Yandex and Uber (and their advisers and Affiliates) to examine the books, records and accounts of each Group Company on reasonable notice, during normal business hours; and
- 12.3.2 supply each of Yandex and Uber with all information (including copies of all published accounts, monthly management accounts and operating statistics and other trading and financial information, notices of shareholder or participant meetings of each of the Group Companies and all other circulars and notices issued or given to the shareholders or participants of each Group Company):
- (A) relating to the Group Business or otherwise to the affairs and financial or other position of each Group Company as is reasonably requested by Yandex or Uber to keep it properly informed about the business and affairs of the Group;

- (B) required by Yandex or Uber to verify compliance by the Company with the obligations set out in Clauses 15.3 and 15.5 (*Continuing Obligations*), and the on-going compliance of the Group with the policies, procedures and programmes set out in Clauses 15.3 and 15.5 (as applicable); and
 - (C) that is in the possession of the Company or another Group Company and which is reasonably required by Yandex or Uber for the purposes of compliance with the requirements of any Governmental Authority that regulates Yandex or Uber or any of their Affiliates or any internal policies applicable to Yandex or Uber or any of their Affiliates (as applicable).
- 12.4 Without prejudice to the generality of Clause 12.3, the Company shall supply each of Yandex and Uber with copies of:
- 12.4.1 each Budget, approved in accordance with Clause 13 (*Budgets*);
 - 12.4.2 quarterly unaudited consolidated management accounts of the Group with (i) key performance indicators, (ii) performance charts, and (iii) management commentaries on the Group's performance, as soon as reasonably practicable after the end of each quarter of each financial year and in any event within [***] thereafter;
 - 12.4.3 monthly unaudited management accounts of the Group with (i) key performance indicators, and (ii) management commentaries on the Group's performance, as soon as reasonably practicable after the end of the month to which they relate and in any event within [***] thereafter. These shall include a consolidated profit and loss account, balance sheet and cash flow statement, including a statement of progress against the then current Budget and up-to-date forecasts for the balance of the relevant financial year; and
 - 12.4.4 a summary of any matters or series of matters which has had or is reasonably likely to have, in each case in the reasonable opinion of the Company, a material adverse effect on the business, property, operations or condition (financial or otherwise) of the Company or the Group, except for matters that comprise a change in general economic conditions or outlook, financial, credit or securities markets or political or regulatory conditions, whether globally or in any country (including Russia) or market unless such change has or can reasonably be expected to have a disproportionate effect on the Group as compared to other companies operating in the countries or jurisdictions in which the Group operates.

Annual accounts

- 12.5 Without prejudice to the generality of Clause 12.3, the Company shall supply each of Yandex and Uber with:
- 12.5.1 the Group's consolidated profit and loss account, balance sheet, trial balance and cash flow statement, in respect of each financial year of the Company, as soon as reasonably practicable after the end of each financial year and in any event (unless otherwise agreed by the Parties) in respect of the 2018 financial year and each subsequent financial year, no later than [***] after the end of such year;
 - 12.5.2 (x) drafts of the consolidated annual financial statements of the Group, prepared in accordance with U.S. GAAP, in respect of each financial year of the Company, as soon as reasonably practicable after the end of each financial year and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of the 2018 financial year and each subsequent financial year, and (y) at least [***] thereafter, material adjustments, if any, that are made to such statements until the delivery of consolidated annual financial statements of the Group in accordance with Clause 12.5.3; and
 - 12.5.3 copies of audited consolidated annual financial statements of the Group, prepared in accordance with U.S. GAAP, in respect of each financial year of the Company,

as soon as reasonably practicable after the end of each financial year and in any event within the period specified by Applicable Law and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of the 2018 financial year and each subsequent financial year,

and the Company shall provide Yandex and Uber with the opportunity to review and provide reasonable comments on such drafts (referred to in Clause 12.5.2) prior to providing copies of the audited consolidated financial statements of the Group in accordance with Clause 12.5.3.

12.6 Notwithstanding Clause 12.5, and without prejudice to the generality of Clause 12.3, following an initial public offering by Uber (or its ultimate parent company, Uber Technologies, Inc.) (as applicable, a "**Uber IPO**"), the Company shall instead supply Uber with:

12.6.1 the Group's consolidated profit and loss account, balance sheet, trial balance and cash flow statement, in respect of each financial year of the Company, as soon as reasonably practicable after the end of each financial year and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of (i) the first financial year following an Uber IPO and (ii) each subsequent financial year;

12.6.2 (x) drafts of the consolidated annual financial statements of the Group, prepared in accordance with U.S. GAAP, in respect of each financial year of the Company, as soon as reasonably practicable after the end of each financial year and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of (i) the first financial year following an Uber IPO and (ii) each subsequent financial year, and (y) at least [***] thereafter, adjustments, if any, that are made to such statements until the delivery of consolidated annual financial statements of the Group in accordance with Clause 12.6.3; and

12.6.3 copies of audited consolidated annual financial statements of the Group, prepared in accordance with U.S. GAAP, in respect of each financial year of the Company, as soon as reasonably practicable after the end of each financial year and in any event within the period specified by Applicable Law and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of (i) the first financial year following an Uber IPO and (ii) each subsequent financial year,

and the Company shall provide Uber with the opportunity to review and provide reasonable comments on such drafts (referred to in Clause 12.6.2) prior to providing copies of the audited consolidated financial statements of the Group in accordance with Clause 12.6.3.

Quarterly accounts

12.7 Without prejudice to the generality of Clause 12.3, the Company shall supply each of Yandex and Uber with:

12.7.1 the Group's condensed consolidated profit and loss account, balance sheet, trial balance and cash flow statement, in respect of each quarter of each financial year of the Company, as soon as reasonably practicable after the end of each quarter of each financial year and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of (i) the first applicable quarter of the financial year following Completion and (ii) each subsequent quarter of each financial year; and

12.7.2 a quarterly reporting package as has been mutually agreed between the Company and Uber which shall include, as a minimum, all information necessary to allow Uber to prepare its own quarterly financial statement disclosures and comply with applicable quarterly reporting obligations, together with any report of an auditor's review thereof, as soon as reasonably practicable after the end of each quarter of each financial year and in any event within the period specified by Applicable Law and in any event (unless otherwise agreed by the Parties) no later than forty-five [***] after (i) the end of the first applicable quarter following Completion and (ii) each subsequent quarter of each financial year; provided, that the Company shall supply

- Uber and Yandex with a draft of such reporting package no later than [***] after (i) the end of the first applicable quarter following Completion and (ii) each subsequent quarter of each financial year and the Company shall provide Yandex and Uber with the opportunity to review and provide reasonable comments on such drafts prior to providing the final quarterly reporting package.
- 12.8 Notwithstanding Clause 12.7, and without prejudice to the generality of Clause 12.3, following an Uber IPO, the Company shall supply Uber with:
- 12.8.1 the Group's condensed consolidated profit and loss account, balance sheet, trial balance and cash flow statement, in respect of each quarter of each financial year of the Company, as soon as reasonably practicable after the end of each quarter of each financial year and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of (i) the first applicable quarter of the financial year following an Uber IPO and (ii) each subsequent quarter of each subsequent financial year; and
- 12.8.2 a quarterly reporting package as has been mutually agreed between the Company and Uber which shall include, as a minimum, all information necessary to allow Uber to prepare its own quarterly financial statement disclosures and comply with applicable quarterly reporting obligations, together with any report of an auditor's review thereof, as soon as reasonably practicable after the end of each quarter of each financial year and in any event within the period specified by Applicable Law and in any event (unless otherwise agreed by the Parties) no later than [***] after the end of (i) the first applicable quarter of the financial year following a Uber IPO and (ii) each subsequent quarter of each subsequent financial year; provided, that the Company shall supply Uber and Yandex with a draft of such reporting package no later than [***] after (i) the end of the first applicable quarter following Completion and (ii) each subsequent quarter of each financial year and the Company shall provide Yandex and Uber with the opportunity to review and provide reasonable comments on such drafts prior to providing the final quarterly reporting package..
- 12.9 Without prejudice to the generality of Clause 12.3, the Company shall supply each of Yandex and Uber with any other supporting information reasonably requested by Yandex or Uber to assist Yandex or Uber (as may be the case) with the preparation of the full year and quarter year audited financial accounts of Yandex, Uber or any of their Affiliates (as applicable) as soon as reasonably practicable and not later than within [***] of such request.
- 12.10 Without prejudice to Clauses 12.3 to 12.9 (inclusive) the Company shall procure that each Group Company shall provide to Uber and any U.S. Investor information available to such Group Company reasonably requested by Uber or such U.S. Investor (as applicable), which is necessary for the U.S. tax filings of Uber or such U.S. Investor (as applicable) (or its direct or indirect owners) or filing of the U.S. tax elections requested pursuant to Schedule 7, and Uber or such U.S. Investor (as applicable) shall reimburse the Group Company providing such information for the reasonable costs incurred by such Group Company to comply with such Group Company's obligation to provide such information. Further the Group Company shall (at the expense of Uber or such U.S. Investor, as applicable) provide all information and supporting files (as agreed upon between Uber or such U.S. Investor, as applicable, and the Group Company) to enable Uber or such U.S. Investor, as applicable to ensure timely completion and filing of their quarterly and annual financials which in no event shall the information be provided later than [***] after each year end and [***] after each respective quarter end.
- 12.11 Each of Yandex and Uber, for so long as they hold any Shares, and/or their representatives, shall have the right, at their expense, to visit and inspect any of the properties of the Company or any of its Subsidiaries within the Territories, and to discuss the affairs, finances and accounts of the Company and/or any of its Subsidiaries with its respective officers and employees, in each case during normal business hours upon reasonable advance notice.
- 12.12 Subject to Clauses 3.6 and 3.8 to 3.13 (inclusive), each of Yandex, Uber and the Company agree that, for the purposes of Clauses 6.15, 7.22 and 12.3 to 12.11 (inclusive) and

otherwise, the Supervisory Directors and Managing Directors shall be entitled to pass any information (with the exception of any commercially sensitive information, as reasonably determined unanimously by the Supervisory Board) relating to any Group Company, the Group Business or affairs of any of the Group Companies, received by such persons in their capacity as Supervisory Directors or Managing Directors, to Yandex or Uber that appointed such Supervisory Director or Managing Director, and neither Yandex, Uber nor the Company shall raise any objection to such passing of information nor allege any breach of any duty of confidence to the Company or any other Group Company as a result of such action. Any such information provided as contemplated by this Clause shall be Confidential Information for the purposes of this Agreement and Clauses 29.4 to 29.6 shall apply to it.

- 12.13 Yandex, Uber and the Company shall use their respective powers (so far as they are legally able) to procure that each Subsidiary provides to the Company the financial information (including without limitation budgets and requests for funding) to enable the Company to comply with Clauses 12.3 to 12.11 (inclusive).

Audit rights

- 12.14 Without limiting Clause 12.3, each of Yandex and Uber shall, subject to Applicable Law (including those relating to competition or antitrust), be entitled to full audit rights with respect to the Group, its activities and its books and records, provided that such audit rights of Yandex or Uber as applicable shall be limited to: (a) a maximum of two audits in any rolling period of three financial years; and (b) a maximum of one audit in any single financial year. Accordingly, the Group shall cooperate (and Yandex and Uber shall procure that the Group cooperates) with any audit initiated by Yandex or Uber and shall promptly grant to Yandex or Uber (as applicable) and, if requested by Yandex or Uber, its advisors, consultants, agents or other representatives: (i) access to any books, records, information and systems (including without limitation receipts and expenses) relevant to the subject matter of the audit; and (ii) access to the Group's premises and properties for the purpose of carrying out the audit, in each case on reasonable notice and during its normal business hours. Yandex and Uber shall make themselves available to discuss the business and records of the Group with the party that requested the audit and its or their advisors, consultants, agents and representatives (including all information reasonably required by Yandex or Uber to comply in a timely manner with their own reporting obligations to their own investors or any Governmental Authority).
- 12.15 In the event that deficiencies or exceptions are noted in audits or reviews, and provided that such deficiencies or exceptions shall be duly documented, Yandex, Uber and the Group shall participate in good faith negotiations with the view to finding an agreement upon a possible remediation plan. In the event that a material legal or regulatory deficiency is identified by an audit, each of Yandex or Uber may provide the Group with written notice of such material deficiency. The Company undertakes to use reasonable efforts to cure such material deficiency to the satisfaction of Yandex or Uber (as applicable) within the lesser of (i) [***] following receipt of first written notice from Yandex or Uber (as applicable) and (ii) the time period recommended by the auditor to remedy such deficiency.
- 12.16 All fees and costs relating to an audit under Clause 12.14 shall be borne by the party (being, either Yandex or Uber (as the case may be)) that initiated the audit.

13. BUDGETS

- 13.1 The Supervisory Board shall approve the Budgets for the 2018 financial year and all subsequent periods in accordance with Schedule 8 (*Budget*).

14. BRANDING

- 14.1 The Company shall, and the Shareholders shall procure that the Company shall, operate the Group Business under, and with the use of, the brands in the applicable Territories in accordance with the terms and conditions of the Yandex Trademark Licensing Agreement and the Uber Trademark Licensing Agreement.

15. CONTINUING OBLIGATIONS

Internal controls and compliance

- 15.1 The Supervisory Board shall implement and maintain an internal control manual, a yearly review of the Group's internal control procedures (requiring an annual compliance report to the Supervisory Board) and an internal audit system and internal controls. Meetings of the compliance committee of the Supervisory Board shall be held in the Netherlands.

Anti-Bribery and Corruption

- 15.2 In their capacity as shareholders of the Company, the Shareholders shall not, and the Company shall not, and the Company shall procure that each of the other Group Companies shall not, whether directly or through any other persons acting on their behalf, engage in any Corrupt Act or violate, incur any liability under or become subject to penalty under any Corruption Laws, or knowingly cause any Shareholder to violate, incur any liability under or become subject to penalty under, or request any action, inaction or services that would violate any Corruption Laws. The applicable Shareholder or the Company (as the case may be) shall promptly notify each other Party of any breach of this Clause 15.2.

Ethical policies

- 15.3 The Shareholders and the Company agree that as soon as practicable, and by no later than three (3) months following Completion the Company will adopt, implement and maintain, the following policies and procedures:

15.3.1 an anti-corruption compliance programme for the Group (by implementing and maintaining written policies and procedures) which complies with all Corruption Laws and meets generally recognised international standards for an anti-corruption compliance programme in relation to each of the core elements identified in Schedule 6 (*Anti-Corruption Compliance Programme*); and

15.3.2 written policies and/or procedures for the Group reasonably designed to ensure compliance with Applicable Laws, to be applied as appropriate to all current and future operations, addressing, without limitation, Applicable Laws relating to conduct of business and ethics, employment law and health and safety regulations.

Subject to Clause 11 (*Reserved Matters*), the Shareholders agree that: (a) any such policies and procedures must be tailored to the Group Business, including the jurisdiction(s) in which it operates and the Applicable Laws that are relevant to the Group Business and the Group; (b) the first draft of such policies and procedures shall be prepared by the Company with the assistance of an international law firm and in consultation with each of Yandex and Uber; and (c) the final form of such policies and procedures (and any amendments thereto) shall be agreed by each of Yandex and Uber (acting reasonably) and approved by the Supervisory Board.

Sanctions

- 15.4 The Company shall not, and shall procure that, in the course of their duties for the Company and/or any of the Subsidiaries, the Subsidiaries and its and their officers, directors and employees shall not:

15.4.1 contribute or otherwise make available, directly or knowingly indirectly to, or for the benefit of, any person (whether or not related to any Group Company) any part of any funds received (directly or indirectly) by the Company and/or any of the Subsidiaries from any Shareholder (i) to fund any activities or business of or with any person or in any country or territory in violation of applicable Sanctions; or (ii) to fund any business in circumstances where it knows, or could reasonably be expected to know, that the application of those funds will be applied towards any illegal or criminal activity; or

15.4.2 engage in, facilitate or fund, directly or knowingly indirectly, any unauthorised business activities (including, but not limited to, imports, exports, reexports, or transfer of products, services, or technology) with, or for the benefit of:

- (A) any person in violation of applicable Sanctions; or
 - (B) a person that is a Restricted Party; or
- 15.4.3 engage in any transaction, activity or conduct:
- (A) that would cause a Group Company to violate any Sanctions; or
 - (B) that would reasonably be expected to result in a Group Company being designated as a Restricted Party or a target of Sanctions.
- 15.5 The Shareholders and the Company agree that within three (3) months following Completion the Company shall adopt, implement and maintain written policies and procedures for the Group reasonably designed to ensure compliance with Clause 15.4 and Sanctions.
- 15.6 The Shareholders are not themselves Restricted Parties or targets of Sanctions, or [***] or more owned or Controlled by Restricted Parties or targets of Sanctions. Each Shareholder warrants that it will immediately notify the other Parties in writing of any changes in ownership or Control which would render the above statement inaccurate.
- US Tax covenants**
- 15.7 If the filing of a U.S. tax election is required pursuant to Schedule 7, Uber or any U.S. Investor (as applicable) requesting such election shall provide the relevant Group Company with a template of the relevant filing form or statement and shall reimburse the relevant Group Company for the reasonable costs incurred as a result of making such filing if such filing is made by the relevant Group Company. Each Shareholder shall promptly notify the Company if (a) it becomes a U.S. Investor (or an Affiliate of a U.S. Investor); or (b) ceases to be a U.S. Investor.
- Undertakings in respect of the Company and the Subsidiaries**
- 15.8 The Company shall:
- 15.8.1 on the date of this Agreement register the appointment of the initial Management Board and Supervisory Board of the Company as has been agreed and approved by each of Yandex and Uber and the Shareholders' general meeting. For the avoidance of doubt, the parties acknowledge and agree that Tigran Khudaverdyan shall serve as the initial CEO of the Company, Alex de Cuba shall serve as the initial Dutch Director of the Company, and the Senior Managers shall be as set forth in Clause 4.1;
 - 15.8.2 with effect from the date of this Agreement, the Parties undertake to comply with the Deed of Covenant in accordance with its terms;
 - 15.8.3 within one (1) month from Completion:
 - (A) amend the Charters of the Subsidiaries to reflect the provisions of this Agreement; and
 - (B) amend the Articles on terms satisfactory to the Shareholders to more fully reflect the provisions of this Agreement (including setting out in full all Reserved Matters and the applicable approval thresholds); and
 - 15.8.4 and each of Uber and Yandex shall cause the Company and each of its Subsidiaries to, following Completion, provide reasonable advance written notice to Uber and Yandex prior to the Company or any of its Subsidiaries entering into or adopting any plan of complete or partial liquidation, dissolution, restructuring, recapitalisation or other reorganisation (including any merger or other combination between a Subsidiary of the Company with or into any other Subsidiary of the Company) (as applicable, a "**Restructuring**"), and neither the Company nor any such Subsidiary, as applicable, shall consummate, or enter into any agreement or otherwise make a commitment to consummate, all or any portion of the Restructuring without the prior written consent of Uber and Yandex. Uber, Yandex and the Company shall each use reasonable endeavours to agree to the terms and

conditions of the Restructuring to be effectuated as promptly as practicable after Completion. The Restructuring shall at all times comply with the provisions of Section 8.3 (*Tax Consequences*) of the Contribution Agreement and Clauses 4.2 and 4.3 of Schedule 7.

16. **DIVIDENDS**

Any dividends shall be recommended, declared and otherwise paid in accordance with Clause 11 (*Reserved Matters*) and the Articles.

17. **FURTHER FINANCING**

17.1 No Shareholder shall be obliged to:

17.1.1 save for contributions contemplated by Recital (A), contribute any funds (whether in the form of debt or equity) to any Group Company; or

17.1.2 give any security or provide any guarantee on behalf or for the benefit of any Group Company.

18. **ISSUES OF NEW SECURITIES**

18.1 With the exception of those Shares issued by the Company to the Foundation under the Roll-Over and those to be issued to Yandex pursuant to the Drive Contribution Agreement, and otherwise without prejudice to Clause 11 (*Reserved Matters*), the Company shall not issue, agree to issue, or reserve or set aside for issuance any new Shares or other securities of the Company ("**New Securities**"), unless it first complies with Clauses 18.2 to 18.10.

18.2 If the Company proposes to issue any New Securities, such issue may comprise:

18.2.1 A Shares or securities exercisable or convertible into A Shares (including any issue of the same in respect of the Equity Incentive Pool); or

18.2.2 with the consent of Yandex and Uber, B Shares or securities exercisable or convertible into B Shares.

18.3 If the Company proposes to issue any New Securities, the Supervisory Board shall deliver to each of Yandex and Uber a written notice in relation to such issuance (a "**Pro-rata Offer**"), which shall:

18.3.1 identify and describe the New Securities subject to the issuance;

18.3.2 offer the New Securities for subscription in cash and on the same terms to each Shareholder pro rata to its Equity Proportion (as close as possible) as at the close of business on the Business Day prior to such offer (a "**Pro-rata Entitlement**"); and

18.3.3 describe the price and other terms upon which the New Securities are to be issued, the identity of any proposed purchaser and the number or amount of the New Securities, and set out a time (being not less than [***] from the date of the Pro-rata Offer) (the "**Acceptance Period**") within which, if the Pro-Rata Offer is not accepted, it will be deemed to be declined.

18.4 At any time prior to the [***] of Completion, as is reasonably necessary for funding the Group Business of the Group, each of Yandex and Uber shall be entitled but not required to purchase New Securities pursuant to a Pro-rata Offer at the same price per Share as the Entry Price.

18.5 Yandex and Uber may accept a Pro-rata Offer by irrevocable notice of acceptance to the Company within the Acceptance Period. Yandex and Uber are not required to subscribe for their full Pro-rata Entitlements and may do so in part only or not at all. In the event that either Yandex or Uber does not subscribe for its Pro-rata Entitlement fully, that Shareholder's Equity Proportion may be diluted accordingly.

- 18.6 Within [***] of the expiry of the Acceptance Period, the Company shall notify the other Shareholder if either Yandex or Uber does not elect to subscribe for, or is deemed to have declined to subscribe for, its Pro-rata Entitlement (in whole or in part). If either Yandex or Uber does not exercise its rights to subscribe fully for its Pro-rata Entitlement, the other Shareholder having elected to subscribe for its full Pro-rata Entitlement shall be entitled to subscribe for (on the same terms) the New Securities not so subscribed for ("**Excess New Securities**") by delivery of an irrevocable notice of acceptance to the Company and the other Shareholder on or prior to the expiry of a further [***] after the expiry of the Acceptance Period.
- 18.7 Completion of the subscriptions for the New Securities shall take place within [***] of the expiry of the Acceptance Period (as extended as necessary in accordance with Clause 18.6) and on the terms and conditions specified in the Pro-rata Offer.
- 18.8 For the period of [***] after the earlier of the expiry of the Acceptance Period (as extended as necessary in accordance with Clause 18.6), or the date of receipt by the Company of a refusal of every offer made by the Company pursuant to the Pro-rata Offer, the Supervisory Board shall, without prejudice to Clause 11 (*Reserved Matters*), be entitled to issue to any person any New Securities offered to Shareholders and which have not been subscribed for in accordance with Clause 18.7 ("**Third Party Issue**"). For the avoidance of doubt, New Securities shall not be issued to any Prohibited Transferee or Prohibited Purchaser. Any issue pursuant to this Clause 18.8 shall be on the same terms as the Pro-rata Offer and made in such manner and to such third party or parties as the Supervisory Board and Shareholders may think most beneficial to the Company.
- 18.9 In respect of any New Securities that are new Shares or that are securities convertible into Shares, it shall be a condition of the issue or disposal of any of those New Securities to a third party or third parties pursuant to Clause 18.8 that the subscriber enters into a Deed of Adherence.
- 18.10 If a Third Party Issue is not completed within the Period of [***] referred to in Clause 18.8 the Company shall not be entitled to issue New Securities without delivering a further written notice of Pro-rata Offer to Yandex and Uber in accordance with this Clause 18.
- 18.11 If the Company proposes to issue any New Securities in accordance with the provisions of this Clause 18, and the New Securities are issued by the Company at a price per New Security which is less than [***] (a "**Qualifying Issue**") then the Company shall issue to Uber the number of New Securities determined by applying the formula below (and rounding the product, N, down to the nearest whole share) (the "**Anti-Dilution Shares**"):

$$N = ((PIP/WA) \times Z) - Z$$

Where:

N: the number of Anti-Dilution Shares to be issued to Uber.

DRP: the price per share in US dollars of the Qualifying Issue.

NS: the number of New Securities issued pursuant to the Qualifying Issue.

PIP: the Entry Price in US dollars.

SC: the number of shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including, but not limited to, warrants), in each case immediately prior to the Qualifying Issue.

W: [***]

WA: $(PIP \times SC) + (DRP \times NS) / (SC + NS)$.

Z: [***]

- 18.12 The Anti-Dilution Shares shall:

18.12.1 be paid up by the automatic capitalisation of available reserves of the Company;

18.12.2 within [***] of the Date of the Qualifying Issue be issued to Uber in accordance with the Articles and credited as fully paid up in cash; and

18.12.3 shall rank pari passu in all respects with the existing B Shares.

19. **TRANSFERS OF SHARES**

General restriction on transfers

19.1 Notwithstanding any other provisions of this Agreement:

19.1.1 no Shares nor any interest therein or in respect thereof shall be Transferred to, conferred upon or become vested in any person other than the transfer of the whole legal and equitable title to such Shares carried out in accordance with this Agreement and the Articles; and

19.1.2 no Shareholder shall Transfer, or agree to Transfer, any Shares nor any interest therein or in respect thereof without the prior written consent of the other Shareholders unless to a Permitted Affiliate in accordance with Clauses 19.4 to 19.6 (*Transfer to Permitted Affiliates*), or in accordance with the relevant provisions of Clause 20 (*Right of First Refusal*), Clause 21 (*Tag Along Rights*), Clause 22 (*Liquidity Event*), Clause 23 (*Qualified IPO*) and Clause 24 (*Drag Sale*) and any such act, or any other dealing or attempted dealing or disposal of any Shares or any interest therein or in respect thereof, other than as so permitted by this Agreement, shall be of no effect, and shall not be enforceable towards the Company, the Company shall not recognise such Transfer, and the Shareholders and the Supervisory Board shall not give effect to such Transfer nor record such Transfer in the Company's securities registers nor treat any purported transferee of such Shares as the owner of such Shares for any purpose whatsoever.

Lock-up Period

19.2 Neither Yandex nor Uber shall Transfer any of its Shares (or any interest therein or in respect thereof), save to a Permitted Affiliate in accordance with Clauses 19.1 to 19.5 (*Transfer to Permitted Affiliates*), during the Lock-Up Period without the prior written consent of Yandex or Uber (as the case may be). No other Shareholder shall Transfer any of its Shares (or any interest therein or in respect thereof), save to a Permitted Affiliate in accordance with Clauses 19.1 to 19.5 (*Transfer to Permitted Affiliates*), at any time without the prior written consent of Yandex and Uber.

Prohibited Transferees

19.3 Notwithstanding any provision in this Agreement, following the expiration of the Lock-up Period and prior to a Qualified IPO, Uber shall not Transfer any Shares nor any interest therein or in respect thereof to a Prohibited Transferee without the prior written consent of Yandex.

Transfers to Permitted Affiliates

19.4 Nothing in this Clause 19 shall prohibit a Transfer by a Shareholder of all or any of its Shares to a Permitted Affiliate provided that:

19.4.1 the proposed transferee:

(A) is not subject to and is not reasonably likely to be subject to receivership, bankruptcy, insolvency, dissolution, liquidation or any similar proceedings;

(B) executes a Deed of Adherence prior to the Transfer taking place;

(C) shall have demonstrated to the reasonable satisfaction of the other Shareholder(s) that:

(1) that the ultimate beneficial owner(s) of the transferor will retain Control over such transferee; and

- (2) such transferee is capable of performing the obligations of a Shareholder under this Agreement; and
- (D) is under an obligation to retransfer its Shares to the transferor if, and before, the transferee ceases to be a Permitted Affiliate of the transferor; and
- 19.4.2 the transferring Shareholder gives at least [***] prior written notice of the transfer to the other Shareholder(s), including the name of the transferee and evidence reasonably satisfactory to the other transferees of such transferee's status as a Permitted Affiliate.
- 19.5 On a Transfer of Shares to a Permitted Affiliate in accordance with Clause 19.4:
- 19.5.1 where the original transferring Shareholder transfers some (but not all) of its Shares to a Permitted Affiliate (but not a subsequent transferor in a series of such transfers), that Shareholder shall remain a party to this Agreement and shall be jointly and severally liable with the transferee (and any subsequent transferee) under this Agreement as a Shareholder in respect of the transferred Shares;
- 19.5.2 where the original transferring Shareholder transfers all (but not some only) of its Shares to a Permitted Affiliate, that Shareholder shall, provided that it transfers all accrued liabilities and obligations to the Permitted Affiliate, be released from all of its obligations under this Agreement and the Parties shall execute and deliver such documents as are reasonably required so as to give effect to such transfer of liabilities and obligations and release;
- 19.5.3 where the transferring Shareholder transfers some, but not all, of its Shares, the transferring Shareholder shall procure that its Permitted Affiliate transferee complies with its obligations under the Deed of Adherence; and
- 19.5.4 the transferring Shareholder shall procure that prior to any of its transferee Permitted Affiliates ceasing to be a Permitted Affiliate, or becoming subject to or being reasonably likely to be subject to receivership, bankruptcy, insolvency, dissolution, liquidation or any similar proceedings, that Permitted Affiliate shall transfer all Shares held by it to such Shareholder (or another Permitted Affiliate of such Shareholder fulfilling the requirements of Clause 19.4).
- Deed of Adherence**
- 19.6 Without prejudice to Clauses 19.8, 19.10, 19.11, 30.2 and 30.3, any person executing a Deed of Adherence in accordance with this Agreement shall be entitled to the rights provided for by this Agreement as if it were a Party hereto for so long as they are registered as a Shareholder in respect of the Shares transferred to them.
- Transfer Terms**
- 19.7 All transfers or issues of Shares pursuant to this Agreement, except a transfer of Shares to a Permitted Affiliate in accordance with Clause 19.4, shall be made on the Transfer Terms in Schedule 3, save to the extent that this Agreement expressly provides otherwise or Yandex and Uber otherwise agree in writing and to the extent permissible under Dutch law.
- Rights upon transfer**
- 19.8 If, at any time after the expiration of the Lock-up Period and prior to a Liquidity Event, Yandex or Uber Transfers any of its B Shares to a Third Party Purchaser (for the avoidance of doubt other than a Permitted Affiliate) such Transfer shall be conditional upon the conversion of such B Shares in to A Shares in accordance with the Articles.
- 19.9 If Yandex transfers some (but not all) of its B Shares (other than to a Permitted Affiliate) such that Yandex owns directly or indirectly (i) less than [***] of its Initial Proportion or (ii) a number of B Shares that is equal to or less than the number of B Shares held by Uber, Yandex shall lose all specific and preferential rights under this Agreement that are granted to Yandex but are not granted to Uber (including, without limitation, pursuant to Clauses 5 (*The*

Management Board), 6 (The Supervisory Board), 7 (Meetings of the Board), 9 (Decisions of the Shareholders of the Company), 10 (Corporate Governance of Subsidiaries), 11 (Reserved Matters) and for the avoidance of doubt Clauses 19 (Transfers of Shares), 20 (Rights of First Refusal), 21 (Tag Along Rights), Clause 22 (Liquidity Event), Clause 23 (Qualified IPO) and Clause 24 (Drag Sale)) and, with immediate effect from the date of each such transfer, this Agreement shall be deemed to have been varied and amended to the maximum extent possible so as to provide that Uber shall have rights *pari passu* with, and substantially equal to, the rights of Yandex.

19.10 If Yandex Transfers all (but not some only) of its B Shares (other than to a Permitted Affiliate), pursuant to clause 19.7, the acquiring Third Party Purchaser will be entitled to the general rights provided to and bound by obligations of the Shareholders, however any specific rights under this Agreement that are granted to Yandex will not apply to any Third Party Purchaser.

19.11 If Yandex Transfers any (but not all) of its B Shares (other than to a Permitted Affiliate), pursuant to clause 19.7, the acquiring Third Party Purchaser will be bound by the obligations, restrictions and other burdens applicable to the Shareholders but will not be entitled to any rights, entitlements or other benefits applicable to Yandex under this Agreement and in particular shall not be entitled to Transfer its Shares other than in accordance with Clause 22 (Liquidity Event), Clause 23 (Qualified IPO) and Clause 24 (Drag Sale).

Permitted Transfers

19.12 Each Shareholder expressly and irrevocably undertakes and agrees to vote in favour (if necessary) of any contemplated transfer proposed to be made in compliance with the terms of this Agreement (a "**Permitted Disposal**"), and to exercise any and all powers and rights available to it to authorise a Permitted Disposal, in accordance with the Articles and the mandatory provisions of Dutch law, including but not limited to holding a general meeting of the Shareholders for the purpose of resolving upon any Permitted Disposal.

19.13 If the Management Board and Supervisory Board are reasonably satisfied that a transfer of Shares complies with the terms of this Agreement, the Articles and any Applicable Law, the Management Board shall promptly take appropriate action to procure that such transfer is recorded in the Shareholders' register of the Company and with the trade register of the Chamber of Commerce.

Shares

19.14 The Company shall hold and maintain at its registered office a register showing (i) the identity of each Shareholder (in accordance with the Dutch Civil Code), (ii) the number of Shares held by each Shareholder, (iii) any transfer of the Shares and the date on which they were notified or accepted by the Company, and (iv) any Encumbrances created over any Shares in accordance with this Agreement.

Approval and Registration of Share Transfers

19.15 Each Shareholder shall approve (if necessary) any transfer of Shares which is consistent with this Agreement in accordance with the requirements of the Dutch Civil Code and in accordance with the Articles, and if any Shareholder fails to do so that Shareholder shall be deemed to have appointed Yandex (if the defaulting Shareholder is Uber) or by Uber (if the defaulting Shareholder is Yandex) as the attorney-in-fact of the defaulting Shareholder with full power of substitution in the name and stead of the defaulting Shareholder to approve the relevant transfer of Shares, and to execute, acknowledge, swear to and deliver such documents and instruments as may be necessary or appropriate to give effect to the relevant transfer of Shares.

19.16 The approval and registration of Share Transfers in accordance with Clause 19.15 includes the requirement for Shares to be Transferred through the execution of a notarial deed of transfer before the Transferor, Transferee and the Company. The Company must register the Transfer in the Company's Shareholder register, but such registration is not a requirement for the Transfer to be effective.

20. **RIGHT OF FIRST REFUSAL**

- 20.1 After the Lock-up Period expires and prior to a Qualified IPO, either Yandex or Uber (or any of their Permitted Affiliates) (the "**Selling Shareholder**") may Transfer some or all of its Shares to a Third Party Purchaser, provided that such Shareholder has first received a bona fide offer (an "**Offer**") from that Third Party Purchaser to purchase such Shares and makes a written offer (the "**Transfer Notice**") within [***] of receipt of the Offer to the Other Shareholder (for so long as the Other Shareholder holds at least [***] of its Initial Proportion) to instead Transfer all or some of the Shares that are the subject of the Offer to the Other Shareholder, provided that, in each case, that such Offer and the corresponding Transfer Notice:
- 20.1.1 is for non-deferred and non-contingent cash consideration or equivalent Non-Cash Consideration payable or otherwise transferable upon completion of the relevant Transfer;
 - 20.1.2 states the name and ultimate beneficial owner(s) of the Third Party Purchaser to whom the Selling Shareholder propose to sell the Shares which are the subject of the Offer;
 - 20.1.3 contains all of the Key Terms of the proposed transfer, which shall be the same as the Key Terms of the Offer; and
 - 20.1.4 is conditional only upon the receipt of all Regulatory Approvals for the proposed Transfer, and payment of the proposed consideration for such Transfer,
- and in circumstances in which the Selling Shareholder complies with the remaining provisions of this Clause 20.
- 20.2 Following receipt of a Transfer Notice, the Other Shareholder shall have the right at any time within [***] after receiving the Transfer Notice (the "**ROFR Period**") to give a notice to the Selling Shareholder (the "**ROFR Acceptance Notice**") accepting the offer referred to in Clause 20.1.2 in respect of some or all of the Shares the subject of the Transfer Notice. If an Other Shareholder does not give a ROFR Acceptance Notice before the expiry of the ROFR Period it shall not be entitled to buy any of the Shares which are the subject of the offer referred to in Clause 20.1.
- 20.3 If a ROFR Acceptance Notice is given with respect to any or all Shares the subject of the Transfer Notice within the ROFR Period, the accepting Other Shareholder shall be bound to buy, and the Selling Shareholder shall be bound to sell to such Other Shareholder, the Shares specified in the ROFR Acceptance Notice on the Key Terms and in accordance with the Transfer Terms.
- 20.4 If a ROFR Acceptance Notice is not given with respect to all of the Shares the subject of the Transfer Notice within the ROFR Period, the Selling Shareholder may at any time within [***] after the expiry of the ROFR Period transfer, such remaining number of Shares which the Other Shareholder did not subscribe for under the ROFR Acceptance Notice(s), to the Third Party Purchaser that made the Offer (and to no other Third Party Purchaser), provided that:
- 20.4.1 the transfer is on the Key Terms contained in the Offer (or terms that are more advantageous to the Selling Shareholder);
 - 20.4.2 the Third Party Purchaser is not a Prohibited Purchaser;
 - 20.4.3 the Selling Shareholder first notifies the Company and the Other Shareholder of the proposed completion date of the transfer to the Third Party Purchaser (the "**Third Party Completion Notice**"), and
 - 20.4.4 if the Transfer is not completed within the [***] period referred to above, the Selling Shareholder shall not be entitled to transfer its or their Shares without serving a further Transfer Notice in accordance with this Clause 20,
- and subject further to Clause 21 (*Tag Along Rights*) and the Transfer Terms.
- 20.5 A Transfer Notice and a ROFR Acceptance Notice shall each be governed by English law and be irrevocable.

- 20.6 This Clause shall not apply to a transfer of Shares pursuant to Clause 21 (*Tag Along Rights*).
21. **TAG ALONG RIGHTS**
- 21.1 Within [***] of:
- 21.1.1 receipt of written notice from either Yandex or Uber (for the purposes of this Clause 19, a Selling Shareholder) of its consent to the other Shareholder (for the purposes of this Clause 19, the Other Shareholder) Transferring some or all of its Shares (or any interest therein or in respect thereof) prior to the expiry of the Lock-up Period in accordance with Clause 19.2; or
- 21.1.2 receipt of a Third Party Completion Notice (which, for the avoidance of doubt shall only occur after the expiry of the Lock-up Period and at any time prior to a Qualified IPO);
- the Other Shareholder shall be entitled, by written notice to the Selling Shareholder (the "**Tag Along Notice**"), to require that the Selling Shareholder comply with Clause 21.2.
- 21.2 Upon delivery of a Tag Along Notice by the Other Shareholder within the period specified in Clause 21.1 (the Other Shareholder, a "**Participating Shareholder**"):
- 21.2.1 subject to Clauses 21.2.1 and 21.2.4, the Participating Shareholder shall be bound to participate in the transfer to the Third Party Purchaser in accordance with its terms and conditions;
- 21.2.2 the Selling Shareholder shall use its or their reasonable endeavours to procure that the Third Party Purchaser purchases, or procures the purchase of the proportion of the Shares held by each Participating Shareholder equal to the proportion which the number of Shares to be transferred by the Selling Shareholder bears to the total number of Shares held by the Selling Shareholder immediately prior to such sale;
- 21.2.3 at the same time and on the same Key Terms as the Third Party Purchaser purchases the Shares held by the Selling Shareholder; and
- 21.2.4 the Selling Shareholder shall not complete the sale to the Third Party Purchaser unless (save due to default by the Participating Shareholder) the Third Party Purchaser (or its nominee(s)) purchase(s) the relevant Shares of the Participating Shareholder at the same time and on the same Key Terms as the Third Party Purchaser purchases the Shares being sold by the Selling Shareholder.
- 21.3 A Tag Along Notice shall be irrevocable and shall be governed by English law.
22. **LIQUIDITY EVENT**
- 22.1 The Parties acknowledge and agree that the terms and conditions of any Liquidity Event shall be consistent with the then prevailing international standard practice.
- 22.2 Upon commencement of the processes in respect of a Liquidity Event, each Shareholder shall:
- 22.2.1 cooperate with (and procure so far as it lawfully can that each Group Company and each Supervisory Director and Managing Director it has nominated for appointment to the Company, shall cooperate with) the Company and its financial and other advisers in order to achieve such a Liquidity Event;
- 22.2.2 procure, so far as it lawfully can, that the Company and (where applicable) any Supervisory Director and Managing Director nominated for appointment by such Shareholder shall use all reasonable endeavours to achieve the Liquidity Event; and
- 22.2.3 subject to Clause 22.1, do all such acts and things and execute all such documents and deeds as it may reasonably be requested to do by the Company or any other Shareholder for the purposes of achieving the Liquidity Event (provided that no

Shareholder shall be required to agree to do any such act or thing which shall have the effect of imposing upon it an obligation to contribute a greater amount of capital or other funds (whether in cash or kind) to the Company than it is already obliged to contribute). The Shareholders shall act in good faith and use reasonable endeavours to seek to minimise the extent of the other Shareholder's obligations under this Clause 22.2.2.

- 22.3 Without limiting Clause 22.2 or paragraph 4 of the Transfer Terms, the Shareholders shall and shall procure that each member of the Group's management (including any Supervisory Director and Managing Director nominated for appointment by the relevant Shareholder) shall, act reasonably to facilitate the Liquidity Event process including providing reasonable access to Confidential Information (subject to appropriate undertakings from any recipient(s) to maintain the confidentiality of that information), responding to due diligence enquiries and (if requested) providing management presentations and management meetings.

Potential Third Party Purchasers

- 22.4 Each Shareholder shall notify the other Parties as soon as reasonably practicable of any good faith approach from a potential Third Party Purchaser who is interested in acquiring any shares in a Group Company or a substantial part of the Group Business.

23. QUALIFIED IPO

- 23.1 The Shareholders acknowledge and agree that at any time:

- 23.1.1 after Completion and before the [***] of Completion, a Qualified IPO shall require the written consent of both Yandex and Uber;
- 23.1.2 after the [***] of Completion, Yandex shall have the right but not the obligation to initiate a Qualified IPO without the written consent of Uber; and
- 23.1.3 subject to Clause 23.3 below, after [***] of Completion (for so long as Uber maintains at least [***] of its Initial Proportion) Uber shall have the right but not the obligation to initiate a Qualified IPO without the written consent of Yandex.

- 23.2 If either Yandex or Uber seek to exercise its rights under Clause 23.1 it must give notice in writing to the Company and the other Shareholder ("**Qualified IPO Notice**").

- 23.3 Subject to Clause 23.4, if Uber seeks to initiate a Qualified IPO in accordance with Clause 23.1.3, Yandex shall be entitled to give a notice in writing to Uber within [***] of receipt of its Qualified IPO Notice exercising its right to defer the Qualified IPO for a period of up to [***]. If Yandex does not notify Uber of such deferral within [***], it shall forfeit the right to any deferral in this Clause 23.3 in the future.

- 23.4 Yandex shall only be allowed to exercise its right to defer a Qualified IPO initiated by Uber on no more than [***] occasions. If Yandex has exercised [***] such deferral rights, and Uber exercises its rights under Clause 23.1.1 and a Qualified IPO has not been consummated within [***] following the expiration of the [***] such exercise, then Clause 20 (*Right of first refusal*) shall not apply to any Transfer by Uber to a Third Party Purchaser following such deferral and Clauses 23.5 to 23.8 (inclusive) shall instead apply.

ROFO on deferral of Qualified IPO

- 23.5 In the event of a proposed Transfer by Uber to a Third Party Purchaser in circumstances described in Clause 23.4, Uber shall by notice in writing (a "**ROFO Notice**") to Yandex:

- 23.5.1 state that it desires to sell some or all of its Shares;
- 23.5.2 specify the price per share at which Uber is willing to sell the Shares to Yandex (the "**Prescribed Price**") and the terms on which Uber is willing to effect such transfer (the "**Prescribed Terms**"); and
- 23.5.3 offer the Shares for purchase by Yandex at the Prescribed Price and on the Prescribed Terms (the "**ROFO Offer**").

- 23.6 Yandex shall have a period of [***] from the date of the ROFO Notice in which to accept or reject the ROFO Offer (the "**ROFO Acceptance Period**"). Any acceptance of the ROFO Offer during the ROFO Acceptance Period shall be in writing and shall be irrevocable once made (a "**ROFO Acceptance Notice**"), at which point Yandex shall be bound to purchase the Shares at the Prescribed Price and on the Prescribed Terms.
- 23.7 Any transfer of Shares to Yandex in accordance with the ROFO Offer shall be in accordance with the Transfer Terms and completed at a place and time to be appointed by Uber by notice in writing to Yandex, such date being not later than [***] after the date of the relevant ROFO Acceptance Notice.
- 23.8 If Yandex does not serve a ROFO Acceptance Notice during the ROFO Acceptance Period, Uber shall be entitled to sell the Shares to any Third Party Purchaser in accordance with the Transfer Terms, provided that the:
- 23.8.1 price at which the Shares are sold to any Third Party Purchaser shall not be less than the Prescribed Price and the terms and conditions of such sale shall not be materially more favourable to the Third Party Purchaser than the Prescribed Terms;
 - 23.8.2 Third Party Purchaser is not a Prohibited Purchaser; and
 - 23.8.3 Transfer is completed within [***] after the date of the ROFO Notice,
- and further subject to the Transfer Terms.
- Conduct of Qualified IPO**
- 23.9 If a Shareholder initiates a Qualified IPO (and such Qualified IPO is not deferred in accordance with Clause 23.3) the Company must promptly proceed with preparation and implementation of the Qualified IPO and must take each of the following steps as directed by the Supervisory Board, taking into consideration the views, preferences and recommendations of the initiating Shareholder:
- 23.9.1 instruct professional advisers to advise the Supervisory Board and the Company on the Qualified IPO, including accountants, lawyers, valuers and actuaries;
 - 23.9.2 engage underwriters for the Qualified IPO which are chose by the initiating Shareholder provided they are reasonably acceptable to the Company;
 - 23.9.3 establish a due diligence committee for the Qualified IPO and undertake a due diligence review of the Company in accordance with any procedures and guidelines established by that committee;
 - 23.9.4 prepare a prospectus and other necessary offering documentation for the Qualified IPO;
 - 23.9.5 make listing applications and filings with the relevant Governmental Authorities;
 - 23.9.6 enter into underwriting agreement(s) with the underwriter(s) on customary terms; and
 - 23.9.7 in the case of a US Qualified IPO, any additional requirements set out in Schedule 4 (*Registration Rights*).
- 23.10 The conduct of a US Qualified IPO shall be deemed a Company registration under Clause 2.2 of Schedule 4 and Uber shall have the registration rights set forth therein.
- Participation in a Qualified IPO**
- 23.11 Each Shareholder must take the following steps promptly upon receiving written request from the Supervisory Board confirming that such steps are necessary to facilitate the preparation and implementation of the Qualified IPO:
- 23.11.1 in proportion to its Shareholding (and on pro rata basis as between the two Shareholders), offer for sale under the Qualified IPO no fewer than that number of its Shares, if any, necessary to result in a percentage of the then issued Shares as

may be necessary to meet the minimum listing requirements of the relevant stock exchange or listing authority to be in public hands;

- 23.11.2 enter into agreements as a shareholder of the Company to agree to, and pass necessary shareholder resolutions to approve, the Qualified IPO, including any issue of Shares by the Company or offer of Shares for sale under the Qualified IPO offered by the Shareholder;
- 23.11.3 as and when required under any Applicable Law, or as reasonably required by the underwriters for the Qualified IPO, agree to be bound by restrictions on disposal of Shares and give such warranties and undertakings (on a several and pro rata basis) required by the underwriters as the Supervisory Board may consider usual in similar transactions;
- 23.11.4 capitalise or otherwise reorganise any Shareholder loans in such a way as may be fair and equitable to the Shareholders; and
- 23.11.5 any other steps which may be reasonably required to be taken on the part of the relevant Shareholder for the preparation and implementation of the Qualified IPO.

Qualified IPO lock-up period

- 23.12 In connection with a Qualified IPO, each of Yandex and Uber agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by the Company and the managing underwriter (such period not to exceed [***]): (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Shares held immediately before the effective date of the Qualified IPO or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Shares or other securities, in cash, or otherwise. The foregoing provisions of this Clause 23.12 shall not apply to the sale of any Shares to an underwriter pursuant to an underwriting agreement or Shares purchased by a Shareholder in open market transactions following the Company's initial public offering, and shall be applicable to Uber and Yandex only if all officers and directors, and holders of more than [***] of the securities of the Company, are subject to the same restrictions. The underwriters in connection with such Qualified IPO registration are intended third party beneficiaries of this Clause 23.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each of Yandex and Uber further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO registration that are consistent with this Clause 23.12 or that are necessary to give further effect thereto.
- 23.13 The restrictions in Clause 23.12 shall survive termination of this Agreement and shall only apply only to the Company's initial offering of equity securities.

Registration rights

- 23.14 The Parties acknowledge and agree that in the event of a US Qualified IPO on a stock exchange or listing authority located in the United States of America Yandex and Uber will require, as a condition of, and prior to, such Qualified IPO that the Company enters into a registration rights agreement in favour of Yandex and Uber consistent with the terms set out in Schedule 4 (*Registration Rights*).

24. DRAG SALE

- 24.1 If, after the Lock-up Period expires and prior to a Liquidity Event, Yandex procures an offer from a Third Party Purchaser(s) to acquire such number of shares that (i) would trigger a change in Control of the Company, and (ii) results in a valuation of the Company based on a price per Share not less than [***] of the Entry Price ("**Exit Offer**"), then subject to Clause

- 24.2 (*Right of First Refusal*), Yandex shall be entitled to give a notice in writing to Uber pursuant to Clause 24.4 (a "**Drag Along Notice**") within [***] of receipt of the Exit Offer. A Drag Along Notice shall be irrevocable and shall be governed by English law. A Drag Along Notice shall include the name of the Third Party Purchaser(s) and, to the extent known by Yandex after using reasonable endeavours to find out the same, the name of the ultimate beneficial owner(s) of such Third Party Purchaser(s).
- 24.2 Upon receipt of a Drag Along Notice in accordance with Clause 24.1, for so long as Uber holds more than [***] of its Initial Proportion, Uber shall have the rights set forth in Clause 20.1, which shall apply in respect of a Drag Along Notice as if it were a Transfer Notice. Clauses 20.2 to 20.3 shall apply in respect of the Exit Offer and the acceptance period and process in respect thereof, *mutatis mutandis*.
- 24.3 If Yandex does not receive full acceptance from Uber within the [***] period, or Yandex receives such acceptance but Uber is unable to complete the acquisition of Yandex's Shares within [***] (subject to any longer period that may be required as a result of any regulatory, antitrust or other mandatory clearances that may be legally necessary) after the date of the Exit Offer, Yandex shall be free to seek Third Party Purchaser(s) to acquire the entire share capital of the Company, together with any other securities of the Company, on the terms set out in Clause 24.1.
- 24.4 If Yandex seeks to transfer its Shares to a Third Party Purchaser(s) in accordance with Clause 24.3. Uber shall be required to transfer all of its Shares and other securities of the Company to the Third Party Purchaser(s) at the same time and on the same terms as the Third Party Purchaser(s) purchases all of the Shares and other securities held by Yandex (a "**Drag Sale**"), provided that:
- 24.4.1 the parties continue to comply with the terms of the Deed of Covenant then in force. For the avoidance of doubt, Uber shall not be required to enter into any further protective undertakings or restrictive covenants (including without limitation any covenant not to compete or covenant not to solicit customer, employees or suppliers) in connection with any Drag Sale;
- 24.4.2 Uber shall not be required to make any representation or warranty to the Third Party Purchaser(s) pursuant to the Drag Sale other than warranties as to: (i) good title to the Shares it transfers; (ii) the absence of any Encumbrance with respect to its Shares; and (iii) its capacity and authority to undertake the proposed transfer of its Shares;
- 24.4.3 Uber is not liable for the breach of any representation, warranty or covenant made by any other Person in connection with the Drag Sale, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any of identical representations, warranties and covenants provided by all stockholders);
- 24.4.4 the liability for indemnification, if any, of Uber in the Drag Sale and for the inaccuracy of any representations and warranties made by Uber or the Company to the Third Party Purchaser(s) in connection with the Drag Sale, is several and not joint with the Company or Uber, and does not exceed, the amount of consideration paid to Uber in connection with the Drag Sale;
- 24.4.5 Uber shall not be required to make out-of-pocket expenditures prior to the consummation of the Drag Sale nor shall Uber be obligated to pay for any transaction expenses incurred by Yandex for its sole benefit;
- 24.4.6 Uber shall not be required to waive any right or benefit to which Uber may be entitled pursuant to then-existing contractual rights to which Yandex is generally not entitled;
- 24.4.7 if Yandex is given an option as to the form and amount of consideration to be received, Uber will be given the same option;

- 24.4.8 the consideration that is payable or otherwise transferable to Uber upon the consummation of the Drag Sale must be the same form of consideration and the same amount of consideration per share as is payable or otherwise transferable to other Shareholders; and
- 24.4.9 the consideration that is payable or otherwise transferable to the Other Shareholders pursuant to the Drag Sale must be non-deferred and non-contingent cash consideration (in immediately available funds) or equivalent Non-Cash Consideration payable or otherwise transferable upon completion of the relevant Transfer and Uber shall not be required to provide any security in connection with the Drag Sale.
- 24.5 Clauses 22.2 and 22.3 shall apply in respect of the process contemplated by this Clause 24 as if it were a Liquidity Event.
- 24.6 If the Drag Sale does not complete within [***] after the date of the Drag Along Notice (other than due to default by Uber under this Agreement or in respect of the Drag Sale transaction itself), the Drag Along Notice shall automatically expire.
25. **DEFAULT**
- 25.1 A Shareholder commits an event of default (an "**Event of Default**") if:
- 25.1.1 it breaches any provision of Clause 19.1 (*General restriction on transfers*) or Clause 19.12 (*Permitted transfers*) and the breach is not capable of being remedied or is not remedied within [***] of the other Shareholder sending it written notice requiring it to remedy the breach; or
- 25.1.2 an Insolvency Event occurs in respect of it.
- 25.2 Each Shareholder undertakes to notify the other Shareholder(s) and the Company if an Event of Default occurs or exists in respect of it.
- 25.3 If an Event of Default is committed by a Shareholder (the "**Defaulting Shareholder**"), each other Shareholder (each, a "**Non-Defaulting Shareholder**") may serve notice on the Defaulting Shareholder (a "**Default Notice**") stating that it considers an Event of Default to have been committed by the Defaulting Shareholder.
- 25.4 The Default Notice shall set out in reasonable detail the basis on which the Non-Defaulting Shareholder(s) have concluded that an Event of Default has arisen in respect of the Defaulting Shareholder and shall notify the Defaulting Shareholder of the Non-Defaulting Shareholder(s)' intention to exercise its rights under this Clause 25 by no earlier than [***] following the date of the Default Notice.
- 25.5 If the Event of Default has not been remedied to the satisfaction of the Non-Defaulting Shareholder(s) (acting reasonably) by the expiry of the period set out in the Default Notice, the Non-Defaulting Shareholder(s) shall be entitled to give notice in writing to the Defaulting Shareholder (copied to the Company) at any time whilst such Event of Default subsists (the "**Event of Default Remedy Notice**").
- 25.6 With effect from the giving of an Event of Default Remedy Notice, then without prejudice to the Defaulting Shareholder's obligations under this Agreement and to the other rights or remedies available to the Non-Defaulting Shareholder(s) with respect to the Defaulting Shareholder (including without limitation any right to claim for damages under Applicable Law for breach of this Agreement or, where appropriate, to seek an injunction, specific performance or other similar court order to enforce the obligations of the Defaulting Shareholder), the Defaulting Shareholder shall not, nor shall it be entitled to, exercise any of its powers or rights under this Agreement or the Articles in relation to management, or (except in the case of an Event of Default referred to in Clause 25.1.2) participation in the profits, of the Company (for so long as the Event of Default subsists and on the basis that any profits that it may not have participated in will be distributed or paid once the Event of Default has ceased to subsist). Without limiting the foregoing:

- 25.6.1 any requirement in this Agreement or the Articles that the Defaulting Shareholder is required to be present (in person or by a representative) at a Shareholders' general meeting to make it quorate shall cease to apply;
- 25.6.2 the Defaulting Shareholder shall not be entitled to nominate for appointment any Supervisory Directors and its consent shall not be required for, nor shall it be entitled to vote against or otherwise prevent, the removal of any Supervisory Director appointed or nominated for appointment by it or the appointment of any new (or replacement) Supervisory Director;
- 25.6.3 the Defaulting Shareholder shall exercise all of its voting rights as may be directed by Yandex (if the Defaulting Shareholder is Uber) or by Uber (if the Defaulting Shareholder is Yandex) (the "**Attorneys**") and hereby appoints the Attorneys, to act as the attorney-in-fact of the Defaulting Shareholder with full power of substitution in the name and stead of the Defaulting Shareholder to execute, acknowledge, swear to and deliver such documents and instruments as may be necessary or appropriate to exercise the voting rights of the Defaulting Shareholder in such manner as the Attorneys deem appropriate at their sole discretion. The grant of power of attorney by the Defaulting Shareholder under this Clause is and shall be irrevocable (for so long as the Event of Default subsists);
- 25.6.4 any Supervisory Director nominated for appointment by the Defaulting Shareholder shall be removed in accordance with Clause 6.6 as if the Defaulting Shareholder had given the notice referred to in that Clause, and without prejudice to this undertaking such Supervisory Director(s) shall not:
- (A) be required to attend or vote at any meeting of Supervisory Directors to constitute a quorum (and any requirement in this Agreement or the Articles that Supervisory Directors nominated for appointment by such Shareholder are required to be present at a Supervisory Board meeting to make it quorate shall cease to apply); or
 - (B) subject to Applicable Law, be entitled to receive or request any information from any Group Company.
26. **COMPLIANCE BREACH**
- 26.1 If Uber believes in good faith that the Group or any of its directors, officers, employees or other Shareholders has acted or failed to act, in such manner so as to reasonably establish a prima facie material violation of Clauses 15.2, 15.3, 15.4, 15.5 or 15.6 (a "**Compliance Breach**") Uber shall provide written notice of its concerns to the Supervisory Board (a "**Compliance Notice**").
- 26.2 The parties shall use their respective reasonable efforts to procure that a meeting of the Supervisory Board is convened as soon as practicable after a Compliance Notice is sent by Uber pursuant to Clause 26.1. If the Supervisory Board fails, in the reasonable opinion of Uber (on the advice of external legal counsel), to decide upon and approve an appropriate method by which the Company shall investigate and resolve the matter identified in the Compliance Notice within [***] or if the Compliance Breach identified in the Compliance Notice is not remedied within [***] and to the reasonable satisfaction of Uber, Uber shall be entitled to exercise any one of its rights under Clauses 26.3, 26.4 and 26.5 to 26.8 (inclusive).
- Regulatory exit**
- 26.3 Uber shall be entitled to Transfer [***] of its Shares to any Shareholder or third party if, at any time following the date of this Agreement, Uber (or any of its Permitted Affiliates) continuing to hold any Shares would result, or would reasonably be expected to result, or Uber or any of its Affiliates receives advice from a leading law firm experienced in such matters, or notice from or is informed by a Government Authority or the staff thereof, to the effect that continuing to hold such Shares would result in Uber or any one of its Affiliates breaching any provision of Corruption Laws or Sanctions, or any similar laws or rules or regulations. Clause 20 (*Right*

of First Refusal), Clause 21 (Tag Along Rights), Clause 22 (Liquidity Event), Clause 23 (Qualified IPO) and Clause 24 (Drag Sale) shall not apply to any transfer permitted by this Clause 26.3.

Step down

- 26.4 Uber, in its sole discretion, shall have the right but not the obligation, for so long as it deems appropriate, to relinquish its:
- 26.4.1 right to nominate for appointment or to appoint any Nominee Supervisory Director(s) and Uber shall procure that any Nominee Supervisory Director(s) nominated for appointment by it shall not be entitled to vote at any Supervisory Board meeting and, for the purposes of Clause 7.7, the quorum for a Supervisory Board meeting shall not be required to include the Nominee Supervisory Director(s) nominated for appointment by Uber. Any Nominee Supervisory Directors nominated for appointment shall promptly resign or be removed by Uber; and
- 26.4.2 consent right under Clause 11 (*Reserved Matters*) in relation to the Reserved Matters.

Step in

- 26.5 Uber shall, subject to giving written notice to the Supervisory Board (a "**Step-In Notice**"), have the right (but not the obligation) to give binding written instructions to the management of the Company and the Group to take such actions and do such other things as Uber believes necessary or appropriate to remedy the Compliance Breach identified in the Compliance Notice (the "**Step-In Rights**"); it being understood that it shall be the management's responsibility to implement such instructions and carry out such other actions as the management shall deem reasonably required to remedy the Compliance Breach. Uber shall specify in the Step-In Notice the initial Uber representatives authorised to exercise Uber's Step-In Rights, and may from time to time by subsequent written notices designate other Uber representatives, authorised to exercise Uber's Step-In Rights.
- 26.6 Uber's Step-In Rights shall be to:
- 26.6.1 investigate and verify the facts and circumstances of the Compliance Breach;
- 26.6.2 identify the person or persons responsible for the Compliance Breach;
- 26.6.3 identify the actions or failures to act that constituted, caused or permitted the Compliance Breach;
- 26.6.4 identify any deficiencies in any Group Company controls or procedures that may have permitted, facilitated or resulted in the Compliance Breach;
- 26.6.5 take disciplinary action, up to and including termination of employment, concerning any Group Company employees responsible for the Compliance Breach;
- 26.6.6 exercise any contractual or other rights or remedies any Group Company may have against any contractors or other third parties responsible for the Compliance Breach;
- 26.6.7 instruct Group Company personnel to adopt or revise controls, or to adopt, revise or eliminate procedures, in order to prevent, detect, identify, investigate and correct unethical, illegal or otherwise improper business practices, including violations of Corruption Laws or Sanctions, or any similar laws or rules or regulations; and
- 26.6.8 any other action reasonably related or incidental to those actions listed in this Clause 26.6.
- 26.7 Uber's Step-In Rights in relation to a specific Compliance Notice shall terminate on the earlier of (i) the date on which the Compliance Breach identified in the Compliance Notice is remedied to Uber's reasonable satisfaction (on which date Uber shall give notice to the Company that it has concluded the exercise of its Step-In Rights, the "**Step-Out Notice**") or (ii) the Step-In Long Stop Date (as defined below). On the earlier of the Step-In Long Stop

Date or following receipt of the Step-Out Notice (as the case may be), the Shareholders shall procure that a meeting of the Supervisory Board be convened to discuss the results of the Company's investigation and implementation of correction measures and any additional action to be taken for the prevention of any further Compliance Breach.

26.8 For the purposes of clause 26.7, the **"Step-In Long Stop Date"** shall mean the date which is [***] after the date on which a Step-In Notice is received by the Supervisory Board.

Further assurances for compliance

26.9 The Shareholders shall, and shall cause the Nominee Supervisory Directors appointed by them and the Group Companies to, cooperate fully with Uber and Uber's representatives in the exercise of the rights under the foregoing provisions in this Clause 26 and provide all assistance that Uber or Uber's representatives may reasonably request in connection therewith. Such cooperation and assistance shall include, but shall not be limited to procuring (to the extent lawfully possible) that the Nominee Supervisory Directors appointed by them vote, and that the Group Companies vote their shares in Subsidiaries and procure that the Subsidiaries' directors vote, in favour of any action necessary, or reasonably requested by Uber, to give effect to the rights under the foregoing provisions in this Clause 26.

27. NOTICES

27.1 Any notice (including any approval, consent or other communication) in connection with this Agreement shall be in writing in English and delivered by hand or courier (using an internationally recognised courier company) to the address specified in Clause 27.3 or to such other address as the relevant Party may from time to time specify by notice to the other Parties given in accordance with this Clause, and for the avoidance of doubt a notice shall not be deemed to be given if made only by email, but a courtesy copy of each notice shall also be sent to the email address(es) specified in Clause 27.3 or to such other email address(es) as the relevant Party may from time to time specify by notice to the other Parties given in accordance with this Clause.

27.2 A notice shall be effective upon receipt and shall be deemed to have been received at the time of delivery, if delivered by hand or courier provided that, in either case, where delivery occurs after 5.00pm, notice shall be deemed to have been received at 9.00am on the next following Business Day.

27.3 The relevant details of each Party at the date of this Agreement are:

In relation to Yandex	In relation to Uber
Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands	Address: 1455 Market Street, 4th Floor San Francisco, CA 94103
[***]	[***]
[***]	[***]
With a copy to: Gregory Abovsky, COO Yandex LLC 16 Leo Tolstoy Str. Moscow 119021 Russia [***] Timothy Corbett Morgan, Lewis & Bockius UK LLP Condor House, 5-10 St. Paul's Churchyard	With a copy to: Jamie Leigh Cooley LLP 101 California Street San Francisco, CA United States of America [***]

London EC4M 8AL United Kingdom [***]	
In relation to the Company	In relation to the Foundation
Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands	Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands
[***]	[***]
[***]	[***]
With a copy to each of: Timothy Corbett Morgan, Lewis & Bockius UK LLP Condor House, 5-10 St. Paul's Churchyard London EC4M 8AL United Kingdom [***]	With a copy to: Timothy Corbett Morgan, Lewis & Bockius UK LLP Condor House, 5-10 St. Paul's Churchyard London EC4M 8AL United Kingdom [***]

27.4 Should a Party fail to notify another Party of any change to its address in accordance with Clause 27.1, then any notice served under this Clause shall be validly served by that second Party if served to the address listed in Clause 27.3.

28. TERM

28.1 This Agreement shall, subject always to the Surviving Provisions in Clause 28.3, continue in force and effect following Completion until the earliest to occur of the following events:

- 28.1.1 all of the Shareholders agree in writing to terminate it;
- 28.1.2 a Qualified IPO becoming effective; and
- 28.1.3 all of the Shares held by the Shareholders becoming held by one Shareholder (whether or not together with its Permitted Affiliates).

28.2 Without limiting Clause 28.1 and without prejudice to the continuation of this Agreement with respect to all other Shareholders who are party (or who, in accordance with Clause 19.6 have adhered) to it, this Agreement shall terminate with respect to a Shareholder if that Shareholder ceases to hold Shares in the Company (subject to Clause 19.5)

28.3 Upon termination of this Agreement the provisions of this Agreement (other than the Surviving Provisions) shall automatically terminate and cease to have any effect and no Party, nor any person having third party rights under this Agreement, shall have any claim against any other under it, except in relation to any prior breach or under the Surviving Provisions.

29. ANNOUNCEMENTS AND CONFIDENTIALITY

Announcements

29.1 No Shareholder nor the Company shall (and each Shareholder shall procure that none of its Affiliates or subsidiary undertakings or parent undertakings shall):

- 29.1.1 make or send; or
- 29.1.2 permit another person to make or send on its behalf,

a public announcement or circular regarding the existence or the subject matter of a Transaction Agreement, unless it has first obtained each other Party's written permission (that permission not to be unreasonably withheld or delayed).

Permitted announcements

- 29.2 Clause 29.1 does not apply to an announcement or circular:
- 29.2.1 which is required by Applicable Law, a court of competent jurisdiction or a competent judicial, governmental, supervisory or regulatory body; or
 - 29.2.2 which is required by a rule of a stock exchange or listing authority on which the shares or other securities of a member of the disclosing person's group are listed or traded.

Consultation

- 29.3 A Party that is required to make or send an announcement or circular in the circumstances contemplated by Clauses 29.2.1 and 29.2.1, must, before making or sending the announcement or circular, consult with each other Party and take into account each other Party's requirements as to the timing, content and manner of making the announcement or circular to the extent it is permitted to do so by Applicable Law and to the extent it is reasonably practicable to do so.

Confidentiality

- 29.4 Save as provided in Clause 29.5, no Party shall, without the consent of the other Parties, disclose to any third party, or use or exploit commercially for its or their own purposes any Confidential Information.

Permitted disclosures

- 29.5 Subject further to Clause 29.6, Clause 29.4 does not apply to a disclosure or use of Confidential Information in the following circumstances:
- 29.5.1 the disclosure or use is required by Applicable Law or required or requested by a Governmental Authority;
 - 29.5.2 the disclosure or use is required by a rule of a stock exchange or listing authority on which the shares or other securities of a Party or its Affiliates are listed or traded;
 - 29.5.3 the disclosure is made to a Party's Affiliate, parent undertaking or subsidiary undertakings or a subsidiary undertaking of such parent undertaking, or its or their directors, officers or senior employees to the extent reasonably required for purposes connected with this Agreement (including permitted transfers), in which case the disclosing person is responsible for ensuring that the relevant recipient(s) complies with the terms of Clause 29.4 as if it were a party to this Agreement;
 - 29.5.4 to the extent that the relevant Confidential Information is in the public domain otherwise than by breach of this Agreement by any Party;
 - 29.5.5 the Confidential Information is disclosed to such Party by a third party who is not in breach of any undertaking or duty as to confidentiality whether express or implied;
 - 29.5.6 the disclosure or use is required for the purpose of legal proceedings arising out of a Transaction Agreement or the disclosure is required to be made to a Tax Authority in connection with the Tax affairs of a disclosing Shareholder or any of its Affiliates;
 - 29.5.7 the disclosure is made to a professional adviser of the disclosing person, in which case the disclosing person is responsible for ensuring that the professional adviser complies with the terms of Clause 29.4 as if it were a party to this Agreement; or
 - 29.5.8 the disclosing Party is disclosing information that a prudent prospective purchaser of Shares, or a prospective provider of debt finance to such prudent prospective purchaser of Shares, might reasonably require to know and which is disclosed pursuant to negotiations for an arm's length sale of Shares to a recipient which, in the reasonable opinion of the disclosing Party, is a prospective purchaser able to complete the purchase of the Shares or which is a provider of debt finance to such prospective purchaser, provided that before any information is disclosed, the intended recipient of such information shall have given a confidentiality undertaking

for the benefit of the Company, pursuant to which the intended recipient shall be required to observe the same restrictions on the use of the relevant information as are contained in Clause 29.4 and subject to the same exceptions as are contained in this Clause 29.5, and in such case:

- (A) the Company shall cooperate in providing such information to the prospective purchaser as the prospective purchaser shall reasonably request; and
 - (B) the Company shall assist in the marketing of the Shares, including in the preparation and delivery of presentations on the Group to be used during the course of presentations to investors in connection with the potential sale, including in the context of early-look, pilot fishing, pre-marketing, roadshow and other presentations.
- 29.6 Before a Party makes a disclosure in the circumstances contemplated by Clause 29.5.1 or 29.5.2 it shall, to the extent it is permitted to do so by Applicable Law and to the extent it is reasonably practicable to do so, notify each other Party of such disclosure and consult with each other Party and take into account each other Party's requirements as to the timing, content and manner of making the disclosure (except for disclosure for legal or regulatory reasons where the disclosure is made to a regulatory body only in the ordinary course of its supervisory function).
- 29.7 For the avoidance of doubt, and notwithstanding any provision in this Agreement, in the event of an Uber IPO, Uber (or any of its Affiliates) shall be entitled to make such disclosure as would be required or customary for an initial public offering of that nature in the relevant jurisdiction.

30. **MISCELLANEOUS**

Warranties

- 30.1 Each Party warrants to each other Party that each of the Party Warranties is true, accurate and not misleading in respect of itself at the date of this Agreement.

Assignment

- 30.2 Subject to Clause 30.3, no Party may at any time assign, transfer, charge or deal in any other manner with this Agreement or any of its rights under it (including holding an interest on trust for another), nor purport to do so, nor sub-contract any or all of its obligations under this Agreement without having obtained the prior written consent of each other party. Any purported dealing in contravention of this Clause shall be void.
- 30.3 Subject to Clauses 19.8 and 19.10, a Party may assign or transfer, to a Permitted Affiliate to which it transfers its Shares pursuant to Clause 19.4 and which has entered into a Deed of Adherence as contemplated by that Clause, such of its rights and obligations pursuant to this Agreement as are attributable to the transferred Shares. Each Party agrees to do such acts and things (including executing and delivering any deed of novation or other deed or agreement) as the transferring Party reasonably requests to perfect the transfer of such rights and obligations to such transferee.

Third party rights

- 30.4 With the exception of the right of (a) persons entering into a Deed of Adherence as contemplated by Clause 19.6 to enforce the terms of Clause 19.6 and paragraph 3(b) of Schedule 3 and (b) Managing Directors and Supervisory Directors to enforce the terms of Clauses 8.2 and 8.3 (*Indemnification of Managing Directors and Supervisory Directors, Insurance and Advancement of Expenses*) (a "Third Party"), no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement. The right of a Third Party shall be subject to the provisions of Clause 31 (*Governing law and Dispute Resolution*). The Parties may by agreement rescind or vary any term of this Agreement without the consent of any Third Party.

Entire agreement

- 30.5 Each of the Parties confirms that this Agreement together with the Transaction Agreements and the agreed form documents and any documents referred to in any of them, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto (including, for the avoidance of doubt the term sheet executed by the representatives of certain of the Parties on 18 May 2017, the binding obligations of which are hereby terminated notwithstanding anything in that document which purports to do otherwise) and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing.
- 30.6 Each Party confirms that:
- 30.6.1 in entering into this Agreement it has not relied on any representation, warranty, assurance, covenant, indemnity, undertaking or commitment which is not expressly set out in this Agreement or the Transaction Agreements or the agreed form documents or any document referred to in any of them; and
- 30.6.2 in any event, without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, the only rights or remedies in relation to any representation, warranty, assurance, covenant, indemnity, undertaking or commitment given or action taken in connection with this Agreement or the Transaction Agreements or the agreed form documents or any document referred to in any of them are those pursuant to this Agreement or such Transaction Agreement or agreed form document or document referred to in any of them, and for the avoidance of doubt and without limitation, no Party has any other right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, and/or in this Agreement).

Unenforceable provisions

- 30.7 If any provision or part of this Agreement is void or unenforceable due to any Applicable Law, it shall be deemed to be deleted and the remaining provisions of this Agreement shall continue in full force and effect. If any invalid, unenforceable or illegal provision of this Agreement would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum deletion necessary to make it valid, legal and enforceable.

No fetter

- 30.8 The Company shall not be bound by any provision of this Agreement to the extent that it constitutes an unlawful restriction or fetter on its statutory powers or is unlawful financial assistance. This shall not affect the validity of the rights and obligations of the other parties under this Agreement.
- 30.9 Without limiting Clause 30.8, in case any of the obligations undertaken by the Company hereunder is not enforceable against the Company under Applicable Law, the Shareholders undertake to take such action in their capacity as shareholders of the Company to ensure that the Company, in fact, acts in accordance with this Agreement.

No set off, deduction or counterclaim

- 30.10 Subject to Clause 30.11, every payment payable by a Party under this Agreement shall be made in full without any set off or counterclaim howsoever arising and shall be free and clear of, and without deduction of, or withholding for or on account of, any amount which is due and payable to a Party under this Agreement.

Tax

30.11 Any payment made by or due from a Party under, or pursuant to the terms of, this Agreement shall be free and clear of all Tax whatsoever save only for any deductions or withholdings required by Applicable Tax Legislation.

30.12 Payments made in connection with this Agreement shall so far as possible be treated by the Parties as an adjustment to any consideration payable pursuant to this Agreement.

Currency conversion

30.13 Subject to Clause 1.1, and unless otherwise specified, the rate of exchange to be used for converting amounts specified in this Agreement from one currency into another will be: (i) for any conversion between USD and RUB or EUR and RUB, the rate set by the Central Bank of Russia for the relevant date (provided, however, if the rate determined pursuant to the following sub-clause (ii) defers from such Central Bank Rate by more than [***], the rate of exchange to be used shall be the average of such two rates); and (ii) for any other currency the close spot mid-trade composite London rate for a transaction between the two currencies as quoted on the relevant screen page of Bloomberg on the date that is the nearest Business Day in Moscow, the Russian Federation for which that rate is so quoted prior to the relevant date.

30.14 For the purposes of the thresholds in Schedule 2 (*Reserved Matters*), the "**relevant date**" for the purposes of Clause 30.13 shall be the date on which the relevant matter is approved by the Supervisory Board or the Shareholders (as the case may be).

Further assurance

30.15 At any time after the date of this Agreement the Parties shall, and shall use all reasonable endeavours to procure that any necessary third party shall, at the cost of the relevant Party, execute and deliver such documents and do such acts and things as that Party may reasonably require for the purpose of giving to that Party the full benefit of all the provisions of this Agreement.

30.16 Without limiting Clause 30.15, but subject in all respect to Clauses 11.8 to 11.10, to the extent necessary to give effect to the Drive Contribution Agreement, including completion thereunder, the Shareholders shall not exercise, and shall waive, any pre-emption rights to the transfer or issuance of Shares contained in this Agreement or the Articles, and shall execute all such documents and take all such steps (including giving consents, approvals and passing resolutions) as are reasonably required, in each case in a timely fashion, including to authorise and instruct the Management Board and the Supervisory Board to take such steps including passing such resolutions as are required by it, to give effect to the Drive Contribution Agreement.

Waiver

30.17 The rights and remedies of the Parties shall not be affected by any failure to exercise or delay in exercising any right or remedy or by the giving of any indulgence by any other Party or by anything whatsoever except a specific waiver or release in writing and any such waiver or release shall not prejudice or affect any other rights or remedies of the Parties. No single or partial exercise of any right or remedy shall prevent any further or other exercise thereof or the exercise of any other right or remedy.

Variation

30.18 No variation of this Agreement (or any of the documents referred to in it) shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each of the Parties. The expression "variation" includes any variation, supplement, deletion or replacement however effected.

Counterparts

30.19 This Agreement may be executed in any number of counterparts and by the Parties to it on separate counterparts, each of which when executed and delivered shall be an original, but

all the counterparts together constitute one instrument. Delivery of a counterpart of this Agreement by email attachment shall be an effective mode of delivery. In relation to each counterpart, upon confirmation by on behalf of a Party that such Party authorises the attachment of its counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect, together with such final text, as a complete authoritative counterpart.

No partnership

- 30.20 Nothing in this Agreement or in any document referred to in it shall constitute any of the Parties a partner of any other, nor shall the execution, completion and implementation of this Agreement confer on any Party any power to bind or impose any obligations to any third parties on any other Party or to pledge the credit of any other Party.

Costs

- 30.21 Save as otherwise provided by this Agreement, each Party shall bear its own costs incurred in connection with the preparation, negotiation, entry into and performance of this Agreement and the documents to be entered into pursuant to it. No such costs shall be borne by the Company in respect of the preparation, negotiation and entry into this Agreement.

Tax Residency

- 30.22 Each of the Shareholders agrees with each other that it is intended that the Company shall at all times be resident in the Netherlands for Tax purposes. The Shareholders shall procure that each Group Company remains resident for tax purposes in its jurisdiction of incorporation and that none of the Group Companies becomes resident for tax purposes in any jurisdiction other than its jurisdiction of incorporation (unless otherwise agreed by the Supervisory Board or the Shareholders in accordance with Clause 11 (*Reserved Matters*)) and, without limiting the generality of the Shareholders' obligations under this Clause 30.22, the conduct of the Company's and its Subsidiaries' affairs shall be managed, so as far as reasonably practicable, to achieve the objectives of this Clause 30.22.

Language

- 30.23 This Agreement was negotiated in English and, to be valid, all certificates, notices, communications and other documents made in connection with it shall be in English (save, if required by Applicable Law, for the Articles or the Charter of any Group Company). If all or any part of this Agreement or any such certificate, notice, communication or other document is for any reason translated into any language other than English the English text shall prevail. Each of the Parties understands English and is content for all communications relating to this Agreement to be served on it in English.

Legal advice

- 30.24 Each Party confirms it has received independent legal advice relating to all the matters provided for in this Agreement, including the provisions of this Clause, and agrees, having considered the terms of this Agreement as a whole, that the provisions of this Agreement, including this Clause 30.24, are fair and reasonable.

31. GOVERNING LAW AND DISPUTE RESOLUTION

Governing law

- 31.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by English law.

Dispute Resolution

- 31.2 The Parties agree that any claim, dispute, difference or controversy of whatever nature arising under, out of, relating to or in connection with this Agreement (including a claim, dispute, difference or controversy regarding its existence, termination, validity, interpretation, performance, breach, the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**"), shall be

referred to and finally settled by arbitration in accordance with the LCIA Arbitration Rules (the "**Rules**") as at present in force and as modified by this Clause, which Rules shall be deemed incorporated into this Clause and capitalised terms used in this Clause which are not otherwise defined in this Agreement have the meaning given to them in the Rules. This Clause 31.2 and any non-contractual provisions arising out of or in connection with this Clause 31.2 are governed by English law.

- 31.2.1 The number of arbitrators shall be three, one of whom shall be nominated by the Claimant(s), one by the Respondent(s) and the third of whom, who shall act as presiding arbitrator, shall be nominated by the two party-nominated arbitrators, provided that if the third arbitrator has not been nominated within [****] of the nomination of the second party-nominated arbitrator such third arbitrator shall be appointed by the LCIA Court. Notwithstanding the provisions of this Clause 31.2.1, the LCIA Court may order expedited formation of the Arbitral Tribunal pursuant to Article 9A of the Rules and for that purpose the LCIA Court may elect and appoint the presiding arbitrator at any time. Notwithstanding any provision to the contrary in the Rules, the Parties may nominate and the LCIA Court may appoint arbitrators (including the presiding arbitrator) from among the nationals of any country, whether or not a Party is a national of that country.
- 31.2.2 The seat or legal place of arbitration shall be London, England, and the language used in the arbitral proceedings shall be English. All documents submitted in connection with the arbitral proceedings shall be in the English language or, if in another language, accompanied by an English translation. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.
- 31.2.3 Having regard to the Arbitral Tribunal's general duty set out in section 33(1) of the Arbitration Act 1996, the Parties hereby agree that, without derogating from its other powers, the Arbitral Tribunal may, following a written request by any Party at any time after the Response is due, give directions as to a procedure (the "**Summary Procedure**") for determining (i) whether any claim(s), counterclaim(s) or part(s) thereof is reasonably arguable and/or (ii) whether any reasonably arguable defence to the claim(s), counterclaim(s) or part(s) thereof exists and thereafter make an award (which may be a final award) if it determines, respectively, that (i) any claim(s), counterclaim(s) or part(s) thereof is not reasonably arguable or (ii) no such reasonably arguable defence exists. The Arbitral Tribunal shall exercise its discretion under the Arbitration Act 1996 to adopt a procedure suitable for the determination of a request made under this Clause 31.2.3 consistently with its duty as set out in section 33(2) of the Arbitration Act 1996. As part of the Summary Procedure, the Party requesting the Summary Procedure shall be required to make a written submission as to why any claim(s), counterclaim(s) or part(s) thereof is appropriate for summary determination and every other party to the arbitration shall have the opportunity to submit a written response to such submission. The Parties acknowledge and agree that this Clause 31.2.3 provides for due process and gives each Party adequate opportunity to be heard, and that no Party shall challenge or resist enforcement of an award made pursuant to this Clause 31.2.3 on the basis of a failure of due process or lack of opportunity to be heard, whether under Article V(1)(b) of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, Section 68(2)(a) of the Arbitration Act 1996 or otherwise.
- 31.2.4 No Party shall be required to give general discovery of documents but may be required only to produce specific, identified documents or classes of documents which are relevant to the Dispute and material to its outcome.
- 31.2.5 Each Party agrees that the arbitration agreement set out in this Clause 31.2 and the arbitration agreement contained in each Related Agreement shall together be deemed to be a single arbitration agreement.
- 31.2.6 Each Party consents to being joined to any arbitration commenced under this Agreement or a Related Agreement on the application of any other Party if the

Arbitral Tribunal so allows, and subject to and in accordance with the Rules. Before the constitution of the Arbitral Tribunal, any party to an arbitration commenced pursuant to this Clause 31.2 may effect joinder by serving notice on any party to this Agreement or any Related Agreement whom it seeks to join to the arbitration proceedings, provided that such notice is also sent to all other parties to the Dispute and the LCIA Court within [***] of service of the Request for Arbitration. The joined party will become a claimant or respondent party (as appropriate) to the arbitration proceedings and participate in the arbitrator appointment process in Clause 31.2.1.

- 31.2.7 An Arbitral Tribunal constituted under this Agreement may, unless consolidation would prejudice the rights of any party, consolidate an arbitration hereunder with an arbitration under a Related Agreement if the arbitration proceedings raise common questions of law or fact, and subject to and in accordance with the Rules. For the avoidance of doubt, this Clause 31.2.7 is an agreement in writing by all Parties to any arbitrations to be consolidated for the purposes of Article 22.1(ix) of the Rules. If an Arbitral Tribunal has been constituted in more than one of the arbitrations in respect of which consolidation is sought pursuant to this Clause 31.2.7, the Arbitral Tribunal which shall have the power to order consolidation shall be the Arbitral Tribunal appointed in the arbitration with the earlier Commencement Date under Article 1.4 of the Rules (i.e. the first-filed arbitration). Notice of the consolidation order must be given to any arbitrators already appointed in relation to any of the arbitration(s) which are to be consolidated under the consolidation order, all parties to those arbitration(s) and the LCIA Registrar. Any appointment of an arbitrator in the other arbitrations before the date of the consolidation order will terminate immediately and the arbitrator will be deemed to be discharged. This termination is without prejudice to the validity of any act done or order made by that arbitrator or by any court in support of that arbitration before that arbitrator's appointment is terminated; his or her entitlement to be paid proper fees and disbursements; and the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision. If this clause operates to exclude a Party's right to choose its own arbitrator, each Party irrevocably and unconditionally waives any right to do so.
- 31.2.8 To the extent permitted by law, each Party waives any objection, on the basis that a Dispute has been resolved in a manner contemplated by Clauses 31.2.6 to 31.2.7, to the validity and/or enforcement of any arbitral award.
- 31.2.9 Each Party agrees that any arbitration under this Clause 31.2 shall be confidential to the Parties and the arbitrators and that each Party shall therefore keep confidential, without limitation, the fact that the arbitration has taken place or is taking place, all non-public documents produced by any other Party for the purposes of the arbitration, all awards in the arbitration and all other non-public information provided to it in relation to the arbitral proceedings, including hearings, save to the extent that disclosure may be requested by a regulatory authority, or required of it by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.
- 31.2.10 The law of this arbitration agreement, including its validity and scope, shall be English law.
- 31.2.11 This agreement to arbitrate shall be binding upon the Parties, their successors and permitted assigns.
32. **PROCESS AGENT**
- 32.1 Uber irrevocably appoints Oakwood Corporate Services Limited as its agent under this Agreement for service of process and agrees that the process by which any proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Clause 31.2 (*Dispute Resolution*) may be served on it by being delivered to Oakwood Corporate Services Limited, 3rd Floor, 1 Ashley Road, Altrincham,

Cheshire WA14 2DT. If such person is not or ceases to be effectively appointed to accept service of process on behalf of Uber, Uber shall immediately appoint a further person in England to accept service of process on its behalf.

- 32.2 Each of Yandex and the Company irrevocably appoints Law Debenture Corporate Services Limited as their agent under this Agreement for service of process and agrees that the process by which any proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Clause 31.2 (*Dispute Resolution*) may be served on it by being delivered to 5th Floor, 100 Wood Street, London EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of Yandex or the Company, then Yandex or the Company shall immediately appoint a further person in England to accept service of process on its behalf.
- 32.3 Each of the Shareholders and the Company agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings or render service of those proceedings ineffective.
- 32.4 Nothing in this Clause 32 shall affect the right of any Party to serve process in any other manner permitted by Applicable Law.

THIS AGREEMENT has been duly executed by the Parties (or their duly authorised representatives) and delivered as a **DEED** on the date specified at the beginning of this Agreement.

SCHEDULE 1

SCHEDULE 2

SCHEDULE 3

SCHEDULE 4

SCHEDULE 5

SCHEDULE 6

SCHEDULE 7

SCHEDULE 8

SCHEDULE 9

EXECUTION PAGES

EXECUTED as a **DEED** by
YANDEX N.V.
a company incorporated in
the Netherlands, acting by
Alfred Alexander de Cuba
who, in accordance with the laws of that
territory, is acting under the authority of
the company in the presence of:

)
)
) /s/ Alfred Alexander de Cuba
) Authorised Person
)
)
)
)
)

Signature of witness /s/ Philipp Sergeyevich Lebedev

Name of witness
(in BLOCK CAPITALS) PHILIPP SERGEYEVICH LEBEDEV

Address of witness Schiphol Boulevard 165
1118 BG Schiphol
the Netherlands
.....

Occupation of witness Senior Legal Counsel

EXECUTED as a **DEED** by

UBER NL HOLDINGS 2 B.V., acting in its own capacity and in its capacity as general partner of **UBER INTERNATIONAL C.V.**, a Dutch-law governed limited partnership

)
)
) By: /s/ Nate Anderson
) Name: Nate Anderson
) Title: Managing Director
)

in the presence of:

Signature of witness	/s/ Segun Sule
Name of witness (in BLOCK CAPITALS)	SEGUN SULE
Address of witness	Haagbeuk 3g 1853 AD Heiloo Netherlands
Occupation of witness	Corporate Paralegal

EXECUTED as a **DEED** by
STICHTING MLU EQUITY INCENTIVE
a company incorporated in
the Netherlands, acting by

Philipp Sergeevich Lebedev
who, in accordance with the laws of that
territory, is acting under the authority of
the company in the presence of:

)
)
) /s/ Philipp Sergeevich Lebedev
) Authorised Person
)
)
)
)

Signature of witness	/s/ Alfred Alexander de Cuba
Name of witness (in BLOCK CAPITALS)	ALFRED ALEXANDER DE CUBA
Address of witness	Schiphol Boulevard 165 1118 BG Schiphol the Netherlands
Occupation of witness	Senior Legal Counsel

EXECUTED as a **DEED** by
MLU B.V.

a company incorporated in
the Netherlands, acting by

Philipp Sergeevich Lebedev

who, in accordance with the laws of that
territory, is acting under the authority of
the company in the presence of:

)
)
) /s/ Philipp Sergeevich Lebedev
) Authorised Person
)

Signature of witness

/s/ Alfred Alexander de Cuba

Name of witness
(in BLOCK CAPITALS)

ALFRED ALEXANDER DE CUBA

Address of witness

Schiphol Boulevard 165

1118 BG Schiphol

the Netherlands

.....

Occupation of witness

Senior Legal Counsel

**DEED OF TERMINATION
relating to
SHARE PURCHASE AGREEMENT**

THIS DEED OF TERMINATION ("Deed") is made as a **DEED** on 2 February 2021

BETWEEN:

1. **FASTEN CY LIMITED**, a limited liability company incorporated and existing under the laws of the Republic of Cyprus under registration number HE 355819, having its registered office at Afentrikas 3, Office 302, 6018, Larnaca, Cyprus; and
2. **MLU B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of the Netherlands, having its corporate seat at Amsterdam, its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands and registered with the trade register of the Chamber of Commerce under number 69160899,

(each a "**Party**" and together the "**Parties**").

WHEREAS:

- (A) The Parties entered into a share purchase agreement, dated 14 July 2019 (as amended on 16 March 2020, 3 April 2020 and 1 August 2020) (the "**Original SPA**").
- (B) The Parties wish to hereby terminate the Original SPA on the terms of this Deed.

IT IS AGREED as follows:

1. **INTERPRETATION**
 - 1.1 Unless otherwise defined herein or the context otherwise requires, words and terms defined in the Original SPA shall have the same meanings when used in this Deed and the rules of interpretation set out in the Original SPA shall apply to this Deed.
2. **TERMINATION**
 - 2.1 The Original SPA is hereby terminated in its entirety with effect from the date of this Deed.
 - 2.2 On termination of the Original SPA in accordance with Clause 2.1, all provisions of the Original SPA, including any which are expressly stated in the Original SPA as surviving its termination (including, without limitation, clause 22.12.2(a) of the Original SPA) or which might otherwise have done so by implication, shall automatically terminate and cease to have force and effect.

- 2.3 With effect from the termination of the Original SPA in accordance with Clause 2.1 and to the fullest extent permitted by applicable law, each Party:
- (a) fully, finally, irrevocably and unconditionally releases and discharges the other Party from all its obligations and liabilities arising under or in connection with the Original SPA (whether past, present or future, and whether actual, contingent or otherwise);
 - (b) confirms to the other Party that it has no claim or right to claim against such Party arising out of, in relation to or in connection with the Original SPA, and if (and if so, to the extent that) it has any such claim or right to claim, it fully, finally, irrevocably and unconditionally waives such claim or right to claim whether or not it is currently aware of such claim or right to claim (and this Deed shall and does hereby constitute full, final and irrevocable settlement of any such claim); and
 - (c) covenants and undertakes to the other Party that it shall not (i) sue, commence (or cause to be commenced) or pursue against such Party any action, suit, claim or any other proceeding in any jurisdiction arising out of, in connection with or relating to any of the matters released and discharged pursuant to Clause 2.3(a) or any claim or right to claim referred to in Clause 2.3(b), or otherwise enforce any of the foregoing; or (ii) request, assist or encourage in any way any person to take any of the actions described in Clause 2.3(c)(i) above,

save that the release and discharge set out in Clause 2.3(a) shall not apply to the Parties' obligations under this Deed.

- 2.4 Each Party agrees that no fault or breach of the Original SPA shall be construed or implied by this Deed.

3. MISCELLANEOUS

- 3.1 Each Party confirms that it has not assigned or otherwise transferred (or purported to assign or transfer) any of its rights under the Original SPA.
- 3.2 This Deed may be electronically signed, and may be executed in any number of counterparts and by the Parties to it on separate counterparts, each of which when duly executed shall constitute an original of this Deed, but all the counterparts shall together constitute the same agreement.
- 3.3 This Deed (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England.
- 3.4 The courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Deed (including non-contractual disputes or claims). Accordingly, any proceedings relating to, or in connection with, this Deed (including non-contractual disputes or claims) may be brought in such courts.

This Deed has been duly executed by the Parties (or their duly authorised representatives) and delivered as a deed on the date written at the start of this Deed.

SIGNATURE PAGES – DEED OF TERMINATION

EXECUTED and DELIVERED as a DEED by)
MLU B.V.)
a company incorporated in)
the Netherlands, acting by)

Philipp Lebedev)
Managing Director B,)
who, in accordance with the laws of that)
territory, is acting under the authority of)
the company in the presence of:)

/s/ Philipp Lebedev

Signature of witness

/s/ Galitskaya Albina

Name of witness
(in BLOCK CAPITALS)

GALITSKAYA ALBINA

Address of witness

.....
.....
.....

Occupation of witness

.....

EXECUTED and DELIVERED as a DEED by)
FASTEN CY LIMITED)
a company incorporated in)
Cyprus, acting by)

Michail Louca, Anna Andreou)
Managing Director,)
who, in accordance with the laws of that)
territory, is acting under the authority of)
the company in the presence of:)

/s/ Michail Louca
/s/ Anna Andreou

Signature of witness

/s/ Georgia Christov

Name of witness
(in BLOCK CAPITALS)

GEORGIA CHRISTOV

Address of witness

.....
.....

Occupation of witness

.....

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***]”. SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

Exhibit 4.9

Confidential

Date: 2 February 2021

(1) FASTEN CY LIMITED

and

(2) MLU B.V.

NEW SHARE PURCHASE AGREEMENT
for the sale and purchase of the issued share
capital of Axelcroat Limited

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THIS NEW SHARE PURCHASE AGREEMENT (this “**Agreement**”) is dated 2 February 2021 and is made **BETWEEN**:

1. **FASTEN CY LIMITED**, a limited liability company incorporated and existing under the laws of the Republic of Cyprus under registration number HE 355819, having its registered office at Afentrikas 3, Office 302, 6018, Larnaca, Cyprus, with further particulars set out in Part A of Schedule 1 (*Information about the Seller and the Group*) (the “**Seller**”); and
2. **MLU B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of the Netherlands, having its corporate seat at Amsterdam, its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands and registered with the trade register of the Chamber of Commerce under number 69160899 (the “**Buyer**”),

each a “**Party**” and together the “**Parties**”.

BACKGROUND

- (A) The Parties entered into a share purchase agreement dated as of 14 July 2019, as amended as of 16 March 2020, 3 April 2020 and 1 August 2020 (the “**Original Agreement**”), in respect of the purchase and sale of shares in the capital of the Company (as defined therein). The Parties terminated the Original Agreement pursuant to a deed of termination dated as of the date hereof, and have entered into this Agreement in respect of the alternative set of transactions set forth herein.
- (B) As of the date of this Agreement, the Seller is the sole legal and beneficial owner of one hundred per cent. (100%) of the total issued and outstanding share capital of Axelcroft Limited, a limited liability company incorporated and existing under the laws of the Republic of Cyprus under registration number HE 397714, having its registered office at Afentrikas 3, Office 302, 6018, Larnaca, Cyprus (the “**Company**”) (having the particulars set out in Part B of Schedule 1 (*Information about the Seller and the Group*)). The Seller also owns and Controls (as defined below) directly and indirectly (through the Company) the Group Companies (as defined below), the particulars of which are set out in Part C of Schedule 1 (*Information about the Seller and the Group*). The Group Companies are engaged in Business (as defined below).
- (C) The Seller has agreed to sell to the Buyer at Completion the shares in the Company constituting in the aggregate one hundred per cent. (100%) of the total issued and outstanding share capital of the Company (the “**Sale Shares**”), and the Buyer has agreed to purchase the Sale Shares for the consideration stated below, in each case upon and subject to the terms and conditions of this Agreement.

IT IS HEREBY AGREED:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 Definitions. In this Agreement (including its Schedules), unless the context requires otherwise, the following words and terms shall have the following meanings:

“**Accounts**” means the audited consolidated accounts of the Group as at, and for the period starting from [***] and ending on, the Accounts Date, comprising the consolidated balance sheet, profit and loss account and cash flow statement of the Group, accompanied by the auditor’s report, prepared in accordance with the IFRS and Applicable Law;

“**Accounts Date**” means [***];

“**Affiliate**” means, in relation to any person (the “**first person**”):

- (a) a person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, the first person;
- (b) is an executive officer, director or employee of such person;
- (c) a legal entity that shares the same investment management or investment advisory company with, or acts solely as bare nominee holder on behalf of the first person, or a fund for which the first person acts as bare nominee;
- (d) upon any liquidation or other dissolution of the first person which is not a natural person, any person that is a beneficial owner of the interests held in the entity being liquidated or dissolved;
- (e) with respect to a first person that is a natural person, any person that is a member of his/her Family; and
- (f) without limitation, each of [***] (as each defined in Part A of Schedule 1 (*Information about the Seller and the Group*)) shall be deemed Affiliates of each other;

provided, however, that for the purposes of this Agreement (a) the Seller shall not be deemed an Affiliate of the Buyer nor, after Completion, of any Group Company, and (b) after Completion, the Buyer shall be deemed an Affiliate of the Group Companies;

“**Agreed Completion Statement**” has the meaning given to it in paragraph 3.1(b) of Schedule 2 (*Completion Statement Principles*);

“**Agreed Software**” means (a) [***] and (b) [***] to be installed on (i) the Servers, (ii) computers used by the AMP Employees and (iii) such other computers as are shown in the Inventory Lists as having [***] installed;

“**Agreed Software Costs**” has the meaning given to it in Clause 14.5.1;

“**Agreed Software Licences**” has the meaning given to it in Clause 14.5.1;

“**Agreed Statement**” has the meaning given to it in Clause 19.1.2;

“**AMP Employee**” means a Transferred Employee holding an administrative and/or management position at a Group Company;

“**Announcement**” means any public announcement, communication or circular, including any document, statement or disclosure published, issued or made;

“**Applicable Law**” means any law, statute, order, decree, binding decision, licence, permit, consent, approval, agreement, or regulation of any Governmental Authority having jurisdiction over the matter or person in question, or other legislative or administrative action of a Governmental Authority, or a final, binding, or executive decree, injunction, judgment or order of a court that affects and has the authority to affect the matter or person in question;

“**A/R Dispute Notice**” has the meaning given to it in Clause 4.6.2;

“**A/R Shortfall**” has the meaning given to it in Clause 4.6.1;

“**A/R Statement**” has the meaning given to it in Clause 4.6.1;

“**Auditors**” means PricewaterhouseCoopers (“**PWC**”), as auditor of the Company in connection with the Accounts;

“**Big Four Firm**” means Deloitte Touche Tohmatsu, EY, KPMG, PWC, or any successor in title to any of their respective accounting and/or valuation businesses;

“**Business**” means the business of (i) the booking and provision of information services for arranging passenger and cargo transportation through telecommunication (including, but not limited to, over the Internet, communication devices and/or mobile applications), (ii) taxi ride-hailing, ride-sharing services and related services for the arrangement of passenger and cargo transportation, in each case in the Russian Federation, as carried out by the Former Group as of the date of this Agreement. The Parties acknowledge and agree that Business includes the Vezet Dobro Business as conducted as of the date of this Agreement;

“**Business Day**” means a day other than a Saturday or Sunday or public holiday on which banks are ordinarily open for the transaction of normal banking business in Nicosia, Cyprus; Moscow, Russian Federation, or Amsterdam, the Netherlands (save in Clause 19.10, where “**Business Day**” shall have the meaning given to it in Clause 19.10.2);

“**Business IPR**” means all Intellectual Property Rights which are used as of the date of this Agreement or which have been used [***] in relation to the business of any Group Company;

“**Business IT**” means all Information Technology which is owned, used or held for use by any Group Company (excluding “shrink wrapped”, “click wrapped” or other software commercially available off the shelf);

“**Buyer Documents**” means the deeds, agreements and other documents referred to in this Agreement which have been, or which are to be, executed by or on behalf of the Buyer or to which the Buyer is otherwise a party;

“**Buyer Protected Information**” has the meaning given to it in Clause 16.1.1;

“**Buyer Related Person**” means any Buyer Group Company and/or any director, officer, employee, consultant, contractor, agent or adviser of any Buyer Group Company (and any director, member, partner, officer or employee of any such person);

“**Buyer Warranties**” means the warranties given by the Buyer to the Seller as set out in Schedule 8 (*Buyer Warranties*);

“**Buyer’s Cypriot Counsel**” means E & G Economides LLC with an office at 17 Gr. Xenopoulou Street, 3106 Limassol, Cyprus, P.O. Box 58043, 3730 Limassol, Cyprus;

“**Buyer’s Deal Team**” means any of the following individuals: [***] (in respect of the Tax Warranties), [***] (in respect of the Seller Warranties set out in paragraph 17 of Part A of Schedule 7 (*Seller Warranties*)), [***], and [***];

“**Buyer’s Disagreement Notice**” has the meaning given to it in paragraph 3.1(b) of Schedule 2 (*Completion Statement Principles*);

“**Buyer’s Group**” means:

- (a) the Buyer; and
- (b) each person which is for the time being (whether on or after the date of this Agreement):
 - (i) a shareholder of the Buyer; and
 - (ii) holding company of the Buyer, any subsidiary of the Buyer (including, for the avoidance of doubt, the Group Companies after Completion) or any such

holding company, and the ultimate beneficial owners of the Buyer and any Affiliates of such ultimate beneficial owners, and

a “**Buyer Group Company**” shall be construed accordingly;

“**Buyer’s Immediate Group**” means the Buyer and all subsidiaries of the Buyer and “**Buyer Immediate Group Company**” means any of them;

“**Buyer’s Relief**” means:

- (a) any Relief to the extent that it has been shown as an asset or taken into account in reducing a provision for deferred tax in the Accounts;
- (b) any Relief to the extent that it arises in the Ordinary Course of Business between the Accounts Date and Completion; or
- (c) any Relief to the extent that it arises to a Group Company in respect of a period beginning after Completion; or in respect of a transaction contemplated hereunder (including for the avoidance of doubt any Relevant Change of Law) occurring or deemed to have occurred after Completion;

“**CA 2006**” means the Companies Act 2006;

“**Call Centre**” means each of the call centres operated by [***];

“**Claim**” means any claim by the Buyer or, in case of an Indemnity Claim, by any other Indemnified Person, in each case against the Seller under or in connection with this Agreement;

“**Cluster Switch Date**” has the meaning given to it in Annex 7 to Schedule 12 (*Post-Completion Integration*);

“**Collected A/R**” has the meaning given to it in Clause 4.6.1;

“**Company**” has the meaning given to it in Recital (B);

“**Company Debenture**” means the debenture entered into by the Company as chargor [***] as chargee on 17 March 2020;

“**Company Guarantee**” means the Guarantee entered into by the Company as guarantor [***] as lender on 17 March 2020;

“**Company Related Person**” means any Group Company and/or any Director, officer, Employee, or management company of any Group Company;

“**Completion**” means completion of the sale and purchase of the Sale Shares in accordance with Clause 7 (*Completion*);

“**Completion Cash Balance**” has the meaning given in paragraph 1.2 of Schedule 2 (*Completion Statement Principles*);

“**Completion Consideration**” means the cash sum of [***];

“**Completion Date**” means the date on which Completion occurs;

“**Completion Date A/R**” means the accounts receivable of the Group outstanding as of the end of the Completion Date but solely to the extent such accounts receivable were actually included

as Current Assets in the final calculation of the Working Capital in accordance with Clause 4.3 as set out in the Agreed Completion Statement;

“**Completion Debt**” has the meaning given in paragraph 1.3 of Schedule 2 (*Completion Statement Principles*);

“**Conduct Notice**” has the meaning given to it in paragraph 7.2 of Schedule 5 (*Tax Indemnity*);

“**Confidential Information**” means any proprietary and confidential information, and may include commercial, business, financial, operational, technical, administrative, marketing or other information (including intellectual property, information relating to existing or new products or services (or those in development), business opportunities, trade secrets, information relating to potential and actual business transactions, business plans, designs, formulae, processes, methods, lists, models, concepts and know-how, and information relating to past, present or potential future customers, clients and suppliers);

“**Contract**” has the meaning given to it in paragraph 10.1.1 of Part A of Schedule 7 (*Seller Warranties*);

“**Control**” means, with respect to any person, (a) the possession, directly or indirectly, of power to direct or cause the direction of management and policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of such person; (b) the ability, whether exercised or held directly or indirectly, to exercise more than fifty per cent. (50%) of the votes at any general meeting (or equivalent) of such person; or (c) the ability to appoint more than fifty per cent. (50%) of the members to the board of directors (or the closest equivalent governing body) of such person; and the correlative terms “**Controlled**” and “**by and under common Control with**” shall be similarly construed;

“**Data Protection Legislation**” means (i) Federal Law “On Protection of Personal Data” No. 152-FZ dated 27 July 2006 (as amended), (ii) the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 On The Protection of Natural Persons with Regard to the Processing of Personal Data and On the Free Movement of Such Data and any legislation in force from time to time which implements this regulation, and (iii) all other similar privacy laws, for each of (i) – (iii), only to the extent any such privacy law is applicable to the Group Company or the relevant Former Group Company in question;

“**Deanfirm**” means Deanfirm Limited, a limited liability company incorporated and existing under the laws of the Republic of Cyprus under registered number HE 339370, having its registered office at Afentrikas 3, Office 302, 6018, Larnaca, Cyprus;

“**Deferred Consideration**” [***];

“**Determined**” means a final determination of a claim by the arbitrators appointed under Clause 18 or otherwise by written agreement of the Buyer and the Seller settling the claim;

“**Director**” means, in respect of any Group Company, a member of the board of directors, or member of the management board or supervisory board, a general director or a chief executive officer of such Group Company;

“**Discharge Date**” means the date on which all liabilities of the Seller under the Facility Agreement have been irrevocably and unconditionally discharged by the Seller, [***] has no further obligations to fund advances under the Facility Agreement, and all Encumbrances under the Security Agreements have been released, provided that Discharge Date shall be deemed to have occurred upon receipt by the Seller of a certificate issued by [***];

“**Disclosed**” means in respect of the Seller Warranties, fairly disclosed in or under the Disclosure Letter with sufficient detail to enable a reasonable investor to assess the nature and the scope of the matter disclosed, and “**Disclosure**” and “**Disclosing**” has the corresponding meaning;

“**Disclosure Bundle**” means, in respect of the Disclosure Letter, the bundle of documents that have been provided by the Seller or its Representatives to the Buyer and/or its Representatives prior to Completion, electronically stored in permanent form on a memory card or other electronic flash memory data storage device used for storing digital information and attached as an annex to the Disclosure Letter;

“**Disclosure Letter**” means the letter in the agreed terms from the Seller to the Buyer dated the date of this Agreement and signed by the Seller and acknowledged by the Buyer immediately prior to Completion making general and specific Disclosures in relation to the Seller Warranties, together with the Disclosure Bundle which forms part thereof;

“**Dispute**” means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Agreement and/or any other Transaction Document, including a dispute, controversy, claim or difference regarding the existence, formation, validity, interpretation, performance or termination of this Agreement and/or any other Transaction Document or the consequences of its or their nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Agreement and/or any other Transaction Document;

“**Dispute Auditor**” has the meaning given to it in Clause 4.6.3;

“**Disputed Amount**” has the meaning given to it in Clause 6.3.5;

“**Draft Completion Statement**” means the draft of the completion statement in the agreed form attached as Schedule 3 (*Form of the Draft Completion Statement*), drawn up by the Seller in accordance with the principles set out in Schedule 2 (*Completion Statement Principles*) and Part B of Schedule 3 (*Form of the Draft Completion Statement*) and setting out the Seller’s calculation of the [***] as at Completion;

“**Draft Documents**” has the meaning given to it in paragraph 3.1(a) of Schedule 2 (*Completion Statement Principles*);

“**Eligible Bonus Recipient**” has the meaning given to it in paragraph 3.1 of Part A of Schedule 4 (*Employee Matters*);

“**Employee**” means an employee, contract worker, part-time employee, temporary employee or home worker of any Group Company or a Former Group Company, as the case may be, excluding any self-employed individual service providers;

“**Encumbrance**” means any right, interest or equity of any other person (including any right to acquire, option, preference, right of pre-emption or right of first refusal) or any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention, power of sale or any other encumbrance, security agreement or arrangement or other Third Party right, or any agreement, arrangement or obligation to create, or any claim by any person to have, any of the same;

“**Facility Agreement**” means facility agreement [***];

“**Family**” means any group of individuals who are together related in any of the following ways: spouse (or civil partner or cohabitee), child or grandchild (or any further lineal descendant) (in each case including any adopted children or stepchildren), brother, sister,

cousin, parent, grandparent, aunt, uncle or other close family relative of that individual, and “**Family Member**” shall mean any person who is a member of the relevant Family;

“**Family Trust**” means, in relation to any person, trusts established by that person (or any Family Member of that person (whether living or dead)) in relation to which only that person and/or his Family Members are capable of being beneficiaries;

“**Fasten Parties**” means certain shareholders of the Seller and ultimate beneficial owners of certain shareholders of the Seller as listed in Part I of Part A of Schedule 1.

“**Fasten Service**” means Limited Liability Company “Fasten Service”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1162375036141;

“**Final Release Date**” has the meaning given to it in Clause 3.4.3;

“**Final Release Tranche**” has the meaning given to it in Clause 3.4.3;

“**Financial Year**” means each accounting reference period of the Company or any Group Company, as the case may be, which begins on 1 January and ends on 31 December in each calendar year;

“**First Release Date**” has the meaning given to it in Clause 3.4.1;

“**First Release Tranche**” has the meaning given to it in Clause 3.4.1;

“**Former Group Companies**” means the subsidiaries of the Seller, which, solely prior to Completion, includes the Group Companies; and “**Former Group**” means all such Former Group Companies taken together;

“**Fundamental Claim**” means any Warranty Claim involving or relating to a breach of any of the Fundamental Warranties;

“**Fundamental Warranties**” means the Seller Warranties set out in paragraphs 1, 2 and 3 of Part A of Schedule 7 (*Seller Warranties*);

“**GoLama Business**” means the business conducted in the Russian Federation of providing B2C services via GoLama mobile app and web application which allows customers to shop for groceries from offline food retailers with provision of in-store picking services and courier delivery;

“**Governmental Authority**” means any government or its administrative territories, any organisation, institution or authority with the executive, judicial, regulating or administrative functions (including any governmental authority, ministry, agency, service, committee, commission, institution or any other organisation and their structural subdivisions) acting on behalf of the government or its administrative territory, any court, arbitration or judge and any self-regulating organisation acting on behalf of the government in compliance with the rights granted thereto under Applicable Laws;

“**Group**” means the Company and the Subsidiaries and a “**Group Company**” means any of them;

“**Group Telephone Numbers**” means the telephone numbers and short indices used in the Business as at the date hereof and listed in Part A of Schedule 13 (*Group Telephone Numbers*);

“**Guarantee**” means any guarantee, indemnity, suretyship, letter of comfort or other assurance, security or right of set-off given or undertaken by a person to secure or support the obligations (actual or contingent) of any other person and whether given directly or by way of counter-indemnity to any other person who has provided a Guarantee;

“**HR Records**” means information and data with respect to the Transferred Employees in the form reasonably acceptable to the Buyer (such form having been provided to the Seller in the Excel file titled “Кадровый отчет”) and covering the periods identified by the Buyer (including the personal information and employment track record), necessary for integration of the Transferred Employees’ data in the HR and payroll systems used by the Buyer;

“**IFRS**” means the body of pronouncements issued by the International Accounting Standards Board (“**IASB**”) including the International Financial Reporting Standards and interpretations approved by the IASB, International Accounting Standards and Standards Interpretations Committee interpretations approved by the predecessor International Accounting Standards Committee, then in force as at the relevant time;

“**Indebtedness**” means, in respect of any person, any borrowing or indebtedness in the nature of borrowing (including any indebtedness for monies borrowed or raised under any bank or third party Guarantee, acceptance credit, bond, note, bill of exchange or commercial paper, letter of credit, finance lease, hire purchase agreement, forward sale or purchase agreement or conditional sale agreement or other transaction having the commercial effect of a borrowing and all finance, loan and other obligations of a kind required to be included in the balance sheet of such person pursuant to applicable accounting standards), and any amounts owing or payable under any financing or quasi-financing arrangement which would not need to be shown or reflected in any such balance sheet excluding any amounts counted as Working Capital as of the relevant date;

“**Indemnified Person**” means each of the Buyer and each Group Company;

“**Indemnity Claim**” means a Claim made under Clause 8.9;

“**Independent Counsel**” means Queen’s counsel of at least ten (10) years standing who is experienced in commercial and corporate matters and is neither presently, nor in the past three (3) years has been, retained to represent any Buyer Group Company or any Seller Group Company, and who does not have a conflict of interest under the applicable standards of professional conduct;

“**Information Technology**” means computer systems, communication systems, software, hardware and related services;

“**Integration**” has the meaning given to it in paragraph 2.1 of Schedule 12 (*Post-Completion Integration*);

“**Integration Bonus**” means a bonus in an amount of [***];

“**Integration Bonus Cap**” has the meaning [***];

“**Integration Completion Date**” has the meaning given to it in Schedule 12 (*Post-Completion Integration*);

“**Integration Consideration**” has the meaning given to it in Clause 3.2.2;

“**Integration Period**” means the period beginning on the Completion Date and ending on the Integration Completion Date;

“**Integration Records**” has the meaning given to it in Clause 14.2.1(a);

“**Integration Settlement Date**” has the meaning given to it in Schedule 12 (*Post-Completion Integration*);

“**Intellectual Property Rights**” means all rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: patent and industrial property rights including invention patents, utility model patents and design patents; trade secret rights, rights in know-how and confidential information; rights associated with works of authorship, including exclusive exploitation rights, copyrights, neighbouring rights and moral rights, rights in designs, rights in computer software and database rights; trademark, whether registered or unregistered, and any similar rights, including domain names; other intellectual property rights in each case whether registered or unregistered; and rights in or relating to registrations, renewals, extensions, combinations, divisions, and reissues of, and applications for, any of the rights referred to above;

“**Inventory List**” means each list of the assets used in the operations of each Call Centre identifying each asset, its ownership, location and condition, compiled as of 31 December 2020, as delivered by the Seller to Buyer prior to Completion;

[***];

“**IP Indemnity**” has the meaning given to it in Clause 8.9.3;

“**IP Warranties**” means the Seller Warranties contained in paragraph 16 of Part A of Schedule 7 (*Seller Warranties*);

“**IT Licences Indemnity**” has the meaning given to it in Clause 8.9.4;

“**Key Former Group Company**” means each of [***];

[***];

“**KPIs**” means [***];

“**Kronos**” means Limited Liability Company “Kronos” a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1162375033919, particulars of which are set out in Part C of Schedule 1 (*Information about the Seller and the Group*);

“**Labour Indemnity**” has the meaning given to it in Clause 8.9.8;

“**LCIA**” has the meaning given to it in Clause 18.2;

“**Lider (Samara)**” means Limited Liability Company “Lider”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1086316010692;

“**Lider-O**” means Limited Liability Company “Lider-O”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1105543020681;

“**Liquidation Confirmation**” has the meaning given to it in Clause 3.4;

“**Local Services Agreements**” means, collectively, call centre information and software services agreements to be entered into prior to or at Completion between Teleon, on one hand,

and each of the Key Former Group Companies, on the other hand, pursuant to which Teleon will provide information services and other services related to access to certain Intellectual Property Rights owned by the Group Companies, in agreed form;

“**Loss**” means any action, cost, claim, demand, proceedings, expense, charge, loss (including any direct loss of profit, all interest and penalties), damages, or any other liability or protective award (including damages, reasonable and documented legal and other professional advisers’, experts’ and consultants’ fees and costs, penalties, expenses and other losses, on an indemnity basis) and any Tax in respect of any of the foregoing, as well as cancellation or non-availability (full or partial) of Tax losses available to carry-forward and/or Tax receivables, *but excluding* indirect loss of profit and compensation in respect of management time;

“**Lost Purchased Relief**” means:

- (a) the setting off against any profits or any Taxation of, or the reduction of any profits or any Taxation by, all or part of any Relief to the extent that it has been shown as an asset or taken into account in reducing a provision for deferred tax in the Accounts or of any Relief to the extent that it arose in the Ordinary Course of Business between the Accounts Date and the Completion Date, in each case where a valid Claim could have been made against the Seller under this Agreement in respect of such profits or Taxation in which case the amount of the Lost Purchased Relief shall be deemed to be the amount of Tax that would have been payable in the absence of such set off or reduction; or
- (b) the cancellation, loss or non-availability of all or part of a Relief to the extent that it has been shown as an asset or reduced a liability in the Accounts or any Relief to the extent that it arose in the Ordinary Course of Business between the Accounts Date and the Completion Date, and the amount of the Lost Purchased Relief shall be deemed to be the amount of Tax payable as a result of that Relief being so cancelled, lost, or which is unavailable, or the amount of that Relief (when it is a right to a repayment of Tax) that could otherwise have been obtained;

“**Management Accounts**” means the unaudited consolidated balance sheet of the Group and the unaudited consolidated profit and loss account of the Group for the period [***], including any notes thereon, a complete and accurate copy of which shall be delivered to the Buyer on or before the Completion Date;

“**Management Accounts Date**” means the date to which the Management Accounts have been prepared;

“**Material Adverse Change**” [***];

“**Material Contract**” has the meaning given in paragraph 10.1.2 of Part A of Schedule 7 (*Seller Warranties*);

“**Material Counterparty**” has the meaning given to it in paragraph 12.1 of Schedule 7 (*Seller Warranties*);

“**Minimum Claim Amount**” has the meaning given to it in Clause 10.2.1;

“**monthly salary**” means, in respect of an Employee, an average amount of their monthly salary (including both their monthly base salary and a monthly bonus target amount, but excluding any annual, semi-annual and quarterly bonuses) paid to such Employee over the six-month period preceding the relevant date;

“**Named Competitor**” means any person operating business under any of the following brands and any Affiliates of such person from time to time: [***] and Affiliates thereof;

“**Net Adjustment**” has the meaning given to it in Clause 4.5;

“**Notice**” has the meaning given to it in Clause 19.10.1;

“**Notified Address**” has the meaning given to it in Clause 19.10.4;

“**Notified Claim**” means any Claim notified by the Buyer in accordance with Clause 6.3;

“**Ordinary Course of Business**” means the ordinary and usual course of business consistent with past practice (including, where applicable, with respect to quantity and frequency and with respect to nature and levels of rider and driver incentives and discounts);

“**Organisational Documents**” means any articles of incorporation, articles of association, charter, by-laws or other constituent or organisational document of any person required or contemplated by the Applicable Law for the creation or operation of such person;

“**Original Agreement**” has the meaning given to it in Recital (A);

“**Other Phone Number Agreement**” has the meaning given to it in paragraph 10.5 of Part A of Schedule 7 (*Seller Warranties*);

“**Other Phone Numbers**” means the telephone numbers listed in Part B of Schedule 13 (*Group Telephone Numbers*);

“**Overprovision**” has the meaning given to it in paragraph 6.1 of Schedule 5 (*Tax Indemnity*);

“**Owned IPR**” means any Intellectual Property Rights owned by any Group Company;

“**Owned Registered IPR**” means any Owned IPR that is registered or is the subject of applications for registration;

“**Parties**” means the Seller and the Buyer and the “**Party**” means either one of them;

“**Permitted Method**” has the meaning given to it in Clause 19.10.2;

“**Personal Data**” has the meaning given to it in paragraph 16.3.1 of Part A of Schedule 7 (*Seller Warranties*);

“**Properties**” means the property or the properties details of which are set out in Schedule 9 (*The Properties*);

“**Protected Information**” means the Buyer Protected Information and/or the Seller Protected Information, as applicable;

“**Purchase Price**” has the meaning given to it in Clause 3.1;

“**Real Estate Register**” means Russian Unified State Register of Real Estate (*in Russian: Единый государственный реестр недвижимости*);

“**Recovered Amount**” has the meaning given to it in Clause 10.12.5(a);

“**Recovery Amount**” has the meaning given to it in Clause 10.12;

“**Related Party Agreement**” means an [***] entered into between [***];

“**Release Date**” has the meaning given to it in Clause 3.4;

“**Relevant Change of Law**” means any decision of any court or tribunal after Completion that changes the law or practice generally understood to apply to the matter giving rise to the Tax Effect or that reverses an earlier decision of any court or tribunal in that jurisdiction in relation to which no Group Company (or Former Group Company) was a party or any change (including any retrospective change), after Completion, in the law (including subordinate legislation) or in the generally published interpretation or practice of any Tax Authority or in financial reporting or accounting standards or practice coming into force after Completion;

“**Relevant Period**” means with respect to the Tax Warranties, the period starting at the beginning of [***] and ending at [***] (both inclusive);

“**Relevant Proportion**” has the meaning given to it in Clause 3.4;

“**Relevant Relief**” has the meaning given to it in paragraph 5.1 of Schedule 5 (*Tax Indemnity*);

“**Relief**” includes any right to repayment of Taxation from a Tax Authority and any relief, loss, allowance, set-off or credit in respect of Taxation and any deduction in computing or against profits for Taxation purposes;

“**Representative**” means with respect to any person, any officer, manager, director, employee, agent, attorney, accountant or advisor of such person;

“**Restricted Business**” means [***];

“**Restricted Party**” means [***] and any Affiliate of any of them;

“**Restricted Period**” has the meaning given to it in Clause 13.1.1;

“**Restricted Person**” means any person who is at the time of signing this Agreement a Key Integration Employee or a Top Manager;

“**Restricted Territory**” means any geographic area in which the Business (or any part of the Business) is conducted at Completion (or was conducted in the period of [***] preceding Completion) and any country in which the Buyer conducts its business (or any part of such business) at Completion, as listed in Schedule 14 (*Countries List*);

“**Restructuring**” means the reorganisation and restructuring of [***];

“**Restructuring Indemnity**” has the meaning given to it in Clause 8.9.2;

“**Retained Records**” has the meaning given to it in Clause 14.2.2;

“**Rospatent**” means the Federal Service for Intellectual Property of the Russian Federation (*in Russian: Федеральная служба по интеллектуальной собственности (Роспатент)*) or any successor Russian Governmental Authority;

“**RUB**” or “**Roubles**” means lawful currency of the Russian Federation;

“**Rules**” has the meaning given to it in Clause 18.2;

“**Rutaxi Platform**” means IT platform “Rutaxi”, an integrated information system providing taxi ride-hailing, ride-sharing and related services for the arrangement of passenger

transportation, a more detailed description of which is set out in Schedule 11 (*Information Technology*);

“**Sale Shares**” has the meaning given to it in paragraph (C) of the Recitals;

“**Sanctions**” means any trade or economic sanction, trade or economic restriction, prohibition, embargo, ban, inclusion in any government negative list, imposed by Applicable Law or regulation, or resolution of the United Nations, the Russian Federation, the European Union or any member state thereof, the United States of America, or any other relevant jurisdiction in all cases to the extent they apply to the person in question;

“**Second Release Date**” has the meaning given to it in Clause 3.4.2;

“**Second Release Tranche**” has the meaning given to it in Clause 3.4.2;

“**Security Agreements**” means certain security agreements to secure obligations of the Seller as borrower under the Facility Agreement made between Former Group Companies and (or) shareholders of the Seller, each as chargor, and [***] as chargee in accordance with the Facility Agreement;

“**Seller Account**” means the following bank account:

Name: [***]
Beneficiary account No: [***]
Beneficiary Bank: Bank [***]
Bank identification code: [***]
INN: [***]
KPP: [***]
Correspondent account: [***]
[***]
[***]
SWIFT: [***]

“**Seller Claim**” means any claim by the Seller against the Buyer under or in connection with this Agreement, including under or in respect of any of the Buyer Warranties;

“**Seller Liability Cap**” means an amount equal to [***] and the [***];

“**Seller Protected Information**” has the meaning given to it in Clause 16.2.1;

“**Seller Related Entity**” means:

- (a) any member of the Seller’s Group,
- (b) any Seller Related Person, and
- (c) any company which would be a subsidiary of any Seller Related Person (or any group of Seller Related Persons collectively) if such Seller Related Person (or such group of Seller Related Persons collectively) were a company,

for the avoidance of doubt, including the Group Companies prior to Completion and excluding the Group Companies after Completion;

“**Seller Related Person**” means, where either individually or collectively:

- (a) any individual, or

- (b) any group of individuals who are together members of the same Family,
- (c) any Family Trust of which any such individual is an actual or potential beneficiary,

that would, if the relevant individual, group of individuals and/or Family Trust were (individually or collectively) a company, be a holding company of the Seller:

- (i) that individual (or, in the case of a number of individuals who are together members of the same Family, each such individual),
- (ii) any Family Member of any such individual or individuals, and
- (iii) any Family Trust of which any such individual or individuals is or are an actual or potential beneficiary;

“**Seller Warranties**” means the warranties given by the Seller to the Buyer as set out in Schedule 7 (*Seller Warranties*);

“**Seller’s Group**” means:

- (a) the Seller, and
- (b) each person which is for the time being (whether on or after the date of this Agreement):
 - (i) a shareholder of the Seller, or
 - (ii) a subsidiary of the Seller or any such shareholder (including any Former Group Company but excluding, from and after Completion, any Group Company),

and a “**Seller Group Company**” shall be construed accordingly;

“**Server**” means each of the computer servers owned by Teleon prior to Completion and used for the purposes of the Business;

“**SoftPlus**” means Limited Liability Company “SoftPlus”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1157847332565;

“**Staff Schedule**” has the meaning given to it in paragraph 2.2 of Part A of Schedule 4 (*Employee Matters*);

“**Stolitsa DS**” means Limited Liability Company “Stolitsa DS”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1167746725013;

“**Statement**” has the meaning given to it in Clause 19.1.2;

“**Subsidiaries**” means the companies and undertakings specified in Part C of Schedule 1 (*Information about the Seller and the Group*) and a “**Subsidiary**” means any of them;

“**Subsidiary Equity Interests**” means all shares or participatory interests in a Subsidiary, or all of such shares and participatory interests in the Subsidiaries collectively, as the context requires;

“**Surviving Agreements**” has the meaning given to it in Clause 14.1.1(c);

“**Surviving Provisions**” has the meaning given to it in Clause 19.12.2;

“**Target Working Capital**” means [***];

“**Tax**”, and “**Taxation**” means all forms of taxation including withholdings, duties, imposts, levies, value added tax, social security contributions imposed, assessed or enforced by any Governmental Authority (whether in the Russian Federation, Republic of Cyprus, or any other jurisdiction in which any Group Company or, where relevant, any Former Group Company does business), in all cases being in the nature of Taxation, and any interest, penalty, surcharge or fine in connection therewith, in each case whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments to a Governmental Authority on account of Tax, whenever and wherever imposed and whether chargeable directly or primarily against or attributable directly or primarily to a Group Company or any Former Group Company or any other person;

“**Tax Audit**” means an examination and verification of a person’s financial, Tax and accounting records and supporting documents by a competent Russian or Cypriot Tax Authority for the purpose of verifying such person’s tax calculations and payments as well as overall compliance with the applicable Tax law conducted in-chambers or at such person’s place of business;

“**Tax Authority**” means any Governmental Authority competent to impose any Tax, or responsible for the administration and/or collection of Tax or enforcement of any law in relation to Tax, in any jurisdiction.

“**Tax Claim**” means a Claim involving or relating to a breach of any Tax Warranty or under the Tax Indemnity;

“**Tax Effect**” means:

- (a) actual Taxation payable or suffered by the relevant Group Company; and
- (b) a Lost Purchased Relief;

“**Tax Indemnity**” means the indemnities relating to Tax set out in Schedule 5 (*Tax Indemnity*);

“**Tax Warranties**” means the Seller Warranties contained in Part B of Schedule 7 (*Seller Warranties*);

“**Teleon**” means Limited Liability Company “Teleon” (formerly named Limited Liability Company “Zelenaya Liniya Krasnodar”), a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1122308008019 particulars of which are set out in Part C of Schedule 1 (*Information about the Seller and the Group*);

“**Telephone Number Agreement**” means agreements with respect to the use of any Group Telephone Number;

“**Third Party**” means any person other than a Party to this Agreement or an Affiliate thereof;

“**Third Party Claim**” has the meaning given to it in Clause 11.2.1;

“**Third Party Tax Claim**” has the meaning given to it in Clause 11.2.1;

“**Title Claim**” means a Claim involving or relating to a breach of any Title Warranty or under the Title Indemnity;

“**Title Indemnity**” has the meaning given to it in Clause 8.9.1;

“**Title Warranties**” means the Seller Warranties contained in paragraph 1 of Part A of Schedule 7 (*Seller Warranties*);

“**Top Managers**” means each of the Employees of the relevant Former Group Companies listed at Part B of Schedule 4 (*Employee Matters*);

“**Transaction**” includes any transaction, circumstance, state of affairs, act, event, arrangement, provision or omission of whatever nature, including a receipt or accrual of income or gains, distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance, and any reference to an event occurring on or before a particular date shall include events which for Tax purposes are deemed under Applicable Law to have, or are treated or regarded as having, occurred on or before Completion;

“**Transaction Documents**” means this Agreement and each Local Services Agreement;

“**Transferred Assets**” means the assets of the Former Group Companies listed in Schedule 22 (*Transferred Assets*) to the Original Agreement that have been transferred to the Group Companies;

“**Transferred Employee**” has the meaning given to it in paragraph 1.1.1 of Schedule 4 (*Employee Matters*);

“**TransService**” means Limited Liability Company “TransService”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1070276006460;

“**US\$**” or “**US Dollars**” means lawful currency of the United States;

“**Used IPR**” means any Business IPR other than the Owned IPR;

“**Veze Dobro**” means Limited Liability Company “Veze Dobro”, a limited liability company incorporated and existing under the laws of the Russian Federation under the state registration number (OGRN) 1142308001021;

“**Veze Dobro Business**” means the business conducted in the Russian Federation of providing both B2B and B2C intracity cargo transportation services as well as certain other services, namely: car towing, removal of construction waste, delivery of construction materials and goods, assistance with loading and unloading of cargo trucks;

“**Veze Platform**” means IT platform “Fasten” (“Veze 2.0”), an integrated information system providing taxi ride-hailing, ride-sharing services and related services for the arrangement of passenger transportation;

[***];

[***];

[***];

“**Warranty Claim**” means a Claim involving or relating to a breach of any of the Seller Warranties (other than any Tax Warranty);

“**Withheld Amount**” has the meaning given to it in Clause 6.3.1;

“Working Capital” [*]**

- 1.2 In this Agreement (including the Schedules), unless otherwise specified:
- 1.2.1 The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the schedules.
- 1.2.2 The contents table, and the headings to Clauses, paragraphs and schedules, are for convenience only and do not affect the interpretation of this Agreement.
- 1.2.3 References in this Agreement to:
- (a) any Recital, Clause or Schedule are to those contained in this Agreement and references to any paragraph are to those contained in the relevant Recital or Schedule to this Agreement;
 - (b) this Agreement or to any other agreement or document (or to any specified provision of this Agreement or any other agreement or document) are references to this Agreement, that agreement or document or that provision as amended, supplemented, novated or otherwise modified from time to time (in each case provided that any such amendment, supplement, novation or other modification is not in breach of this Agreement or the relevant agreement or document);
 - (c) a document in the **“agreed form”** is a reference to a document in a form approved and for the purposes of identification initialled by or on behalf of each Party on or before the execution of this Agreement or set out in a Schedule;
 - (d) a **“Party”** includes a reference to that Party’s successors, permitted assigns and personal representatives;
 - (e) one gender includes all genders (including, in each case, neuter), and the singular includes the plural, and vice versa, unless the context otherwise requires;
 - (f) a time of day is to Moscow (Russian Federation) time, unless the context otherwise requires;
 - (g) writing shall include any modes of reproducing words in a legible and non-transitory form (and for the avoidance of doubt shall include e-mail or other electronic form);
 - (h) the words **“herein”**, **“hereby”**, **“hereof”**, **“hereinafter”**, **“hereto”**, and other words of similar import shall (unless the context otherwise requires) be deemed to refer to this Agreement as a whole, and not to a specific clause, paragraph or schedule thereof;
 - (i) a **“person”** includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association, partnership, organisation, foundation, trust, works council or employee representative body (in each case, whether or not having separate legal personality); and

- (j) a “**subsidiary undertaking**” or “**parent undertaking**” is to be construed in accordance with section 1162 (and Schedule 7) of CA 2006 and a “**subsidiary**” or “**holding company**” is to be construed in accordance with section 1159 (and Schedule 6) of CA 2006.
- 1.2.4 Any reference to any statute, law, regulation, rule, delegated legislation or order is to any statute, law, regulation, rule, delegated legislation or order as amended, modified or replaced from time to time and to any statute, law, regulation, rule, delegated legislation or order replacing or made under any of them; provided that no such amendment, modification or replacement after the date of this Agreement shall increase the liability of any Party beyond that for which such Party would have been liable but for such amendment, modification or replacement.
- 1.2.5 A reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term.
- 1.2.6 The rule known as the *ejusdem generis* rule, and similar rules of interpretation, shall not apply and accordingly the words “**other**” and “**otherwise**” shall not be given a restrictive meaning (where a wide interpretation is possible); and the words “**including**” and “**in particular**” are to be construed as being by way of illustration or emphasis only, and are not to be construed as, nor shall they take effect as, limiting the generality of any foregoing words.
- 1.2.7 Any obligation on a Party not to do something includes an obligation not to allow that thing to be done (insofar as it reasonably lies within the power of that Party to prevent it).
- 1.2.8 Any amount to be converted from one currency into another currency for the purposes of this Agreement shall be converted using: (a) with respect to Roubles to be converted from or into another currency, the official established exchange rate established by the Central Bank of the Russian Federation as of the relevant date, and (b) with respect to any other currencies, the close spot mid-trade composite London rate for a transaction between the two (2) currencies in question as quoted on Bloomberg as of the relevant date.
- 1.2.9 Any payment to be made under or in connection with this Agreement shall be made in US Dollars by wire transfer of the relevant amount in readily available funds into the relevant account on or before the date the payment is due for value on that date. Full details of such account shall be provided in writing by the recipient to the payer at least [***], unless otherwise provided for herein.
- 1.2.10 The Parties acknowledge and agree that this Agreement has been jointly drafted by the Parties, and, accordingly, the contra proferentem rule (or any similar rule of interpretation) shall not be applied against any Party.

2. **SALE AND PURCHASE OF THE SALE SHARES**

- 2.1 At Completion, the Seller shall transfer to the Buyer, and the Buyer shall acquire from the Seller, the Sale Shares, with full title guarantee and free from all Encumbrances, on the terms set out in this Agreement.
- 2.2 Title to, beneficial ownership of, and any risk attaching to, the Sale Shares shall pass on Completion to the Buyer together with all rights and benefits attaching or accruing to the Sale

Shares on or after Completion (including the right to receive all dividends and other distributions declared, made or paid after Completion).

- 2.3 Without prejudice to Clause 2.1, the Seller covenants with the Buyer that (a) it has now and shall have at Completion the full power and right to sell the Sale Shares; (b) at Completion it will, subject to the terms of this Agreement, at its own cost, give the Buyer clear title free of Encumbrances to the Sale Shares; and (c) at Completion the Sale Shares will be disposed of free from all Encumbrances.
- 2.4 The Seller shall procure that, prior to Completion, each person having any right of consent, pre-emption or right of first refusal over any of the Sale Shares conferred on it either by the Organisational Documents of the Company or in any other way irrevocably waives any such rights.
- 2.5 The Buyer shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.
3. **CONSIDERATION**
- 3.1 The consideration for the Sale Shares shall be equal to [***] (the “**Purchase Price**”), as may be reduced and otherwise adjusted pursuant to other provisions of this Clause 3, Clause 4 and Clause 5.
- 3.2 The Purchase Price shall be satisfied by the Buyer:
 - 3.2.1 on the Completion Date by paying to the Seller the Completion Consideration in cash and otherwise in accordance with Clause 1.2.9:
 - (a) less the Deferred Consideration to be retained by the Buyer and settled in accordance with Clauses 3.4 and 6; and
 - (b) less the Integration Bonus Cap to be retained by the Buyer and settled in accordance with Schedule 4 (*Employee Matters*); and
 - (c) as may be adjusted pursuant to Clause 4; and
 - 3.2.2 within [***] by paying to the Seller an amount in cash (if any) [***], and otherwise in accordance with Clause 1.2.9 (the “**Integration Consideration**”).
- 3.3 Payment of the Completion Consideration and the Integration Consideration (if any) into the Seller Account in accordance with Clause 3.2 shall constitute a good discharge by the Buyer in respect of the relevant part of its obligations hereunder, and the Buyer shall have no obligation as to the distribution or onward payment of any such amount out of such account by the Seller.
- 3.4 Subject to Clause 6, the Buyer shall pay to the Seller:
 - 3.4.1 a portion of the Deferred Consideration equal [***] (the “**First Release Tranche**”) as may be adjusted in accordance with the remainder of this Clause 3.4 not later than the [***] (the “**First Release Date**”), such payment to be in US Dollars, calculated in accordance with Clause 1.2.8;
 - 3.4.2 a portion of the Deferred Consideration equal to [***] (the “**Second Release Tranche**”) as may be adjusted in accordance with the remainder of this Clause 3.4 not later than the [***] (the “**Second Release Date**”), such payment to be in US Dollars, calculated in accordance with Clause 1.2.8; and

3.4.3 the remaining portion of the Deferred Consideration equal to [***] (the “**Final Release Tranche**”) as may be adjusted in accordance with the remainder of this Clause 3.4 not later than the [***] (the “**Final Release Date**”), such payment to be in US Dollars, calculated in accordance with Clause 1.2.8;

provided that, if the Seller delivers to the Buyer an extract from the Russian Unified State Register of Legal Entities in electronic format downloaded from the official web-site of the Russian Federal Tax Service and signed with an enhanced qualified electronic signature confirming the cessation of existence of any Former Group Company listed below due to its liquidation in accordance with the procedure envisaged by Article 63 of the Russian Civil Code (the “**Liquidation Confirmation**”) prior to any of the First Release Date, the Second Release Date or the Final Release Date, a relevant proportion of any then outstanding Deferred Consideration attributable to such Former Group Company (and any other Former Group Companies that have been merged into such Former Group Company following the date of this Agreement), in each case as set out in the table below (the “**Relevant Proportion**”) for the remaining time period between the receipt of the Liquidation Confirmation by the Buyer and the Final Release Date shall be paid by the Buyer to the Seller not later than the [***] following the receipt of the Liquidation Confirmation (each such date, together with the First Release Date, Second Release Date and Final Release Date, a “**Release Date**”), such payment to be in US Dollars, calculated in accordance with Clause 1.2.8, and the amounts of each of the First Release Tranche, the Second Release Tranche and the Final Release Tranche, as applicable, shall be reduced by such Relevant Proportion as follows:

No.	Former Group Company (tax identification number)	Relevant Proportion (in RUB million)		
		From Completion until the First Release Date	Following the First Release Date until the Second Release Date	Following the Second Release Date until the Final Release Date
1.	[***]	[***]	[***]	[***]
2.	[***]	[***]	[***]	[***]
3.	[***]	[***]	[***]	[***]
4.	[***]	[***]	[***]	[***]
5.	[***]	[***]	[***]	[***]
6.	[***]	[***]	[***]	[***]
7.	[***]	[***]	[***]	[***]
8.	[***]	[***]	[***]	[***]
9.	[***]	[***]	[***]	[***]
10.	[***]	[***]	[***]	[***]
11.	[***]	[***]	[***]	[***]

12.	***	***	***	***
13.	***	***	***	***
14.	***	***	***	***
15.	***	***	***	***
16.	***	***	***	***
17.	***	***	***	***

3.5 Any amount of the Deferred Consideration kept by the Buyer pursuant to Clause 6 or otherwise paid (or satisfied) by the Seller to or in favour of the Buyer by way of:

3.5.1 any downward adjustment to the Completion Consideration or Integration Consideration;

3.5.2 any Warranty Claim, Tax Claim or an Indemnity Claim; or

3.5.3 otherwise pursuant to this Agreement,

shall be and shall be deemed (as far as legally permitted) to be *pro tanto* a reduction in the Purchase Price. If any payment is made in respect of any Indemnity Claim to any Indemnified Person (other than the Buyer) the Purchase Price shall similarly be deemed to have been reduced by amount of such payment thereunder.

4. COMPLETION CONSIDERATION; ADJUSTMENT

4.1 The Completion Consideration shall be adjusted after Completion in accordance with the provisions of this Clause 4 and the process set out in Schedule 2 (*Completion Statement Principles*).

4.2 The Draft Completion Statement as agreed or determined pursuant to paragraph 3 of Schedule 2 (*Completion Statement Principles*) shall constitute the Agreed Completion Statement for the purposes of this Agreement and shall be final and binding on the Parties.

4.3 Completion Cash Balance, Completion Debt and the Working Capital shall be derived from the Agreed Completion Statement.

4.4 The Completion Consideration shall be adjusted as follows:

4.4.1 in the event that Completion Cash Balance exceeds ***, the amount of the excess shall be payable by the Buyer to the Seller in accordance with Clause 4.5;

4.4.2 in the event that Completion Cash Balance is less than ***, the amount of the deficit shall be payable by the Seller to the Buyer in accordance with Clause 4.5;

4.4.3 in the event that Completion Debt exceeds ***, the amount of the excess shall be payable by the Seller to the Buyer in accordance with Clause 4.5;

4.4.4 in the event that the Working Capital exceeds the Target Working Capital, the amount of the excess shall be payable by the Buyer to the Seller in accordance with Clause 4.5; and

- 4.4.5 in the event that the Working Capital is less than the Target Working Capital, the amount of the deficit shall be payable by the Seller to the Buyer in accordance with Clause 4.5.
- 4.5 The Buyer and the Seller agree that the sums that the Buyer or the Seller, as the case may be, is respectively obliged to pay to the Seller or the Buyer pursuant to Clauses 4.4.1 to 4.4.5 (inclusive) shall be aggregated and set off against each other. The amount that the Buyer or the Seller, as the case may be, is still obliged to pay to the Seller or the Buyer respectively after such set-off shall be referred to in this Agreement as the “**Net Adjustment**”. The Net Adjustment shall be paid in cash within [***] of agreement or determination of the Agreed Completion Statement and otherwise in accordance with Clause 1.2.9.
- 4.6 A/R Adjustment
- 4.6.1 On or before the date that [***], the Buyer shall deliver a written statement (the “**A/R Statement**”) to the Seller setting forth the aggregate amount of the Completion Date A/R actually collected by the Company or any of its Subsidiaries as of the end of business on the date [***] (the “**Collected A/R**”), including a calculation of the amount, if any, by which the Completion Date A/R exceeds the Collected A/R (such amount, if any, the “**A/R Shortfall**”). Following the delivery of the A/R Statement, the Buyer shall procure that upon the Seller’s reasonable request, the Group Companies provide the Seller and its Representatives access during normal business hours and upon reasonable advance notice to the work papers and books and records relating to the preparation of the A/R Statement for the purpose of assisting the Seller and its Representatives in their review of the A/R Statement and the calculation of the A/R Shortfall (if any) contained therein. If the Seller does not timely dispute the calculation of the A/R Shortfall contained in the A/R Statement, such amount shall be final and binding.
- 4.6.2 If the Seller disagrees with the calculation of the A/R Shortfall (if any) contained in the A/R Statement, the Seller shall notify the Buyer of such disagreement in writing [***] after receipt by the Seller of the A/R Statement, which notice (the “**A/R Dispute Notice**”) will set forth in reasonable detail the Seller’s alternative calculation of the A/R Shortfall and the provisions of Clause 4.6.3 shall apply to resolving such dispute.
- 4.6.3 In the event any such A/R Dispute Notice is timely provided:
- (a) the Seller and the Buyer shall use commercially reasonable efforts for a period of [***] (or such longer period as they may mutually agree) to resolve any disagreements with respect to the calculation included in the A/R Statement that were disputed in the A/R Dispute Notice. If, at the end of such period, the Seller and the Buyer remain unable to resolve the dispute in its entirety, then the unresolved items and amounts thereof in dispute shall be submitted to an internationally recognized accounting firm or expert arbitrator that is reasonably acceptable to the Seller and the Buyer, which shall not be the independent accountants of the Seller or the Buyer (the “**Dispute Auditor**”).
 - (b) The Dispute Auditor shall determine, based solely on the provisions of this Clause 4.6 and the written submissions by the Seller and the Buyer, and not by independent review, only those items and amounts that remain then in dispute as set forth in the A/R Dispute Notice. The Seller and the Buyer shall, and shall cause their respective Affiliates and Representatives to, cooperate in good faith with the Dispute Auditor, and shall give the Dispute

Auditor access to all data and other information it reasonably requests for purposes of such resolution. The Dispute Auditor's determination shall be made within [***] after the dispute is submitted for its determination and shall be set forth in a written statement delivered to the Seller and the Buyer.

- (c) The Dispute Auditor shall have exclusive jurisdiction over, and resorting to the Dispute Auditor as provided in this Clause 4.6.3 shall be the only recourse and remedy of the Parties against one another with respect to, those items and amounts that remain in dispute under this Clause 4.6, and neither the Seller nor the Buyer shall be entitled to seek indemnification or recovery of any attorneys' fees or other professional fees incurred by such Party or its Affiliates in connection with any dispute governed by this Clause 4.6.3.
- (d) The Dispute Auditor shall not be permitted to propose its own calculations to resolve any disputed item, instead, the Dispute Auditor must select between the calculation of such item as proposed by the Buyer and the Seller and shall allocate its fees and expenses between the Seller and the Buyer in the same proportion to which it selects the positions of the respective Parties. Any determinations made by the Dispute Auditor pursuant to this Clause 4.6.3 shall be final, non-appealable and binding on the Parties, absent manifest error or fraud.

4.6.4 Within [***] of the final determination of the A/R Shortfall (if any) in accordance with this Clause 4.6, the Seller shall pay to the Buyer or one of its designees an amount in cash equal to the A/R Shortfall and otherwise in accordance with Clause 1.2.9 in consideration of the Buyer assigning (or procuring the assignment) of any and all rights in relation to the Completion Date A/R constituting the A/R Shortfall to the Seller (or its designee) in exchange for the payment of [***].

5. INTEGRATION CONSIDERATION ADJUSTMENT; INTEGRATION PERIOD

5.1 Integration Consideration; Adjustment

The Buyer shall pay the Integration Consideration to the Seller (if any) within [***] of [***], provided that the Integration Consideration shall be calculated and adjusted in accordance with Schedule 12 (*Post-Completion Integration*).

5.2 Conduct of Business During the Integration Period

5.2.1 The Buyer undertakes to the Seller that for the duration of the Integration Period it shall not take any action (or cause or permit anything to be done) in bad faith with the purpose of distorting the financial performance of the Company or the Subsidiaries, or otherwise avoiding, reducing or adversely affecting the amount of the Integration Consideration.

5.2.2 The Buyer shall procure that during the Integration Period:

- (a) no Top Manager is removed from the office or stripped of its control over, or functions related to, the Integration other than for cause or with the prior written consent of the Seller; and
- (b) no Top Manager's employment or service agreement is varied other than in accordance with its terms or with the prior written consent of such Top Manager.

5.2.3 The Buyer covenants with the Seller that during the Integration Period:

- (a) the Buyer shall retain the beneficial ownership of the whole of the issued share capital of the Company and each other Group Company; and
- (b) the Buyer shall not commence a winding up or bankruptcy of any Group Company and shall procure that no Group Company changes its place of business.

6. **WITHHOLDING AND SET-OFF; RECOURSE**

6.1 Subject to Clause 3.2.1(a) and except as otherwise expressly provided in this Clause 6 or elsewhere in this Agreement, all sums payable under or pursuant to this Agreement shall be paid free of:

6.1.1 any counterclaim or set-off of any kind; and

6.1.2 any other deduction or withholding (other than any deduction or withholding of Tax required by Applicable Law).

6.2 Notwithstanding the foregoing, if the amount of any Claim has been Determined in favour of the Buyer:

6.2.1 prior to the date on which the Integration Consideration is payable to the Seller, the Buyer shall be entitled to withhold and set off such Determined amount from the Integration Consideration; or

6.2.2 after the date on which the Integration Consideration was paid to the Seller (or if no Integration Consideration was payable to the Seller), but prior to a Release Date, the Buyer shall be entitled to withhold such Determined amount from the Deferred Consideration.

6.3 Notwithstanding the foregoing, if the Buyer has notified the Seller of a Claim in accordance with Clause 10.1 (the “**Notified Claim**”) but such Claim has not been Determined:

6.3.1 prior to [***], the Buyer may withhold a reasonable estimate of the amount of the Notified Claim (including any reasonable costs and expenses associated with such Notified Claim) (the “**Withheld Amount**”) from the Integration Consideration;

6.3.2 prior to [***], the Buyer shall be entitled to withhold such Withheld Amount from the Deferred Consideration that remains unpaid as of such date;

6.3.3 if the Buyer and the Seller do not agree on either the validity of the Claim or the amount of the Withheld Amount, either Party, by serving written notice on the other, may refer the Notified Claim to the Independent Counsel (and in the event of a failure by the Parties to agree on the identity of the Independent Counsel within [***]of the notice, appointed by the Chairman of the Bar Council from time to time) to determine whether in that Independent Counsel’s opinion that Claim has a reasonable prospect of success and/or that the Withheld Amount by the Buyer is a reasonable estimate of the amount of the Claim (including reasonable costs and expenses), as appropriate;

6.3.4 if the Independent Counsel determines in his reasonable opinion that the Claim does not have a reasonable prospect of success then the Buyer shall pay the Withheld Amount to the Seller as follows:

- (a) if the Withheld Amount (or a portion thereof) was withheld from the Integration Consideration in accordance with Clause 6.3.1, simultaneously

with, and as part of, the Integration Consideration, or, if the Integration Consideration (less the Withheld Amount) has been paid prior to such determination by the Independent Counsel, within [***] of the determination;

- (b) if the Withheld Amount (or a portion thereof) was withheld from the Deferred Consideration in accordance with Clause 6.3.2, on the next Release Date (and, if the amount due to the Seller on such Release Date is less than the Withheld Amount, then on the next following Release Date(s), or, if the Withheld Amount was withheld prior to a Release Date and the Independent Counsel's determination is made after such Release Date, [***] of the determination);

6.3.5 subject to Clause 6.4, if the Independent Counsel determines in his reasonable opinion that the Withheld Amount is not a reasonable estimate of the amount of the Claim (including costs and expenses) then the Parties shall jointly instruct the Independent Counsel to determine what he considers to be a reasonable amount. Such reasonable amount as determined by the Independent Counsel shall be deemed the "**Disputed Amount**" and the Buyer:

- (a) if the relevant Withheld Amount was withheld from the Integration Consideration, may withhold such Disputed Amount from the Integration Consideration and shall pay any excess of the Withheld Amount over the Disputed Amount so determined by the Independent Counsel to the Seller simultaneously with, and as part of, the Integration Consideration, or, if the Integration Consideration (less the Withheld Amount) has been paid prior to such determination by the Independent Counsel, within [***] of the determination; or
- (b) if the relevant Withheld Amount was withheld from the Deferred Consideration, may withhold the Disputed Amount from the Deferred Consideration (such Disputed Amount to be settled in accordance with Clauses 6.3.7 and 6.3.8) and shall pay any excess of the Withheld Amount over the Disputed Amount so determined by the Independent Counsel to the Seller on the next Release Date(s) (or, if the Withheld Amount was withheld prior to [***] of the determination);

provided that if the Independent Counsel provides a range of values, the simple average of all values shall be used for the purposes of the calculation. The Independent Counsel shall be instructed to assess the values in a way that the top end of the range shall not be greater than the mid-point of the range by more than [***].

6.3.6 if the Independent Counsel determines that the Withheld Amount is a reasonable estimate of the amount of the Claim and that the Claim has a reasonable prospect of success, then the costs of the Independent Counsel shall be borne by the Seller; if the Independent Counsel determines that the Withheld Amount is not a reasonable estimate of the amount of the Claim and that the Claim does not have a reasonable prospect of success, then the costs of the Independent Counsel shall be borne by the Buyer; in all other cases, the costs of the Independent Counsel shall be borne equally by the Buyer and the Seller;

6.3.7 if, after the date on which the Integration Consideration is to be paid by the Buyer to the Seller hereunder or after a Release Date, a Notified Claim by the Buyer with respect to all or a portion of a Withheld Amount or Disputed Amount, as applicable,

is Determined in favour of the Seller, then, within [***] thereafter, the Buyer shall cause such part of the Withheld Amount or Disputed Amount, as applicable, as is being withheld in relation to such Notified Claim to be paid in accordance with Clause 1.2.9, to the Seller (which the Seller and the Buyer acknowledge shall be treated as a payment of a portion of the Purchase Price); and

- 6.3.8 if, [***], a Notified Claim by the Buyer with respect to all or a portion of a Withheld Amount or Disputed Amount, as applicable, is Determined in favour of the Buyer, then the Buyer shall keep such part of the Withheld Amount or Disputed Amount, as applicable. If the amount of such Notified Claim Determined in favour of the Buyer is greater than the Withheld Amount or Disputed Amount, as applicable, in respect of such Claim or greater than the Deferred Consideration (as applicable), the Seller shall pay the amount of the difference to the Buyer within [***] and otherwise in accordance with Clause 1.2.9. If the amount of such Notified Claim Determined in favour of the Buyer is less than the Withheld Amount or Disputed Amount in respect of such Claim, the Buyer shall pay the amount of the difference to the Seller within [***] and otherwise in accordance with Clause 1.2.9.
- 6.4 Subject to Clause 3.4, the Buyer shall pay to the Seller:
- 6.4.1 on the First Release Date, the First Release Tranche (if any) less any amounts the Buyer may withhold in accordance with Clause 6.2 and Clause 6.3;
- 6.4.2 on the Second Release Date, the Second Release Tranche (if any) less any amounts the Buyer may withhold in accordance with Clause 6.2 and Clause 6.3; and
- 6.4.3 on the Final Release Date, the Final Release Tranche (if any) less any remaining amounts the Buyer may withhold in accordance with Clause 6.2 and Clause 6.3.
- 6.5 For the avoidance of doubt and notwithstanding the time periods set out above in this Clause 6, (a) in the event that the amount of Integration Consideration payable to the Seller is less than the amount of Claims Determined in favour of the Buyer (including in the event that no Integration Consideration is payable), the Buyer shall be entitled to [***].
- 6.6 For the avoidance of doubt, nothing in Clauses 6.3.1 to 6.3.8 (inclusive) shall restrict the Buyer's or the Seller's right to (i) resolve any Disputes arising out of Claims through the procedure set out in Clause 18 (*Governing Law and Dispute Resolution*) simultaneously with Independent Counsel's procedure set out in Clause 6.3 or (ii) challenge any determination that the Independent Counsel may make in accordance with Clauses 6.3.1 to 6.3.8 (inclusive).
7. **COMPLETION**
- 7.1 The Completion Date shall occur on the date hereof, unless agreed otherwise in writing between the Parties. Completion shall take place on the Completion Date at 10 am (CET) at the offices of the Buyer's Cypriot Counsel in Limassol or at such other place(s), date, and time as may be agreed between the Parties in writing.
- 7.2 At Completion:
- 7.2.1 the Seller shall do, or procure the carrying out of, each of those things listed as its obligations in Part A, Part B or Part C of Schedule 6 (*Completion Arrangements*); and
- 7.2.2 the Buyer shall do, or procure the carrying out of, each of those things listed as its obligations in Part A, Part B or Part C of Schedule 6 (*Completion Arrangements*).

- 7.3 Completion shall not be deemed to have occurred for any purpose until all of the actions and steps listed in Part A, Part B and Part C of Schedule 6 (*Completion Arrangements*) shall have been completed or waivers of the relevant actions or steps are given by the Party(ies) entitled to the benefit of the performance of such actions or steps.
- 7.4 Pending Completion, any items delivered or payments made by a Party pursuant to Part A, Part B or Part C of Schedule 6 (*Completion Arrangements*) shall be held on trust for the benefit of such Party by the recipient of the item or payment.
- 7.5 If any Party fails or is unable to comply with any of its obligations under Clause 7.2 or Part A, Part B or Part C of Schedule 6 (*Completion Arrangements*) on the date on which Completion is specified to take place pursuant to this Agreement, the Buyer (in case of a failure to comply by the Seller) or the Seller (in case of a failure to comply by the Buyer) shall not be obligated to complete this Agreement and may, in each case without prejudice to all other rights and remedies in relation to such failure to comply (and whether or not such failure would constitute a repudiatory breach of this Agreement):
- 7.5.1 postpone Completion to another time and date; or
- 7.5.2 proceed to Completion so far as practicable; or
- 7.5.3 terminate this Agreement by notice in writing to the defaulting Party.
- 7.6 If Completion is postponed under Clause 7.5.1, this Clause 7 (*Completion*) shall apply (and the Seller and the Buyer shall be obliged to perform their respective obligations under this Clause 7 (*Completion*) (but without prejudice to the non-defaulting Party's rights in relation to the prior breach by the defaulting Party)) as if the time and date notified by the non-defaulting Party under Clause 7.5.1 was the time and date scheduled for Completion.
- 7.7 If the Agreement is terminated in accordance with Clause 7.5.3 (and without limiting the non-defaulting Party's right to claim damages), the provisions of Clause 19.12 shall apply.
8. **SELLER WARRANTIES AND INDEMNITIES**
- 8.1 Subject to Clauses 8.8 and 19.7 (*Assignment, Etc.*), the Seller warrants to the Buyer that each of the Seller Warranties is true and accurate on the date of this Agreement.
- 8.2 Where any statement in any Seller Warranty is qualified as being made "as far as the Seller is aware" or any similar expression, such Seller Warranty shall, unless otherwise stated, be deemed to refer to the knowledge of (i) [***], (ii) each of the general directors of each Key Former Group Company, (iii) [***], (iv) [***], and (v) [***], each of whom shall be deemed to have knowledge of such matters as they would have discovered, had they made all due and reasonable enquiries.
- 8.3 Each of the paragraphs in Schedule 7 (*Seller Warranties*):
- 8.3.1 shall be construed as a separate and independent warranty; and
- 8.3.2 unless expressly provided in this Agreement, shall not be limited by reference to any other paragraph in Schedule 7 (*Seller Warranties*) or by any other provision of this Agreement,
- and the Buyer shall have a separate Claim and right of action in respect of every breach of a Seller Warranty.
- 8.4 The Seller Warranties shall not be extinguished or affected by Completion.

8.5 The Seller hereby: (a) waives any right or claim which it may have against any Company Related Person (except, in the case of a Company Related Person who is a Director, officer or Employee, in the case of fraud) in respect of any misrepresentation or error in, or omission from, any information or opinion supplied or given by such Company Related Person in the course of providing any information or responses to any Buyer Related Person, negotiating this Agreement (or any document referred to in, or ancillary to, this Agreement) or of the preparation of the Disclosure Letter; (b) irrevocably and unconditionally releases any Company Related Person (except, in the case of each such Company Related Person who is a Director, officer or Employee, in the case of fraud) from any liability arising from any such misrepresentation, error or omission; and (c) agrees that any such right or claim shall not constitute a defence to any Claim by the Buyer under or in relation to this Agreement. Each Company Related Person may enforce the terms of this Clause 8.5 in accordance with the Contracts (Rights of Third Parties) Act 1999, provided that, as a condition precedent thereto, any such Company Related Person shall:

8.5.1 obtain the prior written consent of the Buyer; and

8.5.2 not be entitled to assign its rights under this Clause 8.5.

8.6 Subject to Clause 8.8:

8.6.1 the Seller shall not be liable for any Warranty Claim or a Claim under any Tax Warranty to the extent that the facts, matters or circumstances giving rise to such Warranty Claim or such Claim under any Tax Warranty were within the actual knowledge of any member of the Buyer's Deal Team as at the date of this Agreement; and

8.6.2 subject to Clause 8.6.1, the Buyer shall be entitled to make a Warranty Claim or a Claim under any Tax Warranty whether or not the Buyer and/or any Buyer Related Person (other than the Buyer's Deal Team in respect of their actual knowledge) had knowledge (whether actual, constructive, implied or imputed) of the matter giving rise to the Claim or right before the date of this Agreement and/or Completion and the Buyer's right or ability to make any such Claim shall not be affected or limited, and the amount recoverable shall not be reduced, on the grounds that the Buyer and/or any Buyer Related Person (other than the Buyer's Deal Team in respect of their actual knowledge) may, before the date of this Agreement and/or Completion, have had actual, constructive, implied or imputed knowledge of the matter giving rise to a Warranty Claim or a Claim under any Tax Warranty.

8.7 The Buyer acknowledges and agrees that the Seller gives no warranty, representation or undertaking as to the accuracy or completeness of any information that is in the nature of forecasts, estimates, projections, statements of intent or statements of opinion provided to the Buyer or any of its advisers or agents (howsoever and whensoever provided).

8.8 The Seller shall not be liable in respect of any Warranty Claim or any Claim under a Tax Warranty to the extent that the facts and circumstances giving rise to such Claim are Disclosed in the Disclosure Letter.

8.9 Indemnities

Notwithstanding any other provision of this Agreement, the Seller shall (so far as possible by way of adjustment to the Purchase Price) on demand indemnify in full and hold harmless the Buyer and each other Indemnified Person against, and covenants to pay to the Buyer and each other Indemnified Person an amount equal to, all Losses suffered or incurred by the Buyer or

any other Indemnified Person arising, directly or indirectly, out of or in connection with any of the following matters:

- 8.9.1 any title defect with respect to any of the Sale Shares or any shares or participation interests in any other Group Company or any legal predecessors thereof (including any Encumbrance over the Sale Shares or over any shares or participation interests in any of the Group Companies or any legal predecessors thereof), as the result of or in connection with any event, fact, circumstance, or action taking place prior to the Completion Date, *inter alia*, as the result of or in connection with:
- (a) any failure to obtain spousal consents in connection with any acquisition of shares (participation interests) in any of the Group Companies or any legal predecessors thereof;
 - (b) any failure to obtain necessary corporate approvals in connection with any acquisition or transfer of shares (participation interests) in any of the Group Companies or any legal predecessors thereof;
 - (c) any failure to comply with the pre-emptive rights in connection with any acquisition or transfer of shares (participation interests) in any of the Group Companies or any legal predecessors thereof;
 - (d) the acquisition of the Sale Shares by the Seller or any acquisitions of shares (participation interests) in any of the Group Companies not having been validly carried out in accordance with Applicable Laws and Organisational Documents of the Group Companies or any legal predecessors thereof;
 - (e) any aspect of formation or reorganisation of a Group Company not having been validly carried out in accordance with Applicable Laws; and/or
 - (f) any aspect of the issue of Sale Shares or any shares or participation interests issues by any Group Company or any legal predecessors thereof not having been validly carried out in accordance with the Applicable Laws,

in each case, prior to Completion (“**Title Indemnity**”);

- 8.9.2 any Third Party Claims in connection with the Restructuring, including where they arise out of a failure to comply with Applicable Law (“**Restructuring Indemnity**”);
- 8.9.3 any loss of the Intellectual Property Rights in [***], whether in whole or in part, as the result of or in connection with any event, fact, circumstance, or action taking place prior to the Completion Date, including as the result of the Restructuring, and any failure to procure registration by [***] by Completion (the “**IP Indemnity**”);
- 8.9.4 any claim in respect of an unlawful use of any rights in any computer software against any Group Company as the result of or in connection with any event, fact, circumstance, or action taking place prior to the Integration Completion Date (the “**IT Licences Indemnity**”);
- 8.9.5 any Telephone Number Agreement:
- (a) is avoided, rescinded, repudiated, prematurely terminated (whether as a result of this Agreement, the sale of the Sale Shares, a breach by a Group Company, or any of their legal predecessors, or any Former Group Company, event of default or other termination right under such Telephone Number Agreement), or

- (b) is declared to be invalid, or
- (c) the service provider imposes any additional obligation on any Group Company,

in case of each of (a), (b) and (c) as a result of or in connection with any event, fact, circumstance or action prior to the Completion Date;

- 8.9.6 any claim in respect of any material breach, material misappropriation, or material unauthorized disclosure, intrusion, access, use or dissemination of any Personal Data by any person against any Group Company arising as a result of or in connection with any event, fact, circumstance or action prior to the Completion Date;
- 8.9.7 any claims, actions or proceedings by or on behalf of any Third Party having business dealings with Mr. Evgeny Lvov or any entities directly or indirectly owned or Controlled by Mr. Evgeny Lvov in relation to business similar to the Business, to the extent such claims, actions or proceeding are against the Sale Shares or any participation interest in any of the Group Companies and arise as a result of or in connection with any event, fact, circumstance or action relating to such business dealings prior to the Completion Date; or
- 8.9.8 (i) any fines imposed by a Governmental Authority prior to Completion and outstanding as of Completion and any fines imposed by a Governmental Authority as the result of an audit initiated by such Governmental Authority within twenty-four [***], in each case in connection with any Group Company's non-compliance with the requirements of Applicable Law relating to the employment of any Employees of such Group Company, provided that with respect to audits initiated after [***] anniversary of [***], the indemnity in this clause (i) shall apply only to any fines imposed as the result of or in connection with any event, fact, circumstance, or action taking place prior to the Completion Date; and (ii) any costs incurred by the Buyer or the Group Companies in taking remedial actions mandated by a formal act, notice, or requirement issued by a Governmental Authority in relation to compliance with the requirements of Applicable Law relating to the employment of any Employees of the Group Companies, where such act, notice or requirement is issued as the result of an audit by such Governmental Authority initiated within [***], provided that with respect to audits initiated after the [***] anniversary of [***], the indemnity in this clause 8.9.8(ii) shall apply only to remedial actions in relation to non-compliance with the requirements of Applicable Law relating to the employment of any Employees of the Group Companies prior to the Completion Date (the "**Labour Indemnity**"); and
- 8.9.9 The Discharge Date not having occurred on the next operational day of [***] following the Completion Date.
- 8.10 All amounts due under Clause 8.9 shall be paid by the Seller to an Indemnified Person in full, without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax required by Applicable Law). If any deductions or withholdings are required by Applicable Law to be made from any of the sums payable under Clause 8.9, the Seller shall pay to such Indemnified Person any sum as will, after the deduction or withholding is made, leave such Indemnified Person with the same amount as it would have been entitled to receive without that deduction or withholding.

9. **BUYER WARRANTIES**

- 9.1 The Buyer warrants to the Seller that each of the Buyer Warranties is true and accurate on the date of this Agreement.
- 9.2 Each of the paragraphs in Schedule 8 (*Buyer Warranties*):
- 9.2.1 shall be construed as a separate and independent warranty; and
- 9.2.2 unless expressly provided in this Agreement, shall not be limited by reference to any other paragraph in Schedule 8 (*Buyer Warranties*) or by any other provision of this Agreement.
- 9.3 The Buyer Warranties shall not be extinguished or affected by Completion.
10. **LIMITATION OF THE SELLER'S LIABILITY**
- 10.1 Time Limitation for Claims
- 10.1.1 If the Buyer becomes aware of any potential Claim, the Buyer shall as soon as reasonably practicable give a notice of the Claim in writing to the Seller specifying the matters set out in Clause 11.1. Subject to Clause 10.1.2, failure to give any notice under this Clause will in no way prejudice the Buyer's ability to bring a Claim except that the Seller shall not be liable for such Claim to the extent that its liability under such Claim has arisen or increased as a result of such failure.
- 10.1.2 The Seller shall not be liable for any Claim unless a notice of the Claim is given by the Buyer to the Seller specifying the matters set out in Clause 11.1:
- (a) in respect of any Claim for breach of any Fundamental Warranty, [***] following the Completion Date;
- (b) in respect of any Tax Claim, the last date of the period which is [***] after the Completion Date provided that if upon expiry of such period a Tax Audit of any Group Company in respect of a period prior to Completion has been notified or is ongoing then such time period shall be extended to amount to [***] after the Completion Date;
- (c) in respect of a Claim under the Title Indemnity, [***] following the Completion Date;
- (d) in respect of any Indemnity Claim (other than a Claim under the Tax Indemnity or Title Indemnity), [***] following the Completion Date;
- (e) in respect of any other Claim, [***] following the Completion Date.
- 10.1.3 The Seller shall not be liable for any Claim (that has not been previously satisfied or settled between the Seller and the Buyer or withdrawn by the Buyer) unless the Buyer issues and serves legal proceedings on the Seller in respect of such Claim within [***] of the date on which the Buyer notified the Seller of the Claim in accordance with Clause 10.1.1. In respect of a Claim referred to in Clause 10.1.1, such legal action need not be brought until [***] after the first of the loss becoming ascertainable or ceasing to be contingent.
- 10.2 Minimum Claims
- 10.2.1 The Seller shall not be liable for any individual Warranty Claim or a Claim under a Tax Warranty (or a series of such Claims arising from substantially identical facts

or circumstances) where the liability Determined for any such Claim or series of such Claims does not exceed [***] (the “Minimum Claim Amount”).

10.2.2 Subject to the threshold set out in Clause 10.3.1, where the liability Determined in respect of any such Warranty Claim or a Claim under a Tax Warranty or series of such Claims exceeds the Minimum Claim Amount, the Seller shall be liable for the amount of such Claim or series of such Claims as Determined and not just the excess.

10.3 Aggregate Minimum Claims

10.3.1 The Seller shall not be liable for any individual Warranty Claim or a Claim under a Tax Warranty unless the aggregate amount of all Claims which satisfy the Minimum Claim Amount and for which the Seller would be liable in the absence of this Clause 10.3.1, exceeds [***].

10.3.2 Where the liability Determined in respect of all Claims which satisfy the Minimum Claim Amount exceeds [***], the Seller shall be liable for the aggregate amount of all such Claims as Determined and not just the excess.

10.4 Maximum Liability

10.4.1 The aggregate liability of the Seller for:

- (a) all Claims shall not exceed [***];
- (b) all Tax Claims shall not exceed [***];
- (c) all IP Claims shall not exceed [***];
- (d) all Title Claims shall not exceed [***];
- (e) all Indemnity Claims under the Labour Indemnity shall not exceed [***];
- (f) all Claims, other than: (i) Fundamental Claims, (ii) Tax Claims, (iii) IP Claims, (iv) Title Claims, (v) Indemnity Claims under the Labour Indemnity and (vi) Claims under Clause 4 (*Completion Consideration; Adjustment*), shall not exceed [***].

10.5 Matters Arising Subsequent to this Agreement

The Seller shall not be liable for any Warranty Claim or a Claim under a Tax Warranty to the extent that such Claim has arisen or is increased as a result of:

10.5.1 any matter or thing done or omitted to be done pursuant to and in compliance with a Transaction Document or otherwise at the request in writing or with the approval in writing of the Buyer;

10.5.2 any act, omission or transaction of the Buyer or other Buyer’s Immediate Group Company done, committed or effected:

- (a) in the knowledge that such act, omission or transaction might give rise to, or increase the extent of, such Claim or in circumstances where such Claim was reasonably foreseeable as a result of such act, omission or transaction; or

- (b) otherwise than in order to comply with Applicable Law or pursuant to a legally binding commitment to which any Group Company or a Buyer Group Company is subject on or before Completion;
- 10.5.3 a breach of any Transaction Document by a Buyer Group Company that is a party to such Transaction Document;
- 10.5.4 the passing of, or any change in, after the date of this Agreement, any law, rule or regulation of any Governmental Authority not actually (or prospectively) in effect at the date of this Agreement including any law, rule or regulation passed after the date of this Agreement but taking effect retrospectively;
- 10.5.5 a change after the date of this Agreement in the interpretation or administration of any law, rule or regulation by any Governmental Authority;
- 10.5.6 any change in accounting policy, principles, methods, bases or practice of any Buyer Group Company or Group Company introduced or having effect after Completion; or
- 10.5.7 any change in financial reporting standards introduced or having effect after the date of this Agreement.
- 10.6 No Double Recovery and no Double Counting

No Party may recover for breach of or under this Agreement or otherwise more than once in respect of the same Loss suffered or amount for which the Party is otherwise entitled to claim (or part of such Loss or amount), and no amount (or part of any amount) shall be taken into account, set off or credited more than once for breach of or under this Agreement or otherwise, with the intent that there will be no double counting for breach of or under this Agreement or otherwise.
- 10.7 Mitigation of Losses

Nothing in this Agreement impairs any Party's common law duty of mitigation. The Buyer shall use reasonable endeavours to mitigate any Losses, costs or liabilities suffered or incurred by it, any other member of the Buyer's Group or, following Completion, any Group Company in consequence of any fact, matter, event or circumstances giving rise to a Warranty Claim.
- 10.8 Allowances, Provisions or Reserves
 - 10.8.1 The Seller shall not be liable for any Warranty Claim to the extent that a specific and proper allowance, provision or reserve has been made in the Accounts for the matter giving rise to such Warranty Claim.
 - 10.8.2 The Seller shall not be liable in respect of any Warranty Claim to the extent that any matter giving rise to the Warranty Claim is specifically and properly included as a liability into the Accounts.
- 10.9 Fraud

None of the limitations contained in this Clause 10 shall apply to the extent a liability arises or is increased as a result of fraud or fraudulent misrepresentation by the Seller, the directors of the Seller or [***].
- 10.10 Matters Capable of Remedy

To the extent that the subject matter of a Claim is capable of remedy, the Seller will not be liable in respect of that Claim to the extent that it remedies the relevant breach without a loss, cost or liability to the Buyer or any Group Company within [***] following notification of a Claim by the Buyer to the Seller under Clause 10.1.1.

10.11 Contingent or Non-quantifiable Claims

The Seller shall not be liable in respect of any Claim to the extent that such Claim is based upon a liability which is contingent only or is otherwise not capable of being quantified unless and until such liability ceases to be contingent and becomes an actual liability or becomes capable of being quantified, as the case may be, and is due and payable; provided that this Clause 10.11 shall not operate to avoid a Claim made in respect of a contingent or unquantifiable liability of which notice is given by the Buyer under Clause 10.1.1 within the applicable time limits specified in Clause 10.1.2 if the notice of such Claim has been given (together with such material details relating to that Claim of which the Buyer shall be aware when giving it) before the expiry of the relevant period (even if such liability does not become an actual or quantifiable liability, as the case may be, until after the expiry of such period).

10.12 Recovery from Third Parties

Where, following the Completion Date, the Buyer or any Group Company is entitled to recover from any Third Party an amount (the "**Recovery Amount**") in respect of any matter or event which gives rise to a Warranty Claim or an Indemnity Claim (including under any insurance policy):

- 10.12.1 the Buyer shall not be restricted from pursuing that Warranty Claim or Indemnity Claim or any other Claim in relation to the same subject matter against the Seller;
- 10.12.2 the Buyer shall notify the Seller of such entitlement as soon as reasonably practicable, unless the disclosure of such entitlement would cause the Buyer or any Group Company to breach a confidentiality obligation;
- 10.12.3 if the Third Party in question is an insurance company, the Buyer shall, or shall cause the relevant Group Company to, take all reasonable actions to recover the Recovery Amount from such insurance company under such Group Company's insurance policy, and keep the Seller reasonably informed of the progress of such recovery, unless the provision of such information would cause the Buyer or any Group Company to breach a confidentiality obligation;
- 10.12.4 if the Third Party in question is not an insurance company, the Buyer shall assign its claim against such Third Party to the Seller only if all of the following conditions are satisfied:
 - (a) the Seller pays and settles in full to the Buyer the amount of such Warranty Claim or such Indemnity Claim before the Buyer so assigns its claim against such Third Party to the Seller;
 - (b) the Buyer's claim against such Third Party is capable of being assigned (including by virtue of a provision allowing such assignment in a contract or arrangement with such Third Party); and
 - (c) such assignment does not prejudice legitimate business interests of the Buyer,

provided that if the Buyer refuses to assign the claim against such Third Party to the Seller on the basis set out in Clause 10.12.4(c), it shall provide the Seller with an

explanation of what legitimate interests of the Buyer may be prejudiced by such assignment.

10.12.5 in the event the Buyer does not assign its claim against a Third Party by operation of Clause 10.12.3 or Clause 10.12.4:

- (a) any sum recovered by the Buyer from the Third Party (the “**Recovered Amount**”) before Determination of the Warranty Claim or Indemnity Claim (less any costs and expenses incurred by the Buyer or such Group Company in recovering the Recovered Amount and any Taxation attributable to or suffered in respect of the Recovered Amount), will reduce the amount of such Claim by an equivalent amount; and
- (b) if recovery of the Recovered Amount is delayed until after such Claim has been satisfied by the Seller, the Buyer shall repay to the Seller the amount so recovered (less any costs and expenses incurred by the Buyer or such Group Company in recovering the Recovered Amount and any Taxation attributable to or suffered in respect of the Recovered Amount) up to the amount of such Claim satisfied by the Seller.

10.13 Indirect Losses

The Seller shall not be liable under or in connection with this Agreement (including pursuant to or under an Indemnity Claim) in respect of any indirect or consequential losses, any punitive or exemplary damages, in each case whether due to a breach of contract, breach of warranty, gross negligence, negligence or otherwise, whether actual or prospective.

10.14 General

10.14.1 Until Completion has taken place in accordance with the terms and conditions of this Agreement:

- (a) the Buyer may not make any Warranty Claim or Indemnity Claim; and
- (b) the Seller shall not be subject to any liability under any Warranty Claim or Indemnity Claim.

10.14.2 The Buyer confirms that, as of the date of this Agreement, it is not aware of any matter that constitutes a breach of this Agreement or which entitles it to make a Claim.

11. CLAIMS

11.1 Notification of Claims

Notice of any Claim for breach of or under this Agreement shall be given by the Buyer to the Seller as contemplated under Clause 10.1.1 and within the time limits specified in Clause 10.1.2 and shall specify in reasonable detail the legal and factual basis of the Claim and setting out (to the extent possible) the Buyer’s reasonable estimate of the amount of losses, costs and liabilities which is, or is to be, the subject of the Claim (including any losses which are contingent on the occurrence of any future event).

11.2 Conduct of Third Party Claims

11.2.1 If the chief legal officer of the Buyer becomes aware of a claim in writing by a Third Party other than a Third Party Tax Claim (the “**Third Party Claim**”) which might

be reasonably expected to result in a Warranty Claim or Indemnity Claim being made, the Buyer shall:

- (a) give the Seller written notice of such Third Party Claim as soon as reasonably practicable (and in any event within [***] of the chief legal officer of the Buyer becoming aware of such written Third Party Claim) together with relevant documentation and information actually available to the Buyer in relation thereto as at the date of such notice; provided that any such notice shall not be deemed to constitute a notice under Clause 10.1.1 unless the Buyer otherwise specifies;
- (b) consult with the Seller as to the manner in which such Third Party Claim might be avoided, resolved or compromised, giving all reasonable weight and consideration to proposals for the same made by the Seller; and
- (c) subject to consultation and the provision of information to the Seller set out in this Clause 11.2 above, retain conduct of such Third Party Claim and act reasonably and in good faith in taking such action as it shall deem necessary to avoid, dispute, deny, defend, resist, appeal, compromise or contest Third Party Claim (including making counterclaims or other claims against third parties).

11.2.2 If the Buyer would be entitled to make a Warranty Claim or Indemnity Claim as a result of, or in connection with, a Third Party Claim, then the Buyer shall not, and shall procure that no other member of the Buyer's Group shall, admit liability in respect of such Third Party Claim, and shall procure that such Third Party Claim shall not be compromised, disposed of or settled without:

- (a) the Buyer giving written notice to the Seller of the intention to admit, compromise, dispose or settle such Third Party Claim, such notice to contain reasonable details of such Third Party Claim to the extent not already provided to the Seller in accordance with Clause 11.2.1(a);
- (b) the Buyer promptly providing such further details of the Third Party Claim as may be reasonably requested by the Seller for the purposes of developing proposals referred to in Clause 11.2.2(c); and
- (c) the Buyer giving all reasonable weight and consideration to proposals of the Seller with respect to such Third Party Claim which may be provided by the Seller within [***] from receipt of the notice referred to in Clause 11.2.2(a) or such shorter period as the Buyer may notify to the Seller as is required to comply with a procedural order or the rules of procedure of a court or arbitral tribunal considering such Third Party Claim.

12. LIMITATION OF THE BUYER'S LIABILITY

12.1 Time Limitation for Seller Claims

12.1.1 If the Seller becomes aware of any potential Seller Claim, the Seller shall as soon as reasonably practicable give a notice of the Seller Claim in writing to the Buyer specifying in reasonable detail the legal and factual basis of the Seller Claim and setting out (to the extent possible) the Seller's reasonable estimate of the amount of losses, costs and liabilities which is, or is to be, the subject of the Seller Claim (including any losses which are contingent on the occurrence of any future event). Subject to Clause 12.1.2, failure to give any notice under this Clause will in no way prejudice the Seller's ability to bring such Seller Claim except that the Buyer shall

not be liable for such Seller Claim to the extent that its liability under such Seller Claim has arisen or increased as a result of such failure.

12.1.2 The Buyer shall not be liable for any claim by the Seller unless a notice of such claim is given by the Seller to the Buyer specifying the matters set out in Clause 12.1.1:

- (a) in respect of any Seller Claim for breach of any Buyer Warranty set out in Schedule 8 (Buyer Warranties), [***] following the Completion Date;
- (b) in respect of any other Seller Claim (except for any Seller Claim in relation to payment of all or a portion of the Purchase Price, including all or a portion of the Deferred Consideration), [***] following the Completion Date; and
- (c) in respect of any Seller Claim [***] following the date on which the relevant portion of the Purchase Price is due in accordance with this Agreement.

12.1.3 The Buyer shall not be liable for any Seller Claim (that has not been previously satisfied or settled between the Buyer and the Seller or withdrawn by the Seller) unless the Seller issues and serves legal proceedings on the Buyer in respect of such Seller Claim within [***] of the date on which the Seller notified the Buyer of the Seller Claim in accordance with Clause 12.1.1. In respect of a Seller Claim referred to in Clause 12.4, such legal action need not be brought until [***] after the first of the loss becoming ascertainable or ceasing to be contingent.

12.2 Maximum Liability

The aggregate liability of the Buyer in respect of all Seller Claims shall not exceed the aggregate amount of [***] (subject to all adjustments thereto under this Agreement and not including any interest (default or otherwise), penalties, costs or expenses incurred by the Seller in recovering any amount of the Purchase Price).

12.3 Fraud

None of the limitations contained in this Clause 12 shall apply to the extent a liability arises or is increased as a result of fraud or fraudulent misrepresentation by the Buyer.

12.4 Contingent or Non-quantifiable Claims

The Buyer shall not be liable in respect of any Seller Claim to the extent that such Seller Claim is based upon a liability which is contingent only or is otherwise not capable of being quantified unless and until such liability ceases to be contingent and becomes an actual liability or becomes capable of being quantified, as the case may be, and is due and payable; provided that this Clause 12.4 shall not operate to avoid a claim made by the Seller in respect of a contingent or unquantifiable liability of which notice is given by the Buyer under Clause 12.1.1 within the applicable time limits specified in Clause 12.1.2 if the notice of such Seller Claim has been given (together with such material details relating to that Seller Claim of which the Seller shall be aware when giving it) before the expiry of the relevant period (even if such liability does not become an actual or quantifiable liability, as the case may be, until after the expiry of such period).

12.5 Indirect Losses

The Buyer shall not be liable under or in connection with this Agreement in respect of any indirect or consequential losses, any punitive or exemplary damages, in each case whether due to a breach of contract, breach of warranty, negligence or otherwise, whether actual or prospective.

12.6 General

12.6.1 Until Completion has taken place in accordance with the terms and conditions of this Agreement:

- (a) the Seller may not make any Seller Claim under a Buyer Warranty; and
- (b) the Buyer shall not be subject to any liability under any Seller Claim under a Buyer Warranty.

12.6.2 The Seller confirms that, as of the date of this Agreement, it is not aware of any matter that constitutes a breach of this Agreement or which entitles it to make a Seller Claim under a Buyer Warranty.

12.7 Conduct of Third Party Claims

12.7.1 If the CEO or chief legal officer of the Seller becomes aware of a written Third Party Claim which might be reasonably expected to result in a Seller Claim under a Buyer Warranty being made, the Seller shall:

- (a) give the Buyer written notice of such Third Party Claim as soon as reasonably practicable (and in any event within [***] of the CEO or chief legal officer of the Seller becoming aware of such written Third Party Claim) together with relevant documentation and information actually available to the Seller in relation thereto as at the date of such notice; provided that any such notice shall not be deemed to constitute a notice under Clause 12.1.1 unless the Seller otherwise specifies;
- (b) consult with the Buyer as to the manner in which such Third Party Claim might be avoided, resolved or compromised, giving all reasonable weight and consideration to proposals for the same made by the Buyer; and
- (c) subject to consultation and the provision of information to the Buyer set out in this Clause 12.7.1 above, retain conduct of such Third Party Claim and act reasonably and in good faith in taking such action as it shall deem necessary to avoid, dispute, deny, defend, resist, appeal, compromise or contest Third Party Claim (including making counterclaims or other claims against third parties).

12.7.2 If the Seller would be entitled to make a Seller Claim under a Buyer Warranty as a result of, or in connection with, a Third Party Claim, then the Seller shall not, and shall procure that no other member of the Seller's Group shall, admit liability in respect of such Third Party Claim, and shall procure that such Third Party Claim shall not be compromised, disposed of or settled without:

- (a) the Seller giving written notice to the Buyer of the intention to admit, compromise, dispose or settle such Third Party Claim, such notice to contain reasonable details of such Third Party Claim to the extent not already provided to the Seller in accordance with Clause 12.7.1(a);

- (b) the Seller promptly providing such further details of the Third Party Claim as may be reasonably requested by the Buyer for the purposes of developing proposals referred to in Clause 12.7.1(c); and
- (c) the Seller giving all reasonable weight and consideration to proposals of the Buyer with respect to such Third Party Claim which may be provided by the Buyer within [***] from receipt of the notice referred to in Clause 12.7.2(a) or such shorter period as the Seller may notify to the Buyer as is required to comply with a procedural order or the rules of procedure of a court or arbitral tribunal considering such Third Party Claim.

13. **RESTRICTIVE COVENANTS**

13.1 The Seller covenants with the Buyer and each Group Company that it shall not (and shall procure that no Seller Related Entity shall):

13.1.1 at any time during the period of [***] commencing on the Completion Date (the “**Restricted Period**”), directly or indirectly [***];

13.1.2 at any time during the Restricted Period:

- (a) directly or indirectly [***]; or
- (b) consult with, advise or provide any other services for compensation to, [***];

13.1.3 at any time during the Restricted Period, have any business dealings with, or solicit, entice or attempt to entice away, [***];

13.1.4 at any time during the Restricted Period:

- (a) [***]; or
- (b) [***];

provided that the provisions of this Clause 13.1.4 shall not prevent any Seller Related Entity from placing a general advertisement for the recruitment of personnel or the engagement of any consultant and engaging any person as an Employee or consultant who responds to it.

13.1.5 at any time after Completion, engage in any trade or business or be associated with any person firm or company engaged in any trade or business, using:

- (a) the name “Vezet”, “Vezem”, “Rutaxi”, “Leader”, “Mini”, “Taxi Saturn”, “Red Taxi”, “Fasten”, “Везёт”, “Везем”, “Рутакси”, “Лидер”, “Мини”, “Такси Сатурн”, “Ред Такси”, “Фастен”, “Грандкортеж” or any name incorporating the words “Vezet”, “Vezem”, “Rutaxi”, “Leader”, “Mini”, “Taxi Saturn”, “Red Taxi”, “Fasten”, “Везёт”, “Везем” “Рутакси”, “Лидер”, “Мини”, “Такси Сатурн”, “Ред Такси”, “Фастен”, “Грандкортеж”;
- (b) any trade or service mark, business or domain name, design or logo which, at Completion, was or had been used by any Group Company in connection with the Business; or

- (c) anything which is, in the reasonable opinion of the Buyer, capable of confusion with the words, mark, name, design or logo referred to in Clauses 13.1.5(a) or 13.1.5(b);
- 13.1.6 at any time after Completion, present itself or permit itself to be presented as:
 - (a) connected in any capacity with any Group Company; or
 - (b) interested or concerned in any way in the Sale Shares (or any of them); or
- 13.1.7 at any time after Completion, do or say, write or publish or broadcast anything which may be harmful to the reputation of any Group Company.
- 13.2 The covenants in Clause 13.1 are intended for the benefit of, and shall be enforceable by, each of the Buyer and each Group Company and shall apply to actions carried out by the Seller (or any Seller Related Entity) in any capacity (including as shareholder, partner, director, principal, consultant, officer, agent, adviser or otherwise) and whether directly or indirectly, on its own behalf or on behalf of, or jointly with, any other person.
- 13.3 Nothing in Clause 13.1 shall prevent the Seller (or any Seller Related Entity) from:
 - 13.3.1 holding for investment purposes only:
 - (a) units of any authorised unit trust; or
 - (b) not more [***] of any class of shares or securities of any privately held company other than a Named Competitor; or
 - (c) not more than [***] of any class of shares or securities of any company traded on a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000).
 - 13.3.2 continuing:
 - (a) to operate the Business operated by the Seller and the Former Group Companies at the date of this Agreement during (i) the Integration Period and (ii) the shorter period of [***] following the Integration Period and [***]; or
 - (b) to hold an equity interest in any Former Group Companies other than the Group Companies following Completion; or
 - (c) complying with Applicable Law.
- 13.4 The provisions of Clause 13.1.4 shall lapse and cease to apply to any Restricted Person whose employment or engagement with the Company or any Group Company (or any other member of the Buyer's Group) is terminated by, at the request or with the consent of the Company, the relevant Group Company or such other member of the Buyer's Group, as applicable.
- 13.5 Each of the covenants in Clause 13.1 is a separate undertaking by the Seller and shall be enforceable by the Buyer and each Group Company separately and independently of their right to enforce any one or more of the other covenants contained in that Clause.
- 13.6 The Parties acknowledge that the Seller has confidential information relating to the Business and that the Buyer is entitled to protect the goodwill of the Business as a result of buying the

Sale Shares. Accordingly, each of the covenants in Clause 13.1 is considered fair and reasonable by the Parties.

- 13.7 The Seller acknowledges that it has had the opportunity to take independent advice on the provisions of this Clause 13 (*Restrictive Covenants*). While those provisions are considered by the Parties to be reasonable in all the circumstances, it is agreed that if any of those restrictions, by themselves or taken together, are adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Buyer but would be adjudged reasonable if part or parts of their wording were deleted or amended or qualified or the periods referred to were reduced or the range of products and/or services or area dealt with were reduced in scope, then the relevant restriction or restrictions shall apply with such modification or modifications as may be necessary to make it or them valid and effective.
- 13.8 The consideration for the covenants in Clause 13.1 is included in the Purchase Price.
- 13.9 Each Group Company may enforce the terms of this Clause 13 (*Restrictive Covenants*) in accordance with the Contracts (Rights of Third Parties) Act 1999, provided always that, as a condition thereto, any such Group Company shall:
- 13.9.1 obtain the prior written consent of the Buyer; and
- 13.9.2 not be entitled to assign its rights under this Clause 13 (*Restrictive Covenants*).
- 13.10 At any time after Completion, the Buyer shall not, and shall procure that none of the Buyer Group Companies shall, make an adverse statement or remark about the Seller or its shareholders to a third party.

14. COVENANTS AND UNDERTAKINGS

- 14.1 Subject to Completion occurring, the Seller:
- 14.1.1 confirms, warrants and undertakes that at Completion:
- (a) neither it nor any Seller Related Entity will have any claim on any account whatsoever outstanding against any of the Directors, officers, Employees of any Group Company and that no agreement or arrangement will be outstanding under which any such person has any obligation of any kind to any Seller Related Entity; and
 - (b) neither it nor any Seller Related Entity will have any claim on any account whatsoever outstanding against any Group Company; and
 - (c) no agreement or arrangement will be outstanding under which any Group Company will have an obligation of any kind to any Seller Related Entity, other than claims and obligations under (i) the Local Services Agreements, (ii) trademark licences from the Group Companies to the Former Group Companies as listed in schedules to the Local Services Agreements, collectively, the "**Surviving Agreements**"; and
- 14.1.2 except for the claims or obligations existing under the Surviving Agreements, to the extent that any such claim or obligation exists, irrevocably and unconditionally waives such claim or obligation and releases each Group Company and any such person (except, in the case of such Director, officer or Employee, in the case of fraud) from any liability whatsoever in respect of such claim or obligation.
- 14.2 The Seller shall, and shall procure that each Seller Related Entity shall, following Completion:

- 14.2.1 send to the Buyer all papers, books, accounts and other records relating wholly or predominantly to any Group Company in the possession or control of the Seller or Seller Related Entities and which are not kept at any of the Properties; provided that:
- (a) the Seller and the relevant Seller Related Entities may keep in their possession or control such papers, books, accounts and other records relating wholly or predominantly to any Group Company that are reasonably necessary to the Seller and the Former Group Companies to perform their respective obligations under Schedule 12 (*Post-Completion Integration*) (the “**Integration Records**”) for the duration of [***], provided that the Seller shall, and shall procure that the Seller Related Entities shall, upon request, promptly provide to the Buyer copies of the relevant Integration Records; and
 - (b) following [***], the Seller and the relevant Seller Related Entities shall send to the Buyer all Integration Records (except for those Integration Records which the Seller Related Entities are required to keep in accordance with Applicable Law, in respect of which the Seller shall send to the Buyer a copy thereof);
- 14.2.2 at all reasonable times during normal business hours and on reasonable advance notice, provide the Buyer and each Group Company, together with their Representatives, with access to, and copies of, any other papers, books, accounts or other records (in whatever form) which relate to any Group Company and which the Seller and/or other relevant Seller Related Entity are obliged to keep under the Applicable Law (the “**Retained Records**”) other than those referred to in Clause 14.2.1; provided that neither the Seller, nor any Seller Related Entity shall be obliged to provide the Buyer with, or allow access to any Retained Records that constitute:
- (a) information that would violate any Applicable Law;
 - (b) information the disclosure of which would jeopardise any attorney-client privilege available to the Seller or any other Seller Group Company relating to such information;
 - (c) information the disclosure of which would cause the Seller or any Seller Group Company to breach a confidentiality obligation, unless the Buyer undertakes to keep any such information confidential (except as required by Applicable Law) and in such case the Seller or any Seller Related Entity shall be obliged to provide the Buyer with, or allow access to, such information; and
 - (d) any auditors’ and accountants’ work papers except in accordance with their normal disclosure procedures and then only after entering into their customary agreement relating to access; and
- 14.2.3 retain safely and securely all Retained Records that are in the possession or control of the Seller or any Seller Related Entity, and not dispose of or destroy any Retained Records, until at least the [***] of Completion (or such longer period as may be required under the Applicable Law), and thereafter not dispose of or destroy any of the Retained Records, without first giving the Buyer at least [***] notice of the intention to do so and giving the Buyer the opportunity to review and to take possession of or copy any of such Retained Records.

14.3 Each Group Company, and (in the case of Clause 14.1 only) each Director, Employee and professional adviser of a Group Company, may enforce the terms of Clauses 8.2, 14.1, and 14.2 in accordance with the Contracts (Rights of Third Parties) Act 1999, provided always that, as a condition thereto, any such person shall:

14.3.1 obtain the prior written consent of the Buyer; and

14.3.2 not be entitled to assign its rights under such Clauses.

14.4 In respect of the relevant Employees of the Group Companies and the relevant Former Group Companies following Completion, the Buyer and the Seller shall perform certain actions and make agreed payments as set out in Schedule 4 (*Employee Matters*);

14.5 Agreed Software:

14.5.1 The Buyer agrees to acquire (or procure that a Buyer Related Person acquires) valid licenses to the Agreed Software for the use by the Group Companies ("**Agreed Software Licences**"), provided that the relevant cost incurred by the Buyer (or the Buyer Related Person) shall not exceed [***] (the "**Agreed Software Costs**").

14.5.2 The Buyer shall [***] following such acquisition notify the Seller in writing of the Agreed Software Costs and, upon request, shall provide to the Seller such additional confirmation of the Agreed Software Costs incurred as the Seller may reasonably request. The Seller shall compensate the Agreed Software Costs to the Buyer, and the Buyer shall be entitled to withhold the amount of the Agreed Software Costs from the Deferred Consideration or the Integration Consideration.

14.6 The Seller shall, and shall procure that:

14.6.1 each Seller Related Entity shall, terminate the trademark licenses referred to in Clause 14.1.1(c) with effect from Integration Completion Date and submit the relevant termination agreements for registration with Rospatent; and

14.6.2 prior to Completion, Vezet Dobro LLC unconditionally, irrevocably and absolutely transfers all the Intellectual Property Rights in trademark No. 631909 (НЕСЕМ ДООБРО) to Kronos and registers such transfer with Rospatent no later than [***].

15. ANNOUNCEMENTS

15.1 Subject to Clause 15.2, neither Party shall make, or permit any person to make, any Announcement concerning the existence, content or subject matter of this Agreement (or any document entered into pursuant to this Agreement) without the prior written consent of the other Party (such consent not to be unreasonably conditioned, withheld or delayed).

15.2 Clause 15.1 shall not apply to the extent an Announcement is required:

15.2.1 by Applicable Law or regulation;

15.2.2 by any Governmental Authority or any regulatory or supervisory authority or any relevant securities exchange, or by any court, arbitral body or other authority of competent jurisdiction,

in each case to which any relevant Party is subject, whether or not the same has the force of law. In such circumstances, the Party required to make an Announcement shall promptly notify the other Party and shall, to the extent reasonably practicable, consult with, and make all

reasonable attempts to agree with, the such other Party on the timing, contents and manner of the release of any such Announcement before making it.

- 15.3 Without prejudice to Clauses 15.1 and 15.2, between the date of this Agreement and the Integration Completion Date the Parties shall (subject to the requirements of Applicable Law) agree the terms and manner of, and the timetable for, any Announcement or circular or other communication to employees, customers, suppliers, distributors, sub-contractors and other interested parties of the Parties and/or the Group Companies and to any applicable Governmental Authorities or other bodies and to the media or otherwise regarding this Agreement and all such Announcements or circulars or other communications shall be made in accordance with such agreement.

16. **CONFIDENTIALITY**

- 16.1 The Seller undertakes to each of the Buyer, each member of the Buyer's Group and each Group Company that it shall, and shall procure that each members of the Seller's Group shall, in each case except as expressly permitted by this Clause 16 (*Confidentiality*):

16.1.1 keep confidential:

- (a) the existence and the provisions of this Agreement and of any agreement entered into pursuant to this Agreement;
- (b) the negotiations relating to this Agreement (and any such other agreements);
- (c) all Confidential Information relating to any Group Company, the Business, the Integration or any member of the Buyer's Group; and
- (d) [***],

(together, the "**Buyer Protected Information**");

16.1.2 not disclose any of the Buyer Protected Information in whole or in part to any person; and

16.1.3 not make any use of any of the Buyer Protected Information.

- 16.2 The Buyer undertakes to each of the Seller and each member of the Seller's Group that it shall, and shall procure that the members of the Buyer's Group shall, in each case except as expressly permitted by this Clause 16 (*Confidentiality*):

16.2.1 keep confidential:

- (a) the existence and the provisions of this Agreement and of any agreement entered into pursuant to this Agreement;
- (b) the negotiations relating to this Agreement (and any such other agreements); and
- (c) all Confidential Information relating to the Seller or any other member of the Seller's Group,

(together, the "**Seller Protected Information**");

- 16.2.2 not disclose any of the Seller Protected Information in whole or in part to any person; and
- 16.2.3 not make any use of any of the Seller Protected Information.
- 16.3 The obligations set out in Clauses 16.1 and 16.2 shall not apply, or shall cease to apply, to:
- 16.3.1 any Protected Information disclosed with the prior written consent of the Party whose Protected Information would be disclosed;
- 16.3.2 except for all Confidential Information relating to the Seller or any other member of the Seller's Group (other than the Group Companies), any Protected Information which the Buyer proposes to provide (or does provide) after Completion to any person:
- (a) to whom the Buyer is considering selling some or all of the Sale Shares (or to whom it is proposed that any Group Company (or all or a material part of the business or assets of any Group Company) be sold), or to whom it proposes to assign all or any of its rights under and in accordance with this Agreement, for the purpose of enabling the proposed transferee or assignee to evaluate the proposed transfer or assignment;
 - (b) who is a potential funder, financier or investor (together with their respective Representatives) of the Buyer or any member of the Buyer's Group, or to whom the Buyer or any member of the Buyer's Group is proposing to grant any security; or
 - (c) who is an adviser for the purpose of advising the Buyer in connection with the transactions contemplated by the Transaction Documents or by Clause 16.3.2(a);
- provided that such disclosure is essential for these purposes and, in respect of each of Clauses 16.3.2(a) to 16.3.2(c) (inclusive), that the Buyer shall procure that such person treat that Protected Information as confidential;
- 16.3.3 except for all Confidential Information relating to the Buyer or any other member of the Buyer's Group (including the Group Companies), any Protected Information which the Seller proposes to provide (or does provide) after Completion to any person who is an adviser for the purpose of advising the Seller in connection with the transactions contemplated by the Transaction Documents; provided that such disclosure is essential for these purposes and that the Seller shall procure that such person treat that Protected Information as confidential;
- 16.3.4 any Protected Information which prior to its disclosure was already lawfully known by such person (or which was subsequently disclosed or becomes available to such person):
- (a) without any obligation on such person to maintain its confidentiality or otherwise restricting its use or disclosure; and
 - (b) if such Protected Information was obtained by such person from another person, such other person was not bound by any obligation to keep such Protected Information confidential;
- 16.3.5 any Protected Information which, at the time of its disclosure or subsequently, was or has become a part of the public domain otherwise than as a consequence of a

breach of this Agreement or any other duty or obligation of confidentiality by any person; or

16.3.6 any Protected Information which the relevant Party is required to disclose by any Applicable Law, the rules or regulations of any applicable Governmental Authority or any relevant securities exchange, or by any court, arbitral body or other authority of competent jurisdiction, or any Tax Authority, in each case to which such person is subject, whether or not the same has the force of law.

16.4 The burden of proof lies with the Party seeking to rely on Clause 16.3.6 to demonstrate that any of the circumstances set out in Clause 16.3.6 applies to any Protected Information.

16.5 If the Party seeking to rely on Clause 16.3.6 is required to disclose any Protected Information for the purpose set out in Clause 16.3.6, prior to such disclosure such Party will (unless prohibited to do so by law) give to the other Party prompt written notice of the information which the first Party proposes to disclose (being the minimum amount of information consistent with satisfying its obligations) and will take into account any reasonable comments which the other Party may have in relation to the content, timing and manner of despatch of the disclosure and take such steps as the other Party may reasonably require to enable the other Party to mitigate the extent of or avoid the requirement of any such disclosure.

17. FURTHER ASSURANCE

17.1 The Seller shall, and shall procure that any Seller Related Entity shall (and shall use reasonable endeavours to procure that any relevant third party shall), at its own expense, promptly execute and deliver such documents and perform such acts as the Buyer may reasonably require from time to time for the purpose of transferring the Sale Shares and giving full effect to this Agreement and any documents entered into pursuant to this Agreement and otherwise to confer on the Buyer the full benefit of the rights, powers and remedies purported to be conferred upon the Buyer under this Agreement and any such documents.

17.2 The Buyer shall, and shall procure that any Buyer Related Person shall (and shall use reasonable endeavours to procure that any relevant third party shall), at its own expense, promptly execute and deliver such documents and perform such acts as the Seller may reasonably require from time to time for the purpose of giving full effect to this Agreement and any documents entered into pursuant to this Agreement and otherwise to confer on the Seller the full benefit of the rights, powers and remedies purported to be conferred upon the Seller under this Agreement and any such documents.

18. GOVERNING LAW AND DISPUTE RESOLUTION

18.1 This Agreement and any Dispute shall be governed by and construed in accordance with the laws of England.

18.2 Any Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration ("LCIA") then in force (the "Rules"), which are deemed to be incorporated by reference into this Clause 18 (*Governing Law and Dispute resolution*), and capitalised terms used in this Clause 18 (*Governing Law and Dispute resolution*) which are not otherwise defined in this Agreement have the meaning given to them in the Rules.

18.3 There shall be three (3) arbitrators, one of which shall be nominated by the claimant(s) and one of which shall be nominated by the respondent(s) in accordance with the Rules and the third, who shall be the Chairman of the tribunal, shall be nominated by the two party nominated arbitrators within [***] of the last of their appointments. In the event of any failure to nominate an arbitrator within the designated time period, the LCIA shall, at the written request of any

party, make the remaining appointments forthwith. Notwithstanding any provision to the contrary in the Rules, the parties and arbitrators may nominate and the LCIA may appoint arbitrators (including the Chairman of the tribunal) from among the nationals of any country, whether or not a party is a national of that country.

- 18.4 The seat, or legal place, of arbitration shall be London, England, at a location to be determined by the tribunal. The language to be used in the arbitral proceedings shall be English. Where testimony or a document is provided in a language other than English, a translation of such testimony or document shall be provided in the English language, and shall be certified as a true, complete and accurate translation by a recognised translator.
- 18.5 Any such award shall be final and binding on the Parties and judgment upon the award may be entered in any court having jurisdiction and any right of appeal under the Arbitration Act 1996 or otherwise or reference of points of law to the courts is hereby waived, to the extent that such waiver can be validly made.
- 18.6 Each Party retains the right to seek interim, provisional or conservatory measures and to confirm and enforce any arbitral award, and any such request shall not be deemed incompatible with the agreement or a waiver of the right to arbitrate. The courts of England, Cyprus, the Netherlands or the Russian Federation shall have non-exclusive jurisdiction in respect of any such interim, provisional or conservatory measure. A Party may seek confirmation or enforcement of an arbitral award in any court having jurisdiction.
- 18.7 Each Party hereby consents generally in respect of any arbitration proceedings arising out of, or in connection with, this Agreement or a Dispute hereunder to the giving of any relief or the issue of any process in connection with such proceedings including the making, enforcement or execution against any property (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings.
- 18.8 Each Party agrees that the arbitration agreement set out in this Clause 18 (*Governing Law and Dispute resolution*) and the arbitration agreement contained in each other Transaction Document (other than the Local Services Agreements and all documents entered into pursuant to the Local Services Agreements) shall together be deemed to be a single arbitration agreement.
- 18.9 Each Party consents to being joined to any arbitration commenced under any Transaction Document on the application of any other Party if the arbitral tribunal so allows, and subject to and in accordance with the Rules. Before the constitution of the arbitral tribunal, any party to an arbitration commenced pursuant to this Clause 18 (*Governing Law and Dispute resolution*) may effect joinder by serving notice on any party to any Transaction Document whom it seeks to join to the arbitration proceedings, provided that such notice is also sent to all other parties to the Dispute and the LCIA Court within [***] of service of the Request for Arbitration. The joined party will become a claimant or respondent party (as appropriate) to the arbitration proceedings and participate in the arbitrator appointment process set out in Clause 18.3.
- 18.10 An arbitral tribunal constituted under this Agreement may consolidate an arbitration hereunder with an arbitration under any other Transaction Document if the arbitration proceedings raise common questions of law or fact, and subject to and in accordance with the Rules. For the avoidance of doubt, this Clause 18.10 is an agreement in writing by all parties to any arbitrations to be consolidated for the purposes of Article 22.1(ix) of the Rules. If an arbitral tribunal has been constituted in more than one of the arbitrations in respect of which consolidation is sought pursuant to this Clause 18.10, the arbitral tribunal which shall have the power to order consolidation shall be the arbitral tribunal appointed in the arbitration with the earlier Commencement Date under Article 1.4 of the Rules (i.e., the first-filed arbitration). Notice of the consolidation order must be given to any arbitrators already appointed in relation to any of

the arbitration(s) which are to be consolidated under the consolidation order, all parties to those arbitration(s) and the LCIA Registrar. Any appointment of an arbitrator in the other arbitrations before the date of the consolidation order will terminate immediately and the arbitrator will be deemed to be discharged. This termination is without prejudice to the validity of any act done or order made by that arbitrator or by any court in support of that arbitration before that arbitrator's appointment is terminated; his or her entitlement to be paid proper fees and disbursements; and the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision. If this clause operates to exclude a Party's right to choose its own arbitrator, each Party irrevocably and unconditionally waives any right to do so.

- 18.11 To the extent permitted by Applicable Law, each Party waives any objection, on the basis that a Dispute has been resolved in a manner contemplated by Clauses 18.9 to 18.10, to the validity and/or enforcement of any arbitral award.
- 18.12 Each Party agrees that any arbitration under this Clause 18 (*Governing Law and Dispute resolution*) shall be confidential to the Parties and the arbitrators, and that each Party shall therefore keep confidential, without limitation, the fact that the arbitration has taken place or is taking place, all non-public documents produced by any other Party for the purposes of the arbitration, all awards in the arbitration and all other non-public information provided to it in relation to the arbitral proceedings, including hearings, save to the extent that disclosure may be requested by a regulatory authority, or required of it by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.
- 18.13 The law of this arbitration agreement, including its validity and scope, shall be English law.
- 18.14 This arbitration agreement shall be binding upon any person who acquires rights under this Agreement by operation of law or otherwise. Any such person who intends to commence legal proceedings in relation to a Dispute arising out of or in connection with this Agreement shall, as a precondition of commencing such proceedings, give prior written notice to all the Parties to this Agreement that it agrees to be bound by this Clause 18 (*Governing Law and Dispute resolution*).

19. MISCELLANEOUS

19.1 Entire agreement

- 19.1.1 This Agreement and other Transaction Documents constitute the whole Agreement between the Parties relating to the subject matter of this Agreement to the exclusion of any terms implied by law (to the extent that the same may be excluded by contract) and supersede any previous discussion, arrangement, understanding or agreement between the Parties (whether written or oral) in relation to such subject matter. In particular (but without limitation), this Agreement and such documents supersede the Original Agreement.
- 19.1.2 Each Party acknowledges that, in entering into this Agreement and the other Transaction Documents, it is not relying on any statement, representation, assurance or warranty of any person (whether a Party to this Agreement or not) (a "**Statement**") other than any Statement (an "**Agreed Statement**") as expressly set out in this Agreement or such other Transaction Documents.
- 19.1.3 Each Party agrees and undertakes to the other Party that:
- (a) it shall have no rights, claims or remedies (and hereby irrevocably waives any such rights, claims or remedies) in relation to any Statement (including

for any Statement made, repeated or deemed made, whether negligent or innocent) other than an Agreed Statement; and

- (b) the only rights and remedies available to it arising out of or in connection with any Agreed Statement shall be solely for breach of contract, in accordance with the provisions of this Agreement (and each Party hereby irrevocably waives any other rights and remedies in relation to any Agreed Statement (including those in tort or arising under the Misrepresentation Act 1967 or any other statute)).

19.1.4 Nothing in this Clause 19.1 shall limit or exclude any liability for fraud.

19.2 Effect of Completion

Any provision of this Agreement and any other documents referred to in it which is capable of being performed after but which has not been performed at or before Completion, and all warranties and covenants and other undertakings contained in or entered into pursuant to this Agreement, shall remain in full force and effect notwithstanding Completion.

19.3 Variation and Waiver

19.3.1 No purported variation of this Agreement shall be effective unless it is in writing, expressly refers to this Agreement, and is duly executed and signed by or on behalf of each of the Parties to this Agreement.

19.3.2 A waiver of any right or remedy under this Agreement or by law shall only be effective if given in writing and signed by the person waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

19.3.3 Failure by any Party to exercise, or any delay by any Party in exercising, any right or remedy granted to such Party under this Agreement or by law shall not constitute a waiver by that Party of that or any other right or remedy, nor shall such failure or delay prevent or restrict any further exercise by that Party of that or any other right or remedy.

19.3.4 The single or partial exercise by any Party of any right or remedy granted to such Party under this Agreement or by law shall not prevent or restrict the further exercise by that Party of that or any other right or remedy.

19.3.5 A Party which:

- (a) waives a right or remedy granted to such Party, or releases any other Party from any liability, under this Agreement or by law; or
- (b) takes or fails to take any action against another Party;

does not, and shall not be deemed to, affect its rights in relation to any other Party.

19.4 Counterparts and Creation of Agreement

This Agreement may be executed in any number of counterparts, each of which when duly executed shall constitute an original of this Agreement, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each Party has executed at least one counterpart.

19.5 Successors in Title

This Agreement shall be binding on and shall enure for the benefit of the successors in title of each Party.

19.6 Third Party Rights

19.6.1 Save as specified in Clause 19.6.2, a person who is not a Party to this Agreement shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999. This Clause 19.6.1 shall not operate to prevent any person to whom the benefit of any rights under or arising out of this Agreement have been validly assigned in accordance with Clause 19.7 from enforcing or enjoying the benefit of those rights.

19.6.2 Subject to Clause 19.6.3, where any provision of this Agreement specifically states that any person who is not a Party to this Agreement shall have the right, by virtue of the Contracts (Rights of Third Parties) Act 1999, to enforce any rights under or in connection with a provision of this Agreement, the persons so specified in such provision shall be entitled, subject to the other provisions of this Agreement, to enforce the rights specified to be granted to such persons under the relevant provision.

19.6.3 The ability of the Parties to this Agreement to terminate, amend, vary or waive any of the provisions of this Agreement, to the extent otherwise permitted or provided for in this Agreement or by law, including any provision referred to in Clause 19.6.2, shall not require the consent of any of the persons specified in Clause 19.6.2 or any other person who is not a Party to this Agreement.

19.6.4 The rights specified in Clause 19.6.2 shall not be assignable.

19.7 Assignment, Etc.

19.7.1 Save as specified in Clause 19.7.2, this Agreement is personal to the Parties and no Party shall, without the prior written consent of each other Party:

- (a) assign, transfer, mortgage, charge, declare or establish a trust of or deal in any other manner with this Agreement or any of its rights (or any claims or causes of action arising out of them) and obligations under or arising out of this Agreement (or any document referred to in it), or purport to do any of the same; or
- (b) sub-contract or delegate in any manner any or all of its obligations under this Agreement to any third Party or agent.

19.7.2 Following the period of [***] after the Integration Settlement Date, the Buyer may assign (absolutely or by way of security and in whole or in part), transfer, mortgage, or charge (for the purposes of this Clause 19.7.2, to “**assign**”) the benefit of any or all of the Seller’s obligations or any benefit arising under or out of this Agreement and/or any other Transaction Documents (for the purposes of this Clause 19.7.2, the “**benefit**”) to any Buyer Group Company at any time after serving a written notice on the Seller of its intention to exercise its rights under this Clause 19.7.2, such notice to contain the identity of the prospective assignee, transferee, mortgagee or chargee, as the case may be, (for the purposes of this Clause 19.7.2, the “**assignee**”) and the Buyer’s warranty that such assignee is a Buyer Group Company. The Buyer shall procure that (i) any subsequent assignment of any benefit is undertaken by the assignee in compliance with this Clause 19.7.2 and (ii) prior to any assignee ceasing

to be a Buyer Group Company for any reason, such assignee shall assign all benefit enjoyed by it pursuant to this Clause 19.7.2 to another Buyer Group Company. The liability of the Seller to an assignee shall be limited to the liability it would have had to the Buyer had the assignment not occurred.

19.8 Remedies

19.8.1 Safe as specified in Clause 19.8.3, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

19.8.2 Without prejudice to any other rights or remedies that any Party may have, each Party acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of this Agreement by such Party. Accordingly, each Party agrees and undertakes that each other Party shall be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this Agreement.

19.8.3

- (a) Each Party agrees and undertakes to the other Party that the only rights and remedies available to it arising out of or in connection with this Agreement or its subject matter or any other Transaction Document shall be solely for breach for contract.
- (b) Neither Party shall be entitled to rescind or (except as otherwise expressly provided in this Agreement) terminate this Agreement, for breach of contract, for negligent or innocent misrepresentation or otherwise.

19.9 Severance

19.9.1 If any provision of this Agreement (or any part of any provision) is found by any court or other body of competent jurisdiction to be invalid, illegal or unenforceable to any extent, that provision or part-provision shall:

- (a) be deemed to be modified to the minimum extent necessary so as to render such provision or part-provision valid, legal and enforceable (and, without prejudice to the preceding wording, the Parties agree to negotiate in good faith to amend such provision or part-provision so that, as amended, it is legal, valid and enforceable and, as far as possible, achieves the intended commercial result of the original provision); or
- (b) if it is not possible to modify (and/or the Parties fail to agree an appropriate amendment to) such provision or part-provision as envisaged by Clause 19.9.1, to the relevant extent, be deemed not to form part of this Agreement.

19.9.2 In the circumstances referred to in Clause 19.9, the legality, validity and enforceability of the other provisions of this Agreement (including, in relation to any part-provision, the remaining parts of the relevant provision), and, where relevant, the legality, validity and enforceability of such provision or part-provision under the law of any other jurisdiction, shall not be affected or impaired.

19.10 Notices

- 19.10.1 A notice or other communication (a “**Notice**”) given to a Party under or in connection with this Agreement shall be:
- (a) in writing and in English (or accompanied by a properly prepared translation into English);
 - (b) sent to such Party at such Party’s Notified Address; and
 - (c) sent by a Permitted Method.
- 19.10.2 “**Permitted Method**” means any of the methods set out in the first column in the table below. The second column in the table below sets out the date and time on which a Notice given by the relevant Permitted Method shall be deemed to be given (provided the relevant Notice is properly addressed and sent to the Notified Address). For the purposes of this Clause 19.10, “**Business Day**” shall mean a day on which banks are open for normal banking business at the place of receipt of the relevant notice.

Permitted Method	Date on which Notice deemed given
Personal delivery	When left at the Notified Address
Pre-paid signed for post or special delivery (or airmail, if the destination is outside of the country of origin).	9:00 a.m. on the [***] after posting
Commercial courier	Time and date of signature of the courier’s receipt at the Notified Address
E-mail	Subject to subsequent satisfaction of the requirements of Clause 19.10.9, on receipt of an automated delivery receipt or confirmation of receipt from the relevant server

- 19.10.3 In the event that, under the provisions of Clause 19.10.2, a Notice would be deemed to have been received at a time other than during normal business hours in the place of receipt (normal business hours being deemed for these purposes to be between 9:00 a.m. and 5:00 p.m. (local time) on a Business Day in the place of receipt), such Notice shall instead be deemed to have been received when business hours next start in the place of receipt.
- 19.10.4 A Notice shall be deemed to have been sent to the “**Notified Address**” of a Party if it is sent for the attention of the person, and to the address or email address, specified in Clause 19.10.5 (subject to any subsequent changes notified and effected in accordance with Clause 19.10.6).
- 19.10.5 The initial Notified Address of each of the Parties is as set out below:

Name of Party	Address	Email	Telephone number	Marked for the attention of:
FASTEN CY LIMITED	Afentrikas 3, Office 302, 6018, Larnaca, Cyprus	[***]	[***]	[***]
MLU B.V	Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands Copy to: Timothy Corbett Morgan, Lewis & Bockius UK LLP Condor House, 5-10 St. Paul's Churchyard London EC4M 8AL United Kingdom	[***]	[***]	[***]

19.10.6 If any Party wishes to make any change to its Notified Address, such Party shall inform each other Party of its new Notified Address by notice delivered in accordance with this Clause 19.10. For the purposes of this Agreement, the Notified Address of the notifying Party shall be deemed, in relation to any other Party, to have changed in accordance with such notice at the end of [***] following the day of receipt by such Party of such notice (or, if later, such date as shall be specified in the notice).

19.10.7 To prove service of any Notice, it shall be sufficient to prove that:

- (a) if sent by pre-paid signed for post, special delivery, airmail or commercial courier, a receipt was obtained for delivery at the Notified Address; or
- (b) if sent by e-mail, the e-mail containing the Notice was properly addressed to the relevant party's Notified Address and sent.

19.10.8 The provisions of this Clause 19.10 shall not apply to the service of any proceedings or other documents in any legal action.

19.10.9 In the event that the Permitted Method of delivery of a Notice is by way of e-mail to the Notified Address, the party giving such Notice shall, no later than the next Business Day after dispatch of the relevant e-mail, dispatch a copy of such Notice to the Notice recipient to which such Notice is addressed by either personal delivery or commercial courier, or, if being sent to a Notified Address, by pre-paid signed for post, special delivery or airmail.

19.11 Costs and Expenses

Save as otherwise set out in this Agreement or any document referred to in it, each Party shall pay its own costs and expenses arising in connection with the negotiation, preparation, execution, registration and performance of this Agreement (and any documents referred to in it).

19.12 Consequences of Termination

- 19.12.1 Except as provided in this Clause 19.12, no Party shall have any further obligation to any other Party or other person under this Agreement following its termination.
- 19.12.2 The following provisions shall survive termination of this Agreement and continue in full force and effect:
- (a) Clauses 1 (*Definitions and Interpretations*), 15 (*Announcements*), 16 (*Confidentiality*), 18 (*Governing Law and Dispute resolution*) and 19 (*Miscellaneous*) (the “**Surviving Provisions**”).
- 19.12.3 Termination of this Agreement shall not affect any rights, remedies, obligations or liabilities of the Parties that have accrued or become due prior to termination, including as a result of any breach of the Agreement which occurred or existed prior to termination.
- [***].

SCHEDULE 1
INFORMATION ABOUT THE SELLER AND THE GROUP

SCHEDULE 2
COMPLETION STATEMENT PRINCIPLES

SCHEDULE 3
FORM OF THE DRAFT COMPLETION STATEMENT

**SCHEDULE 4
EMPLOYEE MATTERS**

**SCHEDULE 5
TAX INDEMNITY**

SCHEDULE 6
COMPLETION ARRANGEMENTS

**SCHEDULE 7
SELLER WARRANTIES**

**SCHEDULE 8
BUYER WARRANTIES**

**SCHEDULE 9
THE PROPERTIES**

SCHEDULE 10
THE INTELLECTUAL PROPERTY RIGHTS

SCHEDULE 11
POST-COMPLETION INTEGRATION

SCHEDULE 12
GROUP TELEPHONE NUMBERS

**SCHEDULE 13
COUNTRIES LIST**

IN WITNESS of which this Agreement has been executed on the date written at the start of this Agreement.

EXECUTED by
for and on behalf of **FASTEN CY LIMITED**
by Michail Louca
Managing Director

)
)
)
/s/ Michail Louca

Signature Page 1 – SPA

EXECUTED by
for and on behalf of **MLU B.V.**
by Philipp Lebedev,
Managing Director B

)
)
)
/s/ Philipp Lebedev

Signature Page 2 – SPA

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

23 June 2020

**YANDEX N.V.
SBERBANK OF RUSSIA
"DIGITAL ASSETS" LIMITED
YANDEX.MARKET B.V.
"PS YANDEX MONEY" LLC
"YANDEX.MONEY" NBCO LLC
YANDEX.MARKET LLC
YANDEX LLC
STICHTING YANDEX.MARKET EQUITY INCENTIVE
EDADEAL PROMO LLC
YANDEX.DRIVE LLC
YANDEX.OFD LLC
YANDEX.CLOUD LLC
YANDEX.HEALTH CLINIC LLC
YANDEX.CLASSIFIEDS LLC
YANDEX.MARKET LAB LLC
YANDEX E-COMMERCE LIMITED
CENTER OF LOYALTY PROGRAMS JSC**

FRAMEWORK AGREEMENT

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CLAUSE

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Exhibits

[**]

THIS FRAMEWORK AGREEMENT (this “**Agreement**”) is made on 23 June 2020

BETWEEN:

- (1) **YANDEX N.V.**, a public limited liability company incorporated under the laws of the Netherlands (*naamloze vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, and its office at Schiphol Boulevard 165, 1118BG Schiphol, the Netherlands, and registered with the Dutch Trade Register of the Chamber of Commerce under number 27265167 (“**YNV**”);
- (2) **SBERBANK OF RUSSIA**, a public joint stock company incorporated under the laws of the Russian Federation whose registered office is at 19 Vavilova St., 117997 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1027700132195 (“**Sberbank**”);
- (3) “**DIGITAL ASSETS**” **LIMITED**, a limited liability company incorporated under the laws of the Russian Federation whose registered office is at 19 Vavilova St., 117997 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 5157746082160 (“**Digital Assets**”);
- (4) **YANDEX.MARKET B.V.**, a private company with limited liability incorporated under the laws of the Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, and its office at Schiphol Boulevard 165, 1118BG Schiphol, the Netherlands, and registered with the Dutch Trade Register of the Chamber of Commerce under number 66115582 (“**YM**”);
- (5) “**PS YANDEX.MONEY**” **LLC** (ООО «ПС Яндекс.Деньги»), a limited liability company incorporated under the laws of the Russian Federation whose registered office is at Build. 2, 82 Sadovnicheskaya St., 115035 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1077746365113 (“**YD**”);
- (6) “**YANDEX.MONEY**” **NBCO LLC** (ООО НКО «Яндекс.Деньги»), a “non-banking credit organisation” organised under the laws of the Russian Federation whose registered office is at Build. 2, 82 Sadovnicheskaya St., 115035 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1127711000031 (“**YD Credit**”);
- (7) **YANDEX.MARKET LLC**, a limited liability company incorporated under the laws of the Russian Federation, whose registered office is at Floor 5, Build. 44, 11 Timura Frunze St., 119021 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1167746491395 (“**YMLLC**”);
- (8) **YANDEX LLC** (ООО «ЯНДЕКС»), a limited liability company incorporated under the laws of the Russian Federation, whose registered office is at 16 Lva

Tolstogo Street, 119021, Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1027700229193 (“**YLLC**”);

- (9) **STICHTING YANDEX.MARKET EQUITY INCENTIVE**, a foundation incorporated under the laws of the Netherlands, whose registered office is at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands, and registered with the trade register of the Chamber of Commerce under number 71530975 (“**Stichting**”);
- (10) **EDADEAL PROMO LLC** (ООО «Едадил Промо»), a limited liability company incorporated under the laws of the Russian Federation whose registered address is at Room 14, Premise 1, Floor 3, Build. 2, 11 Timura Frunze St., 119021 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 5157746114477 (“**Yedadeal**”);
- (11) **YANDEX.DRIVE LLC** (ООО «Яндекс.Драйв»), a limited liability company incorporated under the laws of the Russian Federation whose registered address is at Premise 5F17, 75 Sadovnicheskaya Emb., 115035 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 5177746277385 (“**YDrive**”);
- (12) **YANDEX.OFD LLC** (ООО «Яндекс.ОФД»), a limited liability company incorporated under the laws of the Russian Federation whose registered address is at Build. 44, 11 Timura Frunze St., 119034 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1167746503231 (“**YOFD**”);
- (13) **YANDEX.CLOUD LLC** (ООО «Яндекс.Облако»), a limited liability company incorporated under the laws of the Russian Federation, whose registered office is at Premise 528, 16 Lva Tolstogo Street, 119021 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1187746678580 (“**YCloud**”);
- (14) **YANDEX.HEALTH CLINIC LLC** (ООО «Клиника Яндекс.Здоровье»), a limited liability company incorporated under the laws of the Russian Federation, whose registered office is at Premise 9109, 16 Lva Tolstogo Street, 119021 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 5177746308394 (“**YHealth**”);
- (15) **YANDEX.CLASSIFIEDS LLC** (ООО «Яндекс.Вертикали»), a limited liability company incorporated under the laws of the Russian Federation whose registered address is at Premise 3A06, Build. 2, 82 Sadovnicheskaya St., 115035 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 5157746192742 (“**YClassifieds**”);
- (16) **YANDEX.MARKET LAB LLC** (ООО «Яндекс.Маркет Лаб»), a limited liability company incorporated under the laws of the Russian Federation whose registered address is at 16 Lva Tolstogo Street, Moscow, 119021, Russia and

registered with the Unified State Register of Legal Entities under number 1167746241222 (“**YMLAB**”);

- (17) **YANDEX E-COMMERCE LIMITED**, a private company limited by shares incorporated under the laws of Hong Kong, having its official seat in Hong Kong, and its place of business at Level 09, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong, and registered in the Trade Register under number 2737825 (“**YE-Commerce**”); and
- (18) **CENTER OF LOYALTY PROGRAMS JSC** (АО «Центр Программ Лояльности»), a joint stock company incorporated under the laws of the Russian Federation whose registered address is at Premise No. 505/506, 5 1st Derbenevsky Per., 115114 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1117746689840 (“**CLP**”).

WHEREAS:

- (A) On the terms, and subject to the conditions, contained in this Agreement and the other Transaction Documents (as such term is defined below), amongst other things: (a) YNV has agreed to sell, and Digital Assets has agreed to purchase, the YD Share (as such term is defined below); (b) Digital Assets has agreed to sell, and YNV has agreed to purchase, the YM Shares (as such term is defined below); (c) the Parties have agreed to terminate the Terminated Agreements (as such term is defined below); and (d) the Parties have agreed that, for a transitional period following Closing, certain services are to be provided pursuant to certain Ancillary Agreements (as such term is defined below) to be entered into by certain of the Parties prior to Closing.

IT IS AGREED as follows:

1. INTERPRETATION

Definitions

1.1 In this Agreement:

“**AA Claim**” means a claim by an AA Claimant against an AA Respondent pursuant to any AA Indemnity;

“**AA Claim Arbitral Tribunal**” has the meaning given in Clause 14.1(a);

“**AA Claimant**” means:

- (a) any member of the YM Group in the case of an AA Claim pursuant to the YM AA Indemnity;
- (b) any member of the YNV Group in the case of an AA Claim pursuant to the YNV AA Indemnity; or

(c) any member of the YD Group in the case of an AA Claim pursuant to the YD AA Indemnity;

“**AA Indemnity**” means the YD AA Indemnity, the YM AA Indemnity or the YNV AA Indemnity, as the context requires;

“**AA Respondent**” means:

(a) Sberbank in the case of an AA Claim pursuant to the YM AA Indemnity;

(b) YD in the case of an AA Claim pursuant to the YNV AA Indemnity; or

(c) YNV in the case of an AA Claim pursuant to the YD AA Indemnity;

“**Actual Determined Amount**” has the meaning given in Clause 14.1(b);

“**Actual Tax Liability**” means:

(a) when such term is used in the YM Tax Covenant, any liability of any member of the YM Group to make or suffer an actual payment of, in respect of or on account of Tax (including payments of or on account of Tax for which any member of the YM Group: (a) is not primarily liable; or (b) has indemnified another person, but in either case only to the extent that such payment reflects the application to any member of the YM Group of the unreasonable tax benefit concept under art.54.1 of the Russian Tax Code) arising in respect of or as a consequence of an Event which occurred in the period from and including 27 April 2018, but on or before Closing, or in respect of or with reference to any Income, Profits or Gains which were earned, accrued or received in the period from and including 27 April 2018, but on or before Closing, with the amount of the Actual Tax Liability being the amount of the actual payment plus the amount of any reasonable and documented costs and expenses suffered or incurred by the YM Group in connection with any such liability; or

(b) when such term is used in the YD Tax Covenant, any liability of any member of the YD Group to make or suffer an actual payment of, in respect of or on account of Tax (including payments of or on account of Tax for which any member of the YD Group: (a) is not primarily liable; or (b) has indemnified another person but in either case only to the extent that such payment reflects the application to any member of the YD Group of the unreasonable tax benefit concept under art.54.1 of the Russian Tax Code) arising in respect of or as a consequence of an Event which occurred on or before Closing or in respect of or with reference to any Income, Profits or Gains which were earned, accrued or received on or before Closing, with the amount of the Actual Tax Liability being the amount of the actual payment plus the amount of any reasonable and documented costs and expenses suffered or incurred by the YD Group in connection with any such liability;

“**Affiliate**” means, in relation to any person, any other person which, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with such person **PROVIDED THAT**:

- (c) the Central Bank of the Russian Federation, the government of the Russian Federation, any bodies or subdivisions thereof and any entities Controlled by them (other than through Sberbank) shall not be deemed to be an Affiliate of Sberbank (and vice versa); and
- (d) with effect from Closing:
 - (i) no member of the YM Group shall be deemed to be an Affiliate of any of the Sberbank Parties; and
 - (ii) no member of the YD Group shall be deemed to be an Affiliate of any of the YNV Parties;

“**Agreed Form**” in relation to any document means that document in a form agreed by each of the Parties on or before the date of this Agreement and initialled (or otherwise confirmed electronically) for the purposes of identification by each of them or on its behalf (including by its legal advisers), with only changes to such form as the Parties may agree in writing prior to Closing;

“**Ancillary Agreements**” means the YD Ancillary Agreements and the YM Ancillary Agreements;

“**Applicable Laws**” means all laws, statutes, binding statutory guidance, rules or regulations enacted in any jurisdiction and all rules, regulations, ordinances, judgments, decrees, decisions, writs, awards, orders, directives, guidelines and policies duly made by any Authority which have the force of law (including international treaties or any other agreements to which an Authority is a party), in each case, to the extent applicable to and binding upon the relevant person, or to the extent applicable to this Agreement or the subject matter hereof, as the context requires;

“**Assumed Amount**” has the meaning given in Clause 14.1(c);

“**Authority**” means any domestic, federal, state, local, municipal, foreign, national, regional or supranational government or governmental, regulatory, administrative, fiscal, judicial or government-owned agency, authority, board, body, bureau, central bank, commission, court, department, tribunal, arbitral tribunal or entity or instrumentality or arbitrator of any kind;

“**Barus LLC**” means BARUS LLC (ООО «БАРУС»), a limited liability company incorporated under the laws of the Russian Federation whose registered office is at Room 1, Premises IB, Floor 1, 32 Leninsky Avenue, 119334 Moscow, Russia and registered with the Unified State Register of Legal Entities under number 1197746639860;

“**Barus LLC Agreements**” means Agreement No. 10212535, dated 24 December 2018, in relation to pick-up points sublease, as amended by the Additional Agreement No. 1, dated 18 October 2019, Additional Agreement No 2, dated 31 October 2019, and Additional Agreement No 3 dated 24 November 2019, between Barus LLC and YMLLC;

“**Beneficiary**” has the meaning given in Clause 8.4;

“**Brand Sale Agreement**” means the YD Ancillary Agreement in the Agreed Form referred to in Schedule 5 as Exhibit YD 7;

“**Breaching Party**” means a [***], a [***] or a [***], as the context requires;

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Moscow (Russia), Amsterdam (The Netherlands), Hong Kong and Zurich (Switzerland);

“**Change of Control Event**” means a YD Change of Control Event or a YM Change of Control Event, as the context requires;

“**Claim**” means a claim or counterclaim of any kind pursuant to, resulting from, arising out of or in connection with this Agreement or any of the other Transaction Documents or any of the Transactions, howsoever arising, including any AA Claim, [***] General Claim, General Warranty Claim, Tax Claim, Title Claim and Russian Third Party Indemnity Claim;

“**Claim Notice**” has the meaning given in Clause 13.1;

“**Claimant Party**” means any AA Claimant with respect to any AA Claim, any General Warranty Claimant with respect to any General Warranty Claim, any Tax Claimant with respect to any Tax Claim, any Title Claimant with respect to any Title Claim, any [***] any Russian Third Party Indemnity Claimant with respect to any Russian Third Party Indemnity Claim and any other claimant Party with respect to any General Claim;

“**Closing**” means completion of the YM Transaction and the YD Transaction in accordance with Clause 7;

“**Closing Actions**” has the meaning given in Clause 7.6;

“**Closing Date**” has the meaning given in Clause 7.5;

“**Company Group**” means the YM Group or the YD Group, as the context requires;

“**Company Relief**” means:

- (a) when such term is used with respect to the YM Tax Covenant, any Relief of any member of the YM Group to the extent that the same arises as a consequence of

or by reference to an Event occurring after Closing or in respect of a period commencing after Closing; or

- (b) when such term is used with respect to the YD Tax Covenant, any Relief of any member of the YD Group to the extent that the same arises as a consequence of or by reference to an Event occurring after Closing or in respect of a period commencing after Closing;

“**Conditions**” has the meaning given in Clause 5.1;

“**Confidential Information**” has the meaning given in Clause 18.1;

“**[***]**” means [***] or a [***], as the context requires;

“**Connected Persons**” means, in relation to a Party, any of its Affiliates and such Party’s and such Affiliate’s respective former and current directors, officers, employees, agents, consultants and legal and beneficial shareholders (whether direct or indirect);

“**Consideration**” means the YM Consideration or the YD Consideration (as the context requires);

“**Consideration Balance**” has the meaning given in Clause 3.2(b);

“**Control**” means, with respect to any entity:

- (a) the ownership or control (directly or indirectly) of more than 50 per cent. of the voting share capital of such entity;
- (b) the right, power or ability, whether exercised or held directly or indirectly (excluding through any unexercised call options, warrants or similar instruments, except for any unexercised call options, warrants or similar instruments that grant such right, power or ability) to direct the casting of, or to exercise voting rights with respect to, more than 50 per cent. of the total votes exercisable at any general meeting (or equivalent) of such entity on all, or substantially all, matters;
- (c) the right to receive (directly or indirectly) the majority of the income of such entity on any distribution by it of all of its income or the majority of its assets on a winding up;
- (d) the right to appoint or remove the sole executive body or such members of the board of directors (or of any of its committees replicating such entity’s board powers) of such entity as hold a majority of the voting rights at meetings of such board (or committee) on all, or substantially all, matters or the right to appoint or remove any executive director of such entity; or
- (e) any right, power or ability, whether exercised or held directly or indirectly (excluding through any unexercised call options, warrants or similar

instruments, except for any unexercised call options, warrants or similar instruments that grant such right, power or ability) to exercise a dominant influence over such entity, to issue binding instructions or otherwise to direct or cause the direction of the management, policies or activities of such entity,

in each case, whether through the ownership or holding of securities or other equity interests, or pursuant to any constitutional document, contract or other document regulating such entity or to which such entity is subject, and whether acting alone or with other persons, and “**Controlled**” and “**Controlling**” shall be construed accordingly;

“**DA Account**” means the bank account opened in the name of Digital Assets with the following details: [***], or such other account as may be notified by Digital Assets to YNV in writing at least [***] prior to the Closing Date;

“[***]” means a claim by a [***] against a [***] pursuant to [***];

“[***]” means:

- (a) any member of the [***] pursuant to the [***]; or
- (b) any member of the [***] in the case of a [***] pursuant to the [***];

“[***]” means the [***] or the [***], as the context requires;

“[***]” means any and all losses, damages, expenses, fines, penalties, liabilities and costs (including reasonable and properly documented legal costs and attorneys’, experts’ and consultants’ fees);

“[***]” means:

- (a) Sberbank and/or YD in the case of a [***] pursuant to the [***]; or
- (b) YNV and/or YM in the case of a [***] pursuant to the [***];

“**Deed of Transfer**” means the notarial deed of transfer to effect the transfer of the YM Shares from Digital Assets to YNV substantially in the Agreed Form contained in Exhibit 1;

“**Deemed Tax Liability**” means:

- (a) when such term is used in the YM Tax Covenant, the use or set-off of a Company Relief (as defined in paragraph (a) of the definition of such term) against any Actual Tax Liability or against any Income, Profits or Gains of any member of the YM Group earned, accrued or received in the period from and including 27 April 2018, but on or before Closing, where, but for such use or set off, YNV would have been entitled to make a claim under the YM Tax Covenant, in which case the amount of the Deemed Tax Liability shall be equal to the amount which would have been payable in the absence of the use or set

off of that Company Relief plus any reasonable and documented costs and expenses suffered or incurred by the YM Group in connection with any such use or set off of a Company Relief; or

- (b) when such term is used in the YD Tax Covenant, the use or set-off of a Company Relief (as defined in paragraph (b) of the definition of such term) against any Actual Tax Liability or against any Income, Profits or Gains of any member of the YD Group earned, accrued or received on or before Closing where, but for such use or set off, Digital Assets would have been entitled to make a claim under the YD Tax Covenant, in which case the amount of the Deemed Tax Liability shall be equal to the amount which would have been payable in the absence of the use or set off of that Company Relief plus any reasonable and documented costs and expenses suffered or incurred by the YD Group in connection with any such use or set off of a Company Relief;

“**Defaulting Party**” has the meaning given in Clause 6.14;

“**Dispute**” has the meaning given in Clause 30.1;

“**Dutch Notary**” means any civil law notary of Van Doorne N.V. or such civil law notary’s deputy or successor;

“**Dutch Power of Attorney**” means the powers of attorney substantially in the Agreed Form contained in Exhibit 2;

“**Encumbrance**” means:

- (a) any direct or indirect interest, right or equity of any person (including any right to acquire, option or right of pre-emption or first offer or first refusal);
- (b) any claim, mortgage, charge, pledge, lien, assignment, attachment, option, power of sale, easement, encumbrance, debenture, hypothecation, security interest, trust arrangement, title retention or other security agreement, arrangement or third party right;
- (c) any restriction on use, voting, transfer or receipt of income; or
- (d) any restriction on exercise or any other attribute of ownership,

in each case, of any kind whatsoever and howsoever created or arising, including any agreement, arrangement or obligation to create or permit any of the foregoing;

“**Event**” means any event, transaction (including the execution of any Transaction Document and Closing), action, circumstance or omission whether alone or in conjunction with any other event, transaction, action, circumstance or omission and includes further (without limitation) becoming, being or ceasing to be a member of a group of companies (however defined) for the purposes of any Tax; and in this Agreement, references to an “**Event**” occurring on or before a particular date shall include an Event deemed for the purposes of any Tax to occur or which is otherwise

treated or regarded as occurring on or before such date, and references to an “**Event**” occurring after a particular date shall include an Event deemed for the purposes of any Tax to occur or which is otherwise treated or regarded as occurring after such date;

“**Extended Long Stop Date**” has the meaning given in Clause 5.8;

“**FAS**” means the Federal Anti-Monopoly Service of the Russian Federation;

“**FAS Approval**” means the approval with respect to the YM Transaction issued by the FAS under Federal Law No. 135-FZ “On Protection of Competition”, dated 26 July 2006 (as amended), with such approval being unconditional and free from any obligations (contractual or otherwise) on the YNV Group, or otherwise subject only to conditions or obligations which are satisfactory to YNV in its reasonable opinion, and such approval remaining in full force and effect;

“**Finally Determined AA Claim**” has the meaning given in Clause 14.1(d);

“**Full Title Guarantee**” means with the benefit of the implied covenants set out in Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 when a disposition is expressed to be made with full title guarantee;

“**General Claim**” means a Claim other than an AA Claim, [***], General Warranty Claim, Tax Claim or Title Claim;

“**General Warranties**” means the warranties contained in Clause 10.1;

“**General Warranty Claim**” means a claim made by one Party (the “**General Warranty Claimant**”) against another Party (the “**General Warranty Respondent**”) with respect to or for breach of any of the General Warranties, including any claim pursuant to the indemnity contained in Clause 10.2;

“**General Warranty Claimant**” has the meaning given in the definition of General Warranty Claim;

“**General Warranty Respondent**” has the meaning given in the definition of General Warranty Claim;

“**Income, Profits or Gains**” means income, receipts, turnover, revenue, profits, chargeable gains and any other similar measure by reference to which Tax is chargeable or assessed; and in this Agreement references to “**Income, Profits or Gains**” earned, accrued or received on or before a particular date or in respect of a particular accounting period or part of an accounting period includes Income, Profits or Gains which are deemed for the purposes of any Tax to have been earned, accrued or received at or before that date or in respect of that accounting period or that part of an accounting period;

“[***]” means a [***], a [***] or a [***], as the context requires;

“[***]” means a [***], a [***] or a [***], as the context requires;

“[***]” means a [***], a [***] or a [***], as the context requires;

“[***]” means a [***] or a [***], as the context requires;

“**Insolvency Event**” means, in relation to any person:

- (a) any admission by such person of its inability to pay its debts as they fall due, or the suspension of payment on any of its debts (other than where it is disputing such payment in good faith) or the announcement of its intention to do so;
- (b) any step by such person with a view to a composition, moratorium, assignment or similar arrangement with any of its creditors;
- (c) any convening by such person, its directors or its members of a meeting for the purpose of considering any resolution for, or any proposal to petition for, or to file documents with the court for, its winding up, administration (whether out of court or otherwise) or dissolution or any such resolution being passed;
- (d) any request by the directors or other officers of such person for the appointment of, or the giving of any notice of their intention to appoint, or the taking of any step with a view to appointing, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (whether out of court or otherwise), viscount or similar officer;
- (e) any other voluntary action by such person in furtherance of its liquidation, administration (out of court or otherwise), reorganisation, dissolution, bankruptcy (or the termination of its corporate status); or
- (f) with respect to any person, the occurrence of the equivalent of any of the above in any jurisdiction;

“[***]” has the meaning given in Clause 6.14;

“**HKIAC**” has the meaning given in Clause 30.1;

“**HKIAC Rules**” has the meaning given in Clause 30.1;

“**JPM Correspondent Account**” means the bank account with the following details:

[***]

or such other correspondent bank account relating to YNV’s paying bank as may be agreed between YNV and Sberbank prior to the Closing Date;

“**KAZ Approval**” means approval with respect to the YM Transaction issued by the Committee for the Regulation and Protection of Competition of the Ministry of National Economy of the Republic of Kazakhstan under the Commercial Code of the

Republic of Kazakhstan No. 375-V, dated 29 October 2015, with such approval being unconditional and free from any obligations (contractual or otherwise) on the YNV Group, or otherwise subject only to conditions or obligations which are satisfactory to YNV in its reasonable opinion, and such approval remaining in full force and effect;

“**Long Stop Date**” means [***];

“**Losses**” means any losses, damages, claims, costs and expenses (including reasonable and properly documented legal costs and attorneys’, experts’ and consultants’ fees (but excluding any internal costs and expenses), but **EXCLUDING** (a)

any indirect or consequential losses; (b) loss of profit or revenue (whether direct or indirect); and (c) any punitive or exemplary damages (whether direct or indirect);

“[***]” means any of the following:

- (a) [***];
- (b) [***];
- (c) [***];
- (d) [***]; or
- (e) [***],

each as determined pursuant to the problem classification set out in clause 1.3 of the SLA;

“**Non Defaulting Party**” has the meaning given in Clause 6.15;

“[***]” means obligations of YLLC under the YD Ancillary Agreements (other than the [***]) and YNV Group’s obligations set out in Clause 9.22;

“**Outgoing Directors**” means:

- (a) in respect of YM: Lev Khasis, Andrei Vanin and Gabriel Nouri; and
- (b) in respect of YD: Gregory Abovsky, Tigran Khudaverdyan and Vadim Marchuk;

“[***]” means [***];

“**Party**” means a party to this Agreement and includes any permitted assignee of such party in accordance with this Agreement and any successor to such party;

“**Permitted Agreement**” has the meaning given in Clause 14.1(e);

“[***]” has the meaning given in [***];

“**Qualifying Claim**” has the meaning given in Clause 13.12;

“[***]” means Limited Liability Company [***];

“**Relevant Company**” means:

- (a) YM in the context of the sale and purchase of the YM Shares; and
- (b) YD in the context of the sale and purchase of the YD Share;

“**Relevant Indemnifier**” has the meaning given in Clause 12.5;

“**Relevant Proportion**” means:

- (a) [***]; and
- (b) [***];

“**Relevant Protected Person**” has the meaning given in Clause 12.5;

“**Relevant Purchaser**” means (as the context requires):

- (a) YNV in the context of the sale and purchase of the YM Shares; and
- (b) Digital Assets in the context of the sale and purchase of the YD Share;

“**Relevant Sberbank Agreements**” has the meaning given in Clause 9.7;

“**Relevant Sberbank Data/Services**” has the meaning given in Clause 9.7;

“**Relevant Seller**” means (as the context requires):

- (a) YNV in the context of the sale and purchase of the YD Share; and
- (b) Digital Assets in the context of the sale and purchase of the YM Shares;

“**Relevant Shares**” means the YM Shares or the YD Share (as the case may be);

“**Relevant SPAs**” means the Russian SPA and the Deed of Transfer;

“[***]” has the meaning given in [***];

“[***]” has the meaning given in [***];

“**Relief**” means any relief, loss, allowance, credit, exemption, deduction or set off, or any right to repayment of Tax;

“**Representatives**” has the meaning given in Clause 18.1;

“**Resignation Letter**” means a letter in the relevant form contained in Schedule 8;

“Respondent Party” means any AA Respondent with respect to any AA Claim, any General Warranty Respondent with respect to any General Warranty Claim, any Tax Respondent with respect to any Tax Claim, any Title Respondent with respect to any Title Claim, [***], any Russian Third Party Indemnity Respondent with respect to any Russian Third Party Indemnity Claim and any other respondent or recipient Party with respect to any General Claim made by any other Party;

“Russian Notary” means [***];

“Russian SPA” means the sale and purchase agreement to effect the legal transfer of the YD Share from YNV to Digital Assets in the Agreed Form contained in Exhibit 3;

“Russian SPA Signing Date” has the meaning given in Clause 7.1;

“Russian Third Party Claim” has the meaning given in Clause 12.5;

“Russian Third Party Claim Indemnity” has the meaning given in Clause 12.5;

“Russian Third Party Indemnity Claim” means a claim by a Russian Third Party Indemnity Claimant against a Russian Third Party Indemnity Respondent pursuant to the Russian Third Party Claim Indemnity;

“Russian Third Party Indemnity Claimant” means the Relevant Protected Person;

“Russian Third Party Indemnity Respondent” means the Relevant Indemnifier;

“Sale Transaction” means the YM Transaction or the YD Transaction (as the case may be);

“Sanctioned Person” means (a) any person that is the target of Sanctions, (b) any person listed in any Sanctions-related list of sanctioned persons maintained by the Sanctions Authorities; (c) any person organised or resident in a Sanctioned Territory; or (d) any person directly or indirectly owned or controlled (as such terms are interpreted in accordance with relevant Sanctions) by any such person or persons; **PROVIDED HOWEVER**, that none of Sberbank, YD nor their respective Affiliates or subsidiaries shall be considered a “Sanctioned Person” for the purposes of this Agreement as a result of Sanctions to which they are subject that are sectoral in nature as at the date of this Agreement, including under Directive 1 of Executive Order 13662 or Article 5(1) of Council Regulation (EU) 833/2014, as amended;

“Sanctioned Territory” means, at any time, a country or territory which is itself the subject or target of any country-wide or territory-wide Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria);

“Sanctions” means economic or financial sanctions or trade embargoes imposed and administered from time to time by any Sanctions Authority;

“Sanctions Authority” means any of the following: the U.S. government through the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or

the U.S. Department of State, the United Nations Security Council, the European Union, the Netherlands or the United Kingdom;

“[***]” has the meaning given to it in [***];

“[***]” has the meaning given to it in [***];

“[***]” has the meaning given to it in [***];

“[***]” has the meaning given to it in [***];

“**Sberbank Group**” means the Sberbank Parties and each of their respective Affiliates from time to time, including (with effect from Closing) the YD Group;

“**Sberbank Parties**” means Sberbank, Digital Assets, CLP, and (with effect from Closing) the YD Group;

“**Sberbank Pickup Points Lease Agreements**” means (i) Agreement No. 10160944, dated 26 January 2018 in relation to pick-up points lease, as amended by the Additional Agreement No. 1, dated on or around 1 January 2019 and the Additional Agreement No. 2, dated on or around 2 January 2020, between Sberbank and YMLLC; and (ii) Agreement No. 4A, dated 16 December 2019, in relation to pick-up points lease, between Sberbank and YMLLC;

“**Service Termination Event**” means any intentional or fraudulent unilateral termination by any member of the YNV Group of any YD Ancillary Agreement referred to in Schedule 5 as Exhibits YD 1 to YD 4 (inclusive) where such termination is not in accordance with the terms of the relevant YD Ancillary Agreement, and where such termination has resulted in the non-availability of the Service (as such term is defined in the relevant YD Ancillary Agreement referred to in Schedule 5 as Exhibits YD 1 to YD 4 (inclusive)) required to be provided under such YD Ancillary Agreement, **BUT EXCLUDING** any termination that results in a [***];

“**Services**” means, with respect to any person, any internal services, software, platform or other infrastructure operated internally by such person, which is (or are) only accessible by such person, or its Affiliates or its or their respective officers, directors, employees and agents (subject to and in accordance with internal rules) and is (or are) not accessible by external users;

“**Shares**” means the YM Shares and the YD Share, and “**Share**” means any part thereof;

“**Shortfall Amount**” has the meaning given in Clause 14.1(f);

“**SLA**” means a service level agreement entered into between YLLC and YD Credit on the date of this Agreement, in the Agreed Form contained in Exhibit YD 24;

“**Surviving Provisions**” means Clauses 1 (*Interpretation*), 13 (*Limitations on Liability*), 17 (*Announcements*), 18 (*Confidentiality*), 19 (*Language*), 20 (*Notices*), 21

(Assignment), 22 (Costs, Taxes and expenses), 23 (Invalidity), 24 (Third party rights), 27 (Variation and waiver), 28 (Whole agreement), 29 (Governing law) and 30 (Arbitration);

“**SWIFT Confirmation**” has the meaning given in paragraph 2.2 of Schedule 1;

“**Tax**” or “**Taxation**” means all forms of taxation, withholding taxes of any nature, levies, duties, governmental fees, imposts, contributions or charges in the nature of Tax, wherever and however imposed, including without limitation: corporate income tax, wage withholding tax, personal income tax, trade tax and social security contributions, VAT, customs duties and excise duties, capital duty, transfer tax on civil law transactions, dividend tax, stamp duty, (municipal) real estate (transfer) tax and other municipal taxes and levies, anti-pollution taxes and levies due and payable, levied or announced by virtue of law in any jurisdiction, together with all penalties, charges, fines and interest relating thereto;

“**Tax Authority**” means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function or otherwise having authority in the assessment, collection or administration of Tax;

“**Tax Claim**” means a claim by a Tax Claimant against a Tax Respondent pursuant to any Tax Covenant;

“**Tax Claimant**” means:

- (a) YNV in the case of a Tax Claim against Digital Assets and/or Sberbank pursuant to the YM Tax Covenant; or
- (b) Digital Assets in the case of a Tax Claim against YNV pursuant to the YD Tax Covenant;

“**Tax Covenant**” means the YD Tax Covenant or the YM Tax Covenant, as the context requires;

“**Tax Respondent**” means:

- (a) Sberbank and/or Digital Assets in the case of a Tax Claim made by YNV pursuant to the YM Tax Covenant; or
- (b) YNV in the case of a Tax Claim made by Digital Assets pursuant to the YD Tax Covenant;

“**Terminated Agreements**” means the YD Terminated Agreements and the YM Terminated Agreements;

“**Termination Agreements**” means the termination agreements to effect the termination of any Russian law-governed Terminated Agreements, in the Agreed Form contained in Exhibit 4;

“**Third Party**” has the meaning given in Clause 24.1;

“**[***]**” means a [***] as determined pursuant to the problem classification set out in clause 1.3 of the SLA;

“**Title Claim**” means a claim by a Title Claimant against a Title Respondent with respect to or for breach of any of the Title Warranties or pursuant to any indemnity contained in Clause 10.4 or 10.6;

“**Title Claimant**” means:

- (a) YNV in the case of a Title Claim with respect to or for breach of any of the YM Warranties or pursuant to the indemnity contained in Clause 10.4; or
- (b) Digital Assets in the case of a Title Claim with respect to or for breach of any of the YD Warranties or pursuant to the indemnity contained in Clause 10.6;

“**Title Respondent**” means:

- (a) Digital Assets and/or Sberbank in the case of a Title Claim with respect to or for breach of any of the YM Warranties or pursuant to the indemnity contained in Clause 10.4; or
- (b) YNV in the case of a Title Claim with respect to or for breach of any of the YD Warranties or pursuant to the indemnity contained in Clause 10.6;

“**Title Warranties**” means the YM Title Warranties and the YD Title Warranties;

“**TM Licence Agreement**” means the Yandex Money Trademark Licence Agreement between YLLC and YD Credit to be entered on the date of this Agreement, being the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 6;

“**Transaction Documents**” means this Agreement, the Deed of Transfer, the Russian SPA, the Termination Agreements, each of the Ancillary Agreements, the SLA and any other documents and agreements referred to herein and therein and any other documents and agreements entered or to be entered into pursuant thereto, in each case, other than the Terminated Agreements;

“**Transactions**” means the transactions contemplated by this Agreement and the other Transaction Documents, including the Sale Transactions;

“**Transfer Taxes**” means sales, use, registration, stamp, documentary or similar Taxes and duties imposed by any Tax Authority, in each case, in relation to any Sale Transaction, but excluding any Taxes based on or attributable to gains arising by reason of any of the Transactions;

“**USRLE**” means the Unified State Register of Legal Entities of the Russian Federation;

“**USRLE Extract**” has the meaning given in Clause 7.2;

“**VAT**” means any value added Tax, goods and services Tax, turnover or sales Tax, or other equivalent indirect Tax, including any interest, penalties, or additions to such Tax, in any jurisdiction;

“**Waived Claim**” means a claim, potential claim, counterclaim, potential counterclaim, right of set-off, indemnity, suit, action, cause of action, right or interest of any kind and nature whatsoever, whether known or unknown, suspected or unsuspected, however (including whether under statute, common law, contract or otherwise) and whenever arising and in whatever capacity and in whatever jurisdiction and under any law whatsoever;

“**Waiver Letter**” means the offer letter and the waiver letter in the Agreed Form contained in Exhibit 6;

“**Waiving Party**” has the meaning given in Clause 8.4;

“**Warranties**” means the General Warranties and the Title Warranties;

“**Working Hours**” means 8.00 a.m. to 5.00 p.m. local time on a Business Day;

“**[***]**” has the meaning given in [***];

“**YD AA Indemnity**” has the meaning given in Clause 12.3;

“**YD Ancillary Agreements**” means those ancillary agreements referred to in Schedule 5, comprising Exhibits YD 1 to YD 23, with the relevant Exhibit number shown alongside its name in Schedule 5, and the SLA;

“**YD Breaching Party**” has the meaning given in Clause 12.3;

“**YD Change of Control Event**” means [***];

“**YD Charter**” means the charter of YD from time to time;

“**YD Consideration**” has the meaning given in Clause 3.1(b);

“**YD Data**” has the meaning given in Clause 9.15;

[***]

“**YD Group**” means YD and each entity Controlled by YD from time to time, including YD Credit;

“**[***]**” has the meaning given [***];

“**[***]**” has the meaning given [***];

“**[***]**” has the meaning given [***];

“**[***]**” has the meaning given **[***]**;

“**YD Initial Consideration**” has the meaning given in Clause 3.1(b);

“**YD Permitted Agreement**” has the meaning given in Clause 14.1(g);

“**YD Plan**” means (a) any share incentive, share option, profit sharing, bonus or other compensation, incentive or motivation plan, fund, scheme, programme or other arrangement; (b) any severance or termination pay, medical, surgical, hospitalization, life insurance or other welfare plan, fund, scheme, programme or other arrangement; (c) any plan, fund, scheme, programme or other arrangement pursuant to which a pension, allowance, lump sum or other benefit is payable upon retirement, termination of employment or death (whether accidental or not); and (d) any other plan, fund, scheme, programme or other arrangement, in each case, that is sponsored or maintained by or for the benefit of, or contributed by or for the benefit of, the YD Group or any current or former director, employee or former employee of the YD Group or any other person providing, or who has provided, services to the YD Group or to which any member of the YD Group is a party;

“**YD SHA**” means the joint venture agreement with respect to YD dated 4 July 2013 between YNV, Sberbank and YD, as may have been amended from time to time;

“**YD Share**” means a participation interest in the charter capital of YD having a nominal value of **[***]**;

“**YD Side Arrangements**” has the meaning given in Clause 14.1(h);

“**YD Tax Covenant**” has the meaning given in Clause 11.3;

“**YD Terminated Agreements**” means those agreements described in Schedule 4;

“**YD Title Warranties**” has the meaning given in Clause 10.4;

“**YD Transaction**” means the sale and purchase of the YD Share from YNV to Digital Assets pursuant to this Agreement;

“**YM AA Indemnity**” has the meaning given in Clause 12.1;

“**YM Ancillary Agreements**” means those ancillary agreements referred to in Schedule 7, comprising Exhibits YM 1 to YM 21, with the relevant Exhibit number shown alongside its name in Schedule 7 (for the avoidance of doubt, such agreements being solely addenda to the existing agreements, but excluding provisions of the existing agreements not amended under such addenda);

“**YM Articles**” means the articles of association (*statuten*) of YM from time to time;

“**YM Breaching Party**” has the meaning given in Clause 12.1;

“YM Change of Control Event” means the time (following Closing) at which YNV and its Affiliates (directly or indirectly) own, hold or otherwise have an interest in issued shares in the capital of YM that represent less than [***]% of the total issued share capital of YM (or, to the extent any reorganisation of the YM Group occurs after Closing, an equivalent equity interest of any successor entity to YM that constitutes the parent company of the group that holds substantially all of the assets of the YM Group following such reorganisation);

“YM Confidential Data” means all financial, business and strategy information with respect to or concerning the YM Group or any of its businesses, operations or assets that any member of the Sberbank Group received prior to Closing, including;

- (a) monthly, quarterly and annual business, financial and strategy updates and related presentation materials with respect to or concerning the YM Group and its business units;
- (b) monthly, quarterly and annual financial models and other financial analysis and related presentation materials with respect to or concerning the YM Group and its business units;
- (c) annual and quarterly budget reports and related presentation materials with respect to or concerning the YM Group and its business units;
- (d) presentations and other materials with respect to or concerning [***]; and
- (e) any other information supplied to [***] pursuant to or in accordance with [***] or which may otherwise have been supplied as a result [***];

“YM Consideration” has the meaning given in Clause 3.1(a);

“YM Data” has the meaning given in Schedule 9;

[***]

“YM Group” means YM and each entity Controlled by YM from time to time, including YMLLC;

“[*]”** has the meaning given in [***];

“YM Indemnified Obligations” means:

- (a) with respect to the YM Ancillary Agreements referred to in Schedule 7 as Exhibits YM 1 to YM 6 (inclusive), all provisions of each such YM Ancillary Agreement;
- (b) with respect to the YM Ancillary Agreements referred to in Schedule 7 as Exhibits YM 7 to YM 21 (inclusive), only the obligation of Sberbank set out in Clause 6.18 (and no provision of any such YM Ancillary Agreement itself); and

(c) the obligations of Sberbank set out in Clause 6.19;

“[***]” has the meaning given in [***];

“[***]” has the meaning given in [***];

YM Permitted Agreement” has the meaning given in Clause 14.1(i);

“YM Plan” means (a) any share incentive, share option, profit sharing, bonus or other compensation, incentive or motivation plan, fund, scheme, programme or other arrangement; (b) any severance or termination pay, medical, surgical, hospitalization, life insurance or other welfare plan, fund, scheme, programme or other arrangement; (c) any plan, fund, scheme, programme or other arrangement pursuant to which a pension, allowance, lump sum or other benefit is payable upon retirement, termination of employment or death (whether accidental or not); and (d) any other plan, fund, scheme, programme or other arrangement, in each case, that is sponsored or maintained by or for the benefit of, or contributed by or for the benefit of, the YM Group or Stichting or any current or former director, employee or former employee of the YM Group or any other person providing, or who has provided, services to the YM Group or to which any member of the YM Group or Stichting is a party, including the Incentive Programme (as such term is defined in the YM SHA);

“YM SHA” means the shareholders’ agreement with respect to YM dated 27 April 2018 between YNV, Sberbank, Digital Assets, Stichting and YM, as may have been amended from time to time;

“YM Shareholders’ Resolution” has the meaning given in paragraph 1.4 of Schedule 1;

“YM Shares” means [***];

“YM Side Arrangements” has the meaning given in Clause 14.1(j);

“YM Tax Covenant” has the meaning given in Clause 11.1;

“YM Terminated Agreements” means those agreements described in Schedule 6;

“YM Title Warranties” has the meaning given in Clause 10.3;

“YM Transaction” means the sale and purchase of the YM Shares from Digital Assets to YNV pursuant to this Agreement;

“YM Warrantors” has the meaning given in Clause 10.3;

“YNV AA Indemnity” has the meaning given in Clause 12.2;

“YNV Breaching Party” has the meaning given in Clause 12.2;

“**YNV Group**” means each of the YNV Parties and each of their respective Affiliates from time to time, including (with effect from Closing) the YM Group;

“[***]” has the meaning given in [***];

“[***]” has the meaning given in [***];

“[***]” has the meaning given in [***];

“**YNV Indemnified Obligations**” means:

- (a) with respect to the YD Ancillary Agreements referred to in Schedule 5 as Exhibits YD 1 to YD 7, all provisions of such YD Ancillary Agreements; and
- (b) with respect to the YD Ancillary Agreements referred to in Schedule 5 as Exhibits YD 8 to YD 23, only the obligations of Sberbank, Digital Assets and the YD Group set out in Clause 6.17 (and no provision of any such YD Ancillary Agreement itself); and

“**YNV Parties**” means YNV, YMLLC, YLLC, Stichting, Yedadeal, YDrive, YOFD, YCloud, YHealth, YClassifieds, YMLAB and YE-Commerce and (with effect from Closing) the YM Group.

Interpretation

1.2 In this Agreement, except where the context otherwise requires:

- (a) references to “**Clauses**” and “**Schedules**” and “**Exhibits**” are to clauses of, and the schedules and exhibits to, this Agreement; and a reference to a paragraph is (as the case may be) a reference to a paragraph of the Clause or Schedule in which the reference appears;
- (b) a reference to “**this Agreement**” or to any specified provision of this Agreement are to this Agreement or such provision as in force for the time being, as amended, modified, supplemented, varied, assigned or novated, from time to time;
- (c) a reference to any other document referred to in this Agreement is a reference to that other document as amended, modified, supplemented, varied, assigned or novated (other than in breach of the provisions of this Agreement) from time to time;
- (d) a reference to this Agreement includes the Schedules to it, each of which forms part of this Agreement for all purposes;
- (e) a reference to a “**company**” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;

- (f) a reference to a “**person**” shall be construed so as to include any individual, firm, body corporate, joint venture, unincorporated association, partnership, trust, government, governmental body, authority or agency (whether or not having separate legal personality), and a reference to a person includes a reference to that person’s successors and assigns;
- (g) a reference to “**in writing**” or “**written**” shall include any mode of reproducing words in a legible and non-transitory form, but not email;
- (h) a reference to any governmental or regulatory body shall be construed so as to include any successor body performing the same functions in all material respects;
- (i) any reference to a “**day**” (including within the phrase “**Business Day**”) means a period of twenty-four (24) hours running from midnight to midnight in the relevant jurisdiction;
- (j) references to “**clear Business Days**” in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
- (k) any reference to days, weeks, months and years shall be construed as references to days, weeks, calendar months and years in the Gregorian calendar;
- (l) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- (m) except as provided for in Clause 20.4, a reference to a time of the day is to Moscow time;
- (n) a reference to “**US Dollars**” or “**USD**” shall be construed as a reference to the lawful currency for the time being of the United States of America;
- (o) a reference to “**RUB**” shall be construed as a reference to the lawful currency for the time being of the Russian Federation;
- (p) a reference to “**Euros**” or “**EUR**” means the lawful currency used in member states of the European Union that have adopted a single European currency;
- (q) a reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction and references to any English statute or enactment shall be deemed to include any equivalent or analogous laws or rules in any other jurisdiction;
- (r) a reference to any law or enactment (including in this Clause 1.2) includes references to:

- (i) that law or enactment as re-enacted, amended, extended or applied by or under any other enactment (before or after signature of this Agreement);
- (ii) any law or enactment which that law or enactment re-enacts (with or without modification); and
- (iii) any subordinate legislation made (before or after signature of this Agreement) under any law or enactment, as re-enacted, amended, extended or applied, as described in Clause 1.2(r)(i) above, or under any law or enactment referred to in Clause 1.2(r)(ii) above,

provided that, as between the Parties, no such amendment or re-enactment shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any Party, and “law” and “enactment” includes any legislation in any jurisdiction;

- (s) in construing this Agreement, the so-called “*ejusdem generis*” rule does not apply and, in particular, any phrase introduced by the terms “**include**”, “**including**”, “**in particular**” or any similar expression shall be construed as illustrative and without limitation and shall not limit the sense of the words preceding such terms;
- (t) headings are for ease of reference only and shall not be taken into consideration in the interpretation of this Agreement; and
- (u) words importing the singular include the plural and vice versa, and words importing a gender include every gender.

1.3 The Parties acknowledge that they have participated jointly in the negotiation and drafting of this Agreement. In the event that a question of interpretation arises (including as to the intention of the Parties), no presumption or burden of proof shall arise in favour of, or against, any Party based on the authorship of any provisions. Each of the Parties acknowledges that Russian law did not apply to the negotiations between the Parties prior to the execution of this Agreement, including article 434.1 of the Russian Civil Code.

Currency and exchange rates

1.4 In this Clause 1.4, the “**Conversion Rate**” means, in relation to any currency to be converted into or from RUB as at or on a particular day, the official exchange rate established by the Central Bank of Russia for the exchange of the relevant currency on such day. Where any Claim refers, or is referable, to any amount that is expressed in a currency other than RUB, then, for the purposes of determining the value or amount of such Claim and whether a monetary limit or threshold set out in this Agreement (including in Clause 12, Clause 13, Schedule 5 or Schedule 7) has been reached or exceeded (as the case may be), such non-RUB amount shall be converted into RUB by reference to the Conversion Rate on the date of the Claim Notice from the Claimant

Party to the Respondent Party of such Claim (or, if such day is not a Business Day, on the Business Day immediately preceding such day).

2. SALE AND PURCHASE OF THE RELEVANT SHARES

2.1 On and subject to the provisions of this Agreement, at Closing:

(a) Digital Assets hereby sells, and Sberbank shall procure that Digital Assets sells, and YNV hereby purchases, the YM Shares; and

(b) YNV hereby agrees to sell, and Digital Assets shall purchase, the YD Share,

in each case, on the basis that the Relevant Shares shall be sold with Full Title Guarantee and free from all Encumbrances and together with all rights and benefits attaching to them as at Closing, including the right to receive all dividends, distributions or any return of capital declared, made or paid on or after Closing.

2.2 Each Party hereby irrevocably and unconditionally waives all rights over, or in connection with, any of the Relevant Shares it may have, including any right of pre-emption or other restriction on transfer in respect of any of the Relevant Shares conferred on any Party under the charter, articles of association or other constitutional documents of the Relevant Company, under any of the Terminated Agreements, under Applicable Law, by agreement or otherwise.

2.3 Each Party shall procure that, no later than Closing, any and all such rights over, or in connection with, any of the Relevant Shares conferred upon or held by any other person are waived so as to permit the sale and purchase of the Relevant Shares under this Agreement on Closing, with the Relevant Seller holding all of the right, title and interest in the Relevant Shares, free from all Encumbrances.

2.4 Without limiting the generality of Clauses 2.2 and 2.3:

(a) each of the parties to the YM SHA hereby irrevocably consents to the YM Transaction for the purposes of the YM SHA (including clause 22.1 thereof) and the YM Articles (including article 13, paragraph 2, thereof); and

(b) each of the parties to the YD SHA hereby irrevocably consents to the YD Transaction for the purposes of the YD SHA (including clause 17.1 thereof) and the YD Charter.

2.5 No Relevant Purchaser shall be obliged to complete the purchase of any of the Relevant Shares unless the purchase of all the Relevant Shares with respect to such Relevant Purchaser is completed simultaneously in accordance with this Agreement, but completion of the purchase of some of the Relevant Shares with respect to such Relevant Purchaser will not affect the rights of such Relevant Purchaser with respect to the purchase of the remaining Relevant Shares.

2.6 Save with respect to the steps set out in Clause 7.1 which shall take place on the Russian SPA Signing Date, and the notification of the USRLE Extract in accordance

with Clause 7.2, all other steps to complete the YM Transaction and the YD Transaction shall each occur simultaneously, or as simultaneously as possible, on the Closing Date (or otherwise in the order specified in paragraph 2 of Schedule 1 on the Closing Date), and no Party shall be obliged to complete the YD Transaction on the Closing Date unless the YM Transaction is also completed on the Closing Date, and vice versa. Closing shall not occur or be deemed to occur unless both the YM Transaction and YD Transaction have been completed, and all of the actions set out in Clauses 7.1 and 7.2, and all of the Closing Actions, have been performed or otherwise satisfied, in accordance with Clause 7.

3. CONSIDERATION

Consideration for the Relevant Shares

3.1 The consideration for the sale and purchase of:

- (a) the YM Shares shall be an amount in RUB equal to RUB [***] (the “**YM Consideration**”); and
- (b) the YD Share shall be an amount in RUB (converted from USD at the average USD / RUB exchange rate determined by the Central Bank of Russia for [***] period ending on the [***] prior to the Closing Date) equal to:
 - (i) USD [***] (the “**YD Initial Consideration**”); plus
 - (ii) interest on the amount of the YD Initial Consideration at the rate of [***]% per annum (pro-rated for any interest period of less than 12 months) during the period from (and including) [***] to (and including) the Closing Date, such interest to be calculated and to accrue on a 12-month basis (each such 12-month interest period to commence on 5 July in one year and to end on 4 July of the immediately following year) and to be compounded at the end of each complete 12-month period,

(the aggregate of the YD Initial Consideration and such interest being the “**YD Consideration**”),

with the Consideration being payable in accordance with Clause 3.2.

Set off of Consideration and payment of Consideration Balance

3.2 Each of YNV and Digital Assets agrees, acknowledges and undertakes that:

- (a) on the Closing Date, Digital Assets is obliged to pay to YNV an amount in RUB equal to [***], and YNV is obliged to pay to Digital Assets an amount in RUB equal to [***], with payment of such amounts to be satisfied and discharged in accordance with this Clause 3.2;
- (b) in order to simplify the payments of Consideration on the Closing Date, the amounts referred to in Clause 3.2(a) shall be set off against each other on the

Closing Date, such that on the Closing Date YNV shall be obliged to pay to the DA Account an amount in RUB equal to [***], such [***] to be paid in accordance with Clause 3.2(c) and paragraph 2.1 of Schedule 1;

- (c) in accordance with and at the time stated in paragraph 2.1 of Schedule 1, YNV shall procure the payment to the DA Account of an amount in RUB equal to [***] and each of Digital Assets and Sberbank expressly acknowledges that the debiting of such amount from the JPM Correspondent Account or the crediting of such amount to the DA Account, in either case, shall be an effective discharge of the obligation of YNV under this Agreement to pay such amount to Digital Assets and neither YNV nor any of its Affiliates shall be concerned to see to the application or be answerable for loss or misapplication of such amount;
- (d) in accordance with and by the time stated in paragraph 2.2 of Schedule 1, Sberbank shall procure that YNV and the Dutch Notary receives the SWIFT Confirmation; and
- (e) subject to and immediately upon:
 - (i) an amount in RUB equal to [***] having been debited from the JPM Correspondent Account or having been credited to the DA Account; and
 - (ii) YNV and the Dutch Notary having received the SWIFT Confirmation; and
 - (iii) the Dutch Notary having executed the Deed of Transfer on behalf of each of YNV, YM and Digital Assets,the obligation of Digital Assets to pay the YD Consideration and the obligation of YNV to pay the YM Consideration, in each case, under this Agreement shall each be irrevocably satisfied and discharged in full, with no further payments of any Consideration (or part thereof) required to be paid by either Party.

4. MATTERS TO OCCUR ON THE DATE OF THIS AGREEMENT

- 4.1 On the date on which this Agreement has been executed by or on behalf of all the Parties, each of the Parties:
- (a) shall duly execute and enter into, or procure the execution and entry into of, each of the Ancillary Agreements to which it is a party, and shall deliver or procure the delivery of a signed counterpart of this Agreement and each such executed Ancillary Agreement to each of the other Parties (or its nominated Representatives); and
 - (b) shall procure that there is delivered to each of the other Parties (or its nominated Representatives):
 - (i) in the case of any Party with a board of directors, to the extent required pursuant to its constitutional documents, a copy of the written resolution

of, or a copy of an extract from the minutes of meeting of, the board of directors of such Party authorising the entry into and execution by it of this Agreement and each of the other Transaction Documents to which it is intended to be a party and performance by it of each of the Transactions to which it is intended to be a party;

- (ii) in the case of any Party with a management board, to the extent required pursuant to its constitutional documents, a copy of the written resolution of, or a copy of an extract from the minutes of meeting of, the management board of such Party authorising the entry into and execution by it of this Agreement and each of the other Transaction Documents to which it is intended to be a party and performance by it of each of the Transactions to which it is intended to be a party;
- (iii) in the case of any Party without a board of directors or to the extent required pursuant to its constitutional documents, a copy of the written resolution of such Party's shareholder(s) or participant(s) authorising the entry into and execution by it of this Agreement and each of the other Transaction Documents to which it is intended to be a party and performance by it of each of the Transactions to which it is intended to be a party; and
- (iv) a copy of a power of attorney pursuant to which this Agreement and any other Transaction Documents to which it is intended to be a party is, has been or will be executed, or other evidence of the authority of any person executing such documents on behalf of such Party, subject also to YNV, YM and Digital Assets executing and delivering the Dutch Power of Attorney pursuant to paragraph 1.5(d) of Schedule 1.

5. CONDITIONS

Conditions to each Party's obligation to effect Closing

5.1 Closing shall be conditional upon, and the obligation of each Party to effect Closing shall be subject to, the satisfaction at or prior to the Russian SPA Signing Date of each of the following conditions (the "Conditions") and all of the Conditions remaining satisfied on the Closing Date:

- (a) the FAS Approval having been obtained;
- (b) the KAZ Approval having been obtained;
- (c) [***] having paid to [***], reflecting certain [***];
- (d) no facts, events or circumstances having arisen or occurred which would result in any of the Warranties given as at the date of this Agreement or repeated at Closing being untrue or inaccurate; and

- (c) no Applicable Law and no Sanctions having been issued, enacted or promulgated, having arisen or having come into force following the date of this Agreement (whether temporary, preliminary or permanent) pursuant to or as a consequence of which:
 - (i) the entering into or performance of any Transaction Document by any Party, the consummation of any of the Transactions by any Party, the sale or acquisition of any Share or the payment or receipt of any part of the Consideration, in either case, would be unlawful, prohibited, restricted or limited or would result in the violation of any Sanction by, or the likely imposition of any Sanction on or with respect to, any member of the YM Group or the YNV Group;
 - (ii) the further operations after Closing of any member of the YD Group or any member of the YM Group would be prohibited or materially restricted; or
 - (iii) any member of the YD Group or any member of the YM Group or any Relevant Purchaser or any of its Affiliates would be required to dispose of or separate any material part of its businesses, assets or operations before any of the Transactions could be consummated.

Obligations to procure satisfaction

5.2 Each of the Parties shall notify each of the other Parties as promptly as reasonably practicable of any event that would result, or would reasonably be likely to result, in any of the Conditions failing to be satisfied on or before the Russian SPA Signing Date or the Closing Date.

5.3 Each of the Parties shall (and shall procure that its Affiliates and Representatives shall):

- (a) co-operate fully with each of the other Parties in relation to the timely preparation, submission and pursuit of all clearance applications and filings required in connection with satisfying the Conditions and the taking of all other steps or actions as may be necessary or desirable to obtain all consents, approvals or actions in order to satisfy or fulfil the Conditions as soon as possible after the date of this Agreement and responding to any request for information promptly and in any event in accordance with any relevant time limit; and
- (b) promptly notify the other Parties of any communication (whether written or oral) from any Authority with respect to any of the Conditions or the Transactions, and keep the other Parties reasonably informed of the progress of any notification or filing and providing such assistance as may reasonably be required in relation thereto.

5.4 Without limiting the generality of Clauses 5.2 and 5.3, YNV shall:

- (a) use its reasonable efforts to ensure that each of the Conditions in Clauses 5.1(a), 5.1(b) and 5.1(c) is satisfied as soon as practicable after the date of this Agreement and in any event before the Long Stop Date or (if Clause 5.8 applies) before the Extended Long Stop Date;
- (b) be responsible for preparing any applications or filings contemplated or required to be made to satisfy or fulfil the Conditions in Clause 5.1(a) and Clause 5.1(b);
- (c) keep Sberbank (or its nominated advisers) reasonably informed in respect of the same, including by providing Sberbank (or its nominated advisers) with draft copies of all submissions and material communications intended to be sent to any Authority or other persons and allowing Sberbank a reasonable opportunity to provide comments on such submissions and communications before they are submitted or sent, and providing Sberbank (or its nominated advisers) with copies of all submissions, written responses and communications in the form submitted or sent to, or received from, any Authority (save that business secrets and other confidential material may be redacted); and
- (d) provide to Sberbank (or its nominated advisers) promptly (and in any event within [***]following receipt) a copy of the FAS Approval and the KAZ Approval or other document pertaining to the satisfaction of any Condition in Clause 5.1(a) or Clause 5.1(b) or a copy of any other communication from any relevant Authority pertaining to the FAS Approval or the KAZ Approval that has been applied for, including any approval from any Authority with respect to the YM Transaction that is subject to any conditions, qualifications, obligations or other commitments.

5.5 Without limiting the generality of Clauses 5.2 and 5.3, Sberbank and YM shall provide to YNV such information, documents and assistance as is reasonably requested by YNV for the purpose of preparing the applications or filings contemplated or required to be made to satisfy or fulfil the Conditions in Clause 5.1(a) and Clause 5.1(b).

5.6 No Party shall (and each Party shall procure that none of its Affiliates shall) take any action after the date of this Agreement that could reasonably be expected to frustrate or delay the obtaining of (or result in not obtaining) the FAS Approval or the KAZ Approval or to result in any of the Conditions failing to be satisfied prior to the Closing Date.

Waiver

5.7 Each of the Conditions may be waived or varied (in whole or in part) with the prior written consent of YNV and Sberbank (any such consent to be in the sole discretion of each such Party and subject to whatever conditions or qualifications it may determine in its sole discretion). Sberbank may at any time in its sole discretion waive in whole or in part and conditionally or unconditionally the Condition set out in Clause 5.1(c) by notice in writing to YNV. YNV may at any time in its sole discretion

waive in whole or in part and conditionally or unconditionally the Condition set out in Clause 5.1(b) by notice in writing to Sberbank.

Extension of Long Stop Date

5.8 If, by 23.59 (Moscow time) on the Long Stop Date, the Conditions in Clause 5.1(a) and Clause 5.1(b) have not been satisfied (or waived by YNV in the case of the Condition in Clause 5.1(b)), but each of the Conditions in 5.1(c) to 5.1(e) (inclusive) has been satisfied or remains satisfied (or otherwise has been waived in writing by YNV and Sberbank pursuant to Clause 5.7), then the Parties' obligations set out in Clauses 5.2 to 5.6 (inclusive) with respect to the satisfaction of such Conditions shall remain in full force and effect until [***] (the "**Extended Long Stop Date**").

Termination if Conditions not satisfied by Long Stop Date or Extended Long Stop Date

5.9 If all of the Conditions have not been or fail to be satisfied (or have not been waived in writing by YNV and Sberbank pursuant to Clause 5.7) on or before 23.59 (Moscow time) on the Long Stop Date (or the Extended Long Stop Date if Clause 5.8 applies), either YNV or Sberbank shall be entitled, at any time thereafter, to elect to terminate this Agreement by written notice to the other Party. Upon receipt of such notice, this Agreement shall automatically terminate, in which event, the provisions of Clause 5.10 shall apply.

Effect of termination

5.10 Upon termination of this Agreement pursuant to Clause 5.9, 7.4 or 7.9, all provisions of this Agreement (other than the Surviving Provisions and Clause 5.9, this Clause 5.10 and Clause 7.4 or 7.9 (as applicable)) shall terminate and be of no further force or effect, but such termination shall not affect any rights, obligations or liabilities of any of the Parties arising or accruing under this Agreement before such termination.

No other rights to terminate or rescind

5.11 Subject to Clauses 5.9, 7.4 and 7.9, no Party shall have any right (including any right under common law or any right in respect of claims arising under or in connection with this Agreement, other than in the case of fraud) to delay or defer Closing or either before or after Closing to rescind or terminate or fail to perform this Agreement.

6. POST-SIGNING [*]**

Definitions

6.1 For the purposes of this Clause 6:

- (a) "[***]" means any company, from time to time, (i) in relation to which YNV Group owns no less than [***]% of its issued, voting share capital and (ii) whose business in any prior [***] period [***] (together with any entities Controlled by such company) and where [***] of such company (together with

any entities Controlled by such company) generated from [***] during any prior [***] period constitutes more than [***]% of the [***] generated by such company and any entities Controlled by it (taken as a whole) during the same [***] period **PROVIDED ALWAYS THAT** any company (including any [***]) which [***] or is [***] in any [***] and any company involved in [***] shall not be deemed to be a [***], except where YNV Group owns no less than [***]% of the issued, voting share capital of such company and it otherwise falls within the foregoing provisions of this definition;

- (b) “[***]” means any [***] and any entities Controlled by it, from time to time, and “[***]” means a member of the FinServ Group from time to time; and
- (c) “[***]” means:
 - (i) with respect to the period prior to Closing, a period ending on the earlier of:
 - (A) the Closing Date (inclusive);
 - (B) the date on which this Agreement is terminated pursuant to Clause 5.9, 7.4 or 7.9; and
 - (C) the expiry of the [***] period following the date of this Agreement, which period shall be automatically extended for a further [***] period unless Sberbank or YNV objects to such extension in writing to the other at least [***] prior to expiry of the initial [***] period or any subsequent [***] period, **PROVIDED ALWAYS** that (i) this period shall expire and terminate earlier if agreed in writing by Sberbank and YNV; and (ii) if Closing occurs, any expiry of the [***] prior to the Closing Date pursuant to this Clause 6.1(c)(i)(C) shall be without prejudice to the [***] that shall commence on the Closing Date pursuant to Clause 6.1(c)(ii); and
 - (ii) with effect on and following the Closing Date:
 - (A) the period ending on [***] with respect to compliance by any [***] and by [***] in relation to the restrictions that apply to them in Clause 6.2 or 6.3 (as the case may be); and
 - (B) the period ending on [***] with respect to compliance by YNV and Sberbank and their respective Affiliates in relation to the restrictions that apply to them in Clause 6.2 or 6.3 (as the case may be).

[***]

6.2 Subject to the remaining provisions of this Clause 6, with effect from the date of this Agreement until the expiry of the [***] covenants to [***] that [***] shall (and

[***] shall procure that no [***] shall and no member of the [***] with, any [***] **PROVIDED THAT** such restriction shall cease to apply with respect to [***] upon the expiry of a period of [***] following the time at which [***] and [***] has been terminated.

6.3 Subject to the remaining provisions of this Clause 6, with effect from the date of this Agreement until the expiry of the [***] covenants to [***] that no member of the [***] shall (and [***] shall procure that no member of the [***] shall and that neither [***] nor any of its or their respective Affiliates shall) [***], or enter into [***] with, any [***] **PROVIDED THAT** (a) such restriction shall cease to apply with respect to [***] upon the expiry of a period of [***] following the time at which such [***] and [***] has been terminated; and (b) [***] obligations to procure compliance by [***] and its Affiliates with such restriction shall only apply from the time at which [***] (directly or indirectly) has an interest of no less than [***]% in the share capital of [***].

[***]

6.4 With effect from the date of this Agreement and for such time as [***] applies, each of the Parties hereby agrees that the restrictions contained in [***] shall supersede and replace any other [***], including any such obligations contained in any Terminated Agreements or ancillary agreements referred to therein [***] and all [***] shall cease to apply during the [***], and that no person may make any claim under or in relation to [***].

6.5 Upon expiry of the relevant [***] with respect to any Party or other person, if Closing has not occurred on or before such expiry, the Previous [***] shall again apply and become fully enforceable with respect to such Party or other person, **PROVIDED THAT**, if Closing does subsequently occur, the [***] shall terminate at Closing in accordance with Clause 8.1(c) and the [***] shall commence on the Closing Date in accordance with Clause 6.1(c)(ii).

[***]

6.6 If:

- (a) [***] by any member of the [***] in non-compliance with [***] shall be entitled to demand that [***] shall pay to [***]; or
- (b) a [***] by any member of the [***] or any of its or their respective Affiliates in non-compliance with Clause 6.3, [***] shall be entitled to demand that [***] shall pay to [***],

in either case, within [***] of receipt of written demand, the following amount(s):

- (c) with respect to the [***] in respect of [***], an amount equal to [***]; and

(d) if non-compliance under Clause 6.2 or 6.3 (as the case may be) occurs with respect to [***], then no further payments shall be due under Clause 6.6(c), but a single amount in RUB shall be payable, being the aggregate of:

(i) the amount calculated in accordance with the following formula:

[***]

[***]

[***]

[***]

[***]

[***]

[***]

(ii) LESS any amount already actually paid by the relevant payer pursuant to Clause 6.6(c) to the extent that non-compliance with respect to the first [***].

6.7 Each of the Parties agrees that the amount of [***] provided for in Clause 6.6 is reasonable and proportionate to [***] (in the case of the restriction in Clause 6.2) and of [***] (in the case of the restriction in Clause 6.3), and to protect [***] (as the case may be) with respect to [***] (as applicable), and the amount of [***] to compensate such Parties (the “**Receiving Parties**”) in connection with such non-compliance (and each Party hereby irrevocably covenants not to assert to the contrary), including compensation with respect to the following categories of expenses and losses:

[***]

6.8 A claim for [***] pursuant to [***] shall be the sole and exclusive remedy of any Party with respect to any breach of, or non-compliance with, Clause 6.2 or 6.3.

Separate restrictions

6.9 Each of the restrictions in Clauses 6.2 and 6.3 shall be enforceable independently of each other and its validity shall not be affected if any other is invalid.

6.10 Each undertaking contained in Clause 6.2 and in Clause 6.3 shall be construed as a separate undertaking and, if one or more of the undertakings in any such Clause is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade, the remaining undertakings in such Clause shall continue to bind the relevant party.

6.11 Each Party agrees that the restrictions in Clauses 6.2 and 6.3 are reasonable and are entered into for the purpose of [***] (in the case of the restriction in Clause 6.2)

and of [***] (in the case of the restriction in Clause 6.3) and shall be binding on them in all circumstances.

6.12 If any of restrictions in Clauses 6.2 and 6.3 is held at any time to be illegal, void, invalid or unenforceable in whole or in part under any Applicable Law in any jurisdiction, the provisions of Clause 23 shall apply.

[***]

6.13 Each Party agrees, acknowledges, confirms and undertakes that:

- (a) such Party shall not, either by itself or through any person (including any of its Representatives) whether acting in concert with it, acting on behalf of it or otherwise, take any step towards, or otherwise support, encourage or assist, any claim in, or any application or petitioning for any judgement, injunction, order or other remedy in, any court of any jurisdiction or any arbitral tribunal:
 - (i) to [***] of, any Transaction or any Transaction Document or any provision of it, including [***] contained in [***] (or any part of it) or [***] contained in [***] (or any part of it) or [***], except in relation to [***], or in accordance with [***] contained in [***], (but, for the avoidance of doubt, not in relation to [***]) relating to the [***]; or

- (ii) that is inconsistent with or otherwise does not comply with, the provisions of [***],

including (without prejudice to the generality of the foregoing) not invoking or exercising (or attempting to do so) any right it may have under any provision of Article 248.1 or 248.2 of the Arbitration Procedure Code of the Russian Federation (as any such provision may be amended, revised, supplemented or replaced from time to time) to claim that [***] or that [***] or that [***];

- (b) all Disputes shall always be referred to and finally resolved by confidential arbitration pursuant to Clause 30; and
- (c) with respect to [***], such Party shall not, and hereby waives to the fullest extent permitted by any relevant Applicable law, any right it may have to, challenge any part of such arbitration proceedings (including any challenge to the appointment or authority of any arbitrator) or to challenge, annul, set aside or vacate any award on any grounds (including on the grounds that the award is against public policy), in each case, in any court of any jurisdiction, other than [***].

6.14 An “[***]” shall be deemed to occur if a Party (the “**Defaulting Party**”) takes, procures or permits the taking of any action or step that is inconsistent with, or not in compliance with [***].

6.15 In addition to and without prejudice to all other rights that the Non Defaulting Party may have under this Agreement, Applicable Laws or otherwise ([***], upon or

at any time following the occurrence of an [***] (the “**Non Defaulting Party**”) shall be entitled to serve written notice [***] requiring the [***] and that this Agreement [***] be [***] in each case, within [***] of receipt of such notice. If the [***] remains in effect and [***], the Non-Defaulting Party may [***] an amount equal to [***] within [***]. Each of the Parties agrees [***].

6.16 In addition to and without prejudice to all other rights that the Non Defaulting Party may have under this Agreement, Applicable Laws or otherwise (including pursuant to [***]), each Defaulting Party hereby undertakes to [***] the Non Defaulting Party [***] as a result of or in connection with [***], **INCLUDING** (a) any and [***] and (b) any [***], **EXCEPT THAT**, to the extent that the Non Defaulting Party has actually received from the Defaulting Party [***], the Non Defaulting Party and its Affiliates shall only be [***] if [***] actually received, [***].

Obligation not to terminate certain Ancillary Agreements

6.17 Each of Sberbank, Digital Assets and each member of the YD Group undertakes to the YNV Group to procure that:

- (a) none of the YD Ancillary Agreements referred to in Schedule 5 as Exhibits YD 8 shall be terminated unilaterally by the relevant member of the YD Group that is a party to it before at least the date falling [***] following the Closing Date; and
- (b) none of the YD Ancillary Agreements referred to in Schedule 5 as Exhibits YD 9 to YD 23 (inclusive) shall be terminated unilaterally by the relevant member of the YD Group that is a party to it, other than in accordance with its terms.

6.18 Sberbank undertakes to the YNV Group not to unilaterally terminate any of the YM Ancillary Agreements referred to in Schedule 7 as Exhibits YM 7 to YM 21 before at least the date falling [***] following the Closing Date and shall continue to provide the relevant services under such agreements in at least the same volume and scope and on at least the same commercial terms as the services were provided to the YNV Group immediately prior to Closing.

6.19 Sberbank undertakes to the YNV Group not to unilaterally terminate any of the Sberbank Pickup Points Lease Agreements before at least the date falling [***] following the Closing Date, and that any notice to terminate (which shall be in writing) shall not be served on YMLLC prior to the expiry of such [***] period and any termination pursuant to any such notice shall require at least [***] notice. Sberbank undertakes to the YNV Group to procure that Barus LLC shall not unilaterally terminate any of the Barus LLC Agreements before at least the date falling [***] following the Closing Date, and that any notice to terminate (which shall be in writing) shall not be served on YMLLC prior to the expiry of such [***] period and any termination pursuant to any such notice shall require at least [***] notice. Sberbank's aggregate liability in relation to this Clause and the YM Ancillary Agreement referred to in Schedule 7 as Exhibit YM 3 shall not exceed RUB [***].

Right to terminate certain YM Ancillary Agreements

6.20 Each member of the YNV Group that is a party to each of the YM Ancillary Agreements referred to in Schedule 7 as Exhibits YM 7 to YM 21 shall be entitled to terminate any such YM Ancillary Agreement unilaterally, by service of notice on Sberbank and any termination pursuant to any such notice shall require at least 30 calendar days' notice.

Translations of Ancillary Agreements

6.21 Each of the Parties shall use its respective reasonable endeavours to agree, prior to Closing, an English translation of each of the Ancillary Agreements to which it is a party, with the form of any such agreed translation being for informational purposes only.

Waiver [*]**

6.22 With effect from the date of this Agreement, and subject to [***], each of YNV and YM hereby confirms that any execution and/or performance by [***] pursuant to which, subject to the satisfaction of certain conditions precedent, [***] shall not constitute a breach by [***] **PROVIDED THAT:**

- (a) the execution by, and entry into by, [***] of all legally binding documentation [***] occurs no earlier than the [***] following the date of this Agreement;
- (b) any public announcement, press release or other public comment [***], shall not be made earlier than the [***] following [***] **EXCEPT THAT** an announcement [***] may be made at any time if required by:
 - (i) any Applicable Law; or
 - (ii) the rules and regulations of any securities exchange or any Authority to which the entity making the announcement is subject or submits, wherever situated,

PROVIDED THAT such entity shall to the extent permitted by Applicable Law have first [***], before making such announcement;

- (c) [***]; and
- (d) prior to Closing, [***] shall not [***] except where [***] not prohibited by the YM SHA.

6.23 The waiver [***] shall be of no further force or effect [***] if:

- (a) [***]; and

- (b) any breach of any provision of Clauses 6.22(a) to 6.22(d) (inclusive) occurs, in which case, the cessation of the waiver set out in this Clause 6.23 shall be without prejudice to any accrued rights or liabilities of any Party.

Provision of YM information

6.24 Certain regular information shall cease to be provided as follows:

- (a) the pack of update information provided each month to the board of directors of YM shall cease to be provided to the YM directors nominated by Digital Assets with effect from the date of this Agreement;
- (b) the financial and operating data provided regularly to the designated operational team within Digital Assets shall cease to be provided to them with effect from the date of this Agreement **PROVIDED ALWAYS** that monthly management consolidated financial accounts without operational data or forecasts shall continue to be provided until Closing; and
- (c) the pack of information provided each quarter to the board of directors of YM shall cease to be provided to the YM directors nominated by Digital Assets with effect from Closing,

PROVIDED THAT if this Agreement terminates in accordance Clause 5.9, 7.4 or 7.9 then the information referred to in paragraphs (a) and (b) above shall recommence being provided as from the date of such termination.

6.25 YM shall continue to provide to Digital Assets such financial information as may be required in order for Sberbank and Digital Assets to comply with its reporting obligations (provided that any information requested by Digital Assets, and required to be provided by YM, shall be limited to the minimum information strictly necessary in order to comply with the applicable reporting requirements under Applicable Law and applicable accounting rules) and YM shall ensure that YM's auditor cooperates with Sberbank's and Digital Assets' auditors in relation thereto.

Intellectual property comprising components of [*]**

6.26 After the date hereof, YD shall be entitled to update the list of programs and services comprising [***] (as such term is defined in the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 1) to be used for the purposes of the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 1, provided that such list shall not include any Components that do not relate to [***] (as such term is defined in the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 1), including, without limitation, [***] (the "**Updated Program Components List**"), and YD shall provide such Updated Program Components List to YLLC for review as soon as reasonably possible.

6.27 YLLC shall be entitled to audit YD Group's software, programs and services used by the YD Group at any time before [***] within the scope and time periods agreed between YLLC and YD acting reasonably.

6.28 Each of YLLC and YD shall use all respective reasonable endeavours (but YLLC shall not be obliged) to agree, prior to Closing, the Updated Program Components List for the purposes of extending the license provided by YLLC to YD under the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 1 to cover such Updated Program Components List by way of an amendment thereto.

6.29 YD hereby agrees that no later than [***] after Closing it shall (and shall procure that each of its respective Affiliates shall) permanently delete any Components that [***] (as such term is defined in the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 1). On or before the expiry of the [***] period following the Closing Date (or upon full deletion of such Components in accordance with this Clause, if earlier), YD shall provide written confirmation to YLLC that all such Components required to be deleted pursuant to this Clause have been so permanently deleted.

7. CLOSING

Execution of the Waiver Letter and the Russian SPA

7.1 On the [***] following the day on which each of the Conditions set out in Clause 5.1(a), 5.1(b) and 5.1(c) has been satisfied and remains satisfied (or has been waived (if applicable) pursuant to Clause 5.7), or on such other Business Day as may be agreed in writing between YNV and Sberbank, (the “**Russian SPA Signing Date**”) **PROVIDED THAT**, on such Business Day, each of the Conditions in Clauses 5.1(d) (*Warranties*) and 5.1(e) (*Applicable Laws*) remains satisfied (or, if any such Condition is not satisfied, it has been waived in writing by YNV and Sberbank pursuant to Clause 5.7):

- (a) YNV, Sberbank and YD shall duly execute the Waiver Letter in the presence of the Russian Notary;
- (b) (subject to the Waiver Letter having duly executed by each of YNV, Sberbank and YD) YNV and Digital Assets shall (and Sberbank shall procure that Digital Assets shall) duly execute the Russian SPA in the presence of the Russian Notary;
- (c) YNV and Digital Assets shall procure that the Russian Notary:
 - (i) immediately following execution of the Russian SPA on the Russian SPA Signing Date, submits an electronic application to the Russian Federal Tax Service for amendments to be made in the USRLE to reflect the transfer of the YD Share from YNV to Digital Assets; and
 - (ii) notifies YD of the execution the Russian SPA.

7.2 Each of YNV, Sberbank and Digital Assets shall notify each other in writing promptly (and in any event within [***]) following such Party receiving an extract from the USRLE that confirms that the transfer of the YD Share to Digital Assets has been registered in the USRLE (the “**USRLE Extract**”), whether such Party obtains such USRLE Extract itself or from the Russian Notary.

7.3 Prior to the execution of the Russian SPA:

- (a) YNV shall deliver to the Russian Notary (with a copy to Digital Assets) such documents as the Russian Notary requires in order to:
 - (i) establish that YNV has title to the YD Share and that the YD Share was fully paid by YNV; and
 - (ii) confirm that the person that executes the Waiver Letter and the Russian SPA on behalf of YNV is duly authorised to do so;
- (b) Digital Assets shall (and Sberbank shall procure that Digital Assets shall) deliver to the Russian Notary (with a copy to YNV) such documents as the Russian Notary requires in order to confirm that the person that executes the Waiver Letter and the Russian SPA on behalf of Digital Assets is duly authorised to do so; and
- (c) YD shall deliver to the Russian Notary (with a copy to YNV and Digital Assets) such documents as the Russian Notary requires in order to confirm that the person that executes the Waiver Letter on behalf of YD is duly authorised to do so.

Failure to execute Waiver Letter or Russian SPA on Russian SPA Signing Date or failure to obtain USRLE Extract

7.4 If:

- (a) on the Russian SPA Signing Date, YNV fails to execute the Waiver Letter and/or the Russian SPA in accordance with its obligations in Clauses 7.1(a) and 7.1(b), Sberbank shall be entitled by written notice to YNV;
- (b) on the Russian SPA Signing Date, Sberbank fails and/or YD fails to execute the Waiver Letter in accordance with its obligations in Clause 7.1(a) and/or Digital Assets fails to execute the Russian SPA in accordance with its obligations in Clause 7.1(b), YNV shall be entitled by written notice to Sberbank; or
- (c) the Waiver Letter has been executed in accordance with Clause 7.1(a) and the Russian SPA has been executed in accordance with Clause 7.1(b), but YNV and Digital Assets fail to receive the USRLE Extract on or before 23.59 Moscow time on the [***] following the Russian SPA Signing Date, either YNV or Sberbank shall be entitled, by written notice to the other,

to elect to terminate this Agreement with effect from the date of receipt of such termination notice and, upon such termination, the provisions of Clause 5.10 shall apply, **PROVIDED THAT**, if termination has occurred in accordance with Clause 7.4(c), within [***] of the date of receipt of such termination notice, each of YNV and Digital Assets shall (and Sberbank shall procure that Digital Assets shall) take, and procure the taking of, all such actions and steps as are necessary in order to unwind, cancel and terminate the YD Transaction and to effect the transfer back to YNV from Digital

Assets (and any other person(s) to whom Digital Assets may have transferred the YD Share or any portion of it or any rights, title or interest in it) of the YD Share and any rights, title and interest that Digital Assets (and any transferee(s)) may have with respect to the YD Share, including:

- (d) the execution by YNV and Digital Assets (and any transferee(s)) in the presence of the Russian Notary of a sale and purchase agreement in substantially similar form to the Russian SPA and the cancellation and withdrawal of the application to the Russian Federal Tax Service for amendments to be made in the USRLE; and
- (e) to the extent that a USRLE Extract is received by YNV or Digital Assets after such date of termination which reflects Digital Assets (and any transferee(s)) as being the holder of the YD Share, YNV and Digital Assets shall procure that a further application is made to the Russian Federal Tax Service for amendments to be made in the USRLE to show YNV as being the holder of the YD Share.

Closing Date determination

7.5 The “**Closing Date**” shall be:

- (a) the [***] Business Day following the Business Day on which each of YNV and Digital Assets receives (or is deemed to receive in accordance with this Clause) the USRLE Extract (and if any such Party receives the USRLE Extract on a day that it not a Business Day, or outside of Working Hours on a Business Day, receipt of the USRLE Extract shall be deemed to occur for the purposes of this Clause at 8.00 a.m. Moscow time on the Business Day immediately following such day); or
- (b) such earlier Business Day as may be agreed in writing between YNV and Sberbank,

PROVIDED THAT, on such Business Day, each of the Conditions in Clauses 5.1(d) (*Warranties*) and 5.1(e) (*Applicable Laws*) remains satisfied (or, if any such Condition is not satisfied, it has been waived in writing by YNV and Sberbank pursuant to Clause 5.7).

Closing Actions

7.6 On the Closing Date, each of the Parties shall perform or comply with (or procure the performance or compliance of) each of the actions or steps expressed to relate to it as set out in Schedule 1 (such actions and steps being the “**Closing Actions**”), with the Closing Actions set out in paragraph 2 of Schedule 1 being required to be performed or complied with in the order specified in such paragraph 2.

7.7 Closing shall only have occurred when:

- (a) all of the actions set out in Clauses 7.1 and 7.2 have been performed or otherwise complied with by the relevant Parties; and

- (b) all of the Closing Actions have been performed or otherwise complied with by the Parties pursuant to Clause 7.6 and Schedule 1.

Failure to perform Closing Actions or failure of Closing Date to occur

7.8 If Closing does not take place on the Closing Date because:

- (a) any of the Sberbank Parties or any member of the YD Group has failed to perform any of its Closing Actions pursuant to Clause 7.6 and Schedule 1 on the Closing Date (in circumstances where the YNV Parties and each member of the YM Group has satisfied or performed its Closing Actions or (in the case of those Closing Actions set out paragraph 2 of Schedule 1 which are required to be performed in the order set out therein) would have been in a position to do so with respect to any subsequent Closing Action had the defaulting Sberbank Party or member of the YD Group not failed to have satisfied or performed the relevant preceding Closing Action), then YNV may by written notice to Sberbank; or
- (b) any of the YNV Parties has failed to perform any of its Closing Actions pursuant to Clause 7.6 and Schedule 1 on the Closing Date (in circumstances where the Sberbank Parties and each member of the YD Group and YM Group has satisfied or performed its Closing Actions or (in the case of those Closing Actions set out paragraph 2 of Schedule 1 which are required to be performed in the order set out therein) would have been in a position to do so with respect to any subsequent Closing Action had the defaulting YNV Party not failed to have satisfied or performed the relevant preceding Closing Action), then Sberbank may by written notice to YNV,

elect to either:

- (c) proceed to Closing to the extent reasonably practicable (without limiting its rights under this Agreement with respect to any such failure); or
- (d) defer Closing to a later Business Day that is within [***] after the original Closing Date (in which event any reference in this Agreement to "Closing Date" shall refer to such later Business Day).

7.9 If:

- (a) Closing does not take place on any deferred Closing Date following an election being made pursuant to Clause 7.8(d) because:
 - (i) any of the Sberbank Parties or any member of the YD Group has failed to perform any of its Closing Actions pursuant to Clause 7.6 and Schedule 1 on the deferred Closing Date (in circumstances where the YNV Parties and each member of the YM Group has satisfied or performed its Closing Actions or (in the case of those Closing Actions set out paragraph 2 of Schedule 1 which are required to be performed in the order set out therein) would have been in a position to do so with

respect to any subsequent Closing Action had the defaulting Sberbank Party or member of the YD Group not failed to have satisfied or performed the relevant preceding Closing Action), then YNV may by written notice to Sberbank; or

- (ii) any of the YNV Parties has failed to perform any of its Closing Actions pursuant to Clause 7.6 and Schedule 1 on the deferred Closing Date (in circumstances where the Sberbank Parties and each member of the YD Group and YM Group has satisfied or performed its Closing Actions or (in the case of those Closing Actions set out paragraph 2 of Schedule 1 which are required to be performed in the order set out therein) would have been in a position to do so with respect to any subsequent Closing Action had the defaulting YNV Party not failed to have satisfied or performed the relevant preceding Closing Action), then Sberbank may by written notice to YNV; or
- (b) on the Business Day determined in accordance with Clause 7.5(a) or 7.5(b), either or both of the Conditions in Clauses 5.1(d) (*Warranties*) and 5.1(e) (*Applicable Laws*) has ceased to be satisfied on or following the Russian SPA Signing Date and such Condition has not been waived in writing by YNV and Sberbank pursuant to Clause 5.7, either YNV or Sberbank may by written notice to the other,

elect to terminate this Agreement with effect from the date of receipt of such termination notice and, upon such termination, the provisions of Clause 5.10 shall apply, **PROVIDED THAT** within [***] of the date of such termination, each of YNV and Digital Assets shall (and Sberbank shall procure that Digital Assets shall) take, and procure the taking of, all such actions and steps as are necessary in order to unwind, cancel and terminate the YD Transaction and the YM Transaction (including all steps and actions that have occurred to implement any of the Sale Transactions) and to put each of YNV and Digital Assets in the position they would have been in had the Waiver Letter and the Russian SPA not been executed, had the transfer of the YD Share not been registered with the USRLE and had none of the Closing Actions been performed, including:

- (c) effecting the transfer to YNV from Digital Assets (and any other person(s) to whom Digital Assets may have transferred the YD Share or any portion of it or any rights, title or interest in it) of the YD Share (together with all rights, title and interest that Digital Assets (and any transferee(s)) may have with respect to the YD Share), including the execution by YNV and Digital Assets (and any transferee(s)) in the presence of the Russian Notary of a sale and purchase agreement in substantially similar form to the Russian SPA and procuring that the Russian Notary submits an electronic application to the Russian Federal Tax Service for amendments to be made in the USRLE to reflect the transfer of the YD Share to YNV; and
- (d) if YNV has paid the Consideration Balance to Sberbank in accordance with Clause 3.2(c), Sberbank shall procure that, within [***] of the date of such

termination, there is paid to YNV an amount in RUB equal to [***], such payment to be made in accordance with Clause 15.1 to the relevant YNV bank account as shall be notified in writing by YNV to Sberbank.

Undertaking with respect to use of proceeds

7.10 Except as licenced or authorised by all relevant Sanctions Authorities, Sberbank hereby undertakes that it shall not directly or indirectly distribute, provide, use, lend, contribute, or otherwise make available to any person any part of the YM Consideration or other payments received pursuant to this Agreement to fund any activities or business of or with any person, or in any country or territory, that, at the time of such funding, is a Sanctioned Person or a Sanctioned Territory, to the extent such activities or business would (a) be prohibited by Sanctions that apply to any member of the YNV Group, or (b) constitute or cause an unlawful breach of Sanctions by any member of the YNV Group or could result in the imposition of any Sanction on any member of the YNV Group.

7.11 As at the date of this Agreement, Sberbank hereby undertakes and confirms that neither it nor any signatory to this Agreement acting on behalf of Sberbank or any of its Affiliates is a Sanctioned Person.

8. TERMINATION OF TERMINATED AGREEMENTS AND WAIVER OF CLAIMS

Terminated Agreements

8.1 With effect from and following Closing, each of the Parties irrevocably and unconditionally agrees that each and every provision of each of the Terminated Agreements (whether still to be performed or not), and all transactions pursuant to thereto, including (but not limited to):

- (a) all provisions in any Terminated Agreement that are expressed in such Terminated Agreement as surviving its termination;
- (b) all put and call options or other rights provided for in or contemplated by any Terminated Agreement with respect to any participation interest in YD or any share in the capital of YM;
- (c) (subject to and without prejudice to the provisions of any Transaction Document, including Clause 6) all [***], [***] and other [***] between any of the Parties or concerning YD or YM, including any such obligations contained in any Terminated Agreement and including [***]; and
- (d) all [***] with respect to YM regarding all [***] (as such terms are defined in the YM SHA),

in each case, shall terminate and be of no further force or effect (whether legal, moral or otherwise).

Termination Agreements

8.2 Each of the Parties hereby agrees and acknowledges that termination of the relevant Terminated Agreements pursuant to the Termination Agreements with effect from Closing is not conditional upon performance or satisfaction of any the obligations set out in clauses 2.4, 2.6, 2.7, 2.9, 2.10, 2.12, 2.13, 2.14 and 2.15 of the Termination Agreement with respect to the YM Terminated Agreements, or any the obligations set out in clauses 2.5, 2.6, 2.8, 2.9, 2.11, 2.12, 2.14 and 2.15 of the Termination Agreement with respect to the YD Terminated Agreements, and that any failure to perform any or all of such obligations (a) shall not affect the validity or continuation of any termination of any Terminated Agreement provided for by the relevant Termination Agreement, and (b) shall not entitle any party to the relevant Termination Agreement to terminate, rescind or otherwise unwind the relevant Termination Agreement, or any termination of any Terminated Agreement provided for or acknowledged under it, or to seek to do so, and that the only remedy capable of being sought by any party to any Termination Agreement for breach of any such obligation that was owed to it shall be a claim for damages for breach of such obligation.

Employee plans

8.3 With effect from Closing:

- (a) no member of the Sberbank Group shall be liable for any obligations under any YM Plan, whether arising before or after Closing;
- (b) no member of the Sberbank Group shall, and no former or current director, officer or employee of any member of the Sberbank Group shall, participate in, benefit from or be entitled to receive any payments under any YM Plan (whether accruing before or after Closing);
- (c) no member of the YNV Group shall be liable for any obligations under any YD Plan, whether arising before or after Closing;
- (d) no member of the YNV Group shall, and no former or current director, officer or employee of any member of the YNV Group shall, participate in, benefit from or be entitled to receive any payments under any YD Plan (whether accruing before or after Closing); and
- (e) each of the Parties agrees that the provisions of Clause 8.4 shall apply with respect to any and all claims of any nature with respect to the YM Plan or the YD Plan (as the case may be).

Waiver and release of claims

8.4 With effect from the Closing Date, each of the Sberbank Parties (for and on behalf of itself and its Connected Persons) agrees, covenants and undertakes to each of the YNV Parties and its Connected Persons, and each of the YNV Parties (for and on behalf of itself and its Connected Persons) agrees, covenants and undertakes to each of the Sberbank Parties and its Connected Persons (the Party giving such covenant being

a “**Waiving Party**”, and each Party and its Connected Persons receiving such covenant being a “**Beneficiary**”) as follows:

- (a) each Waiving Party covenants and undertakes that neither such Waiving Party nor any of its Connected Persons has any Waived Claim against any Beneficiary arising out of, in relation to or in connection with:
- (i) any provision of, or the subject matter of, any Terminated Agreement, including all obligations and other provisions (and subject matter thereof) referred to in Clause 8.1 (other than with respect to and without prejudice to Clause 6);
 - (ii) any document, information, notice or agreement entered into, provided or issued (or not entered into, provided or issued) in connection with any of the Terminated Agreements or any of the transactions contemplated thereby;
 - (iii) any aspect of the management, business or operations of any member of the YM Group or the YD Group arising during or with respect to the period prior to Closing (subject to and without prejudice to any Tax Claim);
 - (iv) the YM Articles, the YD Charter or any other constitutional documents or rules of procedure of any member of the YM Group or the YD Group;
 - (v) any YM Plan or YD Plan, or the terms thereof, or any benefits or payments accruing thereunder; or
 - (vi) the termination, resignation, removal or replacement of any director, officer, employee or manager of any member of the YM Group or the YD Group on, or at any time prior to, Closing (including any Outgoing Director),

(each such Waived Claim being a “**Relevant Claim**”);

- (b) each Waiving Party hereby waives and unconditionally and irrevocably releases and discharges (and shall procure that each of its Connected Persons shall unconditionally and irrevocably release and discharge) each of the Beneficiaries (without any admission of liability) from:
- (i) any and all Relevant Claims; and
 - (ii) any liability of any kind, whether direct or indirect, foreseen or unforeseen, foreseeable or unforeseeable, known or unknown, contingent or actual, present or future, arising anywhere in the world and arising out of or in connection with any Relevant Claims or relating to any facts or matters whatsoever underlying such Relevant Claims (each a “**Relevant Liability**”);

- (c) to the extent that any Relevant Claim or any Relevant Liability exists or may exist, each Waiving Party covenants and undertakes to each Beneficiary that this Agreement shall, and does hereby, constitute full, final and irrevocable settlement of any such Relevant Claim or any Relevant Liability;
- (d) each Waiving Party covenants and undertakes to each Beneficiary:
 - (i) not to (and shall procure that none of its Connected Persons shall) sue, commence, voluntarily aid in any way, prosecute or cause to be commenced or prosecuted against any Beneficiary any action, suit, claim, investigation, regulatory proceedings or any other proceeding in any jurisdiction whatsoever arising out of, in connection with or relating to any of the matters released and discharged pursuant to Clause 8.4(b); and
 - (ii) not to (and shall procure that none of its Connected Persons shall) request, assist or encourage in any way any company or any other person (including any Authority) to take any of the actions described in paragraph (i) above in any jurisdiction whatsoever; and
- (e) each Waiving Party covenants, represents, warrants and undertakes to each Beneficiary that neither such Party nor any of its Connected Persons has assigned, transferred or otherwise disposed of, and will not assign, transfer or otherwise dispose of, any interest in any actual or potential Waived Claim of any kind which it had, has or might have against any person who is or may be entitled to bring a counterclaim arising out of, or in any way connected with, or relating to the matters released and discharged pursuant to Clause 8.4(b).

8.5 Each of the Parties agrees to take all steps and to do and execute, or procure to be done and executed, all acts, deeds, documents or things which are reasonably required in order to give effect to this Clause 8.

9. POST CLOSING OBLIGATIONS

[***]

9.1 With effect from Closing [***] undertakes [***] that [***] shall,

- (a) use, rely upon, process, obtain or have access to (or be entitled to use, rely upon, process, obtain or have access to):
 - (i) [***];
 - (ii) [***]; or
- (b) use, rely upon or process (or be entitled to use, rely upon or process) [***],
(together, “[***]”) unless such use, reliance, processing, obtaining or access of or to [***]:

- (x) by the [***]; or
 - (y) by [***] from time to time following Closing,
- (together, the “[***]”).

9.2 With effect from Closing, [***] undertakes that [***] transfer, make available or disclose to any person [***], except to the extent disclosure of [***] is expressly permitted [***].

9.3 With effect from Closing, [***] agrees and acknowledges that, with respect to [***], it shall procure that no member of [***] and no member of [***] shall use, rely upon, process, obtain or have access to any of the [***] (or shall be entitled to do so), unless such use, reliance, processing, obtaining or access is expressly provided for and permitted by an agreement [***].

9.4 Upon termination of [***] that provides for or permits the [***] services [***], all such [***] services shall constitute [***].

9.5 Subject to the provisions of this Agreement (including Clause 13) and subject to Clause 9.6, with effect from Closing and without prejudice to any other remedy pursuant to any Transaction Document or otherwise, each of [***] undertakes to indemnify and to keep indemnified on demand each member of [***] against and from, and covenants to hold harmless and to pay to each member of the [***] on demand, any and all amounts equal to any and all any [***] suffered or incurred at any time after Closing by any member of the [***] as a result of or in connection with any member of the [***] knowingly [***] in breach of Clause 9.1 or 9.3, or knowingly [***], including any such [***], **INCLUDING** all [***] suffered or incurred [***]: (x) in disputing, defending or settling any [***] claim made by any person as a consequence of [***]; and (b) in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to, this [***].

9.6 If, after Closing, either [***] in writing that, notwithstanding the provisions of [***] by such member of [***] is not the subject of [***], and, following receipt of such notice, [***] continues to [***], no member of [***] shall be entitled to claim under the indemnity in Clause 9.5 with respect to [***] suffered or incurred as a result of [***] specified in such notice.

[***]

9.7 With effect from Closing, [***] that [***] shall,

- (a) use, rely upon, process, obtain or have access to (or be entitled to use, rely upon, process, obtain or have access to):
 - (i) [***]
 - (ii) [***] or

- (b) use, rely upon or process (or be entitled to use, rely upon or process) [***],
(together, [***) unless such use, reliance, processing, obtaining or access of or to any [***):
- (x) by the [***]; or
- (y) by any member of [***] from time to time following Closing,
(together, the “[***)”).

9.8 With effect from Closing, [***] undertakes [***], transfer, disclose or make available to any person [***], except to the extent disclosure of [***].

9.9 With effect from Closing, [***] agrees and acknowledges that, with respect to [***] it shall procure that no member of the [***] shall use, rely upon, process, obtain or have access to [***] (or shall be entitled to do so), unless such use, reliance, processing, obtaining or access is expressly provided for and permitted by an agreement [***].

9.10 Upon termination of [***] that provides for or permits the [***] services [***], all such [***] services shall constitute [***].

9.11 Subject to the provisions of this Agreement (including Clause 13) and subject to Clause 9.12, with effect from Closing and without prejudice to any other remedy pursuant to any Transaction Document or otherwise, each of [***] undertakes to indemnify and to keep indemnified on demand each member of [***] against and from, and covenants to hold harmless and to pay to each member of the [***] on demand, any and all amounts equal to any and all any [***] suffered or incurred at any time after Closing by any member of the [***] as a result of or in connection with any member [***] knowingly [***] in breach of Clause 9.7 or 9.9, or knowingly [***], including any such [***], **INCLUDING** [***] suffered or incurred[***]; (x) in disputing, defending or settling any [***] claim made by any person as a consequence of [***]; and (b) in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to, [***].

9.12 If, after Closing, [***] notifies [***] in writing that, notwithstanding the provisions of [***] by such member [***] is not the subject of [***] and, following receipt of such notice, [***] continues to [***] no member [***] shall be entitled to claim under the indemnity in Clause 9.11 with respect to [***] suffered or incurred as a result of [***] in such notice.

Deletion [*]**

9.13 Within [***] of the Closing Date, [***] (and shall procure that each of its respective Affiliates shall) permanently delete all [***] shall (and shall procure that each of its respective Affiliates shall) permanently delete all [***] including (x) all copies of all or part thereof and (y) any portion of any [***] included in other media, that the deleting Party is aware of, except that data logs and similar information with

respect to the [***]. Prior to the [***] being deleted, no Party shall (and each Party shall procure that any Affiliate shall not) distribute or copy [***] to any Affiliate that does not already possess [***] or to any third party or other person. On or before the expiry of the [***] period following the Closing Date [***] each of [***] shall provide written confirmation to the other that all [***] required to be deleted pursuant to this Clause has been so permanently deleted. Neither [***] may bring a Claim against [***], and neither [***] may bring a Claim against [***], in either case, for breach of this Clause 9.13 if [***] has not fully performed its obligations under this Clause [***].

9.14 With respect to any data relating to [***] (including [***]) that [***] has received directly from the [***] where [***] either within the [***] period prior to Closing or since [***] shall procure that the [***] with respect to [***], such [***] to occur within [***] of the Closing Date, **EXCEPT THAT** such obligation shall not apply to any [***].

9.15 With respect to any data relating to [***] (including [***]) that [***] has received directly from the [***], where [***] within the [***] period prior to Closing or since [***] shall procure that the [***] permanently deletes [***] with respect to each such [***], such [***] to occur within [***] of the Closing Date, **EXCEPT THAT** such obligation shall not apply to any [***].

Use [*]**

9.16 With effect from Closing until [***], with respect to any [***] that was received directly by a member of the [***] during the [***] period prior to Closing, none of the [***] (and each of [***] shall procure that none of the other [***]) deliberately [***], **EXCEPT THAT** the [***] shall not be prohibited from [***].

No use [*]**

9.17 Subject to Closing having occurred, with effect from [***], none of the members of [***] (and each of the members of [***] shall procure that none of the other members of [***] shall):

- (a) subject to [***] and the provisions of the [***], use or display for any purposes [***] any of the following [***];
- (b) use, state or mention [***] (whether written, electronic or otherwise), to [***], except where such indication (x) (i) is merely in the context of describing the factual history of the [***], and [***] or (y) (i) is obligatory [***] pursuant to any mandatory provision of Applicable Law and (ii) such indication shall only be made to the minimum extent strictly necessary in order to comply with such Applicable Law and no greater; and
- (c) file any new trademark application [***].

[***]

9.18 With effect from Closing until [***], no member of the YNV Group shall use [***] or any of their direct derivatives, **PROVIDED THAT** any steps or actions by the [***] shall not constitute a breach of this Clause.

9.19 With effect from Closing until [***], no member of [***] shall [***] or any of their direct derivatives, [***] and **PROVIDED THAT** any steps or actions by the [***] shall not constitute a breach of this Clause.

9.20 With effect from Closing [***] shall be permitted to [***]:

[***]

[***] **ATMs**

9.21 With effect from [***] each of [***] undertakes (and shall procure that each other member of [***] undertakes) not to use and to cease using, and no member of [***] shall be entitled to use, [***].

[***]

9.22 With effect from Closing, [***] shall be obliged to continue to use, and [***]:

[***]

9.23 A Claim pursuant to the YD AA Indemnity in Clause 12.3(f) shall be the sole and exclusive remedy of YD with respect to any breach of [***] by [***], and no member of the [***], shall be entitled to bring any other Claim against, or be entitled to recover any amount (including any losses, damages, expenses, fines, penalties, liabilities or costs) from, any member of the [***] with respect to such breach on any other basis (including any claim for contractual damages for breach of [***]).

[***]

[***]

10. TITLE AND CAPACITY WARRANTIES AND INDEMNITIES

General Warranties

10.1 Each Party (a “**General Warrantor**”) warrants to the other Parties:

- (a) as at the date of this Agreement; and
- (b) as at the Closing Date, by reference to the facts and circumstances then existing and as if any references in the following warranties to the date of this Agreement were references to the Closing Date,

in each case, that each of the following warranties is true and accurate:

- (c) such Party is validly incorporated, in existence and duly registered under the Applicable Laws of its jurisdiction of incorporation;
- (d) such Party has the requisite right, power and authority and (where such Party is a Relevant Seller or Relevant Purchaser, subject to the FAS Approval being obtained) has obtained all other applicable governmental, statutory, regulatory or other consents, licences, authorisations, waivers or exemptions required to empower it to enter into and perform this Agreement, the Transactions and each of the other Transaction Documents to which it is a party;
- (e) each of the Transaction Documents to which it is a party constitutes legally valid and binding obligations of such Party, enforceable in accordance with its terms, subject to general principles of equity and applicable bankruptcy, insolvency, reorganisation, moratorium and similar Applicable Laws relating to or affecting creditors' rights and remedies generally;
- (f) the entry into, performance and compliance by such Party of or with any Transaction or any term of any of the Transaction Documents does not:
 - (i) violate or conflict with the provisions of its charter, memorandum and articles of association, certificate of incorporation, by-laws, or equivalent constitutional documents;
 - (ii) result in a violation or breach by it of any Applicable Laws where such breach would adversely affect its ability to enter into or perform its obligations under this Agreement;
 - (iii) violate any voting agreement, voting trust agreement or stockholders' agreement to which it is a party;
 - (iv) conflict with, result in any breach of or constitute a default under any other agreement, commitment or other arrangement to which it or any of its Affiliates is a party or by which any of its respective assets are bound, except for any such conflicts, breaches or defaults that would not result in a material adverse effect on such Party or any of its Affiliates; or
 - (v) no Insolvency Event has occurred with respect to such Party.

10.2 Subject to the provisions of this Agreement (including Clause 13), with effect from Closing and without prejudice to any other remedy pursuant to any Transaction Document or otherwise, each General Warrantor hereby undertakes to indemnify and to keep indemnified on demand each other Party against and from, and covenants to hold harmless and to pay to each other Party on demand, any and all amounts equal to any and all Losses suffered or incurred at any time after Closing by such other Party as a result of: (a) a breach by the General Warrantor of any of the General Warranties; or (b) the existence of any fact, matter or circumstance as at the date of this Agreement or as at the Closing Date that results in any of the General Warranties given by such General Warrantor being untrue or inaccurate as at such date, **INCLUDING**, in each case,

any and all Losses suffered or incurred by such other Party in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to, this Clause 10.2.

Title Warranties with respect to YM Shares

10.3 Each of Digital Assets and Sberbank (the “**YM Warrantors**”) jointly and severally warrants to YNV:

- (a) as at the date of this Agreement; and
- (b) as at the Closing Date, by reference to the facts and circumstances then existing and as if any references in the following warranties to the date of this Agreement were references to the Closing Date,

in each case, that each of the following warranties (the “**YM Title Warranties**”) is true and accurate:

- (c) Digital Assets is the sole legal and beneficial owner of all of the YM Shares;
- (d) the YM Shares comprise all of the shares in the capital of YM that are owned or held by, or on behalf of, Digital Assets, Sberbank or any of their respective Affiliates;
- (e) no Encumbrances over or affecting the YM Shares have been created or have come into existence since the issuance of the YM Shares to Digital Assets and no person has claimed to be entitled to an Encumbrance in relation to any of the YM Shares;
- (f) Digital Assets is entitled to transfer or procure the transfer of the full legal and beneficial ownership of the YM Shares to YNV on the terms set out in this Agreement; and
- (g) there are no trusts or other agreements or understandings to which Digital Assets, Sberbank or any of its Affiliates is a party, or to which Digital Assets, Sberbank or any of its Affiliates is subject, with respect to the exercise of votes attaching to any of the YM Shares which shall not be terminated on or before Closing.

10.4 Subject to the provisions of this Agreement (including Clause 13), with effect from Closing and without prejudice to any other remedy pursuant to any Transaction Document or otherwise, each of the YM Warrantors hereby undertakes to indemnify and to keep indemnified on demand YNV against and from, and covenants to hold harmless and to pay to YNV on demand, any and all amounts equal to any and all Losses suffered or incurred at any time after Closing by YNV as a result of: (a) a breach by a YM Warrantor of any of the YM Title Warranties; (b) the existence of any fact, matter or circumstance as at the date of this Agreement or as at the Closing Date that results in any of the YM Title Warranties given by a YM Warrantor being untrue or inaccurate as at such date; (c) YNV not having full legal and beneficial title to all of the

YM Shares at Closing on the basis of facts and circumstances existing at Closing; or (d) there being any Encumbrance over any of the YM Shares at Closing on the basis of facts and circumstances existing at Closing; **INCLUDING**, in each case, any and all Losses suffered or incurred by YNV: (x) in disputing, defending or settling any such Loss or any claim made by any person that results in any of the foregoing events or matters; or (y) in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to, this Clause 10.4.

Title Warranties with respect to YD Share

10.5 YNV warrants to Digital Assets:

- (a) as at the date of this Agreement; and
- (b) as at the Closing Date, by reference to the facts and circumstances then existing and as if any references in the following warranties to the date of this Agreement were references to the Closing Date,

in each case, that each of the following warranties (the “**YD Title Warranties**”) is true and accurate:

- (c) YNV is the sole legal and beneficial owner of the YD Share;
- (d) the YD Share comprises all of the participation interest in the charter capital of YD that is owned or held by, or on behalf of, YNV or any of its Affiliates;
- (e) there are no Encumbrances over or affecting any part of the YD Share and no person has claimed to be entitled to an Encumbrance in relation to any part of the YD Share;
- (f) YNV is entitled to transfer or procure the transfer of the full legal and beneficial ownership of the YD Share to Sberbank on the terms set out in this Agreement; and
- (g) there are no trusts or other agreements or understandings to which YNV or any of its Affiliates is a party, or to which YNV or any of its Affiliates is subject, with respect to the exercise of votes attaching to any part of the YD Share which shall not be terminated on or before Closing.

10.6 Subject to the provisions of this Agreement (including Clause 13), with effect from Closing and without prejudice to any other remedy pursuant to any Transaction Document or otherwise, YNV hereby undertakes to indemnify and to keep indemnified on demand Digital Assets against and from, and covenants to hold harmless and to pay to Digital Assets on demand, any and all amounts equal to any and all Losses suffered or incurred at any time after Closing by Digital Assets as a result of: (a) a breach by YNV of any of the YD Title Warranties; (b) the existence of any fact, matter or circumstance as at the date of this Agreement or as at the Closing Date that results in any of the YD Title Warranties given by YNV being untrue or inaccurate as at such

date; (c) Digital Assets not having full legal and beneficial title to the entire YD Share at Closing on the basis of facts and circumstances existing at Closing; or (d) there being any Encumbrance over any part of the YD Share at Closing on the basis of facts and circumstances existing at Closing; **INCLUDING**, in each case, any and all Losses suffered or incurred by Digital Assets: (x) in disputing, defending or settling any such Loss or any claim made by any person that results in any of the foregoing events or matters; or (y) in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to, this Clause 10.6.

Separate warranties

10.7 Each of the Warranties is separate and independent and except as expressly provided to the contrary in this Agreement is not limited:

- (a) by reference to any other Warranty; or
- (b) by anything in this Agreement or any other Transaction Document.

Survival

10.8 The rights and remedies of any Claimant Party in respect of any breach of any Warranty or in respect of any other covenant or obligation of any other Party in this Agreement shall not be affected by Closing or by the giving of any time or other indulgence by such Claimant Party to any person, except as provided in this Agreement or in a specific waiver or release by the Claimant Party in writing and any such waiver or release shall not prejudice or affect any remaining rights or remedies of the Claimant Party.

No qualification of Warranties

10.9 None of the Warranties shall be qualified by reference to any matter that is not set out in its terms.

11. TAX COVENANTS

YM Tax Covenant

11.1 Subject to the provisions of this Agreement (including Clause 13), with effect from Closing, Sberbank and Digital Assets hereby jointly covenant to pay to YNV on demand an amount equal to the Relevant Proportion of:

- (a) any Actual Tax Liability; and
- (b) any Deemed Tax Liability,

including, in each case, any and all Losses suffered or incurred by YNV in bringing any claim under, or in disputing, defending, settling, investigating or providing

evidence in connection with establishing its right to be indemnified pursuant to this Clause 11.1 (the “**YM Tax Covenant**”).

11.2 The YM Tax Covenant shall be the sole and exclusive remedy of each member of the YNV Group against any member of the Sberbank Group with respect to any liability to Tax concerning the YM Group, and no member of the YNV Group shall be entitled to bring any other Claim against, or be entitled to recover any amount from, any member of the Sberbank Group with respect to any liability to Tax concerning the YM Group on any other basis.

YD Tax Covenant

11.3 Subject to the provisions of this Agreement (including Clause 13), with effect from Closing, YNV hereby covenants to pay to Digital Assets on demand an amount equal to the Relevant Proportion of:

- (a) any Actual Tax Liability; and
- (b) any Deemed Tax Liability,

including, in each case, any and all Losses suffered or incurred by Digital Assets in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to this Clause 11.3 (the “**YD Tax Covenant**”).

11.4 The YD Tax Covenant shall be the sole and exclusive remedy of each member of the Sberbank Group against any member of the YNV Group with respect to any liability to Tax concerning the YD Group, and no member of the Sberbank Group shall be entitled to bring any other Claim against, or be entitled to recover any amount from, any member of the YNV Group with respect to any liability to Tax concerning the YD Group on any other basis.

11.5 The Tax Covenants shall not cover any Actual Tax Liability or Deemed Tax Liability to the extent that such Tax Liability was paid or discharged on or before Closing.

12. ANCILLARY AGREEMENT [*]**

YM Ancillary Agreement [*]**

12.1 Subject to the provisions of this Agreement (including Clauses 12.4 and 13), with effect from Closing, [***] against and from, and [***], any and all amounts equal to:

- (a) [***];
- (b) [***];
- (c) [***]; and

(d) [***],

suffered or incurred at any time after Closing by [***] as a result of [***] having [***], **INCLUDING**, in each case, any and [***] (the “[***]”).

YD Ancillary Agreement [*]**

12.2 Subject to the provisions of this Agreement (including Clauses 12.4 and 13), with effect from Closing, [***] against and from, [***] any and all amounts equal to:

(a) [***]

(b) [***]

(c) [***]

suffered or incurred at any time after Closing by [***] as a result of [***], **INCLUDING**, in each case, any and all [***] (the “**YNV AA Indemnity**”).

YD Ancillary Agreement [*]**

12.3 Subject to the provisions of this Agreement [***] with effect from Closing, [***] against and from, [***]:

(a) any and all amounts equal to:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***] (**EXCEPT THAT**, with respect to any [***], the [***] to the extent that a [***] has occurred, and such [***] has occurred as a result of [***] having [***] with respect to the relevant obligation to provide the relevant Service [***],

suffered or incurred at any time after Closing by any member of the [***]:

(v) a [***] having occurred and such [***] with respect to such [***], **PROVIDED THAT** such [***] has occurred as a result of [***] having committed either:

(A) an intentional [***] to which the relevant [***] relates; or

(B) an unintentional [***] set out in [***] to which the relevant [***] relates and [***] to have used all its reasonable efforts to cure such [***] in accordance with its obligations [***] with respect to such [***]; or

- (vi) any [***] having occurred; or
 - (vii) a [***] having occurred;
- (b) any and all amounts equal to:
- (i) [***]
 - (ii) [***]
 - (iii) [***], and
 - (iv) any [***], **BUT ONLY**, in the case of [***], to the extent that a [***] has occurred, and such [***] has occurred as a result of [***] having committed [***] set out in either [***]
- suffered or incurred at any time after Closing by any member of the [***] as a result of a [***] having occurred during any calendar month, and such [***] having been cured [***] with respect to such [***], and where at least [***] occurred during the same calendar month prior to such [***] and each [***] was cured [***] with respect to such [***], **PROVIDED THAT**:
- (v) each such [***] has occurred as a result of [***] with respect to, [***] to which the relevant [***] relates; and
 - (vi) [***] with respect to the occurrence of [***] to occur [***] that occurred during the same calendar month;
- (c) any and all amounts equal [***] suffered or incurred at any time after [***] as a result of a [***] having occurred and such [***] failing to be cured on [***] with respect to such [***], **PROVIDED THAT** such [***] has occurred as a result of [***] having committed either:
- (i) an [***] to which the relevant [***] relates (**PROVIDED FURTHER** that each such [***] relates only to [***]); or
 - (ii) an [***] relates (**PROVIDED FURTHER** that each such [***] relates only to [***]) and [***] failing to [***] with respect to such [***];
- (d) any and [***] suffered or incurred at any time after Closing [***] as a result of a [***] having occurred [***] prior to such [***] and each such prior [***] was cured on or before [***], **PROVIDED THAT**:
- (i) each such [***] to which the relevant [***] relates (**PROVIDED FURTHER** that each such [***] relates only to [***] services); and
 - (ii) [***] to occur during any calendar month and that was cured and not with respect to the first [***] that occurred during the same calendar month;

- (e) any and all amounts equal to any and all Losses [***] suffered or incurred at any time after Closing by any member of the [***] as a result of a [***] having occurred and such [***] failing to [***], **PROVIDED THAT** such [***] has occurred as a result of [***] having committed either:
- (i) an [***] set out [***] to which the relevant [***] relates ; or
 - (ii) an [***] set out in [***] to which the relevant [***] relates [***] its reasonable efforts to cure such [***] in accordance with its obligations [***],

and **PROVIDED FURTHER** that in relation to a [***] with respect to the YD Ancillary Agreement referred to in Schedule 5 as Exhibit YD 5, such [***] relates only to [***] services,

(the [***] (inclusive) being the [***] and

- (f) any and all amounts equal to [***] suffered or incurred [***],

INCLUDING, in each case, any and [***] suffered or incurred [***].

[***]

[***]

Third Party Claim Indemnity

12.4 Subject to the provisions of this Agreement (including Clause 13), with effect from Closing, YD and YLLC (each a “**Relevant Indemnifier**”) hereby undertakes to indemnify and to keep indemnified on demand YLLC (where the Relevant Indemnifier is YD) and YD Credit (where the Relevant Indemnifier is YLLC) (the “**Relevant Protected Person**”) against and from, and covenants to hold harmless and to pay to the Relevant Protected Person on demand, any and all amounts equal to any and all Losses [***] suffered or incurred at any time after Closing by the Relevant Protected Person as a result of any claim made by any third party (“Претензии”) (as such term is defined in each YD Ancillary Agreement) (a “**Russian Third Party Claim**”) against the Relevant Protected Person with respect to or in connection with any of the YD Ancillary Agreements referred to in Schedule 5 as Exhibits YD 1 to YD 7 (inclusive), or its performance, **INCLUDING**, in each case, any and all Losses suffered or incurred by the Relevant Protected Person in bringing any claim under, or in disputing, defending, settling, investigating or providing evidence in connection with establishing its right to be indemnified pursuant to, this Clause 12.5 (the “**Russian Third Party Claim Indemnity**”).

13. LIMITATIONS ON LIABILITY

Time limits

13.1 No Respondent Party shall be liable for any Claim unless it has received written notice of the relevant Claim from the relevant Claimant Party, specifying in reasonable detail the particulars of the relevant Claim, including the matter giving rise to the Claim, the nature of the Claim and the amount of the Claim (together with evidence of and the basis for such amount to the extent reasonably available at the time) (a “**Claim Notice**”):

- (a) in the case of a Claim other than an AA Claim, within [***] of the date on which the Claimant Party becomes aware of the fact, matter or circumstance giving rise to its right to bring a Claim;
- (b) in the case of an AA Claim under the YD AA Indemnity in Clauses 12.3(a) to 12.3(e) (inclusive) with respect to the occurrence of a Confirmed Yandex Problem, within [***] of the expiry of the relevant cure period provided for in clause 1.3.4 of the SLA; or
- (c) in the case of any AA Claim in relation to which Clause 13.1(b) does not apply, within [***] of the date on which any of the [***] of:
 - (i) in the case of the YD AA Indemnity, any member of the YD Group;
 - (ii) in the case of the YM AA Indemnity, any member of the YM Group; or
 - (iii) in the case of the YNV AA Indemnity, any member of the YNV Group,

in each case, becomes aware (or reasonably ought to have been aware) of the fact, matter or circumstance giving rise to its right to bring an AA Claim,

and, in any event, by no later than:

- (d) with respect to any General Warranty Claim or Title Claim, the date falling [***] after the Closing Date;
- (e) with respect to any Tax Claim, the date falling [***] after the Closing Date, **EXCEPT THAT** if, on that date, a tax audit of any member of the relevant Company Group in respect of a period prior to or straddling Closing has been notified or is ongoing then the time period shall be extended to the date which is [***] following the date on which the final binding decision (which has entered into legal force) is issued by the relevant Tax Authority in relation to such tax audit;
- (f) with respect to any AA Claim:
 - (i) against a particular AA Respondent pursuant to the YD AA Indemnity or the YNV AA Indemnity in relation to any YD Ancillary Agreement

(or any obligation of it), the relevant date that is stated in Schedule 5 alongside the name of the AA Respondent or its Affiliate with respect to the relevant YD Ancillary Agreement (or obligation of it); and

- (ii) pursuant to the YM AA Indemnity with respect to any YM Ancillary Agreement, the relevant date that is stated in Schedule 7 alongside the name of the relevant YM Ancillary Agreement;
- (g) with respect to any AA Claim [***] that relates to a [***] with respect to the [***] in:
 - (i) Clause 9.22(a), the date falling [***] after the [***] of the Closing Date; and
 - (ii) Clause 9.22(b), the date falling [***] after the date that falls [***] following the Closing Date; and
- (h) with respect to any Russian Third Party Indemnity Claim, the date falling [***] after the date of termination of the relevant YD Ancillary Agreement to which the relevant Russian Third Party Claim relates.

13.2 A Claim shall (if it has not been previously satisfied, settled or withdrawn) not be enforceable against any Respondent Party and shall be deemed to have been withdrawn (and no new Claim may be made in respect of the facts, event, matter or circumstance giving rise to such withdrawn Claim) unless arbitral proceedings in respect of such Claim are commenced (by a request for arbitration being issued and served upon the Respondent Party) within [***] of service of a Claim Notice on such Respondent Party with respect to such Claim, **PROVIDED THAT** this provision shall only apply from the time at which the amount of such Claim, when aggregated with the amount of all prior Claims that constitute Qualifying Claims, exceeds [***].

Maximum aggregate liability threshold

13.3 The maximum aggregate amount of the liability of the YNV Group in respect of all Claims shall not exceed [***].

13.4 The maximum aggregate amount of the liability of the Sberbank Group in respect of all Claims shall not exceed [***].

Tax Claim threshold

13.5 Subject always to the aggregate limitation in Clause 13.3, the maximum liability of YNV in respect of any and all Tax Claims shall not exceed [***] of the YD Consideration.

13.6 Subject always to the aggregate limitation in Clause 13.4, the maximum liability of Sberbank in respect of any and all Tax Claims shall not exceed [***] of the YM Consideration.

AA Claim threshold

13.7 Subject always to the aggregate limitation in Clause 13.3 and subject to Clause 13.8, the maximum liability of the YNV Group:

- (a) with respect to any AA Claim pursuant to the YD AA Indemnity in relation to any YD Ancillary Agreement (or obligation of it), shall not exceed the amount in RUB that is [***] alongside the name of the relevant member of the YNV Group that is a party to it;
- (b) with respect to any AA Claim by YD against YNV pursuant to the YD AA Indemnity that relates to [***] with respect to YNV's obligations in:
 - (i) Clause 9.22(a), the maximum liability of the YNV Group shall not exceed an amount in RUB equal to [***]; and
 - (ii) Clause 9.22(b), the maximum liability of the YNV Group shall not exceed an amount in RUB equal to [***]; and
- (c) in respect of any and all AA Claims, shall not exceed an amount in RUB equal to the [***], **PROVIDED ALWAYS** that the maximum liability of the YNV Group for all AA Claims in relation to the YD AA Indemnity with respect to all [***] shall not exceed, in aggregate, RUB [***].

13.8 If a YD Change of Control Event occurs on or before the date falling [***] following the Closing Date, the maximum liability of the YNV Group in respect of an AA Claim pursuant to the YD AA Indemnity (whether the Claim Notice in respect of such AA Claim is served before the occurrence of the YD Change of Control Event and has not become a Finally Determined AA Claim as at such occurrence, or the Claim Notice is served on or after the occurrence of the YD Change of Control Event):

- (a) in relation to each of the YD Ancillary Agreements referred to in Schedule 5 as Exhibits YD 1 to YD 6 shall not exceed an amount in RUB equal to RUB [***] (instead of the amount in RUB that is [***] alongside the name of the relevant member of the YNV Group that is a party to such YD Ancillary Agreement); and
- (b) in relation to a [***] with respect to YNV's obligations in Clause 9.22(b), shall not exceed an amount in RUB equal to RUB [***] (instead of the amount in RUB specified in Clause 13.7(b)(ii)).

13.9 Subject always to the aggregate limitation in Clause 13.4 and subject to Clause 13.10, the maximum liability of the Sberbank Group:

- (a) with respect to any AA Claim pursuant to any YNV AA Indemnity in relation to any YD Ancillary Agreement, shall not exceed the amount in RUB that is [***] alongside Sberbank's name or the name of the relevant member of the YD Group by reference to such YD Ancillary Agreement (to the extent an

individual financial threshold for any such YD Ancillary Agreement is specified in Schedule 5);

- (b) with respect to any AA Claim pursuant to the YM AA Indemnity in relation to any YM Ancillary Agreement, shall not exceed the amount in RUB that is stated in Schedule 7 alongside Sberbank's or its Affiliate's name by reference to such YM Ancillary Agreement (to the extent an individual financial threshold for any such YM Ancillary Agreement is specified in Schedule 7); and
- (c) in respect of any and all AA Claims, shall not exceed an amount in RUB equal to [***], **PROVIDED ALWAYS** that the maximum liability of:
 - (i) Sberbank for all AA Claims in relation to the YM AA Indemnity:
 - (A) with respect to all [***], shall not exceed, in aggregate, [***]; and
 - (ii) YD for all AA Claims in relation to the YNV AA Indemnity:
 - (A) with respect to all [***], shall not exceed, in aggregate, [***].

13.10 If a YM Change of Control Event occurs on or before the date falling [***] following the Closing Date, the maximum liability of the Sberbank Group in respect of an AA Claim pursuant to the YM AA Indemnity (whether the Claim Notice in respect of such AA Claim is served before the occurrence of the YM Change of Control Event and has not become a Finally Determined AA Claim as at such occurrence, or the Claim Notice is served on or after the occurrence of the YM Change of Control Event) in relation to each of the YM Ancillary Agreements shall not exceed an amount in RUB equal to [***](or with respect to the YM Ancillary Agreements referred to in Schedule 7 as YM 3, the Barus LLC Agreements and the Sberbank Pickup Points Lease Agreements, [***] in aggregate, or with respect to the YM Ancillary Agreements referred to in Schedule 7 as YM 8 to YM 21 (inclusive), [***] in aggregate) (instead of the amount in RUB that is [***] alongside Sberbank's or its Affiliate's name by reference to such individual YM Ancillary Agreement or such aggregated YM Ancillary Agreements).

Russian Third Party Indemnity Claim threshold

13.11 Subject always to the aggregate limitation in Clause 13.4, the maximum liability of a Russian Third Party Indemnity Respondent with respect to any Russian Third Party Indemnity Claim shall not exceed an amount in RUB equal to [***] in relation to each YD Ancillary Agreement to which the Russian Third Party Indemnity Claim relates.

De minimis and basket thresholds

13.12 No Respondent Party shall be liable in respect of any Claim from a Claimant Party unless:

- (a) the amount in relation to any individual Claim against such Respondent Party exceeds [***] (each such Claim being a “Qualifying Claim”); and
- (b) the aggregate amount of all Qualifying Claims against such Respondent Party exceeds [***], in which event the Respondent Party shall be liable for the full amount of all such Qualifying Claims, and not just the excess.

Contingent liabilities

13.13 If any Claim is based upon an underlying liability which is contingent only, no Respondent Party shall be liable under such Claim unless and until such underlying contingent liability becomes an actual liability and gives rise to an obligation to make a payment and such payment is actually made, but the relevant Claimant Party has the right to give notice of a Claim in respect of a contingent liability within the time limits set out in Clause 13.1 provided that: (a) legal proceedings in respect of such Claim are commenced (by a request for arbitration being issued and served upon the Respondent Party) within [***] of such contingent liability becoming an actual liability; and (b) any such contingent liability shall have become an actual liability within [***] from the date of the Claim made in accordance with Clause 13.1.

Remediation and cure period

13.14 If a Respondent Party is given written notice of a Claim by a Claimant Party under this Agreement:

- (a) the Respondent Party and each of its Affiliates shall be entitled to take all such actions as are within their power and authority and as they may deem appropriate in order to seek to remedy or rectify the circumstances giving rise to, or that form the basis of, such Claim during the period of [***] following receipt of such notice;
- (b) the Respondent Party shall not be liable under such Claim, and the Claimant Party may not recover any amount in respect of such Claim, until the expiry of such [***] period; and
- (c) during such [***] period, and without prejudice to its duty to mitigate any loss, the Claimant Party shall (and shall procure that each of its Affiliates shall) provide all information and reasonable assistance to the Respondent Party and its Affiliates with respect to all actions that they may take, or wish to take, pursuant to paragraph (a) above, and the Respondent Party shall reimburse the Claimant Party for any reasonable and documented costs and expenses that the Claimant Party may incur if and to the extent that such Claimant Party agrees to take any action that has been requested in writing by the Respondent Party.

Excluded losses

13.15 Subject to Clause 13.16 and without prejudice to the right of any AA Claimant to bring an AA Claim pursuant to any AA Indemnity [***] resulting from [***], no Party shall be liable to any other Party (whether pursuant to, arising under or in

connection with any Claim, any Transaction Document, any Transaction or otherwise) for any:

- (a) indirect or consequential loss; or
- (b) loss of profit or revenue (whether direct or indirect); or
- (c) punitive or exemplary damages (whether direct or indirect).

13.16 The limitations in Clause 13.15 shall not apply to any [***] pursuant to the [***].

No double recovery

13.17 Neither the Sberbank Group nor the YNV Group (in each case taken as a whole group) shall be entitled under the Transaction Documents to recover damages or obtain payment, reimbursement, restitution or indemnity from the YNV Group or the Sberbank Group (as applicable) (in each case taken as a whole group) more than once in respect of any loss or the subject matter of any Claim to the extent that it has already recovered damages or obtained payment, reimbursement, restitution or indemnity from the YNV Group or the Sberbank Group (as applicable) (or any member of any such group) in respect of such loss or the subject matter of such Claim.

13.18 For the purposes of any Claims (including Clause 13.17): (a) recovery by one or more members of the Sberbank Group shall be deemed to be recovery by and on behalf of all members of the Sberbank Group; (b) recovery by one or more members of the YNV Group shall be deemed to be recovery by and on behalf of all members of the YNV Group; (c) recovery by any member of the Sberbank Group of any amount from any member of the YNV Group with respect to any Claim shall reduce the aggregate liability of all members of the YNV Group with respect to such Claim; and (d) recovery by any member of the YNV Group of any amount from any member of the Sberbank Group with respect to any Claim shall reduce the aggregate liability of all members of the Sberbank Group with respect to such Claim.

Conduct of Third Party Claims

13.19 If, after Closing, any of the Sberbank Parties, or any of the YNV Parties, (in either case, the “**Relevant Parties**”) becomes aware of any claim, action or demand made against it or any of its Affiliates by a third party (a “**Third Party Claim**”) which is reasonably likely to give rise to a Claim (other than a Russian Third Party Indemnity Claim):

- (a) (in the case of the Sberbank Parties being the Relevant Parties) Sberbank shall notify YNV, and (in the case of the YNV Parties being the Relevant Parties) YNV shall notify Sberbank, in either case, as soon as reasonably practicable, giving details of the relevant facts and circumstances relating to the Third Party Claim as are known to the Relevant Parties and its Affiliates and of any new developments with respect to the Third Party Claim;

- (b) Sberbank or YNV (as the case may be, as a Relevant Party) shall:
- (i) keep YNV or Sberbank (as the case may be) informed of all material developments in relation to the Third Party Claim; and
 - (ii) consult with YNV or Sberbank (as the case may be) as to any actions that any Relevant Party or any of its Affiliates intends to take to avoid, resist, dispute, appeal, compromise, mitigate, remedy or defend the Third Party Claim;
- (c) no Relevant Party shall (and each Relevant Party shall procure that none of its Affiliates shall) settle, admit liability or make any agreement or compromise in relation to:
- (i) any Third Party Claim that would give rise to a Claim other than a Tax Claim; or
 - (ii) any legal proceedings initiated by a Relevant Party in a court of competent jurisdiction against its applicable Tax Authority with respect to any demand from such Tax Authority in respect of Tax, which would give rise to a Tax Claim,
- in each case, without the prior written approval of YNV or Sberbank (as the case may be, as the notified party pursuant to paragraph (a)) (such approval not to be unreasonably withheld or delayed) to the extent such settlement, admission, agreement or compromise would result in the YNV Group or the Sberbank Group (as the case may be) incurring liability under any Claim; and
- (d) with respect to any Claim (other than a Tax Claim) that relates to or arises from a Third Party Claim, the YNV Group or the Sberbank Group (as the case may be) shall have no liability with respect to such Claim unless the Third Party Claim is:
- (i) subject to a final, conclusive and binding determination by a court or arbitral tribunal of competent jurisdiction which cannot be appealed against or in respect of which the time to appeal has expired; or
 - (ii) subject to a settlement, admission, agreement or compromise in relation to which YNV or Sberbank (as the case may be) has given its prior written approval (unless such approval has been unreasonably withheld or delayed).

Conduct of Russian Third Party Claims

13.20 If, after Closing, any Relevant Protected Person becomes aware of any Russian Third Party Claim made, or threatened to be made against it, which is reasonably likely to give rise to a Russian Third Party Indemnity Claim:

- (a) the Relevant Protected Person shall notify the Relevant Indemnifier as soon as reasonably practicable, giving details of the relevant facts and circumstances relating to the Russian Third Party Claim as are known to the Relevant Protected Person and of any new developments with respect to the Russian Third Party Claim;
- (b) the Relevant Protected Person shall:
 - (i) keep the Relevant Indemnifier informed of all material developments in relation to the Russian Third Party Claim; and
 - (ii) consult with the Relevant Indemnifier as to any actions that the Relevant Protected Person intends to take to avoid, resist, dispute, appeal, compromise, mitigate, remedy or defend the Russian Third Party Claim;
- (c) the Relevant Protected Person shall not settle, admit liability or make any agreement or compromise in relation to the Russian Third Party Claim, without the prior written approval of the Relevant Indemnifier (such approval not to be unreasonably withheld or delayed) to the extent such settlement, admission, agreement or compromise would result in the Relevant Indemnifier incurring liability under any Russian Third Party Indemnity Claim;
- (d) the Relevant Protected Person shall:
 - (i) take such action as the Relevant Indemnifier may reasonably request to avoid, resist, dispute, appeal, compromise or defend the Russian Third Party Claim;
 - (ii) provide such information and assistance as the Relevant Indemnifier may reasonably require in connection with the preparation for and conduct of any proceedings and/or negotiations relating to the Russian Third Party Claim; and
 - (iii) (if the Relevant Indemnifier elects to do so) allow the Relevant Indemnifier to take over the conduct of all proceedings and/or negotiations arising in connection with the Russian Third Party Claim,

PROVIDED ALWAYS that the Relevant Indemnifier hereby undertakes to indemnify and to keep indemnified on demand the Relevant Protected Person and each of its Affiliates against and from, and covenants to pay to the Relevant Protected Person and each of its Affiliates on demand, any Losses that it or they suffer or incur as a result of any action required to be taken pursuant to paragraphs (i) or (ii) above or the Relevant Indemnifier assuming conduct of the Russian Third Party Claim pursuant to paragraph (iii) above; and
- (e) with respect to any Russian Third Party Indemnity Claim that relates to or arises from a Russian Third Party Claim, no Relevant Indemnifier shall have liability with respect to such Russian Third Party Indemnity Claim unless the Russian Third Party Claim is:

- (i) subject to a final, conclusive and binding determination by a court or arbitral tribunal of competent jurisdiction which cannot be appealed against or in respect of which the time to appeal has expired; or
- (ii) subject to a settlement, admission, agreement or compromise in relation to which the Relevant Indemnifier has given its prior written approval pursuant to Clause 13.20(c) (unless such approval has been unreasonably withheld or delayed).

Recovery from third party in respect of Claims

13.21 Where any Claimant Party or any of its Affiliates actually recovers from any third party any sum in respect of any matter or event which has resulted in a Claim and:

- (a) such sum is actually recovered before settlement or final determination of that Claim, the amount recovered (less any related Taxes suffered on receipt of such sum and any reasonable costs and expenses incurred by the Claimant Party or its Affiliates in recovering the sum) shall reduce the amount of such Claim by an equivalent amount; or
- (b) such sum is actually recovered after such Claim has been satisfied by the Respondent Party, the Claimant Party shall pay to the Respondent Party an amount equal to such sum recovered (less any related Taxes suffered on receipt of such sum and any reasonable costs and expenses incurred by the Claimant Party or its Affiliates in recovering the sum) **UNLESS** such sum recovered exceeds the amount of such Claim, in which case, the Claimant Party shall pay to the Respondent Party an amount equal to the Claim and shall be entitled to retain the excess.

13.22 No Respondent Party shall be liable in respect of any loss that is the subject matter of a Claim if and to the extent that such loss is recovered under any policy of insurance in force at the date of Closing or would have been so recovered if the policies of insurance effected by or for the benefit of the Relevant Company (that is the Affiliate of the Claimant Party) had been maintained after Closing on no less favourable terms than those existing at Closing.

Voluntary actions and other exclusions

13.23 No Respondent Party shall be liable for any Claim to the extent that any loss that is a subject matter of the Claim would not have arisen but for, or is increased as a result of:

- (a) any transaction, act (including election), omission, delay or default of the Claimant Party or any of its Affiliates after Closing, except where the same is:
 - (i) carried out or effected pursuant to a legally binding commitment of the Claimant Party or any of its Affiliates entered into or created on or before Closing; or

- (ii) the use of a Company Relief in circumstances giving rise to a Deemed Tax Liability, save to the extent that the use of such Company Relief results in a greater loss to the relevant Company Group than would have resulted had a Company Relief not been used;
- (b) a breach by the Claimant Party or any of its Affiliates of this Agreement or any Transaction Document;
- (c) a change in Applicable Law made after Closing, any legislation not in force at Closing or any change after Closing of administrative practice or interpretation of Applicable Law; or
- (d) a change in the accounting policies or practices of the Claimant Party or any of its Affiliates introduced or having effect after Closing.

Loss of employees or consultants

13.24 Without prejudice to the provisions of Clauses 6.1 to 6.12 (inclusive), no Claimant Party shall be entitled to bring any Claim (and no Respondent Party shall be liable) for any losses, damages, expenses, fines, penalties, liabilities or costs suffered or incurred by such Claimant Party or any of its Affiliates as a result of or in connection with any person ceasing to be an employee of, or consultant to, or otherwise employed or engaged by, any member of a Company Group, whether such cessation results from any actual or proposed implementation of any of the Transactions, any breach or default under any of the Ancillary Agreements or otherwise.

[***]

13.25 Each of the Parties hereby agrees that:

- (a) the term “knowingly” when used in any [***] means where the relevant use, reliance, processing, obtaining, access, transfer or disclosure is within the actual knowledge of the CEO, the COO, the CFO, the head of legal or the CTO/IT director of the relevant member of [***]; and
- (b) no member of the [***] shall have any liability for, or under the [***] in respect of, any breach of [***] and that no member of the [***] shall have any liability for, or under the [***] in respect of, any breach of [***], in either case, where such breach has arisen as a result of a deliberate action or a deliberate omission by any employee of, or consultant to, any member of the [***] and where such action or omission by such [***] would constitute a material breach [***], **PROVIDED THAT** [***] shall use its best efforts to take all such steps and actions that are legally within its power and authority to stop or cease the relevant use, reliance, processing, obtaining, access, transfer or disclosure that resulted in the relevant breach.

Mitigation

13.26 Without prejudice to any duty under Applicable Law to mitigate any loss or damage, where a Respondent Party is or may become liable to a Claimant Party in respect of any Claim, the Claimant Party shall take reasonable steps, and (if applicable) shall procure that any relevant Affiliates shall take reasonable steps, to mitigate any loss or damage in respect of which the Claim is or may be made.

General

13.27 This Clause 13 shall remain in force notwithstanding termination of this Agreement pursuant to Clause 5.9.

13.28 The limitations of liability contained in this Clause 13 shall not apply to any liability for any Claim to the extent that the same is attributable to fraud or fraudulent misrepresentation on the part of the Respondent Party.

14. CHANGE OF CONTROL

14.1 For the purposes of this Agreement:

- (a) **“AA Claim Arbitral Tribunal”** means, with respect to any AA Claim, the arbitral tribunal that has been constituted following a notice of arbitration having been served, and arbitration proceedings having been initiated, by the relevant AA Claimant, in each case in full compliance with Clause 30;
- (b) **“Actual Determined Amount”** means, in respect of a Finally Determined AA Claim, the total amount (including any costs) in RUB which:
 - (i) in the case of Clause 14.1(d)(i), the relevant AA Respondent is ordered by the AA Claim Arbitral Tribunal to pay to the relevant AA Claimant pursuant to the award of the AA Claim Arbitral Tribunal; or
 - (ii) in the case of Clause 14.1(d)(ii), the relevant AA Respondent has agreed to pay to the relevant AA Claimant or which the AA Respondent is required to pay pursuant to any settlement agreement,

PROVIDED ALWAYS that such amount fully reflects the provisions of Clause 13.8 or 13.10 (as the case may be) and the reduction in the financial threshold limitations specified in such Clauses;

- (c) **“Assumed Amount”** means, in respect of a Finally Determined AA Claim, the total amount (including any costs) in RUB which:
 - (i) in the case of Clause 14.1(d)(i), the relevant AA Respondent would have been ordered by the AA Claim Arbitral Tribunal to pay to the relevant AA Claimant if the provisions of Clause 13.8 or 13.10 (as the case may be) (and the reduction in the financial threshold limitations specified in such Clauses) had not applied, such assumed total amount to be

expressly specified in the award (or its reasoning) of the AA Claim Arbitral Tribunal pursuant to a request that the AA Claimant shall be required to make in accordance with Clause 14.4(e)(i); or

- (ii) in the case of Clause 14.1(d)(ii), the relevant AA Respondent would have agreed to pay to the relevant AA Claimant if the provisions of Clause 13.8 or 13.10 (as the case may be) (and the reduction in the financial threshold limitations specified in such Clauses) had not applied, such total amount to be expressly specified and agreed to in writing between the relevant AA Claimant and AA Respondent, in accordance with Clause 14.4(e)(ii),

PROVIDED ALWAYS that (i) such assumed total amount shall always fully reflect all other limitations on liability contained in the Transaction Documents and that only the reductions in the financial threshold limitations specified in Clause 13.8 or 13.10 (as the case may be) shall be ignored for the purpose of determining this assumed total amount; and (ii) no AA Respondent shall be obliged to pay the Assumed Amount;

- (d) **“Finally Determined AA Claim”** means an AA Claim where:
 - (i) such AA Claim is subject to a final, conclusive and binding award by the AA Claim Arbitral Tribunal pursuant to arbitration proceedings conducted and administered in accordance with the HKIAC Rules and otherwise pursuant to and in compliance with Clause 30, where such award cannot be appealed against or in respect of which the time to appeal has expired; or
 - (ii) such AA Claim has been agreed in writing by the AA Respondent, or is the subject of a settlement agreement entered into between the relevant AA Claimant and AA Respondent;
- (e) **“Permitted Agreement”** means the YD Permitted Agreement or the YM Permitted Agreement (as applicable);
- (f) **“Shortfall Amount”** means, [***];
- (g) a **“YD Permitted Agreement”** means a valid, legally binding agreement entered into by only Sberbank and YD:
 - (i) on or about the occurrence of a YD Change of Control Event, and which comes into effect no earlier than completion of the YD Change of Control Event;
 - (ii) that is governed by English law;
 - (iii) that permits disclosure of a copy of it to YNV if Sberbank serves any written notice on YNV pursuant to Clause 14.2;

- (iv) where the parties to such agreement have agreed that any dispute, controversy or claim arising out of or in connection with such agreement or the arbitration agreement contained in it, including any question regarding the existence, formation, validity, performance, termination or enforceability of it and including non-contractual disputes or claims, shall always be referred to and finally resolved by confidential arbitration administered by the HKIAC under the HKIAC Rules in force when the relevant notice of arbitration is submitted, but where any such dispute or any arbitration proceedings with respect to such dispute shall not be consolidated or joined with any arbitration proceedings with respect to any AA Claim;
- (v) pursuant to which if YD brings an AA Claim pursuant to the YD AA Indemnity against YNV, and a YD Change of Control Event occurs either:
 - (A) before the service on YNV of the relevant Claim Notice; or
 - (B) after the service of the relevant Claim Notice on YNV, but before the AA Claim becomes a Finally Determined AA Claim,

and that AA Claim becomes a Finally Determined AA Claim, and the relevant Actual Determined Amount is less than the Assumed Amount, Sberbank agrees to compensate YD for an amount in RUB equal to [***] (such amount to be compensated being the “**YD Compensation Amount**”); and
- (vi) that shall at no time ever constitute a Transaction Document; and
- (vii) where neither of the parties to such agreement or any of their Affiliates are parties to any YD Side Arrangements;
- (h) “**YD Side Arrangements**” means [***];
- (i) “**YM Permitted Agreement**” means a valid, legally binding agreement entered into by only YNV and YM:
 - (i) on or about the occurrence of a YM Change of Control Event, and which comes into effect no earlier than completion of the YM Change of Control Event;
 - (ii) that is governed by English law;
 - (iii) that permits disclosure of a copy of it to Sberbank if YNV serves any written notice on Sberbank pursuant to Clause 14.3;
 - (iv) where the parties to such agreement have agreed that any dispute, controversy or claim arising out of or in connection with such agreement or the arbitration agreement contained in it, including any question

regarding the existence, formation, validity, performance, termination or enforceability of it and including non-contractual disputes or claims, shall always be referred to and finally resolved by confidential arbitration administered by the HKIAC under the HKIAC Rules in force when the relevant notice of arbitration is submitted, but where any such dispute or any arbitration proceedings with respect to such dispute shall not be consolidated or joined with any arbitration proceedings with respect to any AA Claim;

- (v) pursuant to which if YM brings an AA Claim pursuant to the YM AA Indemnity against Sberbank, and a YM Change of Control Event occurs either:

- (A) before the service on Sberbank of the relevant Claim Notice; or
- (B) after the service of the relevant Claim Notice on Sberbank, but before the AA Claim becomes a Finally Determined AA Claim,

and that AA Claim becomes a Finally Determined AA Claim, and the relevant Actual Determined Amount is less than the Assumed Amount, YNV agrees to compensate YM for an amount in RUB equal to or less than (but in no event more than) [***] (such amount to be compensated being the “**YM Compensation Amount**”);

- (vi) that shall at no time ever constitute a Transaction Document; and
- (vii) where neither of the parties to such agreement or any of their Affiliates are parties to any YM Side Arrangements; and

- (j) “**YM Side Arrangements**” means [***].

YD AA Indemnity compensation

14.2 If:

- (a) an AA Claim is made by any member of the YD Group pursuant to the YD AA Indemnity in accordance with this Agreement;
- (b) a YD Change of Control Event occurs either:
 - (i) before the service on YNV of the relevant Claim Notice; or
 - (ii) after the service of the relevant Claim Notice on YNV, but before the AA Claim becomes a Finally Determined AA Claim;
- (c) a YD Permitted Agreement has been entered into (and, for the avoidance of doubt, Sberbank has no obligation to enter into any YD Permitted Agreement);
- (d) such AA Claim becomes a Finally Determined AA Claim;

- (e) the relevant AA Claimant receives from YNV an amount equal to the Actual Determined Amount with respect to the Finally Determined AA Claim; and
- (f) if a Shortfall Amount with respect to the Finally Determined AA Claim exists, on or after the date of payment by YNV of the Actual Determined Amount:
 - (i) YD serves written notice on Sberbank pursuant to the YD Permitted Agreement requiring Sberbank to pay an amount up to or equal to the YD Compensation Amount; and
 - (ii) YD actually receives from Sberbank the full amount of the YD Compensation Amount,

Sberbank shall be entitled to serve written notice on YNV requiring YNV to pay an amount equal to [***] **PROVIDED ALWAYS** that:

- (g) the maximum liability of YNV under this Clause 14.2 shall not exceed [***];
- (h) Sberbank shall be entitled to make only one demand and serve one notice under the provisions of this Clause 14.2 per AA Claim;
- (i) in order to be valid, any written notice from Sberbank shall be required:
 - (i) to contain a confirmation and warranty to YNV that as at the date of such notice:
 - (A) a Shortfall Amount exists with respect to the Finally Determined AA Claim;
 - (B) YD has served written notice on Sberbank pursuant to the YD Permitted Agreement requiring Sberbank to pay an amount equal to the YD Compensation Amount;
 - (C) Sberbank has paid to YD an amount equal to (but no less than) the YD Compensation Amount;
 - (D) the YD Permitted Agreement is in full force and effect, and is valid, binding and enforceable in accordance with its terms; and
 - (E) no YD Side Arrangements exist or are in place, and there is no agreement to enter into any YD Side Arrangements; and
 - (ii) to be accompanied by:
 - (A) a certified complete copy of the YD Permitted Agreement; and
 - (B) a written statement duly executed on behalf of YD that confirms and warrants that:

- (I) a Shortfall Amount exists with respect to the Finally Determined AA Claim brought by YD;
 - (II) YD has served written notice on Sberbank pursuant to the YD Permitted Agreement requiring Sberbank to pay an amount equal to the YD Compensation Amount;
 - (III) YD has received an amount equal to (but no less than) the YD Compensation Amount; and
 - (IV) no YD Side Arrangements exist or are in place, and there is no agreement to enter into any YD Side Arrangements; and
- (j) YNV shall have no liability under this Clause 14.2 (and Sberbank shall not be entitled to demand any amount from YNV under this Clause 14.2) if:
- (i) the relevant AA Claim pursuant to the YD AA Indemnity is not a Finally Determined AA Claim;
 - (ii) Sberbank has not actually paid, and YD has not actually received, the full amount of the YD Compensation Payment;
 - (iii) any YD Side Arrangements exist or are in place at the relevant time;
 - (iv) Clause 14.4 or 14.5 fails to be complied with or is otherwise breached by any of the Sberbank Parties or any member of the YD Group;
 - (v) a YD Change of Control Event no longer exists; or
 - (vi) any member of the Sberbank Group or any member of the YD Group or any of its Affiliates (including any person(s) (or any of its Affiliates) that, together or individually, may acquire Control of the YD Group as a result of a YD Change of Control Event) [***].

YM AA Indemnity compensation

14.3 If:

- (a) an AA Claim is made by any member of the YM Group pursuant to the YM AA Indemnity in accordance with this Agreement;
- (b) a YM Change of Control Event occurs either:
 - (i) before the service on Sberbank of the relevant Claim Notice; or
 - (ii) after the service of the relevant Claim Notice on Sberbank, but before the AA Claim becomes a Finally Determined AA Claim;

- (c) a YM Permitted Agreement has been entered into (and, for the avoidance of doubt, YNV has no obligation to enter into any YM Permitted Agreement);
- (d) such AA Claim becomes a Finally Determined AA Claim;
- (e) the relevant AA Claimant receives from Sberbank an amount equal to the Actual Determined Amount with respect to the Finally Determined AA Claim; and
- (f) if a Shortfall Amount with respect to the Finally Determined AA Claim exists, on or after the date of payment by Sberbank of the Actual Determined Amount:
 - (i) YM serves written notice on YNV pursuant to the YM Permitted Agreement requiring YNV to pay an amount up to or equal to the YM Compensation Amount; and
 - (ii) YM actually receives from YNV the full amount of the YM Compensation Amount,

YNV shall be entitled to serve written notice on Sberbank requiring Sberbank to pay to YNV an amount [***] **PROVIDED ALWAYS** that:

- (g) the maximum liability of Sberbank under this Clause 14.3 shall not exceed [***];
- (h) YNV shall be entitled to make only one demand and serve one notice under the provisions of this Clause 14.3 per AA Claim;
- (i) in order to be valid, any written notice from YNV shall be required:
 - (i) to contain a confirmation and warranty to Sberbank that as at the date of such notice:
 - (A) a Shortfall Amount exists with respect to the Finally Determined AA Claim;
 - (B) YM has served written notice on YNV pursuant to the YM Permitted Agreement requiring YNV to pay an amount equal to the YM Compensation Amount;
 - (C) YNV has paid to YM an amount equal to (but no less than) the YM Compensation Amount;
 - (D) the YM Permitted Agreement is in full force and effect, and is valid, binding and enforceable in accordance with its terms; and
 - (E) no YM Side Arrangements exist or are in place, and there is no agreement to enter into any YM Side Arrangements; and
 - (ii) to be accompanied by:

- (A) a certified complete copy of the YM Permitted Agreement; and
- (B) a written statement duly executed on behalf of YM that confirms and warrants that:
 - (I) a Shortfall Amount exists with respect to the Finally Determined AA Claim brought by YM;
 - (II) YM has served written notice on YNV pursuant to the YM Permitted Agreement requiring YNV to pay an amount equal to the YM Compensation Amount;
 - (III) YM has received an amount equal to (but no less than) the YM Compensation Amount; and
 - (IV) no YM Side Arrangements exist or are in place, and there is no agreement to enter into any YM Side Arrangements; and
- (j) Sberbank shall have no liability under this Clause 14.3 (and YNV shall not be entitled to demand any amount from Sberbank under this Clause 14.3) if:
 - (i) the relevant AA Claim pursuant to the YM AA Indemnity is not a Finally Determined AA Claim;
 - (ii) YNV has not actually paid, and YM has not actually received, the full amount of the YM Compensation Payment;
 - (iii) any YM Side Arrangements exist or are in place at the relevant time;
 - (iv) Clause 14.4 or 14.6 fails to be complied with or is otherwise breached by any of the YNV Parties or any member of the YM Group;
 - (v) a YM Change of Control Event no longer exists; or
 - (vi) any member of the YNV Group or any member of the YM Group or any of its Affiliates (including any person(s) (or any of its Affiliates) that, together or individually, may acquire Control of the YM Group as a result of a YM Change of Control Event) [***].

Undertakings from AA Claimants

14.4 If an AA Claimant makes, or intends to make, an AA Claim pursuant to the YD AA Indemnity or the YM AA Indemnity in accordance with this Agreement and a Change of Control Event occurs either:

- (a) before the service on the relevant AA Respondent of the relevant Claim Notice; or

- (b) after the service of the relevant Claim Notice on the relevant AA Respondent, but before the AA Claim becomes a Finally Determined AA Claim,

each AA Claimant hereby undertakes, agrees and acknowledges that:

- (c) the relevant AA Respondent shall have no liability to the AA Claimant under the AA Claim unless and until the AA Claim becomes a Finally Determined AA Claim;
 - (d) the provisions of Clause 13.8 or 13.10 (as the case may be) shall always apply with respect to determining the amount of the Actual Determined Amount;
 - (e) if the AA Claim becomes a Finally Determined AA Claim, the Assumed Amount shall always be required to be determined, such that:
 - (i) where Clause 14.1(d)(i) applies:
 - (A) the award (or its reasoning) of the AA Claim Arbitral Tribunal shall be required to expressly state the Assumed Amount; and
 - (B) the AA Claimant shall be obliged to specifically request the AA Claim Arbitral Tribunal to state the Assumed Amount in its award (or its reasoning); or
 - (ii) where Clause 14.1(d)(ii) applies, the Assumed Amount must be expressly specified and agreed to in writing between the relevant AA Claimant and AA Respondent,
- in each case, for the purposes of applying and performing this Clause 14, but without the AA Respondent have any obligation to pay such Assumed Amount; and
- (f) no claim against Sberbank (in the case of a YD Permitted Agreement) or YNV (in the case of a YM Permitted Agreement) shall be made pursuant to any Permitted Agreement until after the time at which the AA Respondent has paid the Actual Determined Amount.

Undertakings from Sberbank and YD

14.5 Each of the Sberbank Parties and each member of the YD Group hereby severally undertakes, agrees and acknowledges that:

- (a) each AA Claim under the YD AA Indemnity, and all legal and arbitration proceedings relating thereto, shall always be separate to, and shall never be consolidated with, any claim or dispute under any YD Permitted Agreement or any claim or dispute with respect to any YD Change of Control Event, whether involving any member of the Sberbank Group, any member of the YD Group or any of its Affiliates (including any person(s) (or any of its Affiliates) that,

together or individually, may acquire Control of the YD Group as a result of a YD Change of Control Event) (each a “**YD Dispute**”);

- (b) no member of the Sberbank Group shall be joined in any arbitration or legal proceedings that are initiated or pursued against YNV with respect to any AA Claim under the YD AA Indemnity;
- (c) no actual or proposed arbitration or legal proceedings with respect to any YD Dispute may be consolidated with arbitration or legal proceedings that are initiated or pursued against YNV with respect to any AA Claim under the YD AA Indemnity; and
- (d) it shall take no steps and make no application to any Authority (including to any AA Claim Arbitral Tribunal or any other court or arbitral tribunal) and shall procure that none of its Affiliates shall take any steps or make any such application, and shall not permit any other person (including any of its Affiliates) to take any steps on its behalf, in each case, to seek any of the foregoing.

Undertakings from YNV and YM

14.6 Each of the YNV Parties and each member of the YM Group hereby severally undertakes, agrees and acknowledges that:

- (a) each AA Claim under the YM AA Indemnity, and all legal and arbitration proceedings relating thereto, shall always be separate to, and shall never be consolidated with, any claim or dispute under any YM Permitted Agreement or any claim or dispute with respect to any YM Change of Control Event, whether involving any member of the YNV Group, any member of the YM Group or any of its Affiliates (including any person(s) (or any of its Affiliates) that, together or individually, may acquire Control of the YM Group as a result of a YM Change of Control Event) (each a “**YM Dispute**”);
- (b) no member of the YNV Group shall be joined in any arbitration or legal proceedings that are initiated or pursued against Sberbank with respect to any AA Claim under the YM AA Indemnity;
- (c) no actual or proposed arbitration or legal proceedings with respect to any YM Dispute may be consolidated with arbitration or legal proceedings that are initiated or pursued against Sberbank with respect to any AA Claim under the YM AA Indemnity; and
- (d) it shall take no steps and make no application to any Authority (including to any AA Claim Arbitral Tribunal or any other court or arbitral tribunal) and shall procure that none of its Affiliates shall take any steps or make any such application, and shall not permit any other person (including any of its Affiliates) to take any steps on its behalf, in each case, to seek any of the foregoing.

15. PAYMENTS

Method of payment by any Party to YNV Group

15.1 Unless otherwise expressly stated in this Agreement, any payment to be made under any this Agreement by any Party to any member of the YNV Group shall be made by such Party (or by one of such Party's nominees on the Party's behalf) to such bank account of a member of the YNV Group as shall be notified by YNV or any other member of the YNV Group to the relevant paying Party in writing at least three (3) Business Days prior to the due date for payment of any sum to the relevant member of the YNV Group, in immediately available funds by electronic transfer in RUB on the due date for payment. Each of the YNV Parties (for itself and on behalf of each other member of the YNV Group) expressly acknowledges that receipt of such amount in such notified bank account shall be an effective discharge of the obligation of any Party under this Agreement to pay such amount to any member of the YNV Group and neither the paying Party nor any of its Affiliates shall be concerned to see to the application or be answerable for loss or misapplication of such amount.

Method of payment by any Party to Sberbank Group

15.2 Unless otherwise expressly stated in this Agreement, any payment (other than with respect to the payment of the Consideration Balance, which shall be paid in accordance with Clause 3.2 and Schedule 1) to be made under this Agreement by any Party to any member of the Sberbank Group shall be made by such Party (or by one of such Party's nominees on the Party's behalf) to such bank account of a member of the Sberbank Group as shall be notified by Sberbank or any other member of the Sberbank Group to the relevant paying Party in writing at least three (3) Business Days prior to the due date for payment of any sum to the relevant member of the Sberbank Group, in immediately available funds by electronic transfer in RUB on the due date for payment. Each of the Sberbank Parties (for itself and on behalf of each other member of the Sberbank Group) expressly acknowledges that receipt of such amount in such notified bank account shall be an effective discharge of the obligation of any Party under this Agreement to pay such amount to any member of the Sberbank Group and neither the paying Party nor any of its Affiliates shall be concerned to see to the application or be answerable for loss or misapplication of such amount.

16. FURTHER ASSURANCES

Each of the Parties agrees to perform (or procure the performance of) all acts and things and execute and deliver (or procure the execution and delivery of) such further documents as may be required by Applicable Law or as may be reasonably necessary or reasonably requested by any other Party (including the execution of all deeds and documents, procuring the convening of all meetings, the giving of all necessary waivers and consents and the passing of all resolutions and otherwise exercising all powers and rights available to it): (a) to vest, perfect or confirm ownership (of record or otherwise) in each Relevant Purchaser of its right, title or interest in, to or under any or all of the Relevant Shares; and (b) to implement and give effect to this Agreement for the purpose

of vesting in and securing to each Party the full benefit of this Agreement and consummating each of the Transactions.

17. ANNOUNCEMENTS

Consultation on announcements

17.1 The Sberbank Parties and the YNV Parties may make a public announcement with respect to the entry into of the Transaction Documents or any of the Transactions, subject to consulting first with YNV (in the case of any announcement by any of the Sberbank Parties) or with Sberbank (in the case of any announcement by any of the YNV Parties) as to the content of such announcement.

Permitted announcements

17.2 Notwithstanding Clause 17.1, a Party may make an announcement concerning the existence or the subject matter of this Agreement if required by:

- (a) any Applicable Law; or
- (b) the rules and regulations of any securities exchange or any Authority to which that Party is subject or submits, wherever situated,

PROVIDED THAT it shall to the extent permitted by Applicable Law have first: (i) given notice to the other Parties of its intention to make such an announcement and (ii) taken all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the other Parties, before making such announcement.

18. CONFIDENTIALITY

Confidentiality obligation

18.1 For the purposes of this Clause 18:

- (a) **“Confidential Information”** means all information:
 - (i) which results from negotiating or entering into any of the Transaction Documents or exercising its rights or performing its obligations under any of the Transaction Documents;
 - (ii) which relates to any of the Transactions, the existence, contents or any provision of any of the Transaction Documents or any agreement, arrangement or transaction entered into pursuant to any of the Transaction Documents;
 - (iii) which relates to the existence, contents or any provision of any of the Terminated Agreements or any agreement, arrangement or transaction entered into pursuant to any of the Terminated Agreements;

- (iv) which, in the case of any Party, it has or acquires in relation to any other Party or its business, assets or affairs, including information received under or pursuant to any of the Terminated Agreements; or
 - (v) which comprises the YM Confidential Data; and
- (b) **“Representatives”** means in relation to a Party, any of its Affiliates and such Party’s and such Affiliate’s respective directors, officers, employees, agents, advisers, accountants, consultants and finance providers.

18.2 Each of the Parties shall, and shall ensure that each of its Representatives shall:

- (a) maintain all Confidential Information in confidence;
- (b) not disclose, copy, reproduce or distribute any Confidential Information to any person except as this Clause 18 permits or as the other Parties approve in writing; and
- (c) (with respect to any Confidential Information that does not relate to itself or its Affiliates) not use Confidential Information for its own business purposes.

Permitted disclosure

18.3 Any Party (the **“Disclosing Party”**) may disclose Confidential Information to any of such Party’s Representatives but shall only do so if it is reasonably required for purposes connected with this Agreement and only if the Representatives are informed of the confidential nature of the Confidential Information **EXCEPT THAT** no member of the Sberbank Group that holds any YM Confidential Data may disclose any YM Confidential Data in any form, aspect or media (in whole or in part) to any of its Affiliates which operate, or to any of its Representatives that is at the time of such disclosure employed or engaged in, a business that, at the time of the disclosure, competes with the business of the YM Group (as it was at the date of this Agreement) (and, for the avoidance of doubt, the Sberbank Group does not contain any such competing business as at the date of this Agreement). The Disclosing Party is responsible for any breach of this Clause 18 by the person to whom the Confidential Information is disclosed. For the avoidance of doubt, this Clause 18.3 does not apply to Confidential Information that was already in the knowledge or possession of a Representative of Sberbank prior to or at the date of this Agreement and where such Representative subsequently becomes a Representative of a competing business which is an Affiliate of Sberbank.

18.4 Notwithstanding the other provisions of this Clause 18, any Party may disclose any Confidential Information:

- (a) subject to the provisions of Clause 18.5, if and to the extent required by Applicable Laws or for the purpose of any judicial or arbitral proceedings;

- (b) subject to the provisions of Clause 18.5, if and to the extent required by the rules and regulations of any securities exchange or other Authority to which that Party is subject or submits, wherever situated;
- (c) to any Authority for the purpose of making any post-Closing filings with respect to any of the Transactions as may be required by Applicable Law;
- (d) if the relevant Confidential Information is already in the public domain at the date of this Agreement;
- (e) if the relevant Confidential Information has come into the public domain after the date of this Agreement otherwise than as a result of disclosure of that Confidential Information in breach of this Clause 18 or in breach of another confidentiality obligation where the relevant disclosing party is or ought reasonably to be aware of such breach;
- (f) if the relevant Confidential Information was or has become lawfully in the relevant Party's possession or the possession of any of its Representatives (in either case as evidenced by written records) and not subject to any obligation of secrecy on its part prior to it being received or held; or
- (g) if and to the extent that Party can demonstrate that the information was independently developed by that Party without reference to any Confidential Information.

18.5 In the case of Clauses 18.4(a) and 18.4(b), the Disclosing Party shall (to the extent lawful and practicable):

- (a) if any legal proceedings are commenced or action is taken that could reasonably be expected to result in the disclosure of any Confidential Information, immediately notify the other Parties in writing and take all reasonable steps to resist or avoid such proceedings, and keep the other Parties fully and promptly informed of all related matters and developments;
- (b) consult (where doing so is reasonably practicable and in accordance with Applicable Laws) with the other Parties first on the proposed form, content, timing, nature and purpose of any disclosure, and give the other Parties an opportunity to discuss the relevant information before any disclosure; and
- (c) if it is obliged to disclose any Confidential Information to any other person, disclose only the minimum amount of information which it believes to be consistent with satisfying its obligation, provide a copy of the disclosure to the other Parties, and inform the recipient of the confidential nature of the information and (if applicable) request that the recipient enter into a written confidentiality undertaking or otherwise seek confidential treatment of such information.

18.6 Without prejudice to any other rights or remedies that the Parties may have, the Parties acknowledge and agree that damages alone may not be an adequate remedy for

any breach by them of this Clause 18 or Clause 17 and that the remedies of injunction and specific performance, including other equitable relief, for any threatened or actual breach of this Clause 18 or Clause 17 by any Party would be more appropriate remedies and any Party shall be entitled to seek such remedies.

Duration of obligations

18.7 The restrictions contained in this Clause 18 shall continue to apply to each Party for a period of [***] from Closing.

19. LANGUAGE

19.1 The language of each Transaction Document, except for the Russian SPA, the Termination Agreements, the Waiver Letter, each of the Ancillary Agreements and the SLA, is English and all documents, notices, waivers and all other written communication or otherwise between the Parties in connection with this Agreement, and between any parties to any Transaction Documents, shall be in English.

19.2 If any Transaction Document, except for the Russian SPA, the Termination Agreements, the Waiver Letter, each of the Ancillary Agreements and the SLA, is translated into another language, the English language text shall prevail.

19.3 In the event of any dispute, controversy or claim referred to arbitration in accordance with Clause 30, all documents admitted for consideration in relation to such arbitration shall be in English.

20. NOTICES

Notices to be in writing

20.1 Any notice or other communication to be served by any Party on another Party under or in connection with this Agreement shall be in English and, except where expressly provided otherwise, shall be in writing and signed by or on behalf of the Party serving it. It shall be served by delivering it by international courier to the address set out in Clause 20.2 marked for the attention of the relevant individual set out in Clause 20.2 (or as otherwise notified from time to time in accordance with the provisions of this Clause 20), with a copy to be sent by email to the email address set out in Clause 20.2 marked for the attention of the person set out below **PROVIDED THAT** (a) any failure or alleged failure by the relevant recipient to receive such copy notice by email shall not affect the validity of any original notice validly served by international courier; and (b) such notice shall be deemed served only by reference to the notice to be delivered by international courier, with the deemed timing of service being determined in accordance with Clause 20.3.

Addresses

20.2 The addresses, addressees and email addresses of the Parties for the purpose of Clause 20.1 are as follows:

Party and name of individual	Address	Email address and telephone number
YNV For the attention of: [***]	Schiphol Boulevard 165, 1118BG Schiphol, the Netherlands	[***]
Sberbank For the attention of: [***]	19 Vavilova St., 117997 Moscow, Russia	[***]
Digital Assets For the attention of: [***]	19 Vavilova St., 117997 Moscow, Russia	[***]
YM For the attention of: [***]	Schiphol Boulevard 165, 1118BG Schiphol, the Netherlands	[***]
YD For the attention of: [***]	Build. 2, 82 Sadovnicheskaya St., 115035 Moscow, Russia	[***]
YD Credit For the attention of: [***]	Build. 2, 82 Sadovnicheskaya St., 115035 Moscow, Russia	[***]
YMLLC For the attention of: [***]	Floor 5, Build. 44, 11 Timura Frunze St., 119021 Moscow, Russia	[***]
YLLC For the attention of: [***]	16 Lva Tolstogo Street, Moscow, 119021, Russia	[***]
Stichting For the attention of: 	Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands	[***]

Party and name of individual	Address	Email address and telephone number
[***]		
Yedadeal For the attention of: [***]	Room 14, Premise 1, Floor 3, Build. 2, 11 Timura Frunze St., 119021 Moscow, Russia	[***]
YDrive For the attention of: [***]	Premise 5F17, 75 Sadovnicheskaya Emb., 115035 Moscow, Russia	[***] [***]
YOFD For the attention of: [***]	Build. 44, 11 Timura Frunze St., 119034 Moscow, Russia	[***] [***]
YCloud For the attention of: [***]	Premise 528, 16 Lva Tolstogo Street, 119021 Moscow, Russia	[***] [***]
YHealth For the attention of: [***]	Premise 9109, 16 Lva Tolstogo Street, 119021 Moscow, Russia	[***] [***]
YClassifieds For the attention of: [***]	Premise 3A06, Build. 2, 82 Sadovnicheskaya St., 115035 Moscow, Russia	[***] [***]
YMLAB For the attention of: [***]	16 Lva Tolstogo st., Moscow, 119021	[***] [***]
YE-Commerce For the attention of: [***]	Sai Yeung Choi Street South, 2A-2H, Ginza Plaza, Floor 20, Office 2002, Mongkok, Hong Kong	[***] [***]

Party and name of individual	Address	Email address and telephone number
CLP For the attention of: [***]	Premise No. 505/506, 5 1st Derbenevsky Per., 115114 Moscow, Russia	[***] [***]

Deemed time of service

20.3 A notice shall be deemed to have been served by courier, at the time of delivery, **PROVIDED THAT** in each case where delivery by international courier occurs outside Working Hours or at any time on a day that is not a Business Day at the location of receipt, service shall be deemed to occur at 8.00 a.m. on the next following Business Day at the location of receipt.

20.4 References to time in this Clause 20 are to local time at the address to which the relevant notice is sent.

Proof of service

20.5 In proving service of a notice, it shall be sufficient to show (in the case of delivery by courier) a proof of delivery signed by the recipient that it was delivered to the correct address of the relevant Party set out in this Clause 20 (or as otherwise notified under it).

Change of details

20.6 A Party may notify the other Parties of a change to its name, relevant addressee, address or email address for the purposes of this Clause 20, provided that such notice shall only be effective on:

- (a) the date specified in the notice as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than [***] after the date on which notice is deemed to have been served by courier, the date falling five [***] after notice of any such change is deemed to have been served.

21. ASSIGNMENT

21.1 This Agreement shall be binding on and inure for the benefit of each Party's successors in title.

21.2 No Party may assign the benefit of this Agreement (in whole or part) or transfer, declare a trust over or otherwise dispose of in any manner whatsoever any of its rights or obligations under this Agreement or subcontract or delegate in any manner whatsoever its performance under this Agreement, in each case, without the consent of

the other Parties and any such assignment, transfer, declaration of trust, sub-contracting or delegating, or any purported attempt to do so, of the whole or any part this Agreement, or any rights or obligations under it, without such consent shall be void.

22. COSTS, TAXES AND EXPENSES

Costs

22.1 Except as otherwise expressly set out in this Agreement, all costs incurred in connection with, or in anticipation of, each Transaction Document (including the negotiation, preparation, drafting, execution, performance and implementation of it) shall be paid by the Party incurring such expenses.

Notarisation and registration fees

22.2 All fees and expenses of the Russian Notary with respect to the transfer of the YD Share, including with respect to any actions (including Closing Actions) to be performed before or by the Russian Notary on or following the Russian SPA Signing Date or on or following the Closing Date and any costs or expenses in connection with the registration of the transfer of the YD Share (including any application to the Russian Federal Tax Service for amendments to be made in the USRLE) shall be borne by Sberbank.

22.3 All fees and expenses of the Dutch Notary with respect to the transfer of the YM Shares on the Closing Date, including with respect to any Closing Actions to be performed before or by the Dutch Notary prior to, on or following Closing and any costs or expenses in connection with any registration of the transfer of the YM Shares shall be borne by YNV.

Transfer Taxes

22.4 Any Transfer Taxes payable in connection with any Sale Transaction shall be paid by the Relevant Purchaser for such Sale Transaction, and the Relevant Purchaser shall be responsible for taking such steps as are necessary to procure the payment of the Transfer Taxes, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with such payment. The Parties shall act reasonably and cooperate and work together in good faith with a view to minimising any Transfer Taxes.

Set-off, payments and gross up

22.5 Save as otherwise set out in this Agreement, all payments to be made pursuant to this Agreement or any other Transaction Document by any Party shall be paid in full without any set-off or counterclaim and free from any deduction or withholding save as may be required by Applicable Laws.

22.6 If any Party is required by Applicable Laws to make a deduction or withholding from any payment made pursuant to this Agreement (other than a payment to a Relevant Seller of any part of the consideration for the Relevant Shares) and/or if any payment

made pursuant to this Agreement (other than a payment to a Relevant Seller of any part of the consideration for the Relevant Shares) is subject to Tax in the hands of the payee (ignoring for these purposes the availability of any Relief), such Party shall increase the amount of the payment by such sum as shall, after the making of such deduction or withholding or after such Tax, leave the payee with the same amount as it would have received had no deduction or withholding been made and/or had the payment not been subject to Tax.

22.7 Where any Party makes an increased payment under Clause 22.6 in respect of a deduction or withholding and the payee subsequently receives and utilises a Relief in respect of the amount withheld or deducted, the payee shall as soon as reasonably practicable account to such Party for such portion of any such Relief as shall leave the payee in no better or worse position than if no such deduction or withholding had been required to be made.

22.8 Any payment made pursuant to this Agreement shall, so far as is possible under relevant Applicable Laws, be treated as an adjustment to the relevant consideration for the Relevant Shares.

23. INVALIDITY

If at any time any provision of this Agreement shall be held to be illegal, void, invalid or unenforceable in whole or in part under any Applicable Law in any jurisdiction, then:

- (a) such provision shall:
 - (i) to the extent that it is illegal, void, invalid or unenforceable be given no effect and shall be deemed not to be included in this Agreement; and
 - (ii) not affect or impair (x) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or (y) the legality, validity or enforceability under the law of any other jurisdiction of such provision or any other provision of this Agreement; and
- (b) the Parties shall use all reasonable endeavours to replace such a provision with a valid and enforceable substitute provision that carries out, as closely as possible, the intentions of the Parties under this Agreement.

24. THIRD PARTY RIGHTS

24.1 For the purposes of the Contracts (Rights of Third Parties) Act 1999:

- (a) each of the Connected Persons of a Party where such Party comprises a Beneficiary shall be entitled to enforce the provisions of Clause 8.4;
- (b) each Affiliate of a Non Defaulting Party that is not a Party shall be entitled to enforce the provisions of Clause 6.16;

- (c) each member of the YNV Group that is not a Party shall be entitled to enforce the provisions of Clauses 6.17, 6.18 and 6.19;
- (d) each member of the YNV Group that is not a Party shall be entitled to enforce the provisions of Clause 9.5;
- (e) each member of the Sberbank Group that is not a Party shall be entitled to enforce the provisions of Clause 9.11;
- (f) each member of the YM Group that is not a Party shall be entitled to enforce the provisions of Clause 12.1;
- (g) each member of the YNV Group that is not a Party shall be entitled to enforce the provisions of Clause 12.2;
- (h) each member of the YD Group that is not a Party shall be entitled to enforce the provisions of Clause 12.3; and
- (i) each Affiliate of a Relevant Protected Person that is not a Party shall be entitled to enforce the provisions of the indemnity in Clause 13.20(d),

(each being a “Third Party”).

24.2 Except as expressly provided in Clause 24.1, a person who is not a Party shall have no rights under the Contracts (Right of Third Parties) Act 1999 or otherwise to enforce any of the terms of this Agreement.

24.3 Notwithstanding the provisions of Clause 24.1 or any benefits conferred by this Agreement on any Third Party by virtue of the Contracts (Rights of Third Parties) Act 1999, the Parties may amend, vary, waive or terminate this Agreement at any time and in any way (in accordance with this Agreement) without the consent of any Third Party.

25. NO PARTNERSHIP

Nothing in this Agreement and no action taken by the Parties under this Agreement shall constitute a partnership, association or other co-operative entity between any of the Parties or constitute any Party the agent of any other Party for any purpose.

26. COUNTERPARTS

This Agreement may be executed in counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but the counterparts shall together constitute one and the same instrument.

27. VARIATION AND WAIVER

27.1 No Transaction Document may be varied, supplemented, deleted or replaced by an agreement in writing (which does not include email) signed by or on behalf of each

Party to such Transaction Document, which shall then be binding on all Parties to such Transaction Document.

27.2 Any waiver of any right or default under any Transaction Document shall be effective only in the instance given and will not operate as or imply a waiver of any other or similar right or default on any subsequent occasion. No waiver of any Transaction Document or of any provision of it will be effective unless it is in writing (which does not include email).

27.3 Any delay by any person in exercising, or failure to exercise, any right or remedy under any Transaction Document shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any rights or remedy under any Transaction Document or otherwise shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.

27.4 Each of the obligations, covenants, warranties, indemnities and undertakings in favour of a Party set out in this Agreement which is not fully performed at Closing shall not be affected by Closing, except to the extent waived or released by a specific and duly authorised written waiver or release by such Party.

28. WHOLE AGREEMENT

28.1 This Agreement (together with each other Transaction Document) contains the whole agreement and understanding between the Parties relating to the transactions contemplated by the Transaction Documents and supersedes all previous agreements, understandings or arrangements (whether express, implied, oral or written (whether or not in draft form)) between the Parties relating to these transactions, which shall cease to have any further force or effect (including the term sheet between YNV and Sberbank dated 1 May 2020, which shall terminate and cease to have any further force or effect on the date of this Agreement, but such termination shall not affect any rights, obligations or liabilities of YNV and Sberbank arising or accruing under such term sheet before its termination).

28.2 Any term, condition, representation, warranty or other statement implied by law, custom, usage or course of dealing shall not form part of any Transaction Document and shall be excluded to the fullest extent possible and, to the extent not possible to so exclude, each Party irrevocably waives any right or remedy in respect of it.

28.3 Each Party:

- (a) confirms that, in entering into the Transaction Documents, it has agreed not to rely on any representation (including, without limitation, any misrepresentation or any misstatement), warranty, collateral contract, assurance, covenant, indemnity, undertaking or commitment which is not expressly set out in the Transaction Documents;
- (b) confirms that, notwithstanding anything in the Transaction Documents to the contrary, the only rights or remedies of the Parties in relation to any

representation (including without limitation any misrepresentation or any misstatement), warranty, collateral contract, assurance, covenant, indemnity, undertaking or commitment given or action taken in connection with any Transaction Document are contained or referred to in the Transaction Documents and no Party has any other right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, and/or in, this Agreement); and

- (c) waives all rights and remedies which, but for this Clause 28, might otherwise be available to it in respect of any such representation, warranty, collateral contract, assurance, covenant, indemnity, undertaking or commitment.

28.4 Nothing in this Clause 28 shall limit or exclude any liability for fraud or fraudulent misrepresentation.

29. GOVERNING LAW

This Agreement, the arbitration agreement contained in it and all matters, disputes or claims (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter shall be governed by, and construed in accordance with, English law.

30. ARBITRATION

30.1 The Parties agree that any dispute, controversy or claim arising out of or in connection with any Transaction Document or the arbitration agreement contained in it, including any question regarding the existence, formation, validity, performance, termination or enforceability of any Transaction Document and including non-contractual disputes or claims (each, a “**Dispute**”) shall always be referred to and finally resolved by confidential arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) under the HKIAC Administered Arbitration Rules (“**HKIAC Rules**”) in force when the Notice of Arbitration is submitted.

30.2 The law of this arbitration agreement (Clause 30 in its entirety) shall be English law.

30.3 The seat of arbitration shall be London, United Kingdom. The Parties expressly agree that any arbitral hearings may be conducted in locations outside of London, or by way of virtual or electronic hearings in accordance with HKIAC Rules, but any agreement to conduct arbitral hearings outside of London, or to conduct virtual or electronic hearings, shall not be deemed as an agreement or recognition by the Parties that the venue of these hearings shall be the seat of arbitration.

30.4 The arbitration proceedings shall be conducted and administered in English.

30.5 Unless otherwise directed by the arbitral tribunal, all evidence, legal authorities, witness statements, experts reports as well as oral testimony established in a language

other than English shall be accompanied by an official (or duly certified) translation thereof in English.

30.6 All notices by one Party to another Party in connection with the arbitration shall be in accordance with the provisions of Clause 20.

30.7 There shall be three arbitrators, all of whom shall be fluent in English and the chairperson of the arbitral tribunal shall appear on the HKIAC Panel of Arbitrators as of the date of the formation of the arbitral tribunal. Each of the arbitrators shall be selected and appointed in accordance with the HKIAC Rules.

30.8 If there are only two parties to the arbitration at the time the Notice of Arbitration is submitted, each of them shall appoint one arbitrator and the two party-appointed arbitrators shall nominate the third arbitrator who shall serve as chairperson of the arbitral tribunal (and in the event that the two party-appointed arbitrators shall fail to select the third arbitrator within [***] of the last of their appointments, the third arbitrator shall be selected and appointed in accordance with the HKIAC Rules).

30.9 If there are more than two parties to the arbitration at the time the Notice of Arbitration is submitted, the arbitrators shall be appointed in accordance with the HKIAC Rules and the Parties hereby agree that the disputing parties collectively represent two "sides" for the formation of the arbitral tribunal (as claimant(s) on side and respondent(s) on the other side).

30.10 The award shall be final and binding upon the Parties and on any persons claiming through or under any of the Parties. The award may be entered and enforced in any national court having jurisdiction, and judgment upon the award rendered may be entered in any national court having jurisdiction.

30.11 By agreeing to arbitration pursuant to this Clause 30, the Parties do not intend to deprive any national court or other governmental body or regulatory agency of its jurisdiction to issue an interim injunction or other interim relief or assistance in aid of the arbitration proceedings or for the enforcement of any arbitral award, provided that the Parties agree that they may only seek such relief as is consistent with their agreement to resolve Disputes by way of arbitration.

30.12 The arbitral tribunal shall have full authority and jurisdiction to make orders for interim or provisional relief or remedies necessary to preserve any Party's rights (including pre-arbitration attachments or injunctions pursuant to the HKIAC Rules), to order a party to seek modification or vacation of an injunction issued by a court, and to award damages for the failure of a Party to respect the arbitral tribunal's orders to that effect. The Parties agree that any such ruling by the arbitral tribunal shall be deemed to be a final award with respect to the subject matter of the ruling, shall be fully enforceable as such, and shall be binding on the Parties from the date it is made. The Parties undertake to carry out any ruling by the arbitral tribunal on interim measures immediately and without delay, and hereby incorporate any such ruling into their contractual relationship by virtue of this Clause 30.

30.13 Each Party consents to being joined to any arbitration commenced under any Transaction Document on the application of any other Party if the arbitral tribunal so allows, and subject to and in accordance with the HKIAC Rules.

30.14 In order to facilitate the comprehensive resolution of related Disputes, and upon request of any party to an arbitration pursuant to this Clause 30, such arbitration may be consolidated pursuant to the HKIAC Rules with any other arbitration or proposed arbitration involving, connected to or arising out of this Agreement or any other Transaction Document, any or all of the parties to any Transaction Document, any of the Transactions or any other Dispute.

30.15 The procedures for the taking of evidence shall be governed by the IBA Rules on the Taking of Evidence in International Arbitration in their applicable version when the Notice of Arbitration is submitted. The procedure for the exchange of documents shall be governed by article 3 and article 9 of the IBA Rules on the Taking of Evidence in International Arbitration. Each of the Parties agrees that no Party shall be required to give general discovery of documents, and that a Party shall only be required to produce specific, identified documents or narrow and specific categories of documents, that are reasonably believed to exist, which are relevant to the Dispute and material to its outcome.

30.16 In its award or awards, the arbitral tribunal shall (unless it considers such a ruling to be inappropriate in the circumstances of the Dispute) award the prevailing Party all of its reasonable out-of-pocket third-party expenses, including reasonable attorneys' fees and expenses and arbitral costs.

30.17 If any Party fails to make any payment to the bank of the HKIAC where such payment is to satisfy the costs of the arbitration procedure or the fees of any arbitrators for the purposes of any arbitration initiated pursuant to this Clause 30, including where the bank of the HKIAC refuses or is prohibited under applicable law or regulation from accepting any payment from any such Party (a "**Non-Paying Party**"), any other Party to such arbitration shall be entitled to pay any amount that has been requested from, but has not been paid by, the Non-Paying Party in order to ensure that the arbitration procedure may continue. If any such other Party (the "**Paying Party**") does make any such payment, notwithstanding anything in Clause 30.16 to the contrary:

- (a) each of the Parties agrees that such Paying Party shall be entitled to recover the amount of such payment from the Non-Paying Party immediately after such payment is made and that in the event that the costs are not recovered prior to the final award, the final award (regardless of the Party in whose favour it is made as regards the Dispute itself) shall include an obligation on the Non-Paying Party to pay such amount to the Paying Party; and
- (b) the Non-Paying Party shall hereby be obliged to pay to the Paying Party on demand an amount equal to the sum that the Paying Party has actually paid, together with any costs and expenses of recovery incurred by the Paying Party.

30.18 Unless this Agreement has already been terminated, this Agreement and the rights and obligations of the Parties hereunder shall remain in full force and effect pending any award in any arbitration proceeding hereunder, regardless of the nature of the Dispute.

30.19 Save and to the extent that disclosure may be required by legal duty, to protect or pursue a legal right or to enforce an award in bona fide legal proceedings before a national court or other judicial authority, the Parties undertake as a general principle to keep confidential all awards, together with all materials created during and for the purpose of arbitration produced by any Party in the proceedings provided such documents are not in the public domain. The Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including but not limited to any pleadings, briefs or other documents submitted or exchanged, any documents disclosed by one Party to another, testimony or other oral submission and any awards or decisions) shall not be disclosed beyond the arbitral tribunal, the HKIAC, the Parties, their legal and professional advisers, and any person necessary for the conduct of the arbitration, except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

30.20 To the fullest extent permitted by any relevant law and the HKIAC Rules, the HKIAC shall be prohibited from publicising any and all data relating to any Dispute hereunder, including any administrative decisions on appointing, terminating or disqualifying arbitrators.

30.21 To the extent that any Party may (in any arbitration under this Clause 30 or any properly brought action to issue an interim injunction or other interim relief or assistance in aid of the arbitration proceedings or for the enforcement of any arbitral award pursuant to this Clause 30) in any jurisdiction claim for itself or its assets any immunity from suit, injunction, execution, enforcement, attachment, application of foreign law or other legal process or relief granted, or any other type of immunity relating to it or its assets, and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), such Party hereby irrevocably agrees not to claim and hereby irrevocably waives any right to any such immunity with respect to itself and its assets to the fullest extent permitted by the laws of such jurisdiction. Each Party unconditionally and irrevocably agrees that the execution, delivery and performance by it of this Agreement and each other Transaction Document and all other agreements, contracts, documents and writings relating to this Agreement and each other Transaction Document constitute private and commercial acts and not public or governmental acts.

30.22 Without prejudice to any other rights or remedies that the Parties may have, the Parties acknowledge and agree that damages alone would not be an adequate remedy for any breach by them of this Clause 30 and that the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of this Clause 30 by any Party would be more appropriate remedies.

30.23 With respect to Article 248.1 and 248.2 of the Arbitration Procedure Code of the Russian Federation, and any right that any Party may have under any such provision

at any time, (as may be amended, revised, supplemented or replaced from time to time), each of the Parties agrees, acknowledges and undertakes that: (a) in accordance with their agreement to arbitrate set out in this Clause 30 (including in particular Clause 30.1), the Russian commercial (arbitrazh) courts shall have no jurisdiction with respect to the resolution of any Dispute; (b) it shall not seek an injunction from the Russian commercial (arbitrazh) courts in accordance with the procedure in Article 248.2 of the Arbitration Procedure Code of the Russian Federation (as may be amended, revised, supplemented or replaced from time to time) that prohibits the initiation of, or the pursuit of, any arbitration proceedings commenced in accordance with this Clause 30); and (c) neither the agreement to arbitrate contained in this Clause 30 nor the agreement to arbitrate contained in any other Transaction Document nor any proceedings in accordance with this Clause 30 or in accordance with any such agreement to arbitrate, in each case, creates any obstacles to, or bars in any way such Party from, access to justice in the case of any Dispute, whether in the capacity as claimant, respondent or otherwise.

30.24 Any reference in this Agreement (including this Clause 30) to an “award” shall be construed as broadly as possible and shall be a reference to any act of the arbitral tribunal, including any order, ruling or any other type of act.

30.25 The agreement to arbitrate contained in this Clause 30 shall be binding upon any statutory or contractual successors and assignees of each Party.

AS WITNESS this Agreement has been executed by or on behalf of the Parties on the day and year first before written.

EXECUTED for and on behalf of)
YANDEX N.V. by)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
SBERBANK OF RUSSIA by)

Signed: /s/ Andrey Kartashyan

Name: Andrey Kartashyan

EXECUTED for and on behalf of)
"DIGITAL ASSETS" LIMITED)

Signed: /s/ Yuri Volkov

Name: Yuri Volkov

EXECUTED for and on behalf of)
YANDEX.MARKET B.V.)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
"PS YANDEX MONEY" LLC)

Signed: /s/ Ivan Glazachev_____

Name: Ivan Glazachev_____

EXECUTED for and on behalf of)
NBCO LLC YANDEX.MONEY)

Signed: /s/ Shobanova T.A

Name: Shobanova T.A.

EXECUTED for and on behalf of)
YANDEX.MARKET LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
STICHTING)
YANDEX.MARKET EQUITY)
INCENTIVE)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
EDADEAL PROMO LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX.DRIVE LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX.OFD LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX.CLOUD LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX.HEALTH CLINIC LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX.CLASSIFIEDS LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX.MARKET LAB LLC)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
YANDEX E-COMMERCE)
LIMITED)

Signed: /s/ Alfred Alexander de Cuba

Name: Alfred Alexander de Cuba

EXECUTED for and on behalf of)
CENTER OF LOYALTY)
PROGRAMS JSC)

Signed: /s/ Disarev A.N.

Name: Disarev A.N

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

EXECUTION VERSION

14 September 2020

YANDEX N.V.

and

MLU B.V.

CONTRIBUTION AGREEMENT

Morgan Lewis

Condor House
5-10 St. Paul's Churchyard
London EC4M 8AL
Tel. +44 (0)20 3201 5000
Fax: +44 (0)20 3201 5001
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THIS AGREEMENT is made on 14 September 2020

BETWEEN:

1. **YANDEX N.V.**, a public limited liability company (*naamloze vennootschap*) formed under the laws of the Netherlands, having its corporate seat at Amsterdam, its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands and registered with the trade register of the Chamber of Commerce under number 27265167 ("**Yandex**"); and
2. **MLU B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) formed under the laws of the Netherlands, having its corporate seat at Amsterdam, its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands and registered with the trade register of the Chamber of Commerce under number 69160899 ("**MLU**").

RECITALS:

- (A) Yandex owns [***] participation interest (the "**Yandex.Carsharing Participation Interest**") in the charter capital of Yandex.Carsharing LLC, a company incorporated under the laws of Russia with principal state registration number 1207700149832 and having its registered office at Sadovnicheskaya nab. 82, bld. 2, office 5F17, Moscow, 115035 Russia ("**Yandex.Carsharing**").
- (B) Yandex.Carsharing, in turn, owns [***] participation interest in the charter capital of Yandex.Drive LLC, a company incorporated under the laws of Russia with principal state registration number 5177746277385 and having its registered office at Sadovnicheskaya nab. 75, office 5F17, Moscow, 115035 Russia ("**Yandex.Drive**"), and Yandex owns a [***] participation interest (the "**Yandex.Drive Participation Interest**") in the charter capital of Yandex.Drive. [***].
- (C) Yandex desires to contribute the Participation Interests to MLU in exchange for the MLU Shares upon the terms and conditions set forth in this Agreement.
- (D) MLU desires to issue the MLU Shares to Yandex in exchange for the contribution by Yandex of the Participation Interests to MLU.

IT IS AGREED as follows:

1. **INTERPRETATION**

- 1.1 In this Agreement, each of the following words and expressions shall have the following meanings:

"Action" means any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation or other similar proceeding initiated or conducted by a mediator, arbitrator or Governmental Authority, whether administrative, civil, regulatory or criminal, and whether at law or in equity, or otherwise under any Applicable Law;

"Affiliate" means, in relation to any person, any other person directly or indirectly Controlled by or Controlling of, or under common Control with, that person; provided that, for the purposes of this Agreement, neither MLU nor any of its subsidiary undertakings is to be regarded as an Affiliate of Yandex;

"Applicable Law" means, with respect to any Person, any domestic or foreign law, ordinance, policy, guidance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or any requirement of any Governmental Authority, in each case, applicable to such Person;

"Business" means the business of car-sharing and all activities, products and services ancillary or related to car-sharing (including facilitating car-sharing through a technology application);

"Business Day" means a day (excluding a Saturday or Sunday) on which banks generally are open in Moscow, the Russian Federation and Amsterdam, the Netherlands for the transaction of normal banking business;

"Competition Authority" means any national, supra-national or regional, state, municipal, government or governmental, quasi-governmental, statutory, regulatory or investigative body, administrative agency, court or tribunal, in any jurisdiction, responsible for the investigation, prosecution or determination of any matters relating to antitrust, competition, mergers, unfair competition, consumer protection, anti-competitive agreements, practices or behaviour or any similar matter;

"Completion" means Dutch Completion or Russian Completion, as the context requires;

"Completion Commencement Date" has the meaning given in clause 4.1;

"Completion Date" means the date on which the transfers of the Participation Interests to MLU are registered in the Russian unified register of legal entities;

"Conditions" means the conditions set out in clause 3.1;

"Confidential Information" means

- (a) the existence and contents of this Agreement and any other agreement or arrangement contemplated by this Agreement;
- (b) information of whatever nature concerning the business, finances, assets, liabilities, dealings, transactions, know how, customers, suppliers, processes or affairs of either party or either party's Affiliates; and
- (c) any information which is expressly indicated to be confidential in relation to the party disclosing it,

which any party may from time to time receives or obtains (verbally or in writing or in disk or electronic form) from any other party as a result of negotiating, entering into, or performing its obligations pursuant to this Agreement;

"Contract" means any legally binding written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, option, warranty, purchase order, license, sublicense, mortgage, guarantee, purchase order, insurance policy or commitment or undertaking of any nature;

"Control" of a given person means the power or authority, whether exercised or not, to direct the business, management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the voting of more than 50% of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of board of directors of such person. The terms **"Controlled"** and **"Controlling"** have meanings correlative to the foregoing;

"Description" means the description of the Participation Interests, to the extent directly contributed by Yandex as payment on the MLU Shares, providing the details of such Participation Interests, the value thereof per a date not prior to the date [***] before the date of the Issuance Deed, and further in accordance with the applicable provisions of sections 204a and 204b of Book 2 of the Dutch Civil Code;

"Disclosed" has the meaning given to it in the Disclosure Letter;

"Disclosure Letter" means the letter dated the same date as this Agreement from Yandex to MLU in relation to the warranties set out in Part 3 of Schedule 2 (*Yandex.Drive Warranties*);

"Drive Business" means the Business as conducted on the date of this Agreement by or on behalf of Yandex or any of its Affiliates;

"Drive Business Employees" means all current employees, temporary workers, officers, consultants, directors or individual service providers of Yandex and its Subsidiaries who are primarily engaged in the Drive Business.

"Drive Business Warranties" means the warranties in Part 3 of Schedule 2 (*Yandex.Drive Warranties*);

"Drive Group" means Yandex.Carsharing and Yandex.Drive, and each is a **"Drive Company"**;

"Dutch Notary" means a civil-law notary designated by MLU for this purpose, being one of the civil-law notaries of Van Doorne, N.V.;

"Dutch Completion" means completion of the issuance of the MLU Shares to Yandex in accordance with clause 2.2 and the steps in paragraph 2 of Schedule 1 (*Completion Obligations*);

"Equity Securities" means, with respect to any person that is a legal entity, any and all shares of share capital, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or any Contract providing for the acquisition of any of the foregoing;

"Employee Benefit Plan" means any employee benefit plan, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit-sharing, termination, change of control, pension, retirement, redundancy, share option, share purchase, restricted share, deferred compensation, share appreciation, health, welfare, medical, dental, disability, life insurance, retiree medical or life insurance, supplemental retirement, severance, or similar plan, program, loan, guarantee, arrangement, policy or practice, whether written or oral, established by custom and practice or otherwise, funded or unfunded, insured or self-insured, registered or unregistered. An Employee Benefit Plan shall also include any employment, termination, severance, redundancy or other Contract or agreement that separately provides for any similar arrangement listed above;

"Encumbrance" means any option, charge (fixed or floating), mortgage, lien, pledge, equity, right to acquire, right of pre-emption, right of first refusal, title retention or any other security interest of any kind or any agreement to create any of the foregoing, or any other third party interest, equity, or right except for encumbrances that occur under this Agreement or the Articles, other than an Encumbrance arising pursuant to the charter or other constitutional documents of the issuer of the equity interest or (in the case of the MLU Shares only) the MLU Shareholders Agreement;

"Entity" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, proprietorship, company (including any company limited by shares, limited liability company or joint stock company), firm, society, enterprise, association, organization or other entity.

"FAS" means the Federal Antimonopoly Service of the Russian Federation.

"Governmental Authority" means any court, tribunal, arbitrator, legislature, government, ministry, committee, inspectorate, authority, agency, commission, official or other competent authority of any country or any state, as well as any region, city or other political subdivision of any of the foregoing. For the avoidance of doubt, Governmental Authority includes, but is not limited to, a Competition Authority.

"Indebtedness" means, without duplication, with respect to any person, the outstanding amount of (a) indebtedness for borrowed money, (b) amounts owing as deferred purchase price, contingent payments or earnout payments for the purchase of any property, intellectual property, assets or business, (c) indebtedness evidenced by any bond, debenture, note, mortgage, indenture or other debt instrument or debt security, (d) amounts owing under any capitalized or synthetic leases, (e) obligations secured by any Encumbrances, (f) commitments or obligations to assure a person against loss (including contingent

reimbursement obligations under letters of credit), (g) any amounts owed to related parties that are unpaid as of the Completion Date (including any intercompany loans between Yandex and a Drive Company) and (h) accounts payables;

"Issuance Deed" means the notarial deed in the agreed form as prepared by Van Doorne N.V., by which the MLU Shares shall be issued to Yandex;

"LLC Law" means Federal Law of the Russian Federation "On Limited Liability Companies" No. 14-FZ of 8 February 1998;

"Longstop Date" means [***], or such other date as the parties agree in writing;

"Material Adverse Effect" means, with respect to the Drive Business, any event, change, effect, condition or circumstance (each, an "Effect") that either individually or in the aggregate with other Effects would reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of the Drive Business, taken as a whole compared with that as at 31 December 2019; *provided, however*, that, in no event shall any of the following, alone or in combination, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has occurred, a Material Adverse Effect:

- (a) Effects resulting from conditions generally affecting the industries in which the Business operates or the national or global political conditions, economy or financial markets, or the economy of the regions in which the Drive Business operates;
- (b) Effects resulting from epidemics, pandemics (including COVID-19), earthquakes, acts of war, armed hostilities or terrorism or any material escalation thereof;
- (c) any failure to meet internal or published third party projections, estimates or forecasts, *provided, that*, such exclusion shall not apply to any underlying Effect that may have caused such failure;
- (d) Effects resulting from compliance with the terms of, or the taking of any action required by, this Agreement;
- (e) Effects resulting from the public announcement of this Agreement or the Transaction;
- (f) changes in Applicable Law, regulatory conditions or applicable accounting principles;
- (g) any matter that is Disclosed under the Disclosure Letter or (in relation to matters arising after the date of this Agreement) a Supplemental Disclosure Letter; or
- (h) Effects resulting from any action taken by Yandex or the Drive Group, as applicable, that is expressly required by the terms of this Agreement,

except, in the case of paragraphs (a), (b) or (f) of this definition, to the extent that such Effect or changes has a materially disproportionate effect on the Drive Business, taken as a whole, relative to other businesses engaged in the same or substantially similar industries in the territories in which the Drive Business operates;

"MLU Fundamental Warranties" means the warranties of MLU set forth in paragraphs 1 (*Organisation*), 2 (*Corporate Power and Authority*), 3 (*Due Authorisation, Execution and Delivery*) and 4.1.1 (*No Breach*) and Part 2 (*MLU Shares Warranties*) of Schedule 2;

"MLU Shareholders Agreement" means the shareholders agreement with respect to MLU between MLU, Yandex, Stichting MLU Equity Incentive, and Uber International C.V. dated 7 February 2018, as amended from time to time;

"MLU Shares" means [***] in MLU;

"Order" means any award, decision, injunction, judgment, decree, settlement, order, process, ruling, subpoena or verdict (whether temporary, preliminary or permanent) entered,

issued, made or rendered by any court, administrative agency, arbitrator, Governmental Authority or other tribunal of competent jurisdiction;

"Ordinary Course" means, with respect to any Entity, the operations of such Entity in the ordinary course of business materially consistent with past practice;

"Organisational Documents" means with respect to any person, such person's articles or certificate of association, incorporation, formation or organization, by-laws, charter, limited liability company agreement, partnership agreement or other constituent document or documents, each in its currently effective form as amended, restated and/or otherwise modified from time to time;

"Participation Interests" means the Yandex.Carsharing Participation Interest and the Yandex.Drive Participation Interest;

"person" means any individual, Entity or Governmental Authority;

"Restraint" means any:

(a) order, judgment, rule or regulation being entered, enforced, enacted or issued (whether temporary, preliminary or permanent) by any Governmental Authority; or

(b) actual, pending, threatened suit, action, investigation or proceeding by any Governmental Authority or third party,

which has the effect of making unlawful or otherwise prohibiting or preventing Completion or the Transaction;

"Russian Completion" means completion of the transfer of the Participation Interests to MLU in accordance with clause 2.3 and the steps in paragraph 3 of Schedule 1 (*Completion Obligations*);

"Russian Notary" means Russian notary having an office in Moscow designated by Yandex for this purpose;

"Russian Transfer Deeds" means the:

(a) transfer agreement between Yandex (as transferor) and MLU (as transferee) with respect to the Yandex.Carsharing Participation Interest; and

(b) transfer agreement between Yandex (as transferor) and MLU (as transferee) with respect to the Yandex.Drive Participation Interest;

"Software and Services License Agreement" means the amendment agreement [***];

"Statements" means the balance sheet and income statement of Yandex.Drive LLC as of [***] and for [***] and [***] period then ended, as attached at Schedule 4 (*Statements*);

"Subsidiary" means, with respect to a particular Entity (the "Parent"), a corporation or other business Entity: (a) in which the Parent owns (directly or indirectly, beneficially or of record) at least a 50% equity, beneficial or financial interest; or (b) in which the Parent owns (directly or indirectly, beneficially or of record) an amount of voting securities of other interests in such Entity that is sufficient to enable the Parent to elect at least a majority of the members of such Entity's board of directors, board of managers or equivalent governing body;

"Supplemental Disclosure Letter" her the meaning given in clause 5.4;

"Tax" means all forms of taxation, withholdings, charges, duties, imposts, levies, social security contributions, rates and liabilities imposed, assessed, chargeable or enforced by any local, municipal, governmental, state, federal, provincial or other body or authority in the Russian Federation, the Netherlands or in any other jurisdiction, in all cases being in the nature of taxation, and any interest, penalty, charge, surcharge, cost or fine in connection therewith;

"Tax Authority" means any Governmental Authority responsible for the imposition, administration, assessment, and/or collection of any Tax;

"Trademark License Agreement" means the amendment agreement to the [***];

"Transaction" means the transfer of the Participation Interests and the issuance of the MLU Shares as contemplated in clause 2 (*Contribution*) and as governed by the terms of the Transaction Documents;

"Transaction Documents" means this Agreement, the Disclosure Letter, the Supplemental Disclosure Letter, the Russian Transfer Deeds, the Software and Services License Agreement, the Trademark License Agreement and the Deed of Issuance;

"Yandex.Carsharing Participation Interest" has the meaning given in Recital (A);

"Yandex.Drive Participation Interest" has the meaning given in Recital (B);

"Yandex Fundamental Warranties" means the warranties of Yandex set forth in paragraphs 1 (*Organisation*), 2 (*Corporate Power and Authority*), 3 (*Due Authorisation, Execution and Delivery*), 4.1.1 (*No Breach*), 8 (*Title to Participation Interests*), 9 (*Title to Drive Group*), and 13.5 and 13.6 (*Liabilities and Obligations*) of Schedule 2;

"Yandex Indebtedness Warranties" means the warranties of Yandex set forth in paragraph 13.3 (*Liabilities and Obligations*) of Schedule 2 (*Yandex.Drive Warranties*).

"Yandex LLC" means Limited Liability Company "Yandex", a company incorporated under the laws of the Russian Federation with its principal state registration number 1027700229193;

"Yandex Related Party" means Yandex and its respective former and current general or limited partners, beneficial owners of more than [***]% of any class of shares of Yandex, Yandex's Controlled Affiliates, and each of their respective managers, directors, officers and employees;

"Yandex Related Party Transactions" has the meaning given in paragraph 17 (*Related Party Transactions*) of Schedule 2 (*Warranties*);

"Yandex SDG" means Yandex Self Driving Group B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) to be incorporated under the laws of the Netherlands, having its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands;

"Yandex SDG Demerger" means the statutory demerger and transfer under universal title of succession of certain assets and liabilities of MLU B.V. to Yandex SDG, a company to be incorporated as a result of such demerger; and

"Yandex Tax Warranties" means the warranties of Yandex set forth in paragraph 15 (*Tax*) of Schedule 2 (*Yandex.Drive Warranties*).

- 1.2 All references to statutes, statutory provisions, enactments, EU Directives or EU Regulations shall include references to any consolidation, re-enactment, modification or replacement of the same, any statute, statutory provision, enactment, EU Directive or EU Regulation of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time except to the extent that any consolidation, re-enactment, modification or replacement enacted after the date of this agreement would extend or increase the liability of any party to another under this Agreement.
- 1.3 References to this Agreement include the recitals and schedules which form part of this Agreement for all purposes. References in this Agreement to the parties, the recitals, Schedules and clauses are references respectively to the parties hereto and their successors and permitted assigns, the recitals and schedules to and clauses of this Agreement.
- 1.4 Any reference to a document in the "**agreed form**" is to the form of the relevant document in the terms agreed among the parties prior to the Completion Date and signed or initialled for identification purposes only by or on behalf of such parties.

- 1.5 References to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.6 In this Agreement, except where the context otherwise requires:
- 1.6.1 any reference to "**writing**" or "**written**" includes any method of reproducing words or text in a legible and non-transitory form, including e-mail;
- 1.6.2 references to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things.
- 1.7 Any reference to "**RUB**" is to the lawful currency of the Russian Federation, and any reference to "**USD**" is to the lawful currency of the United States of America.
- 1.8 Headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 2. CONTRIBUTION**
- 2.1 On and subject to the terms of this Agreement:
- 2.1.1 at Dutch Completion in exchange for the contribution of the Participation Interests MLU will issue to Yandex the MLU Shares pursuant to the Issuance Deed; and
- 2.1.2 at Russian Completion, in exchange for the MLU Shares Yandex shall transfer and contribute to MLU the Participation Interests as set out in clause 2.3.
- 2.2 At Dutch Completion, MLU shall issue the MLU Shares to Yandex pursuant to the Issuance Deed free and clear of Encumbrances and together with the benefit of all rights and advantages attached or accruing to them at and after the Completion, and all rights to any dividends or other distributions declared, made or paid in respect of the MLU Shares on or after Completion.
- 2.3 At Russian Completion, MLU and Yandex shall enter into and perform their respective obligations under the Russian Transfer Deeds for the purposes of effecting the transfer of the entire legal and beneficial title in and to Participation Interests, free and clear of any Encumbrances and together with the benefit of all rights and advantages attached or accruing to them at and after the Completion, and all rights to any dividends or other net profit distributions declared, made or paid in respect of the Participation Interests on or after Completion. Immediately following Completion, MLU shall own, directly or indirectly, 100% of the Participation Interests, free and clear of any Encumbrances.
- 2.4 The parties hereby acknowledge and agree that this Agreement is not and shall not be deemed to be a transaction (in Russian – «сделка») directed at the disposal of a participation interest for the purposes of paragraph 1 of Article 21(11) of the LLC Law nor shall it be deemed to be a preliminary agreement for execution of such transaction for the purposes of Article 429 of the Russian Civil Code, and no party shall raise any argument to the contrary. The parties acknowledge that the Russian Transfer Deeds shall be executed by the parties before a Russian Notary. In the event of any inconsistency between the terms of this Agreement and the Russian Transfer Deeds, the parties agree that the terms of this Agreement shall prevail.
- 2.5 On the date of this Agreement:
- 2.5.1 Yandex shall deliver, or cause to be delivered, to MLU two originals of the Disclosure Letter, each duly executed by Yandex; and

2.5.2 MLU shall deliver, or cause to be delivered, to Yandex two original of the Disclosure Letter, each duly executed by MLU.

3. **CONDITIONS**

The Conditions

- 3.1 Dutch Completion is conditional on the following Conditions being satisfied on or before 5.30 p.m. (Moscow time) on the Longstop Date, and continuing to be satisfied at Dutch Completion:
- 3.1.1 completion of the Yandex SDG Demerger;
 - 3.1.2 Yandex entering into a convertible loan agreement between Yandex and Yandex SDG to be dated on or about the date hereof;
 - 3.1.3 execution of a supervisory board resolution of Yandex SDG to resolve upon the issuance of [***];
 - 3.1.4 completion of the subscription by Yandex [***] pursuant to a notarial deed of issue in the agreed form to be entered into via power of attorney on or about the date hereof [***];
 - 3.1.5 completion of the transfer of [***] from Uber International C.V. to Yandex pursuant to a notarial deed of sale and transfer in the agreed form to be entered into via power of attorney on or about the date hereof;
 - 3.1.6 there shall not have occurred any Material Adverse Effect since the date of this Agreement;
 - 3.1.7 the (a) Yandex Fundamental Warranties shall be true and correct in all material respects as of the Completion Commencement Date with the same effect as though made on and as of the Completion Commencement Date (except to the extent expressly made as of an earlier date, in which case such warranties shall be true and correct in all material respects as of such earlier date); and (b) the other warranties of Yandex in this Agreement shall be true and correct (without giving effect to any limitation as to materiality or Material Adverse Effect set forth therein) as of the Completion Commencement Date with the same effect as though made on and as of the Completion Commencement Date (except to the extent expressly made as of an earlier date, in which case such warranties shall be true and correct as of such earlier date), except where the failure of such warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, have a Material Adverse Effect;
 - 3.1.8 Yandex shall have performed and complied in all material respects with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by it at or prior to Dutch Completion; and
 - 3.1.9 a certificate signed by an authorized officer of Yandex, in the agreed form, certifying as to the matters set forth above in clauses 3.1.6, 3.1.7 and 3.1.8.
 - 3.1.10 FAS does not (a) issue any order or take any action preventing or restricting the Dutch Completion and the Russian Completion, or (b) impose any conditions on Completion or the operation of the Business (as such term is defined in the MLU Shareholders Agreement) and/or the Drive Business that would have a material and adverse effect thereon, unless Yandex and MLU agree to such conditions, acting reasonably and in good faith.

Waiver

- 3.2 With the exception of the Condition in clause 3.1.10, Yandex may, by notice to MLU, waive a Condition in whole or in part at any time on or before the Longstop Date.

Satisfaction of Conditions

- 3.3 Yandex shall use all reasonable endeavours to satisfy or procure the satisfaction of the Conditions as soon as possible and in any event on or before the Longstop Date.
- 3.4 If, at any time, a party becomes aware of a fact or circumstances that prevents or could reasonably be expected to prevent a Condition from being satisfied on or before the Longstop Date, or lead to the creation of a Restraint, that party shall, to the extent permitted by Applicable Law, promptly inform the other party of such fact or circumstance.

Notification of satisfaction of Conditions

- 3.5 Each party shall notify the other of the satisfaction of each Condition for which it is responsible (as set out in clause 3.1) as soon as possible after it has been satisfied, and in any event within [***] of such satisfaction.

Failure to satisfy Conditions

- 3.6 If one or more of the Conditions:
- 3.6.1 remains unsatisfied at 5.30 p.m. (Moscow time) on the Longstop Date and (if capable of waiver) has not been waived on or before that time;
- 3.6.2 becomes impossible to satisfy on or before the Longstop Date and (if capable of waiver), has not been waived within [***] of such Condition becoming impossible to satisfy; or
- 3.6.3 is unsatisfied immediately before Completion and (if capable of waiver) has not been waived,
- Each of Yandex or MLU may give notice to the other party terminating this Agreement.

4. COMPLETION

Completion Commencement Date

- 4.1 Dutch Completion shall occur at 10 a.m. (CET) at the Dutch Notary's offices in Amsterdam, the Netherlands, on the date that is [***] after the satisfaction, or (if capable of waiver) waiver, of all the Conditions, or at such different time, date and/or place as the parties agree in writing (the "**Completion Commencement Date**").

Russian Completion

- 4.2 Russian Completion shall occur simultaneously with the Dutch Completion at the offices of Yandex in Moscow, the Russian Federation, on the Completion Commencement Date, or at such different time, date and/or place as the parties agree in writing.
- 4.3 The parties shall cooperate with each other and use all reasonable endeavours to procure and provide to the Russian Notary as promptly as reasonably possible such information and documents as the Russian Notary requires (including all necessary translations, notarisations and apostillations of the applicable documents in connection with the Dutch Completion and the other documents referred to in paragraph 3.1 of Schedule 1 (*Completion Obligations*)) to (i) satisfy the Russian Notary's requirements to effect Russian Completion and/or (ii) in case the application for registration of the Participation Interests in the name of

MLU is rejected for any reason, re-file the respective application with the relevant tax inspectorate in accordance with Applicable Laws for the registration of the Participation Interests in the name of MLU.

Obligations at Dutch Completion

- 4.4 At Dutch Completion, each party shall perform the obligations that paragraphs 1 (*General obligations*) and 2 (*Dutch Completion*) of Schedule 1 (*Completion obligations*) states are to be performed by it and at the time and in the order set out therein.

Obligations at Russian Completion

- 4.5 At Russian Completion, each party shall perform the obligations that paragraph 3 (*Russian Completion*) of Schedule 1 (*Completion obligations*) states are to be performed by it and at the time and in the order set out therein.

General provisions relating to Completions

- 4.6 All of the documents delivered at a Completion pursuant to Schedule 1 (*Completion obligations*) shall be held by the recipient to the order of the person delivering them until such time as specified in Schedule 1 (*Completion obligations*). Following the delivery of all documents required to be delivered at such Completion as set out in Schedule 1 (*Completion obligations*) or the waiver of the requirement to deliver any such document by the person entitled to receive the relevant document for the purposes of enabling such Completion (as applicable) to proceed, the documents delivered pursuant to Schedule 1 (*Completion obligations*) at such Completion shall cease to be held to the order of the person delivering them and such Completion shall be deemed to have taken place.

Default at Completion

- 4.7 No party shall be obliged to complete a Completion unless the other party complies with clause 4.4 (*Obligations at Dutch Completion*) or clause 4.5 (*Obligations at Russian Completion*) (as applicable).
- 4.8 Without limiting clause 4.7, if a party has not complied with its obligations under clause 4.4 (*Obligations at Dutch Completion*) or 4.5 (*Obligations at Russian Completion*), as applicable, in respect of such Completion at the time and on the date set for Completion, the other party may by giving written notice:
- 4.8.1 defer such Completion to a date selected by it, being not more than [***] after that date (in which case this clause shall apply to such Completion as so deferred); or
 - 4.8.2 proceed to such Completion as far as practicable and in any case without prejudice to its rights under this Agreement; or
 - 4.8.3 (if the default occurs with respect to Dutch Completion) terminate this Agreement without liability on its part (and without limiting its or their rights at law, in equity or under this Agreement), in which case clause 7 (*Termination*) shall apply.

5. WARRANTIES AND LIMITATIONS ON LIABILITY

Warranties

- 5.1 Each party warrants to the other party in respect of itself in the terms of the warranties set out in Part 1 of Schedule 2 (*Party Warranties*) on the date of this Agreement and on Completion Date, and, for this purpose, such warranties shall be deemed to be repeated by it in respect of itself on the Completion Commencement Date and on the Completion Date as if any express or implied reference in such warranties to the date of this Agreement was replaced by a reference to such date.

- 5.2 MLU further warrants to Yandex in the terms of the warranties set out in Part 2 of Schedule 2 (*MLU Shares Warranties*) on the date of this Agreement and on the Completion Commencement Date, and, for this purpose, such warranties shall be deemed to be repeated by it on the Completion Commencement Date as if any express or implied reference in such warranties to the date of this Agreement was replaced by a reference to the Completion Commencement Date.
- 5.3 Yandex further warrants to MLU in the terms of the warranties set out in Part 3 of Schedule 2 (*Yandex.Drive Warranties*) on the date of this Agreement and on the Completion Commencement Date and on the Completion Date, and, for this purpose, such warranties shall be deemed to be repeated by it on such date as if any express or implied reference in such warranties to the date of this Agreement was replaced by a reference to such date.

Supplemental Disclosure Letter

- 5.4 Yandex may, no later than [***] prior to the Completion Commencement Date, deliver to MLU a letter (each a "**Supplemental Disclosure Letter**") which shall contain (and shall qualify the Drive Business Warranties as repeated at Completion) disclosures (and excluding general disclosures other than general disclosures of the kind in the Disclosure Letter) relating to matters which shall have arisen during the period from the date of this Agreement up to the time of delivery of the Supplemental Disclosure Letter.
- 5.5 In respect of the Supplemental Disclosure Letters:
- 5.5.1 subject to clause 5.5.2, Completion shall take place in accordance with, and in the manner set out in, clause 4;
- 5.5.2 where the aggregate amount of Yandex's liability in respect of the matters so disclosed would or could reasonably be likely to exceed [***], MLU may give notice to Yandex terminating this Agreement, in which case clause 6 (*Termination*) shall apply. Without prejudice to clauses 5.5.3 and 5.9 (*Limitations on liability*), an election by MLU not to give such notice shall not prejudice its right to claim damages or other compensation in respect of such matters following Completion; and
- 5.5.3 the Drive Business Warranties as repeated on the Completion Commencement Date and on the Completion Date shall be qualified by the matters Disclosed in the Supplemental Disclosure Letter, provided however that the aggregate amount of Yandex's liability in respect of the matters so Disclosed shall (subject to paragraph 7.1 of Schedule 3 (*Limitations on Liability*)) be included for the purposes of calculating whether the threshold in paragraph 7.2 of Schedule 3 (*Limitations on Liability*) has been reached, despite the matters so Disclosed being for all other purposes deemed to be "Disclosed".
- 5.6 Each warranty given by a party is a separate and independent warranty and is not limited by any other provision of this Agreement, including any other warranties given by that party.
- 5.7 Where any of the warranties of Yandex in this Agreement are qualified by the expression "so far as Yandex is aware", "to the knowledge of" or any similar expression, that warranty shall be deemed to refer to the actual knowledge of [***], [***], [***] and [***].
- 5.8 Yandex shall not, if a Claim is made against it, make any claim against Yandex.Drive or Yandex.Carsharing or, save in respect of fraud or dishonesty, against any person who is, at the time such claim is made, an officer of Yandex.Drive or Yandex.Carsharing on whom Yandex may have relied before agreeing to any term of this Agreement or authorising any statement in the Disclosure Letter or the Supplemental Disclosure Letter.

Limitations on liability

5.9 The liability of each party in respect of Claims shall be limited in the circumstances and to the extent set out in Schedule 3 (*Limitations on liability*).

6. COVENANTS

Conduct of the Drive Business Pending Completion

6.1 During the period from the date of this Agreement and continuing until the earliest to occur of (a) the Completion Date and (b) the termination of this Agreement pursuant to clause 7 (*Termination*) (the "**Pre-Completion Period**"), Yandex shall cause the Drive Business to be operated, and to pay its debts, expenses and Taxes, in the Ordinary Course (other than debts, expenses and Taxes that are being properly contested).

6.2 During the Pre-Completion Period, except as (a) required under Applicable Law or by the terms of a Transaction Document or (b) MLU has otherwise consented to in writing (which consent shall not be unreasonably withheld, conditioned or delayed), (1) Yandex shall cause each entity of the Drive Group not to and (2) with respect to the clauses in *underlined italics* below, and solely to extent relating to the Drive Business, Yandex shall not and shall cause its Affiliates not to, in each case:

6.2.1 amend or otherwise make changes to its Organisational Documents;

6.2.2 declare, set aside, redeem, repurchase, make or pay any dividend or other distribution (including distribution of profit), payable in cash, shares, property or otherwise, with respect to any of its share capital;

6.2.3 repurchase, redeem or otherwise acquire, directly or indirectly, any of the share capital of any Entities of the Drive Group;

6.2.4 reclassify, combine, split or subdivide, directly or indirectly, or create or authorize creation of any additional class or series of, any of its share capital;

6.2.5 make any material change in financial accounting methods, principles or practices, except insofar as may have been required by a change in Russian accounting standards or U.S. GAAP (after the date of this Agreement);

6.2.6 enter into, amend in any material respect, waive or terminate any transaction with a Yandex Related Party;

6.2.7 issue, sell, dispose of or grant, or authorize the issuance, sale, disposition or grant of, any Equity Securities of any Drive Group Entity thereof;

6.2.8 *(A) incur any indebtedness for borrowed money other than in the Ordinary Course and as would not cause the Yandex Indebtedness Warranty to be breached, (B) issue any debt securities, (C) assume, guarantee or endorse, or otherwise take any similar action to become responsible for the obligations of any Person, or (D) make any loans or make any advances (other than in the Ordinary Course), or grant any security interest in any of its assets (other than security interests arising by operation of law in the Ordinary Course).*

6.2.9 establish, adopt, enter into or otherwise implement any Employee Benefit Plan or, with respect to any Drive Business Employee, grant, issue or make any bonus (including retention or "stay" bonus), change of control, severance, termination or similar payment that becomes due and payable in connection with or as a result of the consummation of the Transaction (other than any such obligations that are satisfied (A) completely by Yandex or (B) out of the MLU Equity Incentive Plan (provided in this case that any such issuance or grant would not have been a Reserved Matter under the terms of the MLU Shareholders Agreement));

- 6.2.10 sell, lease, transfer, or dispose of any material property or assets, or any portion thereof or interest therein, in any single transaction or series of related transactions, except for (A) transactions pursuant to Contracts in effect as of the date of this Agreement and made available to MLU or (B) dispositions of obsolete, surplus or worn out assets that are no longer useful in the conduct of the Drive Business in the Ordinary Course;
- 6.2.11 propose or adopt a plan of complete or partial liquidation or dissolution, consolidation, restructuring, recapitalization or other reorganization;
- 6.2.12 form a Subsidiary (other than a wholly-owned Subsidiary);
- 6.2.13 expand the operations of the Drive Business into any new material line of business;
- 6.2.14 make or change any material election in respect of Taxes, adopt or change any accounting method in respect of Taxes (except as required by Applicable Law), enter into any closing agreement with respect to Taxes, settle any material claim or assessment in respect of Taxes, file any amended Tax Return, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes, incur any liability for Taxes outside the Ordinary Course, or prepare or file any Tax Return in a manner inconsistent with past practice, or in each case, take or omit to take any other action that had or would reasonably be expected to have the effect of materially increasing a present or future Tax liability or materially decreasing any present or future Tax benefit of any Drive Group Company;
- 6.2.15 approve of any transaction that would materially affect the regulatory or tax status of any Drive Company;
- 6.2.16 admit or settle (including by way of amicable agreement) any lawsuit, action, dispute or other proceeding (or series of the same) involving any Drive Company or the Drive Business; or
- 6.2.17 announce an intention, enter into formal or informal agreement or otherwise make a commitment to do any of the foregoing.
- 6.3 The Parties acknowledge and agree that nothing contained in this Agreement is intended to or shall give MLU, directly or indirectly, the right to control or direct the Drive Group's operations for purposes of any applicable Antitrust Law prior to consummation of the Transaction.
7. **TERMINATION**
- Termination events**
- 7.1 Subject to clause 7.2, this Agreement shall automatically terminate with immediate effect and each party's rights and obligations shall cease to have force and effect upon a party receiving the notice referred to in clause 3.6 (*Failure to satisfy Conditions*), clause 4.8.3 (*Default at Completion*) or clause 5.5.2 (*Supplemental Disclosure Letter*).
- Effect of termination**
- 7.2 The termination of this Agreement shall not affect:
- 7.2.1 any rights or obligations which have accrued or become due prior to the date of termination; and
- 7.2.2 the continued existence and validity of the rights and obligations of the parties under this clause and clauses 1 (*Interpretation*), 5.9 (*Limitations on liability*), 8

(Miscellaneous) (other than clause 8.8 (Further assurances) and 8.18 (Continuing effect)), 9 (Notices) and 10 (Governing law and dispute resolution).

No other right to terminate or rescind

- 7.3 Subject to clause 7.1, no party shall have any right (including any right under common law or any right in respect of claims arising under or in connection with this Agreement (other than in the case of fraud) either before or after Completion to rescind or terminate or fail to perform this Agreement or (subject to clauses 4.7 and 4.8) to delay or defer Completion.

8. MISCELLANEOUS

Confidentiality

- 8.1 Save as provided in clause 8.2, no party shall, without the consent of the other, disclose to any third party, or use or exploit commercially for its or their own purposes any Confidential Information. Each party hereby acknowledges and agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than for the purpose of exercising rights or performing obligations under a Transaction Document) any Confidential Information obtained from the other party pursuant to the terms of a Transaction Document.

Permitted disclosures

- 8.2 Subject further to clause 8.3, clause 8.1 does not apply to a disclosure or use of Confidential Information in the following circumstances:
- 8.2.1 the disclosure or use is required by Applicable Law or required or requested by a Governmental Authority;
 - 8.2.2 the disclosure or use is required by a rule of a stock exchange or listing authority on which the shares or other securities of a party or its Affiliates are listed or traded;
 - 8.2.3 the disclosure is made to a party's Affiliate, parent undertaking or subsidiary undertakings or a subsidiary undertaking of such parent undertaking, or its or their directors, officers or senior employees to the extent reasonably required for purposes connected with this Agreement (including permitted transfers), in which case the disclosing person is responsible for ensuring that the relevant recipient(s) complies with the terms of clause 8.1 as if it were a party to this Agreement;
 - 8.2.4 to the extent that the relevant Confidential Information is in the public domain otherwise than by breach of this Agreement by any party;
 - 8.2.5 the Confidential Information is disclosed to such party by a third party who is not in breach of any undertaking or duty as to confidentiality whether express or implied;
 - 8.2.6 the disclosure or use is required for the purpose of legal proceedings arising out of this Agreement or the disclosure is required to be made to a Tax Authority in connection with the Tax affairs of a party or any of its Affiliates; or
 - 8.2.7 the disclosure is made to a professional adviser of the disclosing person, in which case the disclosing person is responsible for ensuring that the professional adviser complies with the terms of clause 8.1 as if it were a party to this Agreement.
- 8.3 Before a party makes a disclosure in the circumstances contemplated by clause 8.2.1 or 8.2.2 it shall, to the extent it is permitted to do so by Applicable Law and to the extent it is reasonably practicable to do so, notify each other party of such disclosure and consult with each other party and take into account each other party's requirements as to the timing, content and manner of making the disclosure (except for disclosure for legal or regulatory reasons where the disclosure is made to a regulatory body only in the ordinary course of its supervisory function).

Announcements

- 8.4 No party shall (and each party shall procure that none of its Affiliates or subsidiary undertakings or parent undertakings shall):
- 8.4.1 make or send; or
 - 8.4.2 permit another person to make or send on its behalf,
- a public announcement or circular regarding the existence or the subject matter of this Agreement, unless it has first obtained the other party's written permission (that permission not to be unreasonably withheld or delayed).

Permitted announcements

- 8.5 Clause 8.4 does not apply to an announcement or circular:
- 8.5.1 which is required by Applicable Law, a court of competent jurisdiction or a competent judicial, governmental, supervisory or regulatory body; or
 - 8.5.2 which is required by a rule of a stock exchange or listing authority on which the shares or other securities of a member of the disclosing person's group are listed or traded.

Consultation

- 8.6 A party that is required to make or send an announcement or circular in the circumstances contemplated by clauses 8.5.1 and 8.5.2, must, before making or sending the announcement or circular, consult with the other party and take into account the other party's requirements as to the timing, content and manner of making the announcement or circular to the extent it is permitted to do so by Applicable Law and to the extent it is reasonably practicable to do so.

Counterparts

- 8.7 This Agreement may be executed in any number of counterparts and by the parties on separate counterparts and each such counterpart shall constitute an original of this Agreement but all of which together constitute one and the same instrument. This Agreement shall not be effective until each party has executed at least one counterpart.

Further assurances

- 8.8 To the extent reasonably required by another party, each party shall (at its own cost) perform (or procure the performance of) such further acts, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the other party may reasonably require, whether on, at or after Completion, to implement and give effect to this Agreement and the transactions contemplated by this Agreement.

Variation, waiver and consent

- 8.9 No variation or waiver of any provision or condition of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the parties (or, in the case of a waiver, by or on behalf of the party waiving compliance).
- 8.10 Unless expressly agreed, no variation or waiver of any provision or condition of this Agreement shall constitute a general variation or waiver of any provision or condition of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of variation or waiver, and the rights and obligations of the parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied or waived.

- 8.11 Any consent granted under this Agreement shall be effective only if given in writing and signed by the consenting party and then only in the instance and for the purpose for which it was given.

Entire Agreement

- 8.12 Each party confirms that:

- 8.12.1 this Agreement together with the other Transaction Documents, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing;
- 8.12.2 in entering into this Agreement it has not relied on any representation, warranty, assurance, covenant, indemnity, undertaking or commitment which is not expressly set out or referred to in this Agreement or the other Transaction Documents; and
- 8.12.3 in any event, without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, the only rights or remedies in relation to any representation, warranty, assurance, covenant, indemnity, undertaking or commitment given or action taken in connection with this Agreement or with any of the other Transaction Documents are pursuant to this Agreement or such Transaction Document, and for the avoidance of doubt and without limitation, no party has any right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, or in, this Agreement).

Costs

- 8.13 Each party shall be responsible for its own legal, accountancy and other costs, charges and expenses incurred in connection with the negotiation, preparation and implementation of this Agreement and the other Transaction Documents. The parties acknowledge that, if such consent is sought, MLU shall be responsible for, and shall bear, all of the costs, charges and expenses (including, for the avoidance of doubt, any filing fees) incurred by the parties in connection with obtaining the consent of FAS in connection with the Transaction.

No set-off

- 8.14 Every payment payable by a party under, or pursuant to the terms of, this Agreement shall be made in full without any set off or counterclaim howsoever arising and shall be free and clear of, and without deduction of, or withholding for or on account of, any amount that is due and payable to the payor under this Agreement.

Payments net of Tax

- 8.15 Any payment made by or due from a party under, or pursuant to the terms of, this Agreement shall be free and clear of all Tax whatsoever save only for any deductions or withholdings of Tax required by law.

Russian Transfer Deeds

- 8.16 It is intended that neither party shall bring any actions or claims whatsoever under a Russian Transfer Deed, other than actions or claims with respect to disputes that are not allowed under Russian law to be settled by arbitration set forth in this Agreement. If a party brings

any such claim or action, it shall indemnify the other party against all reasonable and duly documented costs, charges and expenses (including those suffered or incurred in establishing or enforcing a right to be indemnified under this Agreement), suffered or incurred as a result thereof. All such amounts shall be payable as a fee for the right to bring claims and actions contrary to the intention expressed in this clause.

Third Party Rights

- 8.17 The parties do not intend that any term of this Agreement shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party.

Continuing effect

- 8.18 Each provision of this Agreement shall continue in full force and effect after Completion, except to the extent that a provision has been fully performed on or before Completion.

Unenforceable provisions

- 8.19 If any provision or part of this Agreement is illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision(s) by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

Obligations and liability

- 8.20 Unless otherwise expressly provided in this Agreement, all obligations and liabilities of the parties under this Agreement are several.

Assignment

- 8.21 No party may assign, transfer, vest in another person or otherwise deal with any of its rights, benefits or obligations under this Agreement without the prior written consent of each other party. Any purported dealing contrary to this prohibition shall be ineffective.

Governing language

- 8.22 This Agreement was negotiated in English (other than information in the Schedules or the Disclosure Letter or the Supplemental Disclosure Letter that is in Russian (the "**Russian Language Information**")) and the official text of this Agreement (other than the Russian Language Information) and any Notices shall be in English. Each party understands English. In the event of any dispute concerning the construction or interpretation of this Agreement, reference shall be made only to this Agreement as written in English (or the Russian Language Information as written in Russian, as applicable)) and not to any translation into any other language.

Release

- 8.23 With effect from Russian Completion, Yandex, on its own behalf and on behalf of, as applicable, its past, present or future successors, assigns and each other Yandex Related Party (collectively, the "**Releasers**"):
- 8.23.1 irrevocably and unconditionally releases, waives, acquits and forever discharges ("**Release**", and "**Released**" shall have a corresponding meaning) and shall cause each Yandex Related Party to irrevocably and unconditionally Release, each Drive Company and each of their respective directors, employees and officers (the "**Released Persons**") from any claims, causes of action, suits, debts, sums of money, accounting, bonds, bills, liabilities, covenants, contracts, controversies, agreements, promises, variances, damages, losses, judgments, demands or obligations (including attorneys' fees) that currently exist or, in the future, may arise, whether known or unknown, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, absolute or contingent, direct or derivative for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Completion Date ("**Obligations**"), other than (a) Obligations pursuant to the Transaction Documents, (b) Obligations pursuant to the Yandex Related Party Transactions, (c) Obligations pursuant to the agreements set forth in Schedule 5 and any other Contracts between any Drive Company and any Yandex Related Party, and (d) Obligations of any employee of a Drive Company pursuant to any equity incentive scheme operated by Yandex or its Affiliates as a result of such employee holding an equity award under such equity incentive scheme; and
- 8.23.2 agrees not to, and shall cause each Yandex Related Party not to, bring or threaten to bring or otherwise join in any Obligations that are Released pursuant to Clause 8.23.1 against any Released Person and shall indemnify and hold the Released Persons harmless from and against all Losses (as defined on Schedule 3) arising from or in connection with the assertion by any Releaser of any claim based upon or with respect to any Obligations that are Released pursuant to Clause 8.23.1 or the breach of any of the covenants set forth in this Clause 8.23.

9. NOTICES

- 9.1 Any notice (including any approval, consent or other communication) in connection with this Agreement shall be in writing in English and delivered by hand or courier (using an internationally recognised courier company) to the address specified in clause 9.3 or to such other address as the relevant party may from time to time specify by notice to the other party given in accordance with this clause, and for the avoidance of doubt a notice shall not be deemed to be given if made only by email, but a courtesy copy of each notice shall also be sent to the email address(es) specified in clause 9.3 or to such other email address(es) as the relevant party may from time to time specify by notice to the other party given in accordance with this clause.
- 9.2 A notice shall be effective upon receipt and shall be deemed to have been received at the time of delivery, if delivered by hand or courier provided that, in either case, where delivery occurs after 5.00 p.m., notice shall be deemed to have been received at 9.00 a.m. on the next following Business Day.
- 9.3 The relevant details of each party at the date of this Agreement are:

Yandex	MLU
Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands	Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands

Attention: [***]	Attention: [***]
Email: [***]	Email: [***]
With a copy to each of: [***] Morgan, Lewis & Bockius UK LLP Condor House, 5-10 St. Paul's Churchyard London EC4M 8AL United Kingdom Email: [***]	With a copy to: [***] Morgan, Lewis & Bockius UK LLP Condor House, 5-10 St. Paul's Churchyard London EC4M 8AL United Kingdom Email: [***]

9.4 Should a party fail to notify the other party of any change to its address in accordance with clause 9.1, then any notice served under this clause shall be validly served if served to the address listed in clause 9.3.

10. **GOVERNING LAW AND DISPUTE RESOLUTION**

- 10.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by English law.
- 10.2 The parties acknowledge that the Issuance Deed shall be governed by the laws of the Netherlands and that in the event of a dispute between the parties arising out of or in connection with the Issuance Deed, or where the Dutch Notary is a party to a Dispute under this Agreement, any such Disputes, or portions thereof involving the Dutch Notary, shall in the first instance be submitted to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.
- 10.3 The parties acknowledge that the Russian Transfer Deeds shall be governed by the laws of the Russian Federation.

Dispute Resolution

- 10.4 The parties agree that any claim, dispute, difference or controversy of whatever nature arising under, out of, relating to or in connection with this Agreement (including a claim, dispute, difference or controversy regarding its existence, termination, validity, interpretation, performance, breach, the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**"), shall be referred to and finally settled by arbitration in accordance with the LCIA Arbitration Rules (the "**Rules**") as at present in force and as modified by this clause, which Rules shall be deemed incorporated into this clause and capitalised terms used in this clause which are not otherwise defined in this Agreement have the meaning given to them in the Rules. This clause 10.4 and any non-contractual provisions arising out of or in connection with this clause 10.4 are governed by English law.
- 10.4.1 The number of arbitrators shall be one, who shall be appointed by the LCIA Court. Notwithstanding any provision to the contrary in the Rules, the LCIA Court may appoint an arbitrator from among the nationals of any country, whether or not a party is a national of that country.
- 10.4.2 The seat or legal place of arbitration shall be London, England, and the language used in the arbitral proceedings shall be English. All documents submitted in connection with the arbitral proceedings shall be in the English language or, if in another language, accompanied by an English translation. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.
- 10.4.3 Having regard to the Arbitral Tribunal's general duty set out in section 33(1) of the Arbitration Act 1996, the parties hereby agree that, without derogating from its other powers, the Arbitral Tribunal may, following a written request by any party at any time after the Response is due, give directions as to a procedure (the "**Summary Procedure**") for determining (i) whether any claim(s), counterclaim(s) or part(s) thereof is reasonably arguable and/or (ii) whether any reasonably

arguable defence to the claim(s), counterclaim(s) or part(s) thereof exists and thereafter make an award (which may be a final award) if it determines, respectively, that (i) any claim(s), counterclaim(s) or part(s) thereof is not reasonably arguable or (ii) no such reasonably arguable defence exists. The Arbitral Tribunal shall exercise its discretion under the Arbitration Act 1996 to adopt a procedure suitable for the determination of a request made under this clause 10.4.3 consistently with its duty as set out in section 33(2) of the Arbitration Act 1996. As part of the Summary Procedure, the party requesting the Summary Procedure shall be required to make a written submission as to why any claim(s), counterclaim(s) or part(s) thereof is appropriate for summary determination and every other party to the arbitration shall have the opportunity to submit a written response to such submission. The parties acknowledge and agree that this clause 10.4.3 provides for due process and gives each party adequate opportunity to be heard, and that no party shall challenge or resist enforcement of an award made pursuant to this clause 10.4.3 on the basis of a failure of due process or lack of opportunity to be heard, whether under Article V(1)(b) of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, Section 68(2)(a) of the Arbitration Act 1996 or otherwise.

- 10.4.4 No party shall be required to give general discovery of documents but may be required only to produce specific, identified documents or classes of documents which are relevant to the Dispute and material to its outcome.
- 10.4.5 The parties agree that the arbitration agreement set out in this clause 10.4 and any arbitration agreement contained in any other arrangement contemplated by this Agreement shall together be deemed to be a single arbitration agreement.
- 10.4.6 The parties consent to being joined to any arbitration commenced under this Agreement or any other arrangement contemplated by this Agreement on the application of any other party if the Arbitral Tribunal so allows, and subject to and in accordance with the Rules. Before the constitution of the Arbitral Tribunal, any party to an arbitration commenced pursuant to this clause 10.4 may effect joinder by serving notice on any party to this Agreement or any other arrangement contemplated by this Agreement whom it seeks to join to the arbitration proceedings, provided that such notice is also sent to all other parties to the Dispute and the LCIA Court within twenty-eight (28) days of service of the Request for Arbitration. The joined party will become a claimant or respondent party (as appropriate) to the arbitration proceedings and participate in the arbitrator appointment process in clause 10.4.1.
- 10.4.7 An Arbitral Tribunal constituted under this Agreement may, unless consolidation would prejudice the rights of any party, consolidate an arbitration hereunder with an arbitration under any other arrangement contemplated by this Agreement if the arbitration proceedings raise common questions of law or fact, and subject to and in accordance with the Rules. For the avoidance of doubt, this clause 10.4.7 is an agreement in writing by all parties to any arbitrations to be consolidated for the purposes of Article 22.1(ix) of the Rules. If an Arbitral Tribunal has been constituted in more than one of the arbitrations in respect of which consolidation is sought pursuant to this clause 10.4.7, the Arbitral Tribunal which shall have the power to order consolidation shall be the Arbitral Tribunal appointed in the arbitration with the earlier Commencement Date under Article 1.4 of the Rules (i.e. the first-filed arbitration). Notice of the consolidation order must be given to any arbitrators already appointed in relation to any of the arbitration(s) which are to be consolidated under the consolidation order, all parties to those arbitration(s) and the LCIA Registrar. Any appointment of an arbitrator in the other arbitrations before the date of the consolidation order will terminate immediately and the arbitrator will be deemed to be discharged. This termination is without prejudice to the validity of any act done or order made by that arbitrator or by any court in support of that arbitration before that arbitrator's appointment is terminated; his or her entitlement to be paid proper fees and disbursements; and the date when any claim or defence

was raised for the purpose of applying any limitation bar or any similar rule or provision. If this clause operates to exclude a party's right to choose its own arbitrator, each party irrevocably and unconditionally waives any right to do so.

- 10.4.8 To the extent permitted by law, each party waives any objection, on the basis that a Dispute has been resolved in a manner contemplated by clauses 10.4.6 to 10.4.7, to the validity and/or enforcement of any arbitral award.
- 10.4.9 Each party agrees that any arbitration under this clause 10.4 shall be confidential to the parties and the arbitrator and that each party shall therefore keep confidential, without limitation, the fact that the arbitration has taken place or is taking place, all non-public documents produced by any other party for the purposes of the arbitration, all awards in the arbitration and all other non-public information provided to it in relation to the arbitral proceedings, including hearings, save to the extent that disclosure may be requested by a regulatory authority, or required of it by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.
- 10.4.10 The law of this arbitration agreement, including its validity and scope, shall be English law.
- 10.4.11 This agreement to arbitrate shall be binding upon the parties, their successors and permitted assigns.

11. **DUTCH NOTARY**

The parties are aware that the Dutch Notary holds office at Van Doorne, N.V.. The parties hereby acknowledge that they have been informed of the existence of the Ordinance Containing Rules of Professional Conduct and Ethics (*Verordening beroeps- en gedragsregels*) of the Royal Professional Organisation of Civil Law Notaries (*Koninklijke Notariële Beroepsorganisatie*) and explicitly agree and acknowledge that:

- 11.1.1 Van Doorne, N.V. may advise and act on behalf of Yandex with respect to this Agreement and the Issuance Deed, and any agreements or any disputes related to or resulting from this Agreement and/or the Issuance Deed; and
- 11.1.2 the Dutch Notary shall execute the Issuance Deed pursuant to which the MLU Shares will be issued to Yandex and that the Dutch Notary shall act as civil law notary on behalf of Yandex (*partijnotar*).

This Agreement has been duly executed by the parties (or their duly authorised representatives) on the date specified at the beginning of this Agreement.

**SCHEDULE 1
COMPLETION OBLIGATIONS**

**SCHEDULE 2
WARRANTIES**

PART 1 – PARTY WARRANTIES

PART 2 – MLU SHARES WARRANTIES

PART 3 – YANDEX.DRIVE WARRANTIES

**SCHEDULE 3
LIMITATIONS ON LIABILITY**

**SCHEDULE 4
STATEMENTS**

SCHEDULE 5
AGREEMENTS WITH YANDEX RELATED PARTIES BELOW MATERIALITY THRESHOLD

SIGNING PAGE

Signed by)
)
Alfred Alexander de Cuba)
(*name*))
duly authorised for and on behalf of)
YANDEX N.V.,) /s/ Alfred Alexander de Cuba
) **Signature**

Signed by)
)
Philipp Sergeyevich Lebedev)
(*name*))
duly authorised for and on behalf of)
MLU B.V.) /s/ Philipp Sergeyevich Lebedev
) **Signature**

SIGNATURE PAGE TO CONTRIBUTION AGREEMENT

SUBSIDIARIES OF YANDEX N.V.

Name of Subsidiary(1)	Jurisdiction of Organization
YANDEX LLC	Russia
Autopark Laboratory LLC	Russia
BelGo Corp LLC	Belarus
Charitable foundation «Help is near»	Russia
Clinic Yandex.Health LLC	Russia
Edadil LLC	Russia
Edadil Promo LLC	Russia
Food Party LLC	Russia
GIS Technologies LLC	Russia
INO CPE SDA	Russia
K50 LLC	Russia
Kinopoisk LLC	Russia
MLU Africa B.V.	The Netherlands
MLU B.V. (3)	The Netherlands
MLU Europe B.V.	The Netherlands
NAPA LLC	Russia
Opteum LLC	Russia
Spb Software Limited	Hong Kong
Telesystems LLC	Russia
UBER AZERBAIJAN LLC	Azerbaijan
Uber ML B.V.	The Netherlands
Uber ML Holdco B.V.	The Netherlands
Uber Systems Bel LLC	Belarus
Yandex Advertising LLC	Belarus
Yandex Advertising Services LC	Turkey
Yandex Auto.ru AG	Switzerland
Yandex DC LLC	Russia
Yandex DC Vladimir LLC	Russia
Yandex E-commerce Limited	Hong Kong
Yandex Europe AG	Switzerland
Yandex Europe B.V.	The Netherlands
Yandex Inc.	USA
Yandex Information Technology Co., Ltd.	China
Yandex Media Services B.V.	The Netherlands
Yandex Oy	Finland
Yandex Self Driving B.V.	The Netherlands
Yandex Self Driving Group B.V. (4)	The Netherlands
Yandex Self Driving Group inc.	USA
Yandex Self Driving Group LLC	Russia
Yandex Self Driving Holding B.V.	The Netherlands
Yandex Services AG	Switzerland
Yandex.Carsharing LLC	Russia

Yandex.Classifieds Holding B.V.	The Netherlands
Yandex.Classifieds LLC	Russia
Yandex.Classifieds Technology LLC	Russia
Yandex.Cloud LLC	Russia
Yandex.Drive LLC	Russia
Yandex.Food LLC	Russia
Yandex.Fuel LLC	Russia
YANDEX.GO ISRAEL Ltd.	Israel
Yandex.Go S.R.L.	Romania
YANDEX.ISRAEL Ltd.	Israel
Yandex.Kazakhstan LLP	Kazakhstan
Yandex.Lavka LLC	Russia
Yandex.Logistics LLC	Russia
Yandex.Market B.V.	The Netherlands
Yandex.Market Lab LLC	Russia
Yandex.Market LLC	Russia
Yandex.Medialab LLC	Russia
Yandex.Mediaservices LLC	Russia
Yandex.OFD LLC	Russia
Yandex.Probki LLC (2)	Russia
Yandex.Prosveshcheniye LLC	Russia
Yandex.Studio LLC	Russia
Yandex.Taxi AM LLC	Armenia
Yandex.Taxi B.V.	The Netherlands
Yandex.Taxi Corp LLP	Kazakhstan
Yandex.Taxi Corp. AM LLC	Armenia
Yandex.Taxi Holding B.V.	The Netherlands
Yandex.Taxi Kazakhstan LLP	Kazakhstan
Yandex.Taxi LLC	Russia
Yandex.Taxi Technology LLC	Russia
Yandex.Taxi Ukraine LLC	Ukraine
Yandex.Technologies LLC	Russia
Yandex.Technology GmbH	Germany
Yandex.Telecom LLC	Russia
Yandex.Testing LLC	Russia
Yandex.Ukraine LLC (2)	Ukraine
YandexBel LLC	Belarus
Zen.Platform LLC	Russia
Znanie Company Ltd	Cyprus
Znanie Development Company Ltd	Cyprus
Znanie LLC	Russia

- (1) Directly or indirectly held
(2) Yandex N.V. owns a 99.9% interest
(3) Yandex N.V. owns a 61.7% interest
(4) Yandex N.V. owns a 72.8% interest
(5) Yandex N.V. owns a 90.0% interest

**Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Arkady Volozh, certify that:

1. I have reviewed this annual report on Form 20-F of Yandex N.V. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 31, 2021

By: /S/ ARKADY VOLOZH
Name: Arkady Volozh
Title: *Chief Executive Officer*

Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Greg Abovsky, certify that:

1. I have reviewed this annual report on Form 20-F of Yandex N.V. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 31, 2021

By: /S/ GREG ABOVSKY

Name: Greg Abovsky

Title: *Chief Operating Officer / Chief Financial Officer*

Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 20-F of Yandex N.V. (the "Company") for the year ended December 31, 2020, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Arkady Volozh, as Chief Executive Officer of the Company, and Greg Abovsky, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2021

By: /s/ Arkady Volozh
Name: Arkady Volozh
Title: *Chief Executive Officer*

By: /s/ Greg Abovsky
Name: Greg Abovsky
Title: *Chief Operating Officer / Chief Financial Officer*

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Yandex N.V.

We consent to the incorporation by reference in the registration statements (Nos. 333-177622 and 333-213317) on Form S-8 and in the registration statement (No. 333-239391) on Form F-3 of Yandex N.V. of our reports dated March 31, 2021, with respect to the the consolidated balance sheets of Yandex N.V. and subsidiaries as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 20-F of Yandex N.V.

Our report on the consolidated financial statements dated March 31, 2021, refers to the translation of the consolidated financial statements as of and for the year ended December 31, 2020 into United States dollars presented solely for the convenience of the reader.

Our report dated March 31, 2021, on the effectiveness of internal control over financial reporting as of December 31, 2020, contains an explanatory paragraph that states that the Company acquired Yandex.Market during 2020, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, Yandex.Market's internal control over financial reporting associated with approximately 6% of consolidated total revenue and approximately 19% of consolidated total assets (of which 10% represented by goodwill and 2% by intangible assets) included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Yandex.Market.

/s/ JSC "KPMG"

Moscow, Russia
March 31, 2021