

**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, 2023  
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)  
**Schiphol Boulevard 165**  
**Schiphol P7 1118 BG, The Netherlands**  
(Address of principal executive offices)

**John Boynton, Chairman of the Board of Directors**  
**Schiphol Boulevard 165**  
**Schiphol 1118 BG, The Netherlands**  
Telephone: +31 20-206-6970  
Facsimile: +31 20-446-6372  
Email: askir@y-nv.com  
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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. **None**

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             | 325,783,607                  |
| Class B             | 35,698,674                   |

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 (§232.405 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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

† 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 558,663 Class A shares held in treasury and nil Class C shares issued and fully paid as of December 31, 2023. 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.

TABLE OF CONTENTS

|   | Page |
|---|------|
| <a href="#">Introduction and Explanatory Note</a>   | 4    |
| <a href="#">PART I.</a>   |      |
| <a href="#">Item 1. Identity of Directors, Senior Management and Advisers</a>                         | 6    |
| <a href="#">Item 2. Offer Statistics and Expected Timetable</a>                                       | 6    |
| <a href="#">Item 3. Key Information</a>   | 6    |
| <a href="#">Item 4. Information on the Company</a>  | 18   |
| <a href="#">Item 4A. Unresolved Staff Comments</a>  | 32   |
| <a href="#">Item 5. Operating and Financial Review and Prospects</a>                                  | 33   |
| <a href="#">Item 6. Directors, Senior Management and Employees</a>                                    | 50   |
| <a href="#">Item 7. Major Shareholders and Related Party Transactions</a>                             | 55   |
| <a href="#">Item 8. Financial Information</a>   | 57   |
| <a href="#">Item 9. The Listing</a>   | 57   |
| <a href="#">Item 10. Additional Information</a>   | 58   |
| <a href="#">Item 11. Quantitative and Qualitative Disclosures About Market Risk</a>                   | 67   |
| <a href="#">Item 12. Description of Securities other than Equity Securities</a>                       | 67   |
| <a href="#">PART II.</a>  |      |
| <a href="#">Item 13. Defaults, Dividend Arrearages and Delinquencies</a>                              | 67   |
| <a href="#">Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds</a> | 67   |
| <a href="#">Item 15. Controls and Procedures</a>  | 67   |
| <a href="#">Item 16A. Audit Committee Financial Expert</a>  | 68   |
| <a href="#">Item 16B. Code of Ethics</a>  | 68   |
| <a href="#">Item 16C. Principal Accountant Fees and Services</a>                                      | 68   |
| <a href="#">Item 16D. Exemptions from the Listing Standards for Audit Committees</a>                  | 68   |
| <a href="#">Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers</a>      | 69   |
| <a href="#">Item 16F. Change in Registrant's Certifying Accountant</a>                                | 69   |
| <a href="#">Item 16G. Corporate Governance</a>  | 69   |
| <a href="#">Item 16H. Mine Safety Disclosure</a>  | 69   |
| <a href="#">Item 16J. Insider trading policies</a>  | 69   |
| <a href="#">Item 16K. Cybersecurity</a>   | 69   |
| <a href="#">PART III.</a>   |      |
| <a href="#">Item 17. Financial Statements</a>   | 112  |
| <a href="#">Item 18. Financial Statements</a>   | 112  |
| <a href="#">Item 19. Exhibits</a>   | 113  |

---

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 (December 2023), data.ai (January 2024), Growth from Knowledge (GfK) (January 2024), the Russian Federal State Statistics Service (Rosstat) (February 2024) and the Bank of Russia (March 2024).

### 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 developments and the current geopolitical crisis, including international sanctions and export controls, currency volatility, currency controls, increased interest and inflation rates and restrictions in the public trading of certain stocks;
- the impact of the extensive changes to our group as part of our reorganization and the pending sale of all of the group’s business in Russia and certain international markets;
- the expected dynamics of the business markets in the countries in which we currently operate;
- competition in the internet search, ride-hailing and other markets in the countries in which we currently operate;
- our anticipated growth, budgeting and investment strategies;
- our future business development, results of operations and financial condition, including that of our retained businesses as well as those businesses to be divested as part of our sale transaction;
- 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 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.

## INTRODUCTION AND EXPLANATORY NOTE

The Yandex group is in the midst of the most fundamental changes since the founding of our business more than 25 years ago. Over the past two years, the war in Ukraine and the resulting geopolitical tensions have created exceptional challenges for our group and our team, and we are pleased that we are now implementing steps to address these circumstances.

On February 5, 2024, we announced our definitive agreement with a purchaser consortium to sell all of the group's businesses in Russia and certain international markets (the "Target"). We were pleased that our shareholders, including our Class A shareholders, approved this proposal in early March. This transaction (the "Sale") will be implemented in two closings.

We expect that the first closing will occur in the coming weeks. At this closing, Yandex N.V. will sell up to 68% of the Target for total consideration consisting of RUB 230 billion in cash, paid in Chinese Yuan outside Russia, and up to 68 million Class A shares of Yandex N.V. In addition, an amendment of our articles of association that was approved by our shareholders in March will become effective at the first closing. This amendment will significantly simplify our corporate governance and capital structure – in particular, by eliminating the "priority share" previously held by the Public Interest Foundation, as well as the related rights of that Foundation to appoint two members of our board. Further, four Russian members of our Board will resign with effect from that closing. Following the first closing, the members of our Board of Directors will be John Boynton (Chairman), Rogier Rijnja and Charles Ryan.

We expect the second and final closing to occur within seven weeks after the first closing, at which time we will sell our remaining interest in the Target. The consideration at the second closing will be paid in a combination of up to 108 million Class A shares of Yandex N.V., with the balance (if any) to be paid in up to RUB 135 billion in cash, to be paid in Chinese Yuan outside Russia. Following the second closing, Yandex N.V. will have no interest in the Russian businesses.

The number of Class A shares outstanding will be reduced by the number of shares that we receive as partial consideration in the Sale at each of the first and second closing. Following the first closing, we expect that the number of Class A shares outstanding will be approximately 294 million. The Class A shares received as consideration will be held in treasury, pending use under our equity incentive plans and for further financing purposes.

As we work towards the completion of this transaction, we are continuing our preparations for the future of the retained group. We expect to provide updates regarding the new senior management team and their strategy for the retained business in the coming months, and to nominate additional members of the Board in due course. We also expect to introduce a new brand for the retained group, and to ask shareholders to approve a change in the legal name of our company. The Yandex brand will continue to be used by the Target group being sold.

Trading in our Class A shares currently remains halted on Nasdaq. Although we can provide no assurance, we are hopeful that trading may resume following the successful completion of the divestment. We will apply to terminate the listing of our Class A shares on the Moscow Exchange in the coming weeks, which will become effective in connection with the second closing.

In this Annual Report we provide further detail on the Sale and the related risks. We also provide a full report on the year 2023, with respect to the group as a whole before giving effect to the Sale. We have presented separately the descriptions of our continuing operations and the Target businesses being sold. The Sale represents a material change to our company and our group. The Target accounted for more than 95% of the Yandex group's consolidated revenues in 2023, and approximately 95% of the group's consolidated assets and employees.

Following the Sale, the company will retain a portfolio of international businesses and other non-Russian assets. The core retained businesses are described in this Annual Report and include:

- Nebius AI, an AI cloud platform that is one of the largest providers of GPU capacity in Europe;
- Toloka AI, a data solutions partner for generative AI ("GenAI") and Large Language Model ("LLM") development;
- Avride, one of the leading developers of self-driving technologies;

[Table of Contents](#)

- TripleTen, an EdTech service that equips people with in-demand tech skills;
- a cutting-edge data center located in Finland; and
- minority investments in other technology businesses.

The Sale is the result of an extensive strategic process designed to ensure our group's sustainable development and the success of all of our businesses over the longer term. We look forward to providing updates to shareholders on the development of the retained group in the coming months.

**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.**

**Exchange Rate Information**

During 2023, the primary operations of Yandex N.V. group were conducted in Russia and the majority of the group's revenues were 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 89.6883 to \$1.00, the official exchange rate quoted by the Central Bank of the Russian Federation as of December 31, 2023. No representation is made that the RUB amounts could have been, or could be, converted into U.S. dollars at such rate. Following completion of the Sale, we expect to report our results in U.S. dollars.

**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 company, our continuing businesses and the operations to be divested. 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.*

*Below we first describe the risks related to the divestment of our operations in Russia and certain international markets. As described above under "Introduction – Explanatory Note", we expect that the first closing of this divestment will occur in the coming weeks. We then describe the risks related to our continuing operations following the divestment. Finally, we describe the risks related to the businesses we are divesting.*

**Summary of Risk Factors**

**Risks Relating to the Sale**

- We can provide no assurance that the Sale will be completed.
- Even if the first closing occurs, we can provide no assurance that the second closing will occur.
- The purchaser may be unable to satisfy its obligation to pay cash consideration at the first and/or second closing.
- If we are not able to complete the proposed Sale, it is possible that steps could be taken pursuant to existing or new Russian legislation that could materially adversely affect our group and some or all of our shareholders.
- If we are not able to complete the proposed Sale in a timely manner, the future prospects of our company and the retained businesses could be materially and adversely affected.
- We will continue to be subject to general business uncertainties and contractual restrictions while the proposed Sale is pending completion, which could adversely affect our existing business and operations.
- Laws or regulations may be adopted in our core market that may adversely affect our non-Russian shareholders and the value of the shares they hold in our company.

**Risks Related to Our Continuing Operations Following the Sale**

- The retained businesses, which have to date formed a part of the larger Yandex group, are at an early stage of development and have limited experience operating on a stand-alone basis.

- The retained businesses will no longer have access to the intellectual property created by the group's Russia-based businesses, and the retained businesses' prospects and future success depend on their ability to develop new proprietary technology.
- We have agreed to covenants in connection with the Sale that will impose restrictions on the retained businesses.
- Our retained businesses may be adversely affected by the existing competition in the markets that we operate in, which could negatively impact on our business, financial condition and ability to develop internationally.
- The retained businesses will continue to rely heavily on technological security measures to protect their services, software and products generally. If such security measures are breached or are insufficient, our businesses may suffer significant reputational damage as well as potential legal and financial exposure.
- We may be subject to material claims under the share purchase agreement in connection with the Sale.
- We may incur material tax liabilities in connection with the Sale, which would reduce the amount of net proceeds available for ultimate distribution to our shareholders.
- The price of our Class A shares has been and may continue to be volatile.
- The concentration of voting power with our principal shareholders limits the ability of our minority shareholders to influence corporate matters.
- Anti-takeover provisions in our articles of association may prevent or delay change-of-control transactions.
- 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 the rights of our shareholders differ from the rights of a shareholder of a domestic U.S. issuer.
- We do not comply with all of the provisions of the Dutch Corporate Governance Code. This may affect the rights of our shareholders.
- 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 our shareholders may obtain against us may be difficult to enforce against us in 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.

#### **Risks Related to the Businesses to be Divested**

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

- The businesses to be divested may be materially adversely impacted by negative macroeconomic and geopolitical developments including various restrictions in Russia and in other countries in which they operate.

##### **Risks Related to the Business and Industry in which the Group to be Divested Operates**

- The businesses to be divested rely on the continued availability, development and maintenance of the internet infrastructure in the countries in which they operate.
- The businesses to be divested face significant competition, which could negatively affect their business, financial condition and results of operations.
- Our corporate culture has contributed to our success, and if the businesses to be divested cannot maintain the focus on teamwork and innovation fostered by this environment, their business, financial condition and results of operations would be adversely affected.
- A systems failure, technical interference or human error could prevent the businesses to be divested from reliably delivering their services, which could lead to a loss of users and advertisers and damage their reputation and materially adversely affect their business, financial condition and results of operations.
- The businesses to be divested may not be able to prevent others from unauthorized use of their intellectual property rights or become involved in intellectual property infringement claims, which may adversely affect their competitive position, business, financial condition and results of operations.

##### **Additional Risks Related to Regulatory Matters**

- The businesses to be divested may be required to obtain additional licenses, permits or registrations or comply with other requirements, which may be costly or may limit their operational flexibility.

- Regulations regarding the processing and retention of personal and other data may impose additional obligations on the businesses to be divested, limit their flexibility, or harm their reputation with users.
- The competent authorities could determine that the businesses to be divested hold a dominant position in one or more markets and could impose limitations on their operational flexibility that may adversely affect their business, financial condition and results of operations.

**Risks Related to Tax Matters**

- Changes in the tax systems in the countries in which we and the businesses to be divested operate, or unpredictable or unforeseen application of existing rules, may materially adversely affect our and their business, financial condition and results of operations.
- Some of the counterparties of the businesses to be divested provide limited transparency in their operations, which could subject the businesses to be divested to greater scrutiny and potential claims from government authorities.

***Detailed Overview of Risk Factors***

**Risks Relating to the Sale**

***We can provide no assurance that the Sale will be completed.***

Although we have satisfied the conditions to the Sale, including receiving the required shareholder approvals, a number of mechanical steps must still be completed to move to the first closing, and then the second closing.

If any of these steps is not completed, we may be unable to consummate the Sale. In addition, several of the required regulatory approvals may entail political considerations unrelated to the commercial substance of the Sale. Further, we will need to obtain confirmation from our banks and the purchaser's correspondent banks that they are able to receive and process the relevant cash consideration payments before the parties can proceed to closing. If these confirmations cannot be obtained, we would not be able to complete the Sale.

Our ability to complete the Sale will remain subject to the continuously evolving international and Russian political and regulatory environment. In particular, changes to Russian legislation or international sanctions could frustrate or block the consummation of the Sale on the agreed terms.

***Even if the first closing occurs, we can provide no assurance that the second closing will occur.***

Pursuant to the share purchase agreement in connection with the Sale, following the first closing, the purchaser will be obligated to acquire the remaining interest in the Target and to pay the remaining consideration at the second closing. Depending on the outcome of the offer for Class A shares by the purchaser, the purchaser will be obligated to pay some or all of the remaining consideration in cash.

Although we have negotiated contractual protections with a view to ensuring that the second closing occurs, we can provide no assurance in this regard. International or Russian legislative, regulatory or sanctions developments could prevent the parties from effecting the second closing. Moreover, in the event that the purchaser breaches its obligations to effect the second closing, we would have contractual rights to seek recourse but may be unable to obtain specific performance or other injunctive relief, and may not be able to obtain cash compensation in a sufficient amount or at all.

In the event that international sanctions are imposed on any parties involved in the Sale, including on our company, any of its subsidiaries, the purchaser, any of the underlying purchaser consortium members or any of their finance providers, or countermeasures are introduced in Russia that affect the Sale, we may be unable to proceed to second closing in a timely manner or at all. In addition, the second closing of the Sale will require the involvement of a number of international counterparties, including our banks. If any such parties are legally prohibited from acting in connection with the Sale, or decide for policy or other reasons not to act, we may be unable to make alternative arrangements, and the interests of our shareholders could be materially adversely affected.



***The purchaser may be unable to satisfy its obligation to pay cash consideration at the first and/or second closing.***

The members of the purchaser consortium are expected to fund the purchaser entity in advance of first and/or second closing with a combination of equity and debt financing in order to meet its cash consideration obligations. If one or more members of the purchaser consortium fails to provide its equity contribution to the purchaser, or if the purchaser's lender fails to advance the anticipated debt financing, the purchaser may be unable to complete the Sale. We would have limited or no recourse in such circumstances.

***If we are not able to complete the proposed Sale, it is possible that steps could be taken pursuant to existing or new Russian legislation that could materially adversely affect our group and some or all of our shareholders.***

Actions have been taken in Russia with respect to the Russian operations of several multinational companies in the past two years, including Fortum, Uniper, Danone, Carlsberg and X5 Retail Group N.V. Given the significance of the Yandex operations in Russia and the increasing countermeasures by the Russian government against entities incorporated in "unfriendly" countries such as the Netherlands, it is possible that, in the event we are unable to complete the Sale, similar or other actions could be taken against the Yandex group. Any such actions could result in our loss of ownership or control over our businesses in Russia, which would materially adversely affect the interests of our Class A Shareholders (particularly those outside Russia).

***If we are not able to complete the proposed Sale in a timely manner, the future prospects of our company and the retained businesses could be materially and adversely affected.***

Our company and the retained businesses have historically been financed principally by the operating businesses in Russia. Due to regulatory restrictions, there are now significant limitations on the transfer of funds from Russia to parent companies incorporated in jurisdictions that are considered to be "unfriendly" by the Russian government. In the event that the Sale is not completed, it may be difficult or impossible to continue to finance the requirements of our company or the retained businesses from our broader group or to find alternative sources of financing, and there would be significant uncertainty regarding their ability to continue as a going concern.

In addition, if the Sale is not completed in a timely manner, we may face a number of other risks, including:

- increasing constraints imposed by international sanctions;
- potential loss of employees of the retained businesses;
- challenges in attracting or retaining commercial partners;
- further distraction of Board and management time, and additional expense, in seeking an alternative transaction; and
- delisting of our Class A Shares from Nasdaq.

If the Sale is not completed, our Board will need to seek another opportunity or alternative transaction, however we can provide no assurance that we would be successful in doing so.

***We will continue to be subject to general business uncertainties and contractual restrictions while the proposed Sale is pending completion, which could adversely affect our existing business and operations.***

In connection with the proposed Sale, it is possible that some of our customers, suppliers and other persons with whom we currently or might potentially have a business relationship may delay or defer certain business decisions or seek to terminate, change or renegotiate their relationships with us as a result of the proposed Sale, which could negatively impact our existing revenue streams in respect of the businesses soon to be divested and our retained businesses.

In addition, the share purchase agreement in connection with the Sale includes customary restrictions on the conduct of business of the Target group prior to the first closing, which may affect the ability of the Target group to execute certain of its business strategies in the near term.

***Laws or regulations may be adopted in our core market that may adversely affect our non-Russian shareholders and the value of the shares they hold in our company.***

A number of measures have been adopted or proposed in our core market that could adversely affect non-Russian shareholders, including laws related to required redomiciliation of businesses to Russia and termination of “control” by foreign parent companies over businesses in Russia. If we are required to take measures to change our corporate domicile, this would be complex or even impossible and may have adverse tax consequences for our company and our shareholders. Moreover, the rights of shareholders in Russian companies differ from the rights of shareholders of Dutch public limited companies. Many of our international shareholders may be unable to hold or, under current Russian law, trade in securities of a Russian entity.

Any such legislative requirements or other measures targeting non-Russian shareholders or offshore holding companies of Russian businesses could materially affect the rights of our shareholders.

**Risks Related to Our Continuing Operations Following the Sale**

***The retained businesses, which have to date formed a part of the larger Yandex group, are at an early stage of development and have limited experience operating on a stand-alone basis.***

The various Yandex businesses historically operated as an integrated group and ecosystem globally. In preparation for the Sale, we have undertaken significant steps to ensure the complete legal, technical and operational separation of the retained businesses from the Russia-based businesses, with a view to ensuring their ability to function on a stand-alone basis and without any connection to the Russian operations. Given the scale and complexity of these restructuring steps, and the limited experience of our company and the retained businesses operating as part of a smaller group, we may be required to take additional steps to implement the infrastructure required to operate on a stand-alone basis.

In addition, the retained businesses have historically benefited from our larger, profitable businesses in Russia. We have limited experience in managing and financing only early-stage businesses. Although we intend to retain a portion of the net cash proceeds of the Sale to finance the development of the retained businesses, these businesses are in their early stages and are therefore capital intensive. Although we believe that they have a material opportunity for revenue generation and growth in the future, we may need to seek additional equity or debt financing in the near to medium term. We can provide no assurance that we will be able to obtain such financing on acceptable terms or at all.

***The retained businesses will no longer have access to the intellectual property created by the group’s Russia-based businesses, and the retained businesses’ prospects and future success depend on their ability to develop new proprietary technology.***

The retained businesses have historically benefited from access to the intellectual property developed and owned by the group’s Russia-based businesses. This intellectual property will remain with the businesses to be divested as part of the Sale and we will not receive any long-term licenses to any such intellectual property. Although the retained businesses will benefit from certain transitional licenses from businesses being divested for various fixed periods in 2024, we may incur significant expense and personnel time in developing new proprietary technology independently. Failure to develop such new proprietary technology could materially adversely affect our prospects and future success.

***We have agreed to covenants in connection with the Sale that will impose restrictions on the retained businesses.***

We have agreed to certain non-compete obligations for a period of five years following the first closing. Our company and its affiliates will be permitted to operate the retained businesses, including any development or natural evolution of the retained businesses, globally (other than in Russia and Belarus) at any time. However, during the five

year non-compete period, we will not be permitted to engage in the principal businesses being divested in any territory worldwide. In addition, we have agreed that our company and the retained businesses will not solicit or hire employees of the Target group for a period of five years, subject to certain exceptions.

Although we do not anticipate that these obligations will impose any limits on the ability of the retained businesses to pursue their development plans as presently contemplated, it is possible that they may be required to forego potential opportunities that may arise in the future.

***Our retained businesses may be adversely affected by the existing competition in the markets that we operate in, which could negatively impact on our business, financial condition and ability to develop internationally.***

Our retained businesses operate in a highly competitive market which necessarily involves rapid commercial and technological advancements. If our competitors are able to develop their technologies more efficiently or faster than we are, we will need to increase our expenditure in order to fund further research, development and marketing, as necessary. We are not able to guarantee that our retained businesses will be able to compete with significant competition from new players and new technologies as well as the existing players in the international market. If we are not able to compete effectively with current and future players, our businesses' ability to generate income and sustainably fund development will be negatively impacted.

***The retained businesses will continue to rely heavily on technological security measures to protect their services, software and products generally. If such security measures are breached or are insufficient, our businesses may suffer significant reputational damage as well as potential legal and financial exposure.***

Third parties have in the past attempted, and in the future may attempt, to interfere with our services. We rely on security measures to protect our customers' and partners' information, data and personal details as well as to safeguard the smooth operation of our services. If any targeted or random attacks successfully breach our security, interfere with or exploit any flaws in our services, or are able to restrict or prohibit our users from accessing our products and services, our partners and customers going forwards may lose confidence in our ability to safeguard their information or to provide reliable services. To the extent an actual or perceived attack on our services hinders our services and user experience, we may face significant reputational damage and we may be exposed to a risk that new businesses will not wish to partner with us, which in the early stages of our retained businesses' lifecycles could be detrimental to their development.

Similarly, we cannot guarantee that our security measures will not be breached or left vulnerable due to employee error, malfeasance, system errors or other non-malicious circumstances. If we are not able to implement safeguards, training and sufficient protections against forms of cyber attacks or errors, we could be at risk of losing company information or private user data, exposing us to potential litigation, increased costs, potential liability and damage to reputation, ultimately negatively impacting our ability to generate revenues and develop internationally.

***We may be subject to material claims under the share purchase agreement in connection with the Sale.***

The share purchase agreement in connection with the Sale contains customary warranties, indemnities and covenants for a material divestment transaction. In the event that the purchaser were to bring successful claims under the share purchase agreement, we could incur significant liabilities. Such risk may be heightened given the limited visibility we have had in recent periods over the operations of businesses to be divested, as well as the geopolitical context in which the Sale is being consummated.

***We may incur material tax liabilities in connection with the Sale, which would reduce the amount of net proceeds available for ultimate distribution to our shareholders.***

A significant portion of the consideration for the Sale will be paid in the form of Yandex N.V. Class A shares to be delivered by the purchaser. The acquisition of such shares by our company in consideration for shares in the Target will be treated as a repurchase by our company of its own shares for Dutch tax purposes, which would be subject to withholding tax at a 15% rate. However, we anticipate that all or substantially all of the shares so acquired will qualify as "temporary investments", given our intention and plan to use such shares for our employee equity incentive program and for further financing purposes. We can provide no assurance, however, that the Dutch tax authorities will ultimately

agree with our assessment in this regard, in which case we may incur a significant Dutch withholding tax liability. We may also need to provide for a reserve in respect of such potential liability, which would reduce the amount of net proceeds available for ultimate distribution to our shareholders.

***The price of our Class A shares has been and may continue to be volatile.***

On the back of geopolitical tensions and macroeconomic events in Russia since the end of February 2022, the value of traded securities of companies with significant operations in Russia has been adversely affected, including our Class A shares. Trading in our Class A shares on Nasdaq has been subject to a trading halt since February 2022, and in March 2023 the Listing Qualifications Staff of Nasdaq notified us that it had determined that our securities would be delisted from the Nasdaq Stock Market as of March 24, 2023. We appealed such determination, and our appeal was granted, subject to conditions related to the Sale. The trading halt currently remains in place. Even if we successfully complete the Sale, there can be no guarantee if or when the trading halt may be lifted and trading might ultimately resume on Nasdaq or over-the-counter.

Although trading in our Class A shares resumed on the Moscow Exchange in late March 2022 following a suspension, only a limited number of our shares are available for trading on that market at this time, and non-Russian investors from “non-friendly” countries are not permitted to trade. We will apply to terminate the listing of our Class A shares on the Moscow Exchange in the coming weeks, which will become effective in connection with the second closing.

If and when (if at all) our Class A shares resume trading on Nasdaq in the ordinary course, or commence trading over-the-counter, the trading price may be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. We are unable to predict the impact of the Sale on our share price if and when trading results in the ordinary course. Moreover, we will provide updates on the strategy and business plans for the retained businesses, as well as the potential return of capital to shareholders, in due course. As a consequence of these material factors, it may take time for the trading price of our Class A shares to reflect the intrinsic value of our group, and such trading price may experience volatility.

***The concentration of voting power with our principal shareholders limits the ability of our minority shareholders to influence corporate matters.***

Our Class B shares have ten votes per share and our Class A shares have one vote per share. As of March 31, 2024, our directors, employees, pre-IPO shareholders and the family trust described below together hold Class A and Class B shares carrying approximately 51% of the voting power of our ordinary shares.

Our founder, Arkady Volozh, is the settlor of a trust for the benefit of his family, which holds Class B shares representing a 45.1% voting and an 8.5% economic interest in our company as of March 31, 2024. Mr. Volozh was designated under sanctions in the European Union and Switzerland in June 2022; such designations were removed in March 2024. At the time of his designation, Mr. Volozh irrevocably undertook not to instruct the trustee as to how to vote such shares and, pursuant to the terms of the trust, the trustee would vote such shares on all matters proposed to the shareholders in accordance with the recommendations of the independent members of the Board of Directors. We anticipate that, following the Sale, Mr. Volozh will again be able to provide voting instructions to the trustees in respect of such shares.

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

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 may only be removed by a two-thirds majority of votes cast representing at least 50% of our outstanding share capital;

## [Table of Contents](#)

- 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 the rights of our shareholders differ from the rights of 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 of the provisions of the Dutch Corporate Governance Code. This may affect the rights of our shareholders.***

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 non-compliance 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 the rights of our shareholders who may not have the same level of protection as shareholders in a Dutch company that fully complies with the DCGC.

***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 2023 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.

***Any U.S. or other foreign judgments our shareholders may obtain against us may be difficult to enforce against us the Netherlands.***

We have only very limited operations in the United States, most of our assets are located outside of the United States, our company is incorporated in the Netherlands, and some of our directors and most of our senior management are located outside the United States. As a result, it may be difficult to serve process on us or persons within the United States. Although arbitration awards are generally enforceable in the Netherlands, 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 the Netherlands. There is no mutual recognition treaty between the United States and the Netherlands, and no 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 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 the company and its group, 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.

#### **Risks Related to the Business to be Divested**

*Once the first closing has taken place, we will continue to hold a minority interest in the Target and the Russian businesses before they are fully divested at the second closing. The Target accounted for more than 95% of the Yandex group's consolidated revenues in 2023, and approximately 95% of the group's consolidated assets and employees. Below we describe the risks that affect these businesses being divested.*

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

***The businesses to be divested may be materially adversely impacted by negative macroeconomic and geopolitical developments including various restrictions in Russia and in other countries in which they operate.***

The current geopolitical crisis and international and Russian actions in response have materially and adversely impacted the macroeconomic climate in Russia, resulting in significant currency rate volatility, the imposition of currency controls, significant fluctuations in interest rates and increased inflation, which may lead to a continued contraction in consumer spending. These factors, as well as the impact of sanctions or responses to sanctions on operations, could adversely affect the results of operations of the businesses to be divested.

For instance, the advertising revenues of the businesses to be divested may be adversely affected by an inability to gain access to advertising inventory, and by the possible reduction in advertising budgets of domestic businesses, as well as by intensifying competition with local players (including marketplaces). The e-commerce businesses to be divested may be adversely affected by a possible reduction of discretionary spending by consumers and further supply restrictions which may adversely affect the number and selection of goods available through Yandex Market and a reduction in associated advertising. The ride-hailing business to be divested may likewise suffer from a weaker macroeconomic environment and adverse supply and demand dynamics. Price increases and a potential reduction in the

availability of new cars and spare parts in Russia, as well as a significant increase of financial lease rates for new and existing lease contracts in the wake of key interest rate increases, may adversely affect the operations of the partners of the businesses to be divested (including fleet management companies), which may negatively impact further growth of the ride-hailing business. Consumer sentiment and spending patterns may result in reductions in revenue from other business units, offset to some extent by decreased competition. Any prolonged economic downturn in Russia or the other countries in which the businesses to be divested operate, whether as a result of sanctions or the broader geopolitical or economic situation, depreciation of the ruble and other national currencies, negative consumer sentiment or other macro factors, could have a material adverse effect on the results of operations of these businesses.

#### **Risks Related to the Business and Industry in which the Group to be Divested Operates**

***The businesses to be divested rely on the continued availability, development and maintenance of the internet infrastructure in the countries in which they operate.***

The success of these businesses depends on the continued availability, development and maintenance of the internet infrastructure globally and particularly in the countries in which they 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 these businesses. Furthermore, these businesses depend on hardware and software suppliers for prompt delivery, installation and service of servers and other equipment to deliver their services. The current geopolitical crisis and resulting export controls may materially adversely affect the access of these businesses to international software and hardware suppliers.

***The businesses to be divested face significant competition, which could negatively affect their business, financial condition and results of operations.***

These businesses operate in a market characterized by rapid commercial and technological change, and face significant competition, increasingly from local players. If competitors are able to develop their technologies more quickly than the group to be divested, these businesses may need to increase R&D investments in order to defend their market shares. These businesses may face increased competition from new players and new technologies. We cannot guarantee you that these businesses 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. A significant decline in user traffic or other business could negatively affect the group's business, financial condition and results of operations.

***Our corporate culture has contributed to our success, and if the businesses to be divested cannot maintain the focus on teamwork and innovation fostered by this environment, their 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. If the businesses to be divested are not able to maintain this corporate culture under new ownership, this may adversely affect their business, financial condition and results of operations.

***A systems failure, technical interference or human error could prevent the businesses to be divested from reliably delivering their services, which could lead to a loss of users and advertisers and damage their reputation and materially adversely affect their business, financial condition and results of operations.***

The businesses to be divested maintain a robust network of security measures, but their systems remain vulnerable to damage or interruption from terrorist attacks, denial-of-service attacks, computer viruses or other cyber-attacks, power losses, telecommunications failures, floods, fires, extreme weather conditions, earthquakes and similar events. Their data centers are also potentially subject to break-ins, sabotage and intentional acts of vandalism, and other potential disruptions. Such events could reduce revenues and profits, and the businesses brand could be damaged if people believe their services are unreliable.

***The businesses to be divested may not be able to prevent others from unauthorized use of their intellectual property rights or become involved in intellectual property infringement claims, which may adversely affect their competitive position, business, financial condition and results of operations.***

The businesses to be divested rely on a combination of patents, trademarks, trade secrets and copyrights, as well as nondisclosure agreements, to protect their intellectual property rights. The protection and enforcement of intellectual property rights in Russia and other markets in which the businesses operate, however, may not be as effective as that in the United States or Western Europe. Also, the efforts the businesses have taken to protect their proprietary rights may not be sufficient or effective. Any significant infringement of their intellectual property rights could harm their business, brand and/or ability to compete, all of which could adversely affect their competitive position, business, financial condition and results of operations.

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. Disputes regarding the ownership of technologies and rights associated with online activities are likely to arise in the future. In addition, the use of open-source software is often subject to compliance with certain license terms, which could be inadvertently breached.

With respect to any intellectual property rights claim, the businesses to be divested may have to pay damages or compensation and/or stop using technology found to be in violation of a third party's rights. They 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 operating expenses. They may be required to develop an alternative non-infringing technology, which may require significant effort, expense and time to develop. If they cannot license or develop technology for any potentially infringing aspects of these businesses, they may be forced to limit service offerings and may be unable to compete effectively. They may also incur substantial expenses in defending against third-party infringement claims regardless of the merit of such claims.

As a matter of Russian law, the businesses to be divested are deemed to have acquired copyright and related rights as well as rights to file patent applications with respect to products developed by their employees and contractors. The relevant requirements under the Russian Civil Code, however, 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. These businesses may not prevail in any such action and any successful claim, although unlikely to be material, could adversely affect their business and results of operations.

#### **Additional Risks Related to Regulatory Matters**

***The businesses to be divested may be required to obtain additional licenses, permits or registrations or comply with other requirements, which may be costly or may limit their operational flexibility.***

As the legal framework in Russia continues to evolve, the businesses to be divested may be required to take additional actions in order to comply with new legislation. Ambiguities in legislation and the wide discretion granted to regulatory authorities may also result in these businesses being subject to additional regulatory requirements. Compliance with expanded or new regulatory requirements, or new interpretations or applications of existing requirements, may also require the expenditure of additional resources and limit the businesses' flexibility in providing services.

***Regulations regarding the processing and retention of personal and other data may impose additional obligations on the businesses to be divested, limit their flexibility, or harm their 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, these businesses could face fines or orders requiring that they change operating practices, which in turn could have a material adverse effect on their business, financial condition and results of operations. If any inspections result in the determination that companies in the divested group fail to comply with the



applicable data protection legislation, they could experience financial and reputational losses and could be restricted from providing certain types of services.

***The competent authorities could determine that the businesses to be divested hold a dominant position in one or more markets and could impose limitations on their operational flexibility that may adversely affect their 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 in Russia or the other countries in which these businesses operate might from time to time investigate the internet or online advertising industries, the ride-hailing business or other sectors in which they operate, and may conclude that, given their market shares, these businesses hold a dominant position in one or more of these markets. If the Russian Federal Antimonopoly Service (FAS) determines that these businesses hold a dominant position in one or more markets, this could result in limitations on future acquisitions and a requirement that the businesses pre-approve with the authorities certain changes to their standard agreements with advertisers and Yandex Advertising Network partners, as well as any specially negotiated agreements with business partners. In addition, if these businesses 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.

#### **Risks Related to Tax Matters**

***Changes in the tax systems in the countries in which we and the businesses to be divested operate, or unpredictable or unforeseen application of existing rules, may materially adversely affect our and their 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, these businesses' 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 increased geopolitical risks, 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 the businesses to be divested can be particularly vulnerable to such assertive positions of the authorities. If the authorities were successful in enforcing interpretations different from those taken by these businesses, their tax liability may be greater than the estimated amount expensed to date and paid or accrued on the balance sheet. The determination of 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 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. Tax years 2021, 2022 and 2023 are currently open for tax audit of the principal businesses to be divested.

In light of the current macroeconomic environment and potential budget deficits, the Russian government may impose additional taxes and penalties in the future, as well as the potential elimination of applicable tax benefits, which could adversely affect the business, financial condition and results of operations of the businesses to be divested. International expansion of the business to be divested may also create new tax challenges in the changing tax environment.

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 and may lead to additional tax liabilities. The Global Tax Reform plan (Pillar One and Pillar Two) was adopted in 2021 by 137 countries. Among other provisions, the reform imposes a 15% global minimum tax on multinational corporate groups. A multinational corporate group must assess whether the effective tax rate for each country in which it operates is lower than 15%. If the effective tax rate in a country is lower than 15% a top-up tax may be levied. EU and other countries, including some of those in which we operate, have implemented, or have committed to implement the reform in 2024. The Netherlands have implemented 15% global minimum tax in its domestic tax legislation starting January 1, 2024. This reform may increase our effective tax rate and result in higher tax liabilities.

*Some of the counterparties of the businesses to be divested provide limited transparency in their operations, which could subject the businesses to be divested to greater scrutiny and potential claims from government authorities.*

The businesses to be divested do business with a number of 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. As the businesses to be divested are larger and more transparent, with greater resources than such counterparties, governmental authorities may seek to collect taxes and/or penalties from these businesses in relation to such transactions.

#### **Item 4. Information on the Company.**

##### ***History and Development of the Company; Organizational Structure.***

Yandex N.V. is a Dutch public company with limited liability, which became the parent company of Yandex group in 2007. Its registered office is at Schiphol Boulevard 165, 1118 BG, Schiphol, The Netherlands (tel: +31 (0) 20 206 6970).

Our founders began the development of our search technology in 1989 and launched the yandex website in 1997. In May 2011, the company's Class A shares were listed on the Nasdaq Global Select Market, under the ticker YNDX, and subsequently listed on the Moscow Exchange in June 2014. On February 28, 2022, Nasdaq and the New York Stock Exchange halted the trading in securities of a number of companies with material operations in Russia, including Yandex N.V. The trading halt currently remains in place.

For a discussion of our principal acquisitions in 2023, see “Operating and Financial Review and Prospects — Key Recent Acquisitions”.

##### ***Business Overview***

***As described below, we have entered into a definitive agreement with a purchaser consortium to sell all of the group's businesses in Russia and certain international markets. The Sale will be completed in two closings; the first closing is expected to take place in the coming weeks. Following first closing, the company will hold a minority interest in the Target group, which will subsequently be sold at second closing, which is expected to occur within seven weeks following the first closing.***

***Below we describe the business of the combined group in 2023. We have presented separately the descriptions of our continuing operations and the Target businesses being sold.***

##### **Overview of Proposed Sale**

As we announced on February 5, 2024, Yandex N.V. has entered into a definitive agreement to sell all of the Yandex group's businesses in Russia and certain international markets. Following completion of the Sale, Yandex N.V. will hold no interest in its businesses in Russia and will retain a portfolio of international businesses and other non-Russian assets, including the four early-stage technology businesses described below, a data center in Finland and minority investments in other technology businesses.

Yandex N.V. and its remaining international businesses will cease to use the Yandex brand, other than during a short transition period through the end of July 2024, and in due course we intend to propose to shareholders a change of our legal name. We anticipate that once the Sale transaction is completed, our retained businesses will develop their own branding going forward. The businesses being divested will continue to use the Yandex brand.

## **Continuing Operations following the Sale**

### ***Nebius AI***

Nebius AI is an AI-centric cloud platform that offers robust infrastructure and computing capacity for seamless AI deployment and machine-learning (“ML”) oriented solutions. Following completion of the Sale transaction, Nebius AI will seek to address the shortage of AI compute by being one of the largest providers of GPU capacity in Europe. We also see considerable opportunity to roll-out the Nebius product offering across the EMEA region. Nebius AI’s proprietary data center in Finland excels in energy efficiency, and houses Europe’s most powerful commercially available supercomputer that ranks as the 16th among the 500 most powerful globally (within the top 3%). Today, the Nebius team includes over 400 experts in hardware infrastructure, cloud software development and AI.

### ***Toloka AI***

Toloka AI offers data-for-GenAI solutions at every stage of the GenAI lifecycle, from data annotation and generation, model training and fine-tuning, to quality assessment of LLMs for accuracy and reliability. Toloka AI’s solutions leverage both AI-powered auto labeling and human expert input to ensure quality and optimized cost. Toloka AI features one of the most diverse crowds and expert networks covering 120 countries, speaking over 40 languages and over 20 knowledge domains. The platform meets the most rigorous information security and data privacy standards: it is GDPR-compliant and certified to ISO 27001, 27701 and HIPAA. Toloka AI supports research in AI, offering open-source projects, open datasets and collaborating with top academic institutions worldwide.

### ***Avride***

The Avride team develops autonomous driving solutions targeting ride-hailing, logistics, e-commerce, and food/grocery delivery as application domains, and focuses on two core products: autonomous vehicles and delivery robots. The team builds on over eight years of experience developing autonomous technologies from scratch in diverse regulatory, cultural and operational contexts, including road testing in comprehensive weather and road conditions. Self-driving vehicles and delivery robots developed by the Avride team have completed over 20 million autonomous kilometers driven on public roads, and over 200,000 successful deliveries from retail and dining establishments, respectively. As of December 2023, Avride holds testing, including driverless testing, and carries out commercial delivery projects across four geographies: the USA, Israel, UAE, and South Korea.

### ***TripleTen***

TripleTen is an EdTech service developed by a team with over 15 years of experience in IT education, dedicated to preparing specialists for STEM roles and equipping them with essential technology skills. As of the end of 2023, TripleTen has over 60 partner employers worldwide and offers four immersive study tracks: Software Engineering, Data Science, BI (Business Intelligence) Analytics, and Quality Assurance. These programs, accessible remotely, span North and South America and the Middle East. Across 2022 and 2023, over 5,000 people took advantage of the reskilling opportunities offered by TripleTen. In 2023, TripleTen maintained its position among the top-rated EdTechs in the US based on employment rate, median post-graduation salaries, and student feedback. According to TripleTen’s 2023 Outcomes Report, 87% of graduates secured employment within six months of graduation.

For the full year 2023, the four businesses described above have generated 1.8 billion rubles of revenue and incurred an Adjusted EBITDA loss of 24.9 billion rubles. To date, these international businesses have been unable to obtain sufficient capital for their development as a result of significant limitations on the group’s ability to transfer funds from the group’s historically profitable businesses in Russia. In order to support the development of these businesses in the future, we expect to retain a portion of the cash consideration received pursuant to the Sale transaction, the amount of which is to be determined by our Board.

## **Businesses to be Divested**

The businesses described below form the divestment perimeter and will not be a part of the Yandex group following the completion of the proposed Sale transaction.

The businesses are organized in the following segments:

- **Search and Portal**, which includes Search, Geo, Weather, and number of other services;
- **E-commerce, Mobility and Delivery** includes transactional online-to-offline (O2O) businesses, which consist of (i) the mobility businesses, including ride-, Yandex Drive, a car-sharing business, and scooters; (ii) the E-commerce businesses, including Yandex Market, a multi-category e-commerce marketplace, Yandex Lavka, a hyperlocal convenience store delivery service, and the grocery delivery services of Yandex Eats and Delivery; and (iii) certain other O2O businesses, including Yandex Delivery, a middle and last-mile delivery service; Yandex Eats and Delivery, a ready-to-eat delivery from restaurants services; and Yandex Fuel, a contactless payment service at gas stations, as well as several smaller experiments;
- **Plus and Entertainment Services** includes the Yandex subscription service Yandex Plus, Yandex Music, Kinopoisk, Bookmate, Yandex Afisha and the production center Plus Studio;
- **Classifieds**, which includes Auto.ru, Yandex Realty, Yandex Rent and Yandex Travel; and
- **Other Business Units and Initiatives**, which includes a self-driving vehicles business known as Yandex SDG, Yandex Cloud and Yandex 360, Yandex Education (consisting of Practicum and other education initiatives), Devices and Alice, FinTech (including Yandex Pay and Yandex ID) and number of other experiments as well as unallocated corporate expenses.

For a detailed description of the operating segments for financial reporting purposes, see Item 5, “Operating and Financial Review and Prospects”.

### **Search and Portal**

The Search and Portal segment offers a broad range of world-class, locally relevant search and information services that are free to users and that enable them to find relevant information quickly and easily.

#### ***Yandex Search***

The Yandex search engine offers almost instantaneous access to the vast range of information available online. It utilizes linguistics, mathematics, machine learning and AI to develop proprietary algorithms that efficiently extract, compile, systematize and present relevant information to the users. The organic search results are ranked by computer algorithms based exclusively on relevance, and organic results are clearly segregated from paid results to avoid confusing users. Yandex does not exercise editorial control over the content of the search results.

According to Yandex Radar, Yandex’s total search share reached 63.4% of all search traffic in Russia in 2023, up from 59.8% in 2021 and 61.9% in 2022, which was driven by share growth on both desktop and mobile devices. In 2023, search share on desktop and mobile reached 72.7% and 59.6%, respectively. The business continued to gain share in mobile search, reaching 63.0% on Android and improving the share to 49.9% on iOS in 2023 (from 61.4% and 47.6% in 2022, respectively). The percentage of total search traffic generated from mobile devices averaged approximately 70% in Q4 2023 compared with 68% in Q4 2022, while the percentage of search revenues generated from mobile devices increased to approximately 62% in Q4 2023 from approximately 60% in Q4 2022.

#### ***Yandex Search App***

Enhanced with the Yandex virtual assistant Alice, the Yandex Search App integrates Yandex’s must-have services into one app, including Search, Weather and many others, available on Android and iOS platforms.

#### ***Yandex Browser***

Yandex Browser is a browser for computers, TV, Android and iOS smartphones and tablets with built-in “Protect” technology, which checks all downloaded files for viruses, warns users about dangerous websites (whereby

Yandex Browser prevented users from accessing suspicious websites approximately 110 million times throughout 2023), encrypts users' passwords with strong cryptography, and ensures safe payments.

### ***Geolocation Services***

**Geolocation Services** integrate Yandex's advanced technologies (including mapping, cartography, and navigation) to provide a broad range of services, including routing solutions and logistics.

**Yandex Maps**, a B2C product targeted at a wider audience, provides high-quality, detailed maps of countries where the Yandex ride-hailing service operates. In December 2023, the monthly audience of the service amounted to 39 million monthly average users in the mobile app, 25 million on the website and 52 million in mobile browsers across Russia. Yandex Maps offers users panoramic views, navigation for all forms of transport, driving directions with voice controls, among others.

The business also offers **Yandex Navigator**, which integrates a virtual assistant Alice and focuses mostly on the navigation scenarios for the B2C audience. In 2023, it was one of Yandex's most popular mobile apps in terms of usage with 33 million monthly average users in December 2023.

For the B2B audience, the business offers application programming interfaces, or APIs, which allow developers to embed and use Yandex interactive maps in third-party websites and applications, as well as to add extra layers of information, utilizing the technology and licenses to create and edit maps from raw data, including satellite images, GPS coordinates and live user feedback.

### ***Shedevrum***

Shedevrum is a Yandex mobile application where users can create animations, images and text using Yandex's generative neural networks. It is based on two core technologies: YandexART, which generates images and animations, and YandexGPT, which generates posts with a title and relevant illustration. After its launch in April 2023, Shedevrum reached the top of App Store and Google Play in Russia, and, as of Q4 2023, the app approached 10 million downloads.

### **Monetization and Advertiser Services**

The business offers a variety of ad formats to advertisers, including performance-based, brand and video advertising formats. Most revenues are generated from performance-based advertising, on a pay-per-action basis and a pay-per-click basis (in which the share of a cost-per-action (CPA) optimization is growing, where an action can be a purchase, a click, a call etc.); performance-based ads are principally targeted to a particular user query, as well as to the content of a particular website or mobile app being viewed, or to user behavior or characteristics. A further portion of revenues is generated from brand advertising and video advertising, based on the number of impressions delivered.

### ***Yandex Direct***

**Yandex Direct** is an auction-based advertising placement platform, which uses auction theory and relies on a 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 websites and mobile applications of Yandex or third parties in the Yandex Advertising Network.

During 2023, the business focused on the further development of automated strategies and automatic targeting algorithms, improvement of advertising products and increased efficiency for users, with a particular focus on SMB, and the development of advertising products for e-commerce players.

### ***Yandex Advertising Network***

The Yandex Advertising Network partners with search websites and apps, among others, for which Yandex provides search capabilities, as well as contextual network partners, where Yandex serves ads on websites and apps, based on user behavior or characteristics or website content.

## [Table of Contents](#)

The Yandex Advertising Network helps third-party website and app owners monetize their content while extending the reach of advertisers. Through the Network, partners can deliver performance and brand ads on their search results pages, websites or apps. The advertising algorithms are based on the recent advances in AI including transformer-based architecture, which optimize the clickthrough and conversion rate on the ad network through improved click and conversion prediction.

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 a wide range of advertising resources, including desktop and mobile websites, mobile apps and Smart TV applications.

### ***Mobile Advertising***

The business offers advertisers the ability to display ads on mobile versions of Yandex services, including Search and Advertising Network partner websites, as well as in mobile applications, including the Yandex Search App. In 2023, the business significantly extended the advertising network on mobile platforms, including the expansion of advertising into new media channels, such as Telegram, to help advertisers widen their targeted audience as well as publishers' revenue growth.

### ***Analytics tools***

**Yandex Metrica** is a web analytics tool used by hundreds of thousands of websites. Using a comprehensive set of tools, Metrica users can better understand their clients: from user acquisition to retention. Leveraging the recently open-sourced Metrica tag and proprietary Webvisor technology, businesses can objectively measure and improve the performance of their web assets. Metrica is integrated with Yandex Direct allowing for in-depth analytics of paid traffic.

**AppMetrica** offers a mobile SDK, an analytical dashboard, and a versatile data platform with streaming capabilities. This set of tools enables clients to obtain insights to improve user acquisition, optimize monetization, and even report crashes.

**Yandex Radar** is an open access internet analysis tool that provides general market information. This includes market shares of search engines and browsers, as well as more technical data such as the share of different operating systems and device types. The accuracy of Radar insights is enabled by anonymized data from Metrica, AppMetrica, and other Yandex data sources.

### **Advertisers**

Yandex's advertisers include individuals and small, medium, and large businesses, as well as large multinationals. Small and medium-sized enterprises drive most advertising revenue. No single advertiser accounted for more than 1% of total revenues in 2023.

### **E-commerce, Mobility and Delivery**

The Yandex **Mobility business** includes a ride-hailing business, Yandex Drive, a car-sharing business for both B2C and B2B and Scooters.

The platform enables access to a wide range of personal mobility services through the Yandex Go super app, which launched in August 2020. In December 2023, total MAU of the Yandex Go super app exceeded 47 million.

### ***Ride-Hailing***

Yandex's ride-hailing business offers a technological platform and delivers proprietary top-notch ride-hailing technologies to local communities ride-hailing services for individual users and businesses and to ensure sufficient driver availability to meet the growing demand.

The platform aggregated 1.75 million active drivers in December 2023, while earnings of the business's partners totaled 974 billion rubles for the full 2023 year. The business currently builds relationships with drivers for the ride-hailing services both directly and through a wide partner network (Fleet Management Companies or FMCs).

The business offers FMC partners access to efficient fleet management software to manage their driver base and fleet, optimizing their administrative and technical workflows.

#### ***Yandex Drive and Scooters***

Alternative methods of transportation include Yandex Drive, a free-floating car-sharing service, launched in 2018, and Scooters, launched in 2022.

Yandex Drive offers on-demand access to cars for users to drive themselves in Moscow, St. Petersburg and Sochi, and provides users various options to reserve the vehicles for varying periods of time through a standalone mobile app, as well as through Yandex Go. As of the end of 2023, Yandex Drive operated approximately 16,500 vehicles.

Scooters is an electric scooter rental service. It provides access to more than 63,000 scooters as of the end of 2023.

Beyond the Mobility business, **Yandex Fuel** is a contactless payment service at gas stations built into Yandex Navigator, Yandex Maps, Yandex Pro, an app for drivers and couriers, Yandex Drive and a standalone Yandex Fuel app. Yandex Fuel is also available to corporate clients. As of December 2023, more than 11,000 fueling stations including charging stations were connected to the service throughout Russia.

#### **E-commerce business**

In 2023 the E-commerce segment included the following businesses: Yandex Market, a multi-category e-commerce marketplace, Yandex Lavka, the hyperlocal convenience store delivery service, and the grocery delivery services of Yandex Eats and Delivery.

#### ***Yandex Market***

**Yandex Market** was launched in 2000 as a price comparison service and began its transformation into an e-commerce platform in late 2018. Today, it offers millions of goods for millions of buyers, working in partnership with tens of thousands of merchants. The marketplace operates under both 1P and 3P (third-party) models.

The marketplace business model enables the business to provide the full suite of e-commerce services to merchants, including access to consumers, fulfillment, logistics, advertising and marketing, payments, support and analytics.

#### ***Yandex Lavka***

**Yandex Lavka** operated 502 dark stores (small warehouses) as of the end of 2023. Throughout 2023, the business continued to focus on improving operational efficiency and profitability.

#### ***FoodTech services Yandex Eats and Delivery***

The **Yandex Food and Grocery delivery** services provide express delivery from restaurants and retail stores in 30 minutes. The Grocery vertical of Yandex Eats and Delivery is developed as a part of the E-commerce business. In 2023, the Food delivery from restaurants service operated as part of the other online-to-offline businesses (although in 2024, food delivery formed part of the E-commerce segment).

#### ***Delivery***

**Yandex Delivery** is a last and middle-mile delivery service, launched during the Covid-19 pandemic as a means to serve the increased demand for delivery services. In 2023, the Delivery business benefited from the growing penetration of E-commerce and Food delivery in Russia. The service leverages Yandex's routing and marketplace efficiency platform to meet growing demand of delivery services in the circumstances of challenging courier supply, especially on the domestic market. Growing order density and batching share led to an increase in courier earnings.

**RouteQ** is a cloud platform for optimizing last mile logistics in retail, fast moving consumer goods, and courier services. It automatically forms optimized delivery routes and improves courier monitoring and communication between all parties involved in the delivery process.

#### **Plus and Entertainment Services**

Plus and Entertainment Services include the subscription service Yandex Plus, entertainment services (Yandex Music, Kinopoisk, Bookmate and Yandex Afisha), and the production center Plus Studio. Plus and Entertainment Services are available across different platforms, including Yandex Station and Yandex TV.

##### ***Yandex Plus***

**Yandex Plus** is a subscription service to Yandex Music and Kinopoisk, and includes cashback loyalty points in a number of other services and apps. Subscribers earn cashback loyalty points when they pay for services and can use these rewards across the Yandex platform.

The subscriber base grew from 19.3 million in December 2022 to 30.4 million in December 2023. The share of paying subscribers exceeded 82% and average revenue per paying subscriber in December 2023 increased by 15% year-on-year.

On average Plus subscribers demonstrate greater than 70% higher frequency compared to non-Plus users across Yandex's key transactional services as well as higher spending and better retention as of the end of 2023. Plus subscribers continued to generate a substantial part of GMV for the E-commerce and Food Delivery services.

##### ***Yandex Music***

**Yandex Music** is a streaming platform that provides access to a catalog of approximately 73 million music tracks and 1.6 million podcast and audiobook episodes. The service matches music for every taste using its recommendation system, creating unique personalized playlists and endless music streams for each user. Yandex Music continues to lead among music streaming services in terms of the number of subscribers (both total and paid subscribers), according to a GfK report for Q4 2023.

##### ***Kinopoisk***

**Kinopoisk** is a subscription-based video streaming service offering access to an extensive database of movies, TV-shows, celebrity content and entertainment news, providing users with movie ratings, critic and user reviews, personalized recommendations, local movie showtimes, ticketing, and many other entertainment-related services. Kinopoisk allows users to watch content on a subscription basis (through the Yandex Plus subscription) or purchase selected titles. The Kinopoisk library contains more than 81,000 movies, TV and original series episodes, including licensed and original content. The streaming service is available via Kinopoisk apps on smart TVs, smartphones, tablets, digital media players, video game consoles and via internet browsers on computers.

In 2023, Kinopoisk maintained its leading position on the video-on-demand market based on the total number of subscribers, as well as paid subscribers, according to a GfK study. The number of monthly Yandex Plus subscribers who watch content on Kinopoisk exceeded 11 million in 2023.

##### ***Yandex Afisha***

**Yandex Afisha** ("playbill"), an event sales platform, allows users to buy tickets to cinemas, theaters, concerts, exhibitions, and sports events online, and incorporates personalized recommendations.

##### ***Plus Studio***

**Plus Studio** is the Yandex production center, which creates video content, co-invests in different projects with other production studios and provides marketing support to movie releases. Throughout 2023, the business continued to



focus on original content: in the fall of 2023, it announced 11 original projects in the 2023 and 2024 season as well as a musical adaptation.

## **Classifieds**

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

### ***Auto.ru***

**Auto.ru** is a classifieds platform for the sale of used and new cars. The business develops and provides digital products for users, large car dealers, and medium and small sellers. Every month, more than 25 million people visit Auto.ru projects: the Auto.ru website, the related mobile app and the branded media outlet.

More than 495,000 car classifieds are available on the platform every month. All individuals can use free-to-use options of the platform for safe and effective transactions.

### ***Yandex Realty***

**Yandex Realty** is a 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.

### ***Yandex Rent***

**Yandex Rent** is a long-term apartment rental platform available in four regions in Russia, which helps to manage pre-contract rental processes and subsequent administration of the payments. By the end of January 2024, the number of apartments on the platform reached 20,000, with 95% of deals signed online. A mobile app for Yandex Rent was launched in January 2023.

### ***Yandex Travel***

**Yandex Travel** is a travel aggregator service, which allows users to book hotels, search for flight tickets and other transport services. Yandex Travel average MAUs grew from 11 million per month in 2022 to 13 million per month in 2023. In 2023, the GBV (Gross Booking Value) of the service increased by 1.5 times compared to 2022, and the fastest growing product was hotel reservations. Also, Yandex Travel became the leading hotel booking service in Russia following the results of the summer of 2023 (according to hotel industry automation company TravelLine).

## **Other Business Units and Initiatives**

The Other Business Units and Initiatives category includes all other Yandex businesses, including smaller and newer initiatives that are being tested and developed.

### ***Yandex Cloud***

Yandex Cloud is a fully-fledged cloud platform that provides B2B customers (SMBs and enterprises) and individual developers with scalable infrastructure, storage, machine learning and development tools to build and enhance cutting-edge digital services and applications. The cloud platform is based on in-house technologies that Yandex uses throughout other Yandex services, such as Search, Maps, and Metrica. Yandex Cloud continues to develop and improve its cloud services, offering customers new efficient solutions, such as SpeechKit (a speech synthesis and recognition service), machine translation services, and computer vision services, among others.

As of the end of 2023, the number of active users exceeded 29,000, while the number of services offered by the Yandex Cloud platform reached over 60 services, including services in the field of data analytics, security, serverless computing, machine learning and many other services.

### ***Yandex 360***

Yandex 360 combines various productivity tools (for both B2C and B2B), such as Yandex Mail, Yandex Disk, a cloud-based storage service, Yandex Telemost, a video conferencing service, Yandex Documents, an online documents editor, Yandex Calendar, Yandex Messenger and many other services.

### ***Self-Driving Group***

The Self-Driving Group started developing driverless technologies in early 2017, 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. During 2023, the business launched the public testing of a self-driving taxi service in Moscow and Sochi. By the end of December 2023, the total number of kilometers driven by vehicles in autonomous mode was more than 28 million.

At the end of 2023, the self-driving fleet consisted of over 130 cars with custom-built fleet management system and additional software developed internally.

In the autumn of 2019, Yandex introduced an autonomous **Delivery Robot**, which leverages a self-driving technology. As of December 2023, these autonomous delivery robots had conducted 310,000 commercial deliveries, including deliveries through Yandex Eats and Lavka services (more than 10,000 orders per month in 2023). As of the end of 2023, more than 200 stores and restaurant chains utilized Yandex delivery robots for their logistics.

### ***Devices and Alice***

#### ***Smart Speakers and Smart Home***

**Yandex Station** is a Yandex smart speaker with an integrated virtual smart assistant, Alice. The current range of smart devices with Alice consists of Light Station, Mini Station, Midi Station, Station 2, Max Station, DuoMax Station and certain smart home devices. In 2023, 4.2 million Yandex Stations equipped with Alice were sold.

#### ***Smart TV and Video Streaming Devices***

Since launching the first Yandex smart speaker in 2018, the business has been working on voice control applications for video content consumption. In 2022, Yandex released the Yandex Smart TV with Alice, the first Yandex-branded Smart TV with YaOS and voice control through paired smart speakers. In 2023, the business introduced TV Station and TV Station Pro, which represent a new category of TVs and combine the capabilities of a smart speaker with the virtual smart assistant Alice and smart TV in one device.

#### ***Virtual Smart Assistant Alice***

Alice is the first virtual smart assistant launched in Russia and is currently the most popular and widely recognized one on that market. Alice helps its users manage daily tasks, such as setting an alarm and scheduling reminders for important events, ordering a taxi, using radio-nanny mode and controlling a user's 'smart' home. It is also widely used for entertainment, such as turning on Yandex Music and radio stations, and composing generative tales together with children and others. In 2023, the business launched a new Alice feature which has the ability to accept orders through the hyperlocal convenience store delivery service Yandex Lavka.

As of December 2023, there were over 77.1 million monthly Alice users across Yandex platforms such as the Yandex Search app and Yandex Browser, smart speakers, smart TVs and navigational apps.

### ***Fintech***

In 2021, Yandex acquired a banking license and started to develop financial products. In 2023, Yandex provided multiple financial services including the convenient online and offline payment service Yandex Pay, Yandex Split (a service facilitating purchases made and paid for in instalments, which is now integrated in many other Yandex businesses), Yandex Saver (offering savings accounts with or without a deposit term), the Yandex Pay Debit card with

cashback options (Yandex Plus points) for purchases made in Yandex services and outside, another debit card option Yandex Pro for drivers and saving and deposits accounts and loans for drivers. Most of these products are aggregated in the Yandex Pay app.

### ***Practicum***

In 2019, Yandex launched Practicum, an online EdTech platform offering IT and digital reskilling and upskilling programs for specialists who already have a profession and work experience. In 2023, Practicum announced new online Bachelor and Master programs with several universities. As of March 2024, over 70,000 people have graduated from Practicum.

### **Competition**

Yandex operates in a market characterized by rapid commercial and technological change, and faces significant competition in many aspects of its business. In Search, Yandex competes with Google, VK and Rambler.

Social networking sites, video platforms, online marketplaces, new media channels, and classifieds 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, which could create increased competition.

In 2023, Yandex also faced competition across the non-advertising businesses:

- The ride-hailing services (including Yandex Taxi) compete with ride-hailing operators such as Citymobil, TaksoVichkof, InDrive, Maxim as well as with a number of other ride-hailing, on-demand transportation and traditional taxi companies that operate nationally or in specific cities or regions.
- Yandex Market faces competition from a number of local players acting as both merchants and marketplaces, including Wildberries, Ozon, and others.
- The Yandex Classifieds services compete with Avito in most areas as well as with a number of niche players such as CIAN, Domofond, Domclick in real estate and Drom and Cars.ru in automobile sales.
- Kinopoisk competes with ivi, Okko, Wink and other online cinemas, while Yandex Music competes with VK Music and MTC Music.
- Food delivery businesses Yandex Eats, Delivery Club and the hyperlocal grocery delivery service Yandex Lavka each compete with Samokat, retailers such as Vprok.ru (operated by X5 Retail Group), Vkusvill and others, Sbermarket, restaurants' own delivery services (Dodo, Domino's Pizza, Papa John's), dark kitchens and others.
- Yandex's last mile logistics solution for individuals, SMBs and enterprises Yandex Delivery competes with SDEK, Russian Post and a number of local players across Russia.
- Yandex Drive, the car-sharing service, competes with Delimobil, BelkaCar as well as a number of other players operating primarily in Moscow and St. Petersburg.
- Yandex Cloud competes with a number of local players (Rostelecom, Sber, VK and others).
- Yandex smart speakers with virtual assistant Alice compete with VK Capsule and SberBoom.

### **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 20,850 at December 31, 2022 to 26,361 at December 31, 2023.

The four international businesses, which will be retained by Yandex N.V. following the completion of the Sale transaction, currently employ approximately 1,300 people, with a significant portion based at our headquarters in Amsterdam and located internationally, including in Israel, Germany, Switzerland, Czech Republic, the US, Serbia, and the UAE.

### **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.

In connection with the Sale, we will receive transitional licenses to the intellectual property created by businesses within the divestment perimeter for various fixed periods in 2024 in order to facilitate the further development of the retained businesses going forwards.

The businesses being sold will retain the use of the Yandex brand. Our company and the retained businesses will cease to use the Yandex brand following a short transition period.

### **Facilities**

Yandex currently leases a total of approximately 64,700 square meters in a single location in central Moscow that serves as group’s headquarters. Yandex also leases additional office space of about 92,980 square meters in business centers in Moscow. Together with operating subsidiaries, Yandex also lease or own office space in a number of other cities in Russia and internationally.

### **Governance Structure**

#### ***Overview of current structure***

In December 2019, our shareholders approved targeted changes to Yandex’s corporate governance structure, including the introduction of a priority share and the formation of a Public Interest Foundation. Pursuant to an amendment of our articles of association that was approved by our shareholders in March 2024 and that will become effective at the first closing of the Sale, these elements of our governance structure will be eliminated. Below we provide a brief description of these governance mechanisms as in place during 2023 and until first closing of the Sale.

#### ***Public Interest Foundation***

The Public Interest Foundation has certain limited and targeted governance rights in our group, which will terminate at the first closing of the Sale. 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 and three non-governmental institutions, all of which have long histories of cooperation with Yandex. The Public Interest Foundation Board also includes three representatives of Yandex management. 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 are covered by Yandex.

### ***Priority Share***

The Public Interest Foundation holds the 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, one of the main operating businesses that forms part of the Sale divestment perimeter; 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 certain specified situations.

### ***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 vacant) and both of the designated directors.

The Public Interest Committee is not authorized to review ordinary business or commercial matters; its right of approval is 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.

### **Government Regulation**

Both the continuing operations and the businesses to be divested 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. In this section, we focus on the current and proposed regulatory framework that is applicable to the businesses to be divested, which constitute a majority of the businesses of the combined group. In the current geopolitical environment, there could also be an increased risk of new legislative or regulatory initiatives that could be seen as protecting national security and/or limiting foreign influence over certain sectors, including actions aimed at effecting changes of control of companies that are considered to be of strategic importance. See also "Risk Factors – In the current environment, there may be a heightened risk of actions by the relevant authorities that may be perceived as reflecting political considerations."

In light of the ongoing geopolitical tension in our key markets, a number of new laws and regulations critical to a number of businesses and activities in Russia have been proposed or adopted that are designed to restrict foreign ownership and tighten state control over businesses in certain sensitive sectors of the Russian economy, including strategically important enterprises and mass media. New regulation and laws in Russia could have a significant impact on the businesses to be divested pursuant to our proposed Sale.

#### ***Regulation of Sensitive Businesses in Russia***

Legislation proposed in the Russian State Duma in the summer of 2019 could limit non-Russian ownership of “significant” internet companies to no more than 20%. A more recent draft law proposed restrictions to audiovisual services limiting their non-Russian ownership to no more than 20%. Yet another recent law imposes restrictions to classified services limiting their non-Russian control up to 50%.

#### ***Advertising Regulation***

The businesses to be divested 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 compliance efforts, may expose the businesses to be divested to substantial liability as distributors of advertising and may restrict their ability to provide some services. Other laws or interpretations of laws, including those of foreign jurisdictions, may also restrict advertising and negatively impact these businesses.

#### ***Intellectual Property Regulation***

Under Russian law, the businesses to be divested have exclusive rights to trade secrets (know-how) only if they have complied with a legal requirement to introduce reasonable measures to maintain confidentiality of trade secrets. Such measures may be burdensome and difficult to implement. As these businesses rely extensively on the protection afforded to trade secrets, they 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 these measures will be deemed insufficient and, as a result, these businesses will fail to acquire rights to these trade secrets under Russian law.

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, the businesses to be divested 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 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***

In October 2023, legislative changes regulating the use of recommendation technologies have entered into force and now apply to a broad range of services offered by the businesses to be divested (including Search and Yandex Direct). Failure to comply with these requirements may result in the blocking of the information resource. Now the owner of an information resource is obliged:

- not to allow the use of recommendation technologies that violate the rights and legitimate interests of users, or in order to provide information in violation of the law;
- to inform users of the resource about the use of recommendation technologies; and
- to place on the information resource the rules for the use of recommendation technologies.

### ***Internet Regulation***

Certain laws that came into force in November 2019 continue to tightly regulate traffic routing in the Russian internet. There has been limited experience in the application of this regulation, and so its implementation or any uncertainty relating to it, 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 and even result in interruptions and delays of online services in Russia.

Additional regulation applicable specifically to technological platforms and ecosystems is currently under consideration in a number of jurisdictions. Although there is no goal to limit the development of IT businesses, any restrictive legislation in this sphere to be enacted in Russia or in other countries where we operate may limit flexibility in providing services and adversely impact operations.

### ***Privacy and Personal Data Protection Regulation***

In 2022, amendments to the Russian law on personal data were adopted, introducing a procedure of notification of a personal data breach to the supervisory authority (Roskomnadzor). A bill is being prepared that would establish a turnover-based fine (up to 3% of annual revenue) for repeated leaks of personal data. If this version of the draft law is adopted, the possible amount of potential fines could be significant for Yandex. In March 2023, the procedure for prior notification of Roskomnadzor on the cross-border transfer of personal data was introduced. These amendments allow Roskomnadzor to impose a ban on the cross-border transfer of personal data to a specific foreign organization or the country as a whole.

Russian data protection laws provide that an individual must freely consent to the processing of their personal data. Such consent must be concrete, substantive, informed, definite 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.

The businesses to be divested seek this consent from 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 the collection, use, storage and processing of personal data. Furthermore, many of the services offered do not require the creation of an account prior to their use and only limited information is collected in these circumstances. In particular, the businesses place cookies and use other widespread technologies that assist in improving user experience and ultimately benefit both our users and advertisers through behavioral targeting of advertising. No clear legislative guidelines have been provided addressing whether these 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 the businesses' current data protection practices. Complying with various regulations in this area may require additional costs or changes in business practices. Further, any failure to protect users' privacy and data may result in a decrease of user confidence in the services offered, and may ultimately result in a loss of users, which would adversely affect these businesses.

### ***Licenses for the Provision of Particular Services***

The provision of banking operations, including those provided by Yandex Bank, is heavily regulated, which continually undergo significant changes. Compliance with these requirements is closely reviewed by the regulators.

Entities that provide certain telecommunication services for a fee are required under Russian law to obtain a "telematics" license from Roskomnadzor, which the businesses to be divested have obtained. It is possible that a Russian court or government agency may construe online advertising revenues as a fee and determine that these businesses are required to hold an additional telematics license for such services.

### ***Antimonopoly Regulation***

The businesses to be divested 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 they 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.

#### ***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. Taxation in Kazakhstan and other markets outside Russia, where the Company operates, also has significant uncertainties.

#### ***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 services offered by the businesses to be divested and the failure to comply with such norms could lead to liability.

Also, the law "On unacceptable contract terms that infringe on the rights of consumers" adopted in 2022 provides for a wide list of contract terms that are prohibited in contracts with consumers as well as with merchants, and 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 law is vague and generalized, which can lead to legal uncertainty and could negatively affect services that interact with consumers (and may result in liability for violation of such law).

#### ***Regulations of Other Business Units; Other Jurisdictions***

A number of the businesses to be divested, including in particular Ride-Hailing, operate in sectors that are subject to extensive governmental scrutiny and rapidly evolving regulatory requirements. The new Russian federal law "On taxi" was adopted in December 2022 and came into force in September 2023 in Russia. This law is a comprehensive regulation of the sphere of taxi transportation, it grants self-employed the right to provide transportation services, as well as clarifies the status of the taxi aggregator and establishes a limited list of cases of their liability.

In addition, because many Yandex 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.

#### ***Other Regulations***

As mentioned above, in 2022, a number of decrees of the President of the Russian Federation were issued aimed at ensuring the financial stability of the country. Under these decrees, a number of transactions with persons from so called "unfriendly" states applying restrictive measures (including sanctions) to the Russian Federation, its legal entities and individuals, became possible only with the permission of the Government Commission for Foreign Investment Control, Bank of Russia, or the President of the Russian Federation.

#### **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. The historical results described below are not indicative of the results of the retained businesses or the group to be divested in the Sale in current or future periods.*

### Overview

Yandex is a technology company that builds intelligent products and services powered by proprietary machine learning and other technologies, with the goal of helping consumers and businesses better navigate the online and offline world. The ongoing geopolitical tensions, their impact on the Russian and global economy, and related pressures on the broader social and business environment, created unprecedented challenges for our business in 2023. Throughout the year we have been primarily focused on the stability of our operations and financial position, safeguarding the interests of our stakeholders and ensuring the well-being of our employees.

On February 5, 2024, the company announced that it had entered into a definitive agreement with a purchaser consortium to sell all of the group’s businesses in Russia and certain international markets (the “Sale”). The first closing pursuant to the Sale transaction is expected to take place in the coming weeks, with the second closing occurring within seven weeks following the first closing. Following the Sale, the company will have no interest in the businesses to be divested in Russia.

The Sale was approved by the Board in February 2024 and by the Company’s shareholders in March 2024. As of December 31, 2023, the Sale had not been approved and, accordingly, the result of operations of the businesses to be divested in the Sale are included consolidated financial results of the Company for the year ended December 31, 2023, and are not presented as discontinued operations or assets held for sale.

Over the last several years, the Yandex group expanded its operations beyond the core advertising and ride-hailing businesses into a number of other areas, including car-sharing, e-commerce, foodtech, video and audio streaming, delivery and logistics business, cloud technologies and fintech.

Yandex has continued to focus on improvements in the quality of Search, which is the largest Yandex service by audience and the basis of the group’s key cash generating business - advertising.

For the Search and Portal business, the principal constituencies are:

- *Users.* Yandex provides 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.* The Yandex online advertising platform allows advertisers to reach a large audience of users in their markets and deliver cost-effective online advertising. With Yandex.Direct, an 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 the application or webpage being viewed, or user behavior or characteristics.
- *Yandex Advertising Network partners.* The businesses to be divested 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 the Yandex website and the application, ads can be served directly on network partners’ websites and Yandex shares the fees generated by these ads with its partners, providing an important revenue stream for them.

## [Table of Contents](#)

Search and Portal revenues increased by 49% in 2023 compared to 2022. This growth was mainly driven by the strong performance of the core search business and the Yandex Advertising Network underpinned by ongoing investments in the development and efficiency improvements to ad-products and technologies, as well as the expansion of advertising inventory.

The businesses to be divested benefit from a large and diverse base of advertisers. Advertisers include individuals and small, medium and large enterprises across Russia and the other countries in which the business operates, as well as large multinational corporations. No individual advertiser accounted for more than 1% of total revenues in 2021, 2022 or 2023.

In 2023, E-commerce, Mobility and Delivery segment revenues increased by 61% compared to 2022. The increase was mainly driven by E-commerce services (with Yandex Market being the largest contributor to the growth, followed by Yandex Lavka) and Mobility. Mobility revenues increased by 36%, which is lower than GMV growth due to increased investments in driver supply in Russia. E-commerce revenues increased by 77%, slightly surpassing the increase in GMV, reflecting an improvement of 3P take rates and a growing share of advertising revenue. Other O2O services revenues produced 93% growth where Food Delivery was the key contributor to the growth, followed by Yandex Delivery business.

The growth in GMV<sup>1</sup> of Mobility reached 45% in 2023 compared to 2022 driven by an increase in the number of rides on the back of growth in the number of users, a growing share of non-economy tariffs due to the shift of new vehicles supply on the market towards upper-class models, and positive forex effect. The growth in GMV<sup>2</sup> of E-commerce was 64%, supported by organic growth in the user base, assortment expansion and cross-service synergies with Fintech products (in particular Split and Yandex Pay) and Yandex Plus. GMV<sup>3</sup> of other O2O services grew by 72%, with Yandex Delivery and Yandex Food Delivery services being the largest contributors.

Plus and Entertainment Services revenues grew by 110% in 2023 compared to 2022. The increase was primarily driven by the growth of subscription revenue on the back of an expanding base of paid subscribers, changes in tariff mix and options, as well as solid trends in other revenue streams (including advertising, licensing, ticketing and other revenue categories).

We believe the most significant factors that allowed these businesses to show relative stability despite the continually challenging external environment affecting the business throughout 2023 include the following:

- expansion of the advertising inventory (mainly across mobile platforms), entry into new media channels and being able to offer new advertising formats;
- the ability to effectively monetize the mobile search function, where the number of search queries is growing quicker than on desktops.
- being able to effectively monetize traffic generated by Yandex websites and apps and those of the Yandex Advertising Network (with a specific focus on the e-commerce sector and SMB clients), while improving advertising products and technologies (including on the back of the integration of generative neural networks) and maintaining an attractive return on investments for the network's advertisers;
- the drive to provide clients with simple, high-quality and efficient advertising products and instruments as part of the E-commerce segment, which allow businesses to promote goods on the Yandex marketplace and beyond to a wider audience in addition to exploring opportunities across Yandex Ad Network and Search;
- the quality of Yandex's and partners' services, including the relevance, objectivity and quality of the search results; the availability, accuracy, comfort and safety of the Mobility businesses; the assortment of goods offered on Yandex Market, the reliability of third-party sellers, delivery speed and convenience of the E-commerce and FoodTech businesses, and the quality of other services;

<sup>1</sup> GMV (or gross merchandise value) of Mobility is defined as the total amount paid by customers for ride-hailing, car-sharing and scooters rent services booked through the Yandex platform, including VAT.

<sup>2</sup> GMV of E-commerce is defined as the value of all merchandise sold through the Yandex Market marketplace and Yandex Lavka as well as the value of products sold through Yandex Eats and Delivery grocery service (delivered and paid for), including VAT.

<sup>3</sup> GMV of other O2O (online-to-offline) services includes the total amount paid by customers and partner businesses for Yandex Delivery and Yandex Fuel services, the value of orders, delivered through the Yandex Eats and Delivery food delivery services, Lavka Israel, and several other smaller O2O experiments, including VAT.

- focus on strong partner relationships supporting the growth across each of the businesses as well as the well-being of Yandex's partners, providing them with efficient ways of monetization through various services;
- the demand for Yandex Plus, which combines a wide range of services (including Kinopoisk, Yandex Music and Bookmate) and benefits for users, connected by one-account, together with an increased focus on original content both online and offline; and
- development of other businesses and products in Yandex Cloud, Alice and Devices and FinTech, as well as an improvement in market share on the back of increasing demand for Yandex services.

### Operating Segments

As described elsewhere in this Annual Report, Yandex N.V. has entered into a definitive agreement to sell all of the group's businesses in Russia and certain international markets. The businesses described below form part of the transaction perimeter and will not continue as part of the Yandex group following the completion of the proposed Sale. Those Target businesses are managed and reported on as part of the following operating segments:

- **Search and Portal**, which includes Search, Geo, Weather and a number of other services;
  - **E-commerce, Mobility and Delivery**, which includes transactional online-to-offline businesses, which consist of (i) the mobility businesses, including ride-hailing, Yandex Drive, a car-sharing business, and scooters; (ii) the E-commerce businesses, including Yandex Market, multi-category e-commerce marketplace, Yandex Lavka, a hyperlocal convenience store delivery service, and the grocery delivery services of Yandex Eats and Delivery (the services earlier known as Delivery Club); and (iii) other O2O businesses, including Yandex Delivery, a middle and last-mile delivery service; Yandex Eats and Delivery, a ready-to-eat delivery from restaurants services; and Yandex Fuel, a contactless payment service at gas stations, and several smaller experiments;
  - **Plus and Entertainment Services**, including subscription service Yandex Plus, Yandex Music, Kinopoisk, Yandex Afisha, Bookmate and the production center Yandex Studio;
  - **Classifieds**, which includes Auto.ru, Yandex Realty, Yandex Rent and Yandex Travel; and
- Other Business Units and Initiatives**, including a self-driving vehicles business referred to as Yandex SDG, Yandex Cloud and Yandex 360, Yandex Education (consisting of Practicum and other education initiatives), Devices and Alice, FinTech (including Yandex Pay and Yandex ID) and a number of other experiments as well as unallocated corporate expenses.

Certain changes have been made to the reporting segments, effective as of the start of 2024, including (i) the transfer of Edadeal from E-commerce, Mobility and Delivery to Search and Portal, and (ii) the transfer of Food Delivery from other O2O businesses to E-commerce businesses within E-commerce, Mobility and Delivery.

### Key Trends Impacting Our Results of Operations

The key factors affecting the results of our operations reflect the current geopolitical and macroeconomic situation, including:

- sanctions and export control restrictions introduced by a number of governments (including those of the United States, United Kingdom, Switzerland and European Union);
- changes in the competitive landscape: including intensification of competition with local players (marketplaces, classifieds and others);
- capital control measures adopted by the Russian authorities in response;
- increases in inflation and interest rates;
- currency exchange dynamics (see also "Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exchange Risk"); and

- trends in consumption and real disposable income (the future development of which is hard to predict at this time).

According to the Russian Federal State Statistics Service, Rosstat, the consumer price index in Russia increased to 8.4% in 2021 and to 11.9% in 2022 and normalized back to 7.4% in 2023. The Central Bank of Russia forecasts that inflation in 2024 could drop further to 4.0-4.5%. Inflation rates dynamics influence our operating expenses and capital expenditures.

Yandex carefully follows the export control restrictions introduced by several countries, including the United States, the United Kingdom, Switzerland and the European Union, and is working closely with its vendors. None of the Yandex group companies operates in the sectors that have been specifically targeted. In July 2023, “Yandex Pay” was designated in Canada; such designation does not apply to Yandex N.V. or its other group companies or operations. Yandex continues to closely monitor developments in this regard.

Given the high level of uncertainty around future geopolitical developments and the macro environment, our visibility over the short- and medium-term is limited and we remain unable to provide any forward-looking expectations at this stage.

In addition to the impact of the current geopolitical and macroeconomic environment, other key trends influencing the group’s results of operations in the ordinary course include the following:

- In the Search and Portal business:
  - ongoing improvement in the efficiency of advertising products as well as development of new advertising solutions (with a particular focus on small businesses and e-commerce businesses);
  - further integration of AI technologies into Yandex advertising solutions and products;
  - growth of search share on iOS; and
  - expansion of advertising inventory across the mobile platforms.
- For the Mobility businesses:
  - continuous growth of demand for ride-hailing services;
  - undersupply of drivers and cars;
  - shifts in new vehicle supply on the market towards upper-class models;
  - rising purchase prices for new cars and higher maintenance costs for Yandex partners on the back of geopolitical and macroeconomic factors; and
  - further improvements in marketplace efficiency and increase of driver incentives to support the well-being of Yandex partners).
- For the E-commerce and Delivery businesses:
  - increased promotional pressure by the key players;
  - greater focus on improvements in operational efficiency of delivery amid courier undersupply;
  - rapid growth of advertising revenue on the back of development of new products and solutions for merchants;
  - deeper cross-synergies between E-commerce and other services, including Plus and FinTech; and
  - increased focus on unit economics and improving operational efficiency of E-commerce.
- For the Plus and Entertainment Services:
  - the increase in the base of subscribers and their retention supported by benefits across multiple Yandex services offered by subscription services;
  - changes to the content mix amid reduced availability of the major content, as well as the growing popularity of original content and its importance for the growth and the competitiveness of streaming platforms; and

- the continuing growth of bundled subscriptions popularity, providing a wide range of services and benefits for users.

The businesses to be divested have diversified their operations in recent years from a principally advertising-based business into a comprehensive digital platform for consumers and businesses. The change in revenue mix (towards higher share of Ride-Hailing, E-commerce, Plus and Entertainment Services and other new opportunities with different margin profiles and stages of investments) remains an important driver of consolidated operating margin. Search and Portal revenues have decreased from 45.5% of total revenues in 2021 to 43.3% in 2022 and to 42.2% in 2023.

In the ordinary course of business revenues were impacted by some seasonal factors, including seasonal fluctuations in internet usage, the influence of public holidays and vacations and general seasonal demand fluctuations. As the current geopolitical situation continues to worsen, the uncertainty of seasonal trends and how they will impact the businesses throughout 2024 remains particularly unclear.

### Key Recent Acquisitions

#### *Acquisition of Uber's remaining interest in MLU B.V.*

On April 21, 2023, we entered into an agreement (the "Agreement") with Uber NL Holdings 1 B.V. ("Uber"), a subsidiary of Uber Technologies Inc., and on the same day acquired Uber's entire remaining 29% interest in MLU B.V, a mobility joint venture, for consideration in cash of \$702.5 million (RUB 57,337 million at the exchange rate as of the closing date). The Agreement superseded and was in lieu of the call option granted to us under a Framework Agreement dated September 7, 2021. The call option was exercisable until September 7, 2023. The transaction was accounted for as an equity transaction.

A further description of the acquisitions and their accounting implications can be found in Note 3 – "Business combinations and investment transactions" of our 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, |         |         |
|--|-------------------------|---------|---------|
|  | 2021                    | 2022    | 2023    |
| Revenues                                     | 100.0 %                 | 100.0 % | 100.0 % |
| Operating costs and expenses:                |                         |         |         |
| Cost of revenues                             | 48.8                    | 44.7    | 45.0    |
| Product development                          | 13.6                    | 13.9    | 12.9    |
| Sales, general and administrative            | 34.5                    | 33.0    | 33.4    |
| Depreciation and amortization                | 6.8                     | 5.9     | 5.0     |
| Goodwill impairment                          | —                       | —       | 0.1     |
| Total operating costs and expenses           | 103.7                   | 97.5    | 96.4    |
| Income/(loss) from operations                | (3.7)                   | 2.5     | 3.6     |
| Interest income                              | 1.3                     | 0.9     | 0.7     |
| Interest expense                             | (1.0)                   | (0.7)   | (1.4)   |
| Gain on restructuring of convertible debt    | —                       | 1.8     | —       |
| Effect of the News and Zen deconsolidation   | —                       | 7.3     | —       |
| Income/(loss) from equity method investments | 1.8                     | (0.2)   | (0.2)   |
| Other income/(loss), net                     | (0.3)                   | 1.8     | 2.7     |
| Income/(loss) before income tax expense      | (2.0)                   | 13.5    | 5.4     |
| Provision for income taxes                   | 2.1                     | 4.4     | 2.7     |
| Net income/(loss)                            | (4.1)%                  | 9.1 %   | 2.7 %   |

Our consolidated income/(loss) from operations as a percentage of total revenues increased to an income of 3.6% and 2.5% in 2023 and 2022, respectively from a loss of 3.7% in 2021. The growth of margin in 2023 was mainly

[Table of Contents](#)

driven by solid performance across Search and Portal, Plus and Entertainment segments, as well as Devices and Alice segment, partly offset by the loss from operations associated with the impairment of intangible assets in 2023 and investments in the expansion of the group's businesses and their future growth. The growth of margin in 2022 was mainly driven by the continuing improvement of the Search and Portal, E-commerce, Mobility and Delivery, and Devices and Alice segments' profitability on the back of the increased operational efficiency and stricter cost control.

The table below presents information about the revenues of the reportable segments:

|                                      | 2021                 | 2022           | 2023           |
|--------------------------------------|----------------------|----------------|----------------|
|                                      | (in millions of RUB) |                |                |
| Search and Portal                    | 162,176              | 226,022        | 337,514        |
| E-commerce, Mobility and Delivery    | 166,714              | 261,246        | 420,753        |
| Plus and Entertainment               | 18,408               | 31,782         | 66,899         |
| Classifieds                          | 9,217                | 12,287         | 24,174         |
| Other Business Units and Initiatives | 26,822               | 48,784         | 82,734         |
| <b>Total segment revenues</b>        | <b>383,337</b>       | <b>580,121</b> | <b>932,074</b> |
| Eliminations                         | (27,166)             | (58,422)       | (131,949)      |
| <b>Total revenues</b>                | <b>356,171</b>       | <b>521,699</b> | <b>800,125</b> |

The table below presents information about the adjusted EBITDA of the reportable segments:

|                                      | 2021                 | 2022          | 2023          |
|--------------------------------------|----------------------|---------------|---------------|
|                                      | (in millions of RUB) |               |               |
| Search and Portal                    | 81,259               | 120,503       | 172,950       |
| E-commerce, Mobility and Delivery    | (30,392)             | (19,644)      | (23,611)      |
| Plus and Entertainment               | (6,464)              | (7,849)       | 2,944         |
| Classifieds                          | 1,864                | 1,111         | 423           |
| Other Business Units and Initiatives | (14,471)             | (29,844)      | (56,794)      |
| <b>Total segment adjusted EBITDA</b> | <b>31,796</b>        | <b>64,277</b> | <b>95,912</b> |
| Eliminations                         | 347                  | (135)         | 1,058         |
| <b>Total adjusted EBITDA</b>         | <b>32,143</b>        | <b>64,142</b> | <b>96,970</b> |

Eliminations represent the elimination of transactions between the reportable segments, including advertising agreements, brand royalties, use of data centers, sales of devices and others.

For a reconciliation between total adjusted EBITDA and net income/(loss) before income tax expense see Note 16 — “Information about segments & geographic areas” of our consolidated financial statements included elsewhere in this Annual Report.

**Revenues**

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

|                                    | Year ended December 31,                  |               |                |               |                |               |
|------------------------------------|--|---------------|----------------|---------------|----------------|---------------|
|                                    | 2021                                     |               | 2022           |               | 2023           |               |
|                                    | RUB                                      | % of Revenues | RUB            | % of Revenues | RUB            | % of Revenues |
|                                    | (in millions of RUB, except percentages) |               |                |               |                |               |
| Service revenues                   | 300,261                                  | 84%           | 429,701        | 82%           | 658,065        | 82%           |
| Revenues related to sales of goods | 55,910                                   | 16%           | 91,998         | 18%           | 142,060        | 18%           |
| <b>Total revenues</b>              | <b>356,171</b>                           | <b>100% %</b> | <b>521,699</b> | <b>100% %</b> | <b>800,125</b> | <b>100% %</b> |

*Service revenues.* Service revenues consist of online advertising revenues, revenues from the ride-hailing and logistics services, food delivery services, Plus and Entertainment services, car-sharing services, third party sales through the Yandex Market marketplace platform and other services. Service revenues increased by RUB 228,364 million, or

53.1% in 2023 and by RUB 129,440 million or 43.1% in 2022, year over year. The growth was mainly attributable to the following:

- in respect of online advertising revenue - the solid performance of the core search business and the Yandex Advertising Network on the back of investments into the expansion of advertising inventory, along with development and efficiency improvements of certain ad-products and technologies;
- in respect of ride-hailing and logistics services - a solid increase in the number of rides and a growing share of non-economy tariffs in ride-hailing segment, as well as the solid performance of logistics business;
- in respect of the Yandex Eats businesses - a solid performance of the restaurants vertical and further development of the grocery business;
- in respect of the Plus and Entertainment services - the expanding base of paid subscribers and changes in tariff mix, as well as solid trends in other revenue streams.

*Revenues related to sales of goods* primarily represent revenues from goods sold through the marketplace platform, e-grocery revenue (specifically, Yandex Lavka, which uses a first-party (1P) business model and act as a direct retailer) and from the Devices and Alice business. Revenues related to sales of goods increased by RUB 50,062 million or 54.4% in 2023 and by RUB 36,090 million or 64.5% in 2022, year over year. The growth was primarily due to the FoodTech businesses, driven by hyperlocal grocery delivery service, Yandex Lavka, as well as increasing sales of devices and raising sales through the marketplace platform.

### **Operating Costs and Expenses**

We classify operating costs and expenses as follows: cost of revenues, product development, sales, general and administrative expenses, depreciation and amortization.

*Costs of revenues* consists of cost of devices and other goods sold, traffic acquisition costs (TAC), cost of corporate ride-hailing and logistics services, logistics costs, content acquisition costs and outsource services, personnel expenses, content assets amortization and other cost of revenues.

TAC are the amounts paid to partners in the Yandex Advertising Network for serving Yandex online ads on their websites and to those partners who distribute Yandex products or otherwise direct search queries to Yandex websites. These amounts are primarily based on revenue-sharing arrangements. Some distribution partners are compensated on the basis of the number of installations of Yandex Browser or search apps. Yandex pays fees to its distribution partners on a non-refundable basis following the period in which the distribution fees are earned. Yandex does not have a standard term or termination provision that applies to agreements with distribution partners.

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

|  | Year ended December 31,                  |                |                |
|--|--|----------------|----------------|
|  | 2021                                     | 2022           | 2023           |
|  | (in millions of RUB, except percentages) |                |                |
| Cost of service revenues                                     | 123,995                                  | 160,524        | 251,581        |
| <i>Cost of service revenues as a percentage of revenues</i>  | 34.8 %                                   | 30.8 %         | 31.4 %         |
| including Traffic acquisition costs                          | 25,669                                   | 34,692         | 56,759         |
| <i>Traffic acquisition costs as a percentage of revenues</i> | 7.2 %                                    | 6.6 %          | 7.1 %          |
| Cost of goods sold   | 49,957                                   | 72,695         | 108,452        |
| <i>as a percentage of revenues</i>                           | 14.0 %                                   | 13.9 %         | 13.6 %         |
| <b>Total cost of revenues</b>                                | <b>173,952</b>                           | <b>233,219</b> | <b>360,033</b> |
| <i>as a percentage of revenues</i>                           | 48.8 %                                   | 44.7 %         | 45.0 %         |

Traffic acquisition costs increased by RUB 22,067 million and by RUB 9,023 million in 2023 and 2022, respectively, compared to the prior years, as a result of solid growth in Yandex Advertising Network revenue for the period and costs related to distribution partners. As a percentage of total revenues, traffic acquisition costs increased to 7.1% in 2023 - primarily driven by the growing contribution of ad revenues related to the Yandex Advertising Network

[Table of Contents](#)

and decreased to 6.6% in 2022 from 7.2% in 2021, as a result of growth of non-advertising revenue as a percentage of total revenue and the corresponding decline in the share of online revenue related costs.

Other cost of service revenues increased by RUB 68,990 million or 54.8% and by RUB 27,506 million or 28%, respectively, compared to the prior years. The increase was primarily due to the growth of the cost of corporate ride-hailing and logistics services, growth of content acquisition costs and outsource services, related to our Plus and Entertainment services (in line with the growth of subscription revenue) and Mobility business (including messaging services expenses and vehicles maintenance); and growth of logistics costs due to the expansion of Yandex Market, FoodTech and Yandex Delivery.

Cost of goods sold increased by RUB 35,757 million and by RUB 22,738 million in 2023 and 2022, respectively, year over year, in line with the growth of the corresponding revenue.

*Product development.* Product development expenses consist primarily of personnel costs incurred for the research and development of the Yandex search engine, YandexGPT, YandexART and other technology platforms (such as Yandex Go, marketplace platform, self-driving vehicles business, classifieds platform and others). We also include rent and utilities attributable to office space occupied by development staff in product development expenses.

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

|                              | Year ended December 31,                  |        |         |
|------------------------------|--|--------|---------|
|                              | 2021                                     | 2022   | 2023    |
|                              | (in millions of RUB, except percentages) |        |         |
| Product development expenses | 48,461                                   | 72,278 | 102,991 |
| as a percentage of revenues  | 13.7 %                                   | 13.9 % | 12.9 %  |

Product development expenses increased by RUB 30,713 million or 42.5% and by RUB 23,817 million or 49.1% in 2023 and 2022, respectively, year over year. These increases were primarily due to increases in headcount and salaries in 2023 and 2022. Development personnel headcount increased from 9,192 as of December 31, 2021, to 10,708 as of December 31, 2022, and to 13,003 as of December 31, 2023.

*Sales, general and administrative* expenses include: expenses for personnel engaged in sales and promotion of products to the market, or performing general or administrative functions, including share-based compensation expenses; rental of office space and related utilities in proportion to the number of employees performing these functions; training and hiring expenses; advertising and marketing expenses, including the costs of organizing promotions; telecommunication services; travel expenses; legal and audit services; banking commission; and other expenses related to the group's wider operating activities.

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

|  | Year ended December 31,                  |         |         |
|--|--|---------|---------|
|  | 2021                                     | 2022    | 2023    |
|  | (in millions of RUB, except percentages) |         |         |
| Sales, general and administrative expenses | 122,924                                  | 172,092 | 267,552 |
| as a percentage of revenues                | 34.5 %                                   | 33.0 %  | 33.4 %  |

Sales, general and administrative expenses increased by RUB 95,460 million or 55.5% and by RUB 49,168 million or 40% in 2023 and 2022, respectively, year over year. The increases were primarily due to a growth of personnel expenses (including share-based compensation) of RUB 33,544 million and RUB 21,356 million in 2023 and 2022, respectively, which supported GMV growth in respect of Yandex Market and the revenue growth of Search and Portal, Mobility, FoodTech, Plus and Entertainment services and Yandex Delivery.

Additional factors contributing to the overall increase in 2023 compared to 2022 were increases in advertising and marketing expenses; bank and payment systems commissions, reflecting an increase in the number of orders made



[Table of Contents](#)

through Yandex Market, FoodTech and in the number of rides in the Ride-hailing business; intangible assets impairment related to E-commerce, Mobility and Delivery segment; recruiting and training expenses; and other professional and outsourced services.

Additional factors contributing to the overall growth in 2022 compared to 2021 were increases in tax expenses other than income tax; bank and payment systems commissions, reflecting an increase in the number of orders made through Yandex Market, FoodTech and Yandex Delivery and in the number of rides in the Ride-hailing business; office rent and utilities expenses; and intangible assets impairment related to E-commerce, Mobility and Delivery segment.

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

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

|                                       | Year ended December 31,                     |        |        |
|---------------------------------------|---|--------|--------|
|                                       | 2021  | 2022   | 2023   |
|                                       | (in millions of RUB,<br>except percentages) |        |        |
| Depreciation and amortization expense | 24,111                                      | 30,874 | 39,952 |
| as a percentage of revenues           | 6.8 %                                       | 5.9 %  | 5.0 %  |

Depreciation and amortization expense increased by RUB 9,078 million or 29.4% and by RUB 6,763 million or 28.0% in 2023 and 2022, respectively, year over year. The growth was primarily due to: the increase of depreciation expense related to server and network equipment and infrastructure systems (primarily the result of investment in equipment); amortization expense related to technologies and licenses; depreciation expense related to finance; and acquisition-related intangible assets amortization expense.

Any depreciation of the Russian ruble may result in a material increase in capital expenditures and respective depreciation and amortization.

*Share-based compensation.* In the consolidated statements of operations, 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 the cost of revenues, product development expenses and sales, general and administrative expenses.

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

|                                  | Year ended December 31,                     |        |        |
|----------------------------------|---|--------|--------|
|                                  | 2021  | 2022   | 2023   |
|                                  | (in millions of RUB,<br>except percentages) |        |        |
| Share-based compensation expense | 20,829                                      | 24,038 | 31,776 |
| as a percentage of revenues      | 5.8 %                                       | 4.6 %  | 4.0 %  |

Share-based compensation expense increased by RUB 7,738 million or 32.2% in 2023 compared to the prior year. The increase was primarily related to the changes in the fair value of Synthetic Options and Business Unit Equity Awards (equity-linked awards in respect of the various business units), which are expected to be settled in cash, and the material appreciation of the U.S. dollar against the Russian ruble. In 2023, we recognized our obligation to settle the Synthetic Options and Business Units Equity Awards as a liability based on our past practice of settlements in cash.

Share-based compensation expense increased by RUB 3,209 million or 15.4% in 2022 compared to the prior year. The growth was primarily related to settlement of the group's Synthetic Options and Business Units Equity Awards in cash, which led to additional cost recognized in 2022.

In light of the ongoing trading halt in our Class A shares on Nasdaq, during 2022 and 2023 participants received cash compensation based on the appreciation in value of the business unit equity from the grant date to the exercise date instead of settlement in our Class A shares.

See Note 15 — “Share-based compensation” of the consolidated financial statements included elsewhere in this Annual Report.

***Revenues and adjusted EBITDA by reportable segments***

*Revenues by reportable segment.* Revenues attributable to the Search and Portal segment increased by RUB 111,492 million or 49.3% and by RUB 63,847 million or 39.4% in 2023 and 2022, respectively, year over year. This growth was mainly driven by the strong performance of the core search business and the Yandex Advertising Network underpinned by ongoing investment in the ad inventory expansion, as well as the development and efficiency improvement of ad-products and technologies. Search and Portal revenues accounted for approximately 42.2% of total revenues in 2023, compared with 43.3% in 2022 and 45.5% in 2021.

Revenues attributable to the E-commerce, Mobility and Delivery segment increased by RUB 159,507 million or 61.1% and by RUB 94,532 million or 56.7% in 2023 and 2022, respectively, year over year. The increase is primarily driven by E-commerce services (where Yandex Market was the largest contributor to growth, followed by Yandex Lavka) and Mobility. E-commerce, Mobility and Delivery revenues accounted for approximately 52.6% of total revenues in 2023, compared with 50.1% in 2022 and 46.8% in 2021.

E-commerce revenues (which represented 42.5% of the total segment revenues in 2023) increased by RUB 77,592 million or 76.7% and by RUB 40,667 million or 67.2% in 2023 and 2022, respectively, year over year. The increase was driven by the normalization of the 1P/3P revenue mix in Yandex Market and improvement of 3P take rates, as well as the growth of GMV on the back of the overall e-commerce market growth.

Mobility revenues increased by RUB 43,941 million or 36.0% and by RUB 36,566 million or 42.8% in 2023 and 2022, respectively, year over year. The increase was driven by the growing demand for the ride-hailing services in Russia, the larger share of non-economy tariffs, as well as the higher share of the corporate taxi business, which is recognized on a gross basis. For the purposes of assessing the business, “rides” are defined 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 the 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, 2021, 2022 and 2023 were 2.4 billion, 3.1 billion and 3.6 billion, respectively.

Other O2O services revenues attributable to the E-commerce, Mobility and Delivery segment increased by RUB 41,246 million in 2023 compared to 2022 which delivered 93% year-on-year growth and by RUB 20,816 million, or 88.5% in 2022 compared to 2021 primarily driven by the growth of Yandex Delivery and Yandex Food Delivery, as well as the acquisition of Delivery Club in September 2022.

Revenues attributable to the Plus and Entertainment services segment increased by RUB 35,117 million or 110.5% and by RUB 13,374 million or 72.7% in 2023 and 2022, respectively, year over year. The increase was primarily driven by the growth of subscription revenue (which increased by 67% year-on-year) on the back of an expanding base of paid subscribers, changes in tariff mix and options, as well as solid trends in other revenue streams (including advertising, licensing, ticketing and other revenue categories). Plus and Entertainment services revenues accounted for approximately 8.4% of total revenues in 2023, compared with 6.1% in 2022 and 5.2% in 2021.

Revenues attributable to the Classifieds segment increased by RUB 11,887 million or 96.7% and by RUB 3,070 million or 33.3% in 2023 and 2022, respectively, year over year. The increase of the revenue in 2023 compared to 2022 is primarily due to the recovery of the car market, dealer base expansion and new projects: C2B buy-out and CM Finance. Classifieds revenues accounted for approximately 3.0% of total revenues in 2023, compared with 2.4% in 2022 and 2.6% in 2021.

Revenues attributable to the Other Business Units and Initiatives category increased by RUB 33,950 million or 69.6% and by RUB 21,962 million or 81.9% in 2023 and 2022, respectively, year over year. The growth was primarily

driven by the Devices and Alice and Yandex Cloud revenues in 2023 and 2022. Other Business Units and Initiatives revenues increased to approximately 10.3% of total revenues in 2023, compared with 9.4% in 2022 and 7.5% in 2021.

*Adjusted EBITDA by reportable segments.* Adjusted EBITDA attributable to the Search and Portal segment increased by RUB 52,447 million, or 43.5%, from 2022 to 2023 and by RUB 39,244 million, or 48.3%, from 2021 to 2022. The increase in 2023 was mainly a result of the positive operating leverage effect driven by the strong performance of the core business and supported by positive impact of the segregation of corporate overheads. Adjusted EBITDA margin came to 51.2% in 2023 compared with 53.3% in 2022. The year-on-year margin dynamic mainly reflected investment into new products and technologies and related increases in personnel and marketing costs, as well as the low base effect in 2022 on the back of cost optimization.

Adjusted EBITDA losses attributable to the E-commerce, Mobility and Delivery segment expanded by RUB 3,967 million or 20.2% in 2023 compared to 2022 and narrowed by RUB 10,748 million or 35.4% in 2022 compared to 2021. The adjusted EBITDA loss in 2023 expanded primarily due to the growing scale of Yandex Market business and the higher investments into driver supply in Ride-Hailing, while adjusted EBITDA margin improved on the back of better operational efficiency in e-commerce generally and in the Food Delivery business. The improvement of adjusted EBITDA in 2022 was driven primarily by better operational efficiency across most of the key businesses included in the segment, as well as a group-wide focus on cash generation and stricter cost control, which included a hiring freeze, optimization of marketing expenses and other overheads.

Adjusted EBITDA/(loss) attributable to the Plus and Entertainment segment increased by RUB 10,793 million or 137.5% in 2023 compared to 2022 and decreased by RUB 1,385 million or 21.4% in 2022 compared to 2021. Adjusted EBITDA turned positive in 2023 due to the operating leverage effect on the back of the subscription revenue growth, which has more than offset investment into promotional activities on new products and regional launches and growing personnel expenses.

Adjusted EBITDA attributable to the Classifieds segment decreased by RUB 688 million or 61.8% and by RUB 753 million or 40.4% in 2023 and 2022, respectively, year over year. The primary reason for this in 2023 was the growth of advertising and marketing expenses, continuing investments in the long-term growth of businesses such as Yandex Travel and Yandex Realty, as well as personnel costs to support the development of those services. The primary factor contributing to the overall decrease of adjusted EBITDA in 2022 was the growth of advertising and marketing expenses, investments in Yandex Rent, as well as personnel costs to support the development of services.

Adjusted EBITDA loss attributable to the Other Business Units and Initiatives category increased by RUB 26,950 million or 90.3% and by RUB 15,372 million or 106.2% in 2023 and 2022, respectively, year over year. The loss increase in 2023 in absolute terms was mainly attributed to the unallocated corporate expenses from reportable segments recognized within the Other Business Units and Initiatives category (while these costs remain broadly unchanged as a percentage of total group's revenue), investments into growth of the FinTech and Yandex SDG businesses, and development of other verticals, which was partially offset by a solid performance in Devices and Alice and Yandex Cloud in Russia and CIS. The loss increase in 2022 was primarily due to the segregation of unallocated corporate expenses from reportable segments' adjusted EBITDA to Other Business Units and Initiatives category and higher investments in certain experimental growing businesses, such as Yandex SDG and FinTech, while the key businesses have demonstrated improvements in performance compared 2021: Devices and Alice and Yandex Cloud in Russia and CIS both became profitable in 2022.

#### ***Interest Income***

Interest income is mainly generated from bank deposits and cash account balances. Interest income increased from RUB 4,723 million in 2022 to RUB 5,637 million in 2023 mainly due to the increase in applicable interest rates. Interest income remained relatively stable at RUB 4,723 million in 2022 and RUB 4,615 million in 2021.

#### ***Interest Expense***

Interest expense is mainly generated from debt and financial lease liabilities. Interest expense increased to RUB 10,863 million in 2023 from RUB 3,396 million in 2022 mainly due to the conclusion of new debt facilities to finance operating activities as well as increases in interest rates.

Interest expense decreased to RUB 3,396 million in 2022 from RUB 3,711 million in 2021. This dynamic reflects a decrease in amortization of debt discount and interest expenses related to convertible debt and an increase in interest on the loan that was used to finance the convertible debt restructuring as well as increases in financial lease interest expenses.

***Gain on restructuring of convertible debt***

In June 2022, we completed the purchase of 93.2% in aggregate principal amount of our \$1.25 billion 0.75% Convertible Notes due 2025. We have to date repurchased more than 99% in aggregate principal amount of our \$1.25 billion 0.75% Convertible Notes due 2025 originally issued. As a result of the restructuring, a gain in the amount of RUB 9,305 million and a related income tax expense in the amount of RUB 751 million were recognized. See Note 13 — “Debt” of our consolidated financial statements included elsewhere in this Annual Report.

***Effect of the News and Zen deconsolidation***

In September 2022, we completed the sale of the group's news aggregation platform and Zen, an infotainment service, together with the acquisition of 100% of the food delivery service Delivery Club. The transaction marked a strategic decision to exit from media businesses (other than entertainment streaming). As a result of the News and Zen deconsolidation, a gain in the amount of RUB 38,051 million was recognized. See Note 3 — “Business combinations and investment transactions” of our consolidated financial statements included elsewhere in this Annual Report.

***Income/(loss) from equity method investments***

Loss from equity method investments in the amount of RUB 1,602 million and RUB 929 million in 2023 and 2022, respectively, was mainly a result of certain investments in venture capital funds. Income from equity method investments in the amount of RUB 6,367 million in 2021 was represented by the RUB 3,354 million gain on the revaluation of investment in ClickHouse Inc. and RUB 3,014 million income from investments in venture capital funds.

***Other Income/(Loss), net***

The following table presents the components of other income/(loss), net in absolute terms and as a percentage of revenues, for the periods presented:

|                                    | <u>Year ended December 31,</u>              |              |              |
|------------------------------------|---|--------------|--------------|
|                                    | <u>2021</u>                                 | <u>2022</u>  | <u>2023</u>  |
|                                    | (in millions of RUB,<br>except percentages) |              |              |
| Other income/(loss), net           | (1,217)                                     | 9,359        | 21,514       |
| <i>as a percentage of revenues</i> | <i>(0.3)%</i>                               | <i>1.8 %</i> | <i>2.7 %</i> |

Other income/(loss), net includes foreign exchange gains in the amount of RUB 235 million, RUB 9,393 million and RUB million 22,853 in 2021, 2022 and 2023, respectively.

Foreign exchange gain dynamics reflect changes in the ruble value (currently, the group's functional currency) of monetary assets and liabilities that are denominated in other currencies (primarily the U.S. dollar), as well as changes in the functional currencies of foreign subsidiaries' monetary assets and liabilities that are denominated in the Russian rubles.

***Income Tax Expense***

The following table presents income tax expense in absolute terms and effective tax rate for the periods presented:

|                    | <u>Year ended December 31,</u>              |             |             |
|--------------------|---|-------------|-------------|
|                    | <u>2021</u>                                 | <u>2022</u> | <u>2023</u> |
|                    | (in millions of RUB,<br>except percentages) |             |             |
| Income tax expense | 7,430                                       | 22,734      | 21,372      |
| Effective tax rate | (102.9)%                                    | 32.3 %      | 49.5 %      |

[Table of Contents](#)

Income tax expense decreased by RUB 1,362 million in 2023 and increased by RUB 15,304 million in 2022, year over year, primarily reflecting changes in taxable income. The effective tax rate increased by 17.2 and by 135.2 percentage points in 2023 and 2022, respectively, compared to the prior years. The effective tax rate differs from the statutory rate mainly as a result of the effects of differences in foreign tax rates of our subsidiaries (including reduced tax rates and effects of change in tax rates in certain subsidiaries), deferred tax asset valuation allowances, non-deductible stock-based compensation expenses, tax on dividends, statutory expenses not deductible for income tax purposes and tax provision recognized, as well as tax effects of the News and Zen deconsolidation in 2022.

See “Critical Accounting Policies, Estimates and Assumptions—Tax Provisions” for additional information about income tax expense. A reconciliation of statutory income tax rate to the effective tax rate is set forth in Note 10 — “Income tax” of our consolidated financial statements included elsewhere in this Annual Report.

### Liquidity and Capital Resources

The group’s principal source of liquidity is cash flows from its operating activity as well as credit facilities.

As of December 31, 2023, RUB 96,519 million was recorded in cash and cash equivalents. Cash equivalents mainly consist of bank deposits with original maturities of three months or less.

As of December 31, 2023, RUB 141,484 million of debt consisting mainly of loan facilities of RUB 127,233 million were recorded (for more details see Note 13 - "Debt" of our consolidated financial statements included elsewhere in this Annual Report). As of December 31, 2023 the businesses to be divested also had available unused limits under the following facilities: loan facilities in the amount of RUB 118,408 million, leasing facilities of RUB 16,688 million and overdrafts of RUB 15,000 million.

The businesses due to be divested have in place a reverse factoring program with certain banks whereby a bank acts as a paying agent and pays suppliers and marketplace sellers on the date the payables are due. The conditions assume that the finance provider makes payments with the right for the relevant business to delay from 60 to 365 days depending on the contract. As of December 31, 2023, liabilities under the reverse factoring programs were RUB 33,486 million. The available unused limit under reverse factoring programs as of December 31, 2023 was RUB 20,833 million.

The group’s main cash outflows are as follows: working capital, acquisitions, repayment of debt and related interest payment and other general corporate activities. The businesses to be divested expect to continue to finance those projects mainly through operating cash flow and, to the extent required, through borrowings. Certain of the businesses to be divested are temporarily restricted from remitting funds in the form of cash dividends or loans by a variety of regulations and local statutory requirements. The dividends from the principal businesses to be divested to our parent Yandex N.V. are limited to the cumulative net profits of the operating businesses, calculated in accordance with local accounting principles, which differs from the cumulative net profit calculated in accordance with U.S. GAAP. In addition, these dividends cannot result in negative net assets in the businesses to be divested or render them insolvent. Pursuant to applicable statutory rules, the amount that the principal operating businesses would be permitted to pay as a dividend to the company as of December 31, 2023 was approximately RUB 124,775 million.

### Cash Flows

Set out below the summary of cash flows for the years ended December 31, 2021, 2022 and 2023:

|  | Year ended December 31, |                      |           |
|--|-------------------------|----------------------|-----------|
|  | 2021                    | 2022                 | 2023      |
|  |                         | (in millions of RUB) |           |
| Net cash provided by operating activities  | 9,293                   | 41,688               | 70,282    |
| Net cash (used in)/provided by investing activities  | 21,994                  | (22,738)             | (106,943) |
| Net cash (used in)/provided by financing activities  | (84,845)                | (5,519)              | 41,843    |
| Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents | 511                     | (8,390)              | 8,248     |

*Cash flows provided by operating activities.*

The main sources of cash provided by operating activities are generated by Search, Portal and Mobility services. Additionally, cash is generated through sales of devices and other services. Cash is primarily used for payments to employees, the purchase of goods and content assets, and making payments to Yandex Advertising Network's and certain distribution partners. Other uses of cash from operating activities include payments to suppliers for professional services, tax authorities for income taxes, and other general corporate expenditures.

Net cash provided by operating activities increased by RUB 28,594 million in 2023 and by RUB 32,395 million from in 2022, respectively, year over year. The increase mainly resulted from positive operating leverage effect in Search and Portal driven by solid trends in advertising revenue supported by savings related to reduced advertising and marketing expenses. In addition there was increased inflow from Mobility services driven by (i) the growth in the number of rides due to the improvement in the rider base and order frequency in Russia and fast growth of new users in CIS; and (ii) operational efficiency improvement and optimization of marketing expenses. Changes in operating assets and liabilities resulted in an outflow of RUB 20,459 million in 2023 and RUB 22,817 million in 2022 primarily due to changes in inventory, sales financing receivables, accounts receivables and content assets.

*Cash flows (used in)/provided by investing activities.*

Cash used in investing activities consists primarily of the acquisition of property and equipment (including the construction of new office building for a new headquarters for the businesses to be divested, purchasing networking equipment, and acquiring fulfillment and sort centers and scooters) and purchase of assets to be leased.

Net cash used in investing activities in 2023 amounted of RUB 106,943 million compared to net cash used in investing activities in 2022 of RUB 22,738 million. The change was mainly related to the increase in acquisitions of property, equipment and intangible assets by RUB 40,097 million, the purchase of assets to be leased by RUB 11,405 million, new loans granted by RUB 4,934 and a decrease in cash flows from maturities of term deposits (net of investment in term deposits) of RUB 23,455 million.

Net cash used in investing activities in 2022 amounted to RUB 22,738 million compared to net cash provided by investing activities in 2021 of RUB 21,994 million. The change was mainly related to maturities of term deposits and investments in term deposits in 2021 (in net amounts). Purchases of property and equipment and intangible assets increased by RUB 5,923 million in 2022 compared to 2021.

Cash used for acquisitions of businesses net of cash acquired in the amount of RUB 8,236 million in 2021 mainly related to the acquisitions: Axelcroft Group in February 2021 (RUB 7,228 million), Acropol Bank and other acquisitions (see Note 3 — "Business combinations and investment transactions" in the Notes to our consolidated financial statements included in this Annual Report).

*Cash flows (used in)/provided by financing activities.*

Net cash provided by financing activities in 2023 was RUB 41,843 million, consisting mainly of cash inflow from proceeds from the issuance of debt in the amount of RUB 227,151 million, cash outflows from repayment of debt in the amount of RUB 137,755 million and purchase of non-redeemable noncontrolling interests related to the acquiring of Uber's entire remaining 29% interest in MLU B.V. for consideration in cash of \$702.5 million (RUB 57,337 million at the exchange rate as of the closing date) (for more details see Note 3 - "Business combinations and investment transaction" of our consolidated financial statements included elsewhere in this Annual Report).

Net cash used in financing activities in 2022 was RUB 5,519 million, consisting mainly of cash outflows from repayment of convertible debt of RUB 49,560 million and cash inflow from proceeds from issuance of debt in the amount of RUB 50,666 million to fund the cash component of the Notes. Repayment of debt primarily refers to the repurchase of our convertible debt (for more details see Note 13 - "Debt" in the Notes to our consolidated financial statements included in this Annual Report).

Net cash used in financing activities in 2021 was RUB 84,845 million, consisting mainly of cash outflows from payment under the transaction with Uber of RUB 73,077 million.

[Table of Contents](#)

Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents consists of positive effect in 2023 in the amount of RUB 8,248 million due to the depreciation of the Russian ruble in 2023 against the U.S. dollar and negative effect in 2022 in the amount of RUB 8,390 million due to the strengthening of the Russian ruble against the U.S. dollar in 2022. This effect reflects changes of USD denominated monetary assets in the Russian businesses to be divested and RUB denominated monetary assets in our other foreign businesses.

**Off-Balance Sheet Items**

The Yandex group does not currently engage in material off balance sheet financing arrangements, and does 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 contractual obligations as of December 31, 2023:

|   | Payments due by period |                    |  |                     |                      |
|---|------------------------|--------------------|--|---------------------|----------------------|
|   | Total                  | Less than one year | One to three years<br>(in millions of RUB) | Three to five years | More than five years |
| Debt  | 141,484                | 92,046             | 42,559                                     | 6,879               | —                    |
| Operating lease obligations <sup>1</sup>                      | 43,766                 | 13,216             | 20,630                                     | 7,188               | 2,732                |
| Finance lease obligations <sup>2</sup>                        | 43,651                 | 7,087              | 18,186                                     | 9,767               | 8,611                |
| Non-cancelable streaming content related purchase obligations | 7,194                  | 5,623              | 1,120                                      | 451                 | —                    |
| Non-cancelable other purchase obligations <sup>3</sup>        | 26,745                 | 12,196             | 12,231                                     | 1,492               | 826                  |
| <b>Total contractual obligations</b>                          | <b>262,840</b>         | <b>130,168</b>     | <b>94,726</b>                              | <b>25,776</b>       | <b>12,169</b>        |

<sup>1</sup> Includes lease obligations for corporate offices, warehouses, sorting centers, parking spots and cars.

<sup>2</sup> Includes lease obligations for cars and warehouses

<sup>3</sup> Obligations related to facility build-outs, utilities fees, agreements on the right to distribute the third-party content and other services.

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, 2023. All amounts are shown excluded value added tax, where applicable.

**Critical Accounting Policies, Estimates and Assumptions**

The 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, 2021, 2022 and 2023, included elsewhere in this Annual Report. The preparation of these consolidated financial statements requires us to make judgments in selecting appropriate assumptions for calculating accounting 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 uncertain tax positions and determining the appropriate 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 tax 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 taxes may be in excess of the estimated amount expensed to date and accrued as of December 31, 2023, due to ambiguities in, and the evolution of, local 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 which the businesses to be divested 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.

#### ***Business Combinations***

The FASB authoritative guidance requires an allocation of the fair value of purchase consideration to 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 the businesses to be divested. 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.

The purchase consideration that requires estimation of fair value is determined by valuation techniques which involve the use of significant estimates and assumptions determined by management.

#### ***Impairment of Goodwill***

The carrying value of goodwill arising from business combinations is assessed 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 the reporting segments compared with 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 segment 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 the retained business as well as those to be divested 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.

#### ***Fair Value of the Share Consideration Part of the Convertible Debt***

We accounted for the modification of our 0.75% convertible notes due March 3, 2025 (the “Notes”) as a troubled debt restructuring and recognized as a gain the difference between the carrying value of all the Notes and the fair value of the purchase price paid and payable, including the cash component and share consideration. The fair value of the share consideration was determined based on the analysis of the most appropriate valuation technique in light of the trading halt in our Class A shares on NASDAQ.



## Recent Accounting Pronouncements

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

## Quantitative and Qualitative Disclosures About Market Risk

### *Foreign Currency Exchange Risk*

In our Russian operating subsidiaries to be divested, foreign exchange gains and losses arise primarily on monetary assets and liabilities denominated in U.S. dollar, and in our foreign companies - denominated in rubles. Therefore, the exchange rate fluctuations of rubles versus U.S. dollar may significantly affect our results of operations. For example, if the U.S. dollar had been stronger/weaker by 20% relative to the value of the Russian ruble as of December 31, 2023 we would have recognized additional foreign exchange losses/gains before tax of RUB 2,279 million.

Furthermore, the revenues and expenses of the Russian businesses to be divested are primarily denominated in Russian rubles. However, a substantial portion of capital expenditures, 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 occurred in 2015, 2020, 2022 and 2023 the ruble equivalents of these U.S. dollar-denominated expenditures increase and negatively impact net income and cash flows.

The functional currency of our parent company, Yandex N.V., is the U.S. dollar. The functional currency of the group’s other businesses, including those businesses to be divested, which are incorporated in other countries is generally the respective local currency. The Russian ruble is currently the company’s reporting currency. The financial statements of the non-Russian entities are translated into rubles using the current rate method, where balance sheet items are translated into rubles at the period-end exchange rates and revenue and expenses are translated using a weighted average exchange rates for the relevant period. The resulting translation effects were recorded as part of accumulated other comprehensive income in the consolidated balance sheets and amounted to a loss of RUB 9,369 million, a gain of RUB 7,966 million and a loss of RUB 1,672 million for the years ended December 31, 2023, 2022 and 2021, respectively.

### *Interest Rate Risk*

The group is exposed to variability in cash flow primarily related to floating interest rate debt (for more details see Note 13 - "Debt" of our consolidated financial statements included elsewhere in this Annual Report). A part of the obligations bear floating interest rates based on the key rate of the Central Bank of Russia. Such businesses would have experienced an additional interest expense of approximately RUB 1,061 million on an annual basis as a result of a hypothetical increase in base rate by one percentage point over the current rate as of December 31, 2023. Since a linear dependence is applicable, a hypothetical increase in base rate by each additional percentage point would have caused the same additional interest expense of approximately RUB 1,061 million on an annual basis.

**Item 6. Directors, Senior Management and Employees.**

The following table sets forth certain information with respect to each of our non-executive 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                  |
|--------------------|-----|--|-------------------------------------|------------------------|
| John Boynton       | 58  | 2025   | 2000                                | Non-Executive Chairman |
| Rogier Rijnja      | 61  | 2026   | 2013                                | Non-Executive Director |
| Charles Ryan       | 56  | 2026   | 2011                                | Non-Executive Director |
| Alexander Voloshin | 68  | 2026   | 2010                                | Non-Executive Director |
| Alexey Yakovitsky  | 48  | 2027   | 2019                                | Non-Executive Director |
| Alexander Moldovan | 73  | 2025   | 2021                                | Non-Executive Director |
| Andrey Betin       | 43  | 2027   | 2023                                | Non-Executive Director |

With effect from the first closing of the proposed Sale transaction, Messrs. Betin, Moldovan, Voloshin and Yakovitsky will resign from the Board.

*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. 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. He graduated with BA from Harvard College in 1988.

*Mr. Rijnja* has been a non-executive director of Yandex since 2013. Mr. Rijnja is a management consultant and executive coach. Previously he served as a 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. Earlier, 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 internationally, 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. The Board of Directors has determined that Mr. Ryan meets the SEC criteria for an Audit Committee Financial Expert.

*Mr. Voloshin* has been a non-executive director of Yandex since August 2010 after serving as an advisor to the company for two years. 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 served as Chairman of the Board of Directors of Uralkali from 2010 to 2014 and as Chairman of the Board and Independent Director at JSC Freight One from 2012 to 2023. 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. Also in 2016 he was elected Member of the Board of Directors of Genotek. In July 2020 Mr. Voloshin was elected Member of the Board of Directors of Analytical Credit Rating Agency (ACRA). In April 2021 was elected a member of the Board of Directors of "Etalon Group PLC". Also in September 2022 became a member of the Board of Directors of "Etalon Group company".

*Mr. Yakovitsky* has been a non-executive director of Yandex since 2019. He started his career in equity research at United Financial Group (UFG). He joined VTB Capital in 2008 as co-head of equities and head of research and served as its Moscow CEO from 2009 until Q1 2022. 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).

*Dr. Moldovan* joined the Board in June 2021. Dr. Moldovan is Chairman of the Academic Council of the Vinogradov Institute and a full member of the Russian Academy of Sciences. He is one of the foremost experts on the history and evolution of the Russian language. His collaborations with Yandex date back more than 20 years when he worked with Arkady Volozh and Ilya Segalovich to develop the first National Russian Language Corpus on top of our core search platform.

*Mr. Betin* joined the Board in May 2023. Mr. Betin is a businessperson and former public official. Since February 2023, Mr. Betin works as Deputy General Director of the Autonomous Non-Profit Organization "Russia – country of opportunities" – an open platform for participation in all-Russian projects, learning new skills and realizing talents. From 2002 to 2013, Mr. Betin held various positions in commercial companies. From 2016 to 2017, he worked as Deputy General Director of Transengineering LLC, a part of the Summa Group. In 2017, he worked as First Vice-Rector for innovation in cooperation with industrial partners of the Moscow State University of Technology "STANKIN". From 2018 to February 2023, Mr. Betin worked in the administration of the Nizhny Novgorod region in central Russia and held the position of Deputy Governor of Nizhny Novgorod region. Since February 2023, Mr. Betin has held no governmental position. Mr. Betin graduated from the State Institute of Physical Culture and the Russian University of Economics named after G.V. Plekhanov (MBA program).

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

Following the resignations of two executive directors in 2022, these positions remain vacant. In the absence of executive directors, as matter of Dutch law, our Board of Directors collectively exercises executive authority over our company. The Board grants powers of attorney from time to time to company representatives as required, and supervises and directs the other members of management.

#### **Compensation and Share Ownership of Executive Officers and Directors**

In light of the trading halt in our Class A shares on Nasdaq, our Board of Directors approved an amendment of our outstanding equity incentive awards: in 2023 our participants received cash compensation on the vesting dates of the relevant RSU equity awards, in an amount equal to the target value of each tranche of such awards. Accordingly, no awards have vested from February 28, 2022 through the end of 2023, and participants instead received cash compensation on the vesting dates of the relevant RSU equity awards, in an amount equal to the target value of each tranche of such awards.

The aggregate cash compensation paid or accrued in 2023 for members of our senior management, as a group, was RUB 1,607 million (\$17.9 million), including cash compensation of RUB 989 million (\$11.0 million), which was paid instead of the relevant vested equity awards. In addition, we granted an aggregate of 131,227 Synthetic Options and Business Unit Equity Awards during 2023 to the members of that senior management group. Synthetic Options and Business Unit Equity Awards will vest 25% after one year and the remaining part on a quarterly basis over three years. The Synthetic Options and Business Unit Equity Awards have ten-year terms.

## 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. Following the first closing of the Sale, the committee structure and composition will be changed.

### *Audit Committee*

Our audit committee consists of Messrs. Ryan (chairperson), Boynton and Rijnja. 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. 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 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 from time to time.

### *Compensation Committee*

Our compensation committee currently consists of Messrs. Rijnja (chairperson) and Boynton, with one vacancy. Each member satisfies the “independence” requirements of the Nasdaq listing standards. The compensation committee assists the Board 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, although this position

## [Table of Contents](#)

vacant at the time of this Annual Report. 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 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 with respect to any incentive compensation and equity plans, programs or similar arrangements;
- exercising the rights of our Board 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 the Board from time to time.

### *Nominating Committee*

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

- Subcommittee I consists of one director with a Russian passport and residency (Mr. Moldovan), one designated director (Mr. Betin) 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 Alexander Moldovan, with two such seats currently vacant;
- Subcommittee II consists of three directors (Messrs. Boynton, Rijnja and Voloshin) 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 currently consists of Messrs. Boynton (chairperson), Voloshin, and Rijnja. Each member satisfies the “independence” requirements of the Nasdaq listing standards. The corporate governance committee assists the Board 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.

[Table of Contents](#)

*Investment Committee*

Our investment committee consists of Messrs. Ryan (chairperson), Boynton, and Rijnja. Each member 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; and
- reviewing and providing guidance to management and the Board regarding the organizational structure of the group.

*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 local law. The employment agreements generally contain non-competition and non-solicitation provisions, although we understand that such provisions are generally unenforceable under local law in certain jurisdictions.

**Employees**

The following table indicates the composition of the group’s workforce as of December 31 in each year presented:

|                           | 2021          | 2022          | 2023          |
|---------------------------|---------------|---------------|---------------|
| Businesses to be divested | 18,004        | 19,985        | 25,127        |
| Continuing operations     | —             | 865           | 1,234         |
| <b>Total</b>              | <b>18,004</b> | <b>20,850</b> | <b>26,361</b> |

  

|                                   | 2021          | 2022          | 2023          |
|-----------------------------------|---------------|---------------|---------------|
| Product development               | 9,192         | 10,708        | 13,003        |
| Sales, general and administration | 7,956         | 9,204         | 12,364        |
| Cost of sales                     | 856           | 938           | 994           |
| <b>Total</b>                      | <b>18,004</b> | <b>20,850</b> | <b>26,361</b> |

Yandex also typically employs 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 Plan

We grant equity awards in the form of restricted shares units (“RSUs”) under our 2016 Equity Incentive Plan (the “2016 Plan”) (“Company Awards”). Our 2016 Plan was approved at our 2016 annual general meeting of shareholders on May 27, 2016 and replaced our Forth Amended and Restated 2007 Equity Incentive Plan (the “2007 Plan”). However, there remain unexercised grants under our 2007 Plan. The total number of shares available for issuance under the 2016 Plan 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 of several business units the opportunity to receive synthetic option awards in respect of relevant business units (the “Synthetic Options and Business Unit Equity Awards”) and a linked RSU award.

*Plan administration.* Our Board or its compensation committee administers the 2016 Plan. Although the 2016 Plan sets forth certain terms and conditions of the equity awards, our Board 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 awards to employees and directors of and consultants to our company and its subsidiaries. With respect to Synthetic Options and Business Unit Equity Awards, we may grant awards to employees, officers, members of the Board, advisors and consultants of such business units.

*Exercise price and term of equity awards.* With respect to Synthetic Options and Business Unit Equity Awards, the exercise price of options shall be determined from time to time by the Board (following consultation with an independent valuation expert). RSU 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 Yandex has not terminated.

*Vesting schedule.* The notice of grant specifies the vesting schedule. Awards generally vest over a four-year period, with one year cliff or one-sixteenth vesting each quarter. 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 the plan’s administrator.

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

### *Equity Award Exchanges.*

In March 2022, the company offered to all holders of RSUs an opportunity to exchange the portion of outstanding awards that would otherwise have vested between February 28, 2022 and the end of 2022 for cash bonuses. Equity awards in respect of an aggregate of approximately 3.3 million RSUs were exchanged. The replacement cash payments were paid in accordance with the original 2022 vesting schedules of the exchanged RSUs.

In January 2023, the company extended this program into 2023 and modified the terms of the Yandex N.V. RSU awards to exchange the portion of outstanding awards that would otherwise have vested in 2023 year for cash bonuses. Equity awards in respect of an aggregate of approximately 2.7 million RSUs were exchanged. The replacement cash payments are payable in accordance with the original 2023 vesting schedules of the exchanged RSUs.

## Item 7. Major Shareholders and Related Party Transactions.

The following table contains information concerning each of our directors 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 were exercisable as of February 15, 2024. The percentage of beneficial ownership is based on 325,783,607 Class A shares and 35,698,674 Class B shares outstanding as of February 15, 2024. 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, 2024 |               |                   |                |                    |                     |
|---|---|---------------|-------------------|----------------|--------------------|---------------------|
|   | Class A Shares                                    |               | Class B Shares    |                | Total Percentage   |                     |
|   | Number of Shares                                  | %             | Number of Shares  | %              | By Voting Power(1) | By Number of Shares |
| <b>Continuing Directors:</b>  |   |               |                   |                |                    |                     |
| John Boynton(2)   | 129,794   | *             | —                 | —              | *                  | *                   |
| Rogier Rijnja(3)  | 4,251   | *             | —                 | —              | *                  | *                   |
| Charles Ryan(4)   | 49,504  | *             | —                 | —              | *                  | *                   |
| <b>Directors scheduled to resign with effect from First Completion of the Sale:</b> |   |               |                   |                |                    |                     |
| Andrey Betin  | —   | *             | —                 | —              | *                  | *                   |
| Alexander Moldovan(5)   | 1,262   | *             | —                 | —              | *                  | *                   |
| Alexander Voloshin(6)   | 81,780  | *             | —                 | —              | *                  | *                   |
| Alexey Yakovitsky(7)  | 11,284  | *             | —                 | —              | *                  | *                   |
| <b>All directors as a group (7 persons)(8)</b>                                      | <b>277,875</b>                                    | <b>0.09 %</b> | <b>—</b>          | <b>—</b>       | <b>0.04 %</b>      | <b>0.08 %</b>       |
| <b>Principal Shareholders:</b>  |   |               |                   |                |                    |                     |
| LASTAR Trust(9)   | 32,656  | 0.01 %        | 30,786,700        | 86.24 %        | 45.10 %            | 8.53 %              |
| Vladimir Ivanov   | 7,143,756   | 2.19 %        | 3,318,884         | 9.30 %         | 5.91 %             | 2.89 %              |
| FMR LLC(10)   | 17,937,178  | 5.51 %        | —                 | —              | 2.63 %             | 4.96 %              |
| <b>Total shares held by directors and 5% holders</b>                                | <b>25,391,465</b>                                 | <b>7.80 %</b> | <b>34,105,584</b> | <b>95.54 %</b> | <b>53.68 %</b>     | <b>16.46 %</b>      |

\* 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) 60,000 Class A shares held by trusts, the beneficiaries of which include Mr. Boynton or members of his family, (b) 57,013 Class A shares held by the John W. Boynton IV Trust of 2006, and (c) 12,781 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.
- (3) Consists of 4,251 vested restricted share units in respect of Class A shares.
- (4) Consists of 49,504 vested restricted share units in respect of Class A shares.
- (5) Consists of 1,262 vested restricted share units in respect of Class A shares.
- (6) Consists of 81,780 vested restricted share units in respect of Class A shares.
- (7) Consists of 11,284 vested restricted share units in respect of Class A shares.



- (8) Includes 160,862 vested restricted share units in respect of Class A shares.
- (9) LASTAR Trust, a family trust established by Mr. Volozh in December 2019. Includes (a) 30,786,700 Class B shares held by Highvern Cayman Limited, as Trustee of the LASTAR Trust, the beneficiaries of which include Mr. Volozh or members of his family and (b) options to purchase 32,656 Class A shares.
- (10) The number of shares reported is based solely on the Schedule 13G filed by FMR LLC on February 9, 2024 and represents its beneficial ownership as of December 31, 2023. The principal business office of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.

#### **Holdings by U.S. Shareholders**

As of February 15, 2024, 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 47.55% of our outstanding shares by voting power.

#### **Related Party Transactions**

None.

#### **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”. On February 28, 2022, Nasdaq and the New York Stock Exchange imposed a trading halt in securities of a number of companies with material operations in Russia, including Yandex N.V.

Our Class A shares remain subject to a trading halt on Nasdaq. In March 2023, we received a notification from the Listing Qualifications Staff of Nasdaq citing their intention to delist our shares from the Nasdaq Global Select Market. We appealed this decision and in late April 2023, a hearing was held before the Nasdaq Hearings Panel. On June 6, 2023, we received notification of the Hearings Panel’s decision to grant our request to continue the company’s listing on Nasdaq, subject to certain conditions related to the timing and implementation of the proposed Sale.

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”. As a result of legal restrictions in Russia on sales by non-domestic holders, as well as actions taken in the international clearing systems, there is no flow of shares between the US and Russia, and therefore trading in our shares on the MOEX remains limited. Some non-Russian investors are currently not permitted to trade our shares on that market. We will apply to terminate the listing of our Class A shares on MOEX in the coming weeks, which will become effective in connection with the second closing of the Sale.

## **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, June 1, 2016 and December 23, 2019. As part of the Sale, our articles of association will be amended again with effect from first closing, as approved by our shareholders in March 2024.

### **Material Contracts**

#### ***Sale transaction***

##### *Share Purchase Agreement*

On February 4, 2024, the Company entered into a share purchase agreement (the “Share Purchase Agreement”) with Closed-end Mutual Investment Fund “Consortium First”, a closed-end mutual investment fund under the trust management of JSC Solid Management, a joint stock company incorporated under the laws of the Russian Federation (the “Purchaser”), relating to the sale (the “Divestment”) of IJSC “Yandex”, an international joint stock company incorporated under the laws of the Russian Federation (the “Divestment HoldCo”). Prior to completion of the Divestment, Divestment HoldCo will be the ultimate holding company of the Group’s operations in the Russian Federation and further operations elsewhere in the CIS and certain international markets (“Yandex Russia”).

Pursuant to the Share Purchase Agreement, the Company has agreed to sell its entire equity interest in the Divestment HoldCo for total consideration of RUB 475 billion (to be satisfied in a combination of cash and the Company’s own shares (the “Consideration Shares”). The consideration amount gives effect to a 50% discount to fair value of the assets to be divested, as currently required under Russian law. The Company understands that the Purchaser will acquire the Consideration Shares through bilateral arrangements with and public offers to current shareholders in Russia whose Company shares are recorded within the Russian securities infrastructure (the “Consideration Shares Acquisitions”).

The Divestment will be implemented in two closings. At the initial closing (“First Completion”), the Company will sell a controlling stake in the Divestment HoldCo to the Purchaser for a combination of cash and Consideration Shares. First Completion is conditional upon, among other things, the satisfaction of customary conditions. Following First Completion, the Purchaser will complete the Consideration Shares Acquisitions. At the second (and final) closing (“Second Completion”), any such further Consideration Shares acquired by the Purchaser will be transferred to the Company in consideration for the transfer of the remaining shareholding in the Divestment HoldCo, with the balance of the transaction consideration, if any, to be paid in additional cash by the Purchaser. The Share Purchase Agreement contains customary warranties and covenants of each of the parties thereto.

In addition, in connection with the Divestment and as contemplated by the Share Purchase Agreement, the Company has sold 14,166,665 ordinary shares in the capital of Divestment HoldCo (the “Pre-Completion Sale Shares”), constituting 3.73% of the entire issued share capital in the Divestment HoldCo, for cash to Yandex.Technologies LLC, a Russian subsidiary of Divestment HoldCo, to serve as an equity incentive pool for the Target group.

First Completion is expected to take place imminently and in any event during the first half of 2024. Pursuant to the terms of the Share Purchase Agreement, Second Completion will occur as soon as reasonably practicable following the date of First Completion, and in any event no later than approximately seven weeks after the First Completion.

##### *Deed of Amendment to the SPA*

On March 28, 2024, pursuant to a deed of amendment to the Share Purchase Agreement, the Company and the Purchaser agreed to amend certain terms of the Share Purchase Agreement. In particular, and in addition to certain clarificatory amendments, the parties agreed to extend the longestop date for the satisfaction or waiver (as applicable) of

## [Table of Contents](#)

all closing conditions for First Completion until April 30, 2024. The parties expect to agree a further short extension of the longstop date prior to such date.

### *Deed of Undertaking*

On February 4, 2024, the Company and the Divestment HoldCo entered into a deed of undertaking (the “Deed of Undertaking”) pursuant to which the Company has agreed to certain non-compete, non-solicitation and non-hiring obligations for a period of five (5) years following the First Completion.

In connection with the Divestment, the Company will retain a portfolio of certain international businesses and other non-Russian assets (the “International Businesses”), including, in particular: (i) Nebius AI; (ii) Toloka AI; (iii) Avride; and (iv) TripleTen.

Pursuant to the Deed of Undertaking, the Company and its affiliates will be permitted to operate the International Businesses, including any development or natural evolution of the International Businesses, globally (save for in Russia and Belarus) at any time, provided that during the five (5) year non-compete period, the Company shall not engage in or otherwise be concerned with: (i) the principal businesses of Yandex Russia, as conducted at First Completion, in any territory worldwide (a “Restricted Business”); or (ii) any development or natural evolution of the International Businesses outside of their original scope, if such business develops in a way as to be engaged or otherwise concerned with a Restricted Business. Furthermore, the Company agreed that the Company and its affiliates, for a period of five (5) years following First Completion, shall not solicit, attempt to solicit, engage or hire or attempt to engage or hire any employee of the Yandex Russia businesses to work for the Company or its affiliates. The restrictions apply, subject to certain exceptions, to certain individuals who were employed by the Yandex Russia businesses in the 12 months prior to First Completion or who are subsequently hired within the three (3) years post-First Completion.

### *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.

On March 7, 2022, the convertible notes’ delisting event condition was triggered as a result of the trading of our Class A shares on Nasdaq having been suspended for at least five trading days. Following a restructuring of these obligations, we have to date repurchased a total of over 99% of the aggregate principal amount of the convertible notes for a combination of cash and Class A shares. The terms and conditions of our convertible notes, as amended, provided that the final maturity date would be September 13, 2022. Of the \$1,239.4 million of our convertible notes’ principal amount repurchased, the notes in an aggregate principal amount of \$1,175.4 million have been surrendered to the principal paying, transfer and conversion agent for cancellation and have been subsequently cancelled, and the remainder, an aggregate principal amount of \$64.0 million, continue to be held by us and are not yet capable of being cancelled due to certain restrictions imposed by the clearing systems through which our convertible notes are held.

We remain committed to satisfying our obligations on the remaining convertible notes and have available resources to do so.

### *Acquisition of Uber’s remaining interest in MLU B.V.*

On April 21, 2023, we entered into an agreement (the “Agreement”) with Uber NL Holdings 1 B.V. (“Uber”), a subsidiary of Uber Technologies Inc., and on the same day acquired Uber’s entire remaining 29% interest in MLU B.V, a mobility joint venture, for consideration in cash of \$702.5 million (RUB 57,337 million at the exchange rate as of the closing date). The Agreement superseded and was in lieu of the call option Uber granted to us under a Framework Agreement dated September 7, 2021. The transaction was accounted for as an equity transaction.

### *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.

[Table of Contents](#)

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 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). Prior to the halt on February 28, 2022, of the trading of our Class A ordinary shares that are currently listed on the Nasdaq Global Select Market, we believe we were a qualified foreign corporation under the Internal Revenue Code, because our Class A ordinary shares were readily tradable on an established securities market in the United States. Following the trading halt of our Class A ordinary shares, however, we believe that we are no longer a qualified foreign corporation under the Internal Revenue Code, because our Class A ordinary shares are no long readily tradable on an established securities market in the United States, and we are not expected to meet the other requirement that would permit treatment as a qualified foreign corporation, which requires being eligible for benefits under certain income tax treaties with the United States. Accordingly, dividends paid by us to non-corporate U.S. holders with respect to Class A shares following the trading halt of our Class A ordinary shares are not expected to be treated as "qualified dividend income." In addition, 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](http://www.sec.gov/edgar) or at [ir.yandex.com/sec.cfm](http://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 principal executive officer and principal financial officer, evaluated the effectiveness of the company’s disclosure controls and procedures as of December 31, 2023. 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, 2023, the company’s principal executive officer and principal 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 principal executive officer and principal 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

[Table of Contents](#)

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.

Management assessed the design and operating effectiveness of our internal control over financial reporting as of December 31, 2023. This assessment was performed under the direction and supervision of our principal executive officer and principal 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, 2023, 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, 2023 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, 2023 has been audited by Joint-Stock Company "Technologies of Trust – Audit", our independent registered public accounting firm, as stated in its report, which appears on page F-2 of this Annual Report.

**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, 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 [ir.yandex.com/documents.cfm](http://ir.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 Joint-Stock Company "Technologies of Trust - Audit" (before June 2022 named AO PricewaterhouseCoopers Audit), our independent registered public accounting firm, or its affiliates billed to us for 2022 and 2023 fiscal years, respectively:

|                               | 2022             | 2023       |
|-------------------------------|------------------|------------|
|                               | (RUB in million) |            |
| Audit Fees <sup>(1)</sup>     | 187              | 207        |
| All Other Fees <sup>(2)</sup> | 9                | 7          |
| <b>Total Fees</b>             | <b>196</b>       | <b>214</b> |

(1) Audit fees for 2023 and 2022 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 advisory services.

*Pre-Approval Policies for Non-Audit Services*

The audit committee pre-approved all of the non-audit services performed for us by JSC "Technologies of Trust - Audit" during 2023.

**Item 16D. Exemptions from the Listing Standards for Audit Committees.**

Not applicable.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

None.

**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.

**Item 16J. Insider Trading Policies**

We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and applicable listing standards.

**Item 16K. Cybersecurity.**

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats. These risks include, among other things, operational risks, the risk of intellectual property theft, fraud, harm to employees or third parties with which we conduct business and violation of data privacy or security laws.

Identifying and assessing cybersecurity risk is integrated into our overall risk management systems and processes. Cybersecurity risks related to our business are identified and addressed through a multi-faceted approach that consists of robust information technology security, testing of our information systems and third-party assessments. To defend against, detect and respond to cybersecurity incidents, we, among other things, conduct regular monitoring of our environment by our internal security tools, conduct employee trainings, monitor emerging laws and regulations related to data protection and information security and implement appropriate changes.

[Table of Contents](#)

Consistent with our cybersecurity risk management policies and controls, we have processes in place for: (i) regular vulnerability scanning and technical monitoring of our systems, (ii) detection and analysis of cybersecurity incidents that present risk of unauthorized access to company assets, (iii) containment, eradication and data recovery, and (iv) post-incident analysis. Such incident responses are overseen by leaders from our information technology, finance, legal and compliance teams.

Cybersecurity events and data incidents are evaluated, assessed based on severity and prioritized for response and remediation. Under our incident response plan and related policies, incidents are evaluated to determine materiality as well as operational and business impact and reviewed for privacy impact. Our team of cybersecurity professionals then collaborate with technical and business stakeholders to further analyze the risk to the company, and form detection, mitigation and remediation strategies. As part of the above processes, we regularly engage external consultants to assess our internal cybersecurity programs and compliance with applicable practices and standards.

Cybersecurity is an important part of our risk management processes and an area of focus for our board of directors and management team. Our board of directors has delegated responsibility to the Audit Committee for the oversight of risks from cybersecurity threats. Members of the Audit Committee receive regular updates from senior management, including leaders from our information technology, legal and compliance teams regarding matters of cybersecurity. This includes existing and new cybersecurity risks, information on how management is addressing and/or mitigating those risks, cybersecurity incidents (if any) and status on key information security initiatives.

Despite our cybersecurity efforts, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on our business. For a discussion of cybersecurity risks applicable to us, see the section headed “Risk Factors”.

YANDEX N.V.  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

|   | <u>Page</u> |
|---|-------------|
| <a href="#">Report of Independent Registered Public Accounting Firm</a> (PCAOB ID: 1326)                                    | F-2         |
| <a href="#">Consolidated Balance Sheets as of December 31, 2022 and 2023</a>  | F-5         |
| <a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2021, 2022 and 2023</a>                  | F-6         |
| <a href="#">Consolidated Statements of Comprehensive Income/(Loss) for the Years Ended December 31, 2021, 2022 and 2023</a> | F-7         |
| <a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2022 and 2023</a>                  | F-8         |
| <a href="#">Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2021, 2022 and 2023</a>        | F-10        |
| <a href="#">Notes to the Consolidated Financial Statements</a>  | F-11        |

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Yandex N.V.:

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Yandex N.V. and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income/(loss), cash flows and shareholders’ equity for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### *Substantial Doubt about the Company’s Ability to Continue as a Going Concern*

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 19 to the consolidated financial statements, on February 4, 2024, the Company entered into a share purchase agreement with “Consortium First”, relating to the sale of 100% interest in IPJSC “Yandex”, a subsidiary of the Company consolidating all of the Group’s assets and operations in Russia and certain international markets, which form the divestment perimeter (“the Sale”). If the Sale is not completed, the Company may face difficulties with financing and other risks as further explained in Note 19, which raises substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 19. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### *Basis for Opinions*

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements 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. 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 audits also included performing



such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

***Critical Audit Matter***

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 (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters 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 of Uber's remaining interest in MLU B.V.***

As described in Note 3 to the consolidated financial statements, on April 21, 2023, the Company entered into an agreement (the "Agreement") with Uber NL Holdings 1 B.V. ("Uber"), a subsidiary of Uber Technologies Inc., and on the same day acquired Uber's entire remaining 29% interest in MLU B.V, a mobility joint venture, for consideration in cash of \$702.5 million (RUB 57,337 million at the exchange rate as of the closing date). Management accounted for the transaction as an equity transaction and reduced the amount of the non-controlling interest and additional paid-in capital by RUB 23,524 million and RUB 35,459 million, respectively, as well as increased the amount of the accumulated other comprehensive income by RUB 1,646 million.

The principal considerations for our determination that performing procedures relating to the acquisition of Uber's remaining interest in MLU B.V is a critical audit matter are the complexity and judgement exercised by the Company's management in assessing the accounting treatment of this transaction, which in turn led to a high degree of auditor judgment and effort in performing procedures and evaluating audit evidence obtained relating to whether the transaction attributes were appropriately analysed and accounted for by the Company's management.

[Table of Contents](#)

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's financial reporting process, including controls over significant transactions accounting and the related disclosures. These procedures also included, among others (i) evaluating the appropriateness of the accounting treatment of the transaction and judgement related to determination of the consideration; (ii) testing the management's calculations of the effects on additional paid-in capital, other comprehensive income/(loss) and non-controlling interest; and (iii) testing the completeness and accuracy of the related disclosures.

/s/ Joint-Stock Company "Technologies of Trust – Audit"  
Moscow, Russian Federation  
April 26, 2024

We have served as the Company's auditor since 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, |                |                |
|---|-------|--------------------|----------------|----------------|
|   |       | 2022<br>RUB        | 2023<br>RUB    | 2023<br>\$     |
| <b>ASSETS</b>   |       |                    |                |                |
| Cash and cash equivalents   | 4     | 83,131             | 96,519         | 1,076.2        |
| Accounts receivable, less allowance for doubtful accounts of RUB 4,169 and RUB 5,448, respectively  | 4     | 58,014             | 85,444         | 952.7          |
| Sales financing receivable  |       | 5,738              | 21,916         | 244.4          |
| Prepaid expenses  |       | 16,968             | 19,818         | 221.0          |
| Inventory   |       | 28,220             | 21,276         | 237.2          |
| Funds receivable  |       | 8,290              | 13,178         | 146.9          |
| VAT reclaimable   |       | 22,602             | 29,560         | 329.6          |
| Other current assets  | 4     | 16,971             | 23,184         | 258.4          |
| <b>Total current assets</b>   |       | <b>239,934</b>     | <b>310,895</b> | <b>3,466.4</b> |
| Property and equipment  | 7     | 127,706            | 193,918        | 2,162.1        |
| Operating lease right-of-use assets   | 8     | 28,646             | 35,522         | 396.1          |
| Intangible assets   | 9     | 31,766             | 28,361         | 316.2          |
| Content assets  | 11    | 16,844             | 26,625         | 296.9          |
| Goodwill  | 9     | 143,778            | 142,840        | 1,592.6        |
| Equity method investments   |       | 2,118              | 731            | 8.2            |
| Investments in non-marketable equity securities   |       | 6,746              | 8,278          | 92.3           |
| Deferred tax assets   | 10    | 3,904              | 9,723          | 108.4          |
| Other non-current assets  | 4     | 15,277             | 29,735         | 331.5          |
| <b>Total non-current assets</b>   |       | <b>376,785</b>     | <b>475,733</b> | <b>5,304.3</b> |
| <b>TOTAL ASSETS</b>   |       | <b>616,719</b>     | <b>786,628</b> | <b>8,770.7</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |       |                    |                |                |
| Accounts payable, accrued and other liabilities   | 4     | 122,816            | 193,448        | 2,156.8        |
| Debt, current portion   | 13    | 21,306             | 92,046         | 1,026.3        |
| Income and non-income taxes payable   | 4     | 28,137             | 39,362         | 438.9          |
| Deferred revenue  |       | 15,585             | 22,805         | 254.3          |
| <b>Total current liabilities</b>  |       | <b>187,844</b>     | <b>347,661</b> | <b>3,876.3</b> |
| Debt, non-current portion   | 13    | 29,885             | 49,438         | 551.2          |
| Deferred tax liabilities  | 10    | 5,473              | 11,463         | 127.8          |
| Operating lease liabilities   | 8     | 17,609             | 25,556         | 284.9          |
| Finance lease liabilities   | 8     | 21,185             | 27,600         | 307.7          |
| Other accrued liabilities   |       | 16,545             | 28,618         | 319.2          |
| <b>Total non-current liabilities</b>  |       | <b>90,697</b>      | <b>142,675</b> | <b>1,590.8</b> |
| <b>Total liabilities</b>  |       | <b>278,541</b>     | <b>490,336</b> | <b>5,467.1</b> |
| Commitments and contingencies   | 12    |                    |                |                |
| Shareholders' equity:   |       |                    |                |                |
| Priority share: €1 par value; 1 share authorized, issued and outstanding  | 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); shares issued (Class A: 326,342,270, Class B: 35,698,674 and Class C: 10,000 and nil, respectively); shares outstanding (Class A: 325,783,607, Class B: 35,698,674, and Class C: nil) | 14    | 282                | 282            | 3.1            |
| Treasury shares at cost (Class A: 558,663)  |       | (1,393)            | (1,393)        | (15.5)         |
| Additional paid-in capital  |       | 119,464            | 87,235         | 972.6          |
| Accumulated other comprehensive income  |       | 24,258             | 16,575         | 184.9          |
| Retained earnings   |       | 173,697            | 193,577        | 2,158.3        |
| <b>Total equity attributable to Yandex N.V.</b>   |       | <b>316,308</b>     | <b>296,276</b> | <b>3,303.4</b> |
| Noncontrolling interests  |       | 21,870             | 16             | 0.2            |
| <b>Total shareholders' equity</b>   |       | <b>338,178</b>     | <b>296,292</b> | <b>3,303.6</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |       | <b>616,719</b>     | <b>786,628</b> | <b>8,770.7</b> |

The accompanying notes are an integral part of the consolidated financial statements.

YANDEX N.V.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions of Russian rubles and U.S. dollars, except share and per share data)

|  | Notes | Year ended December 31, |               |               |              |
|--|-------|-------------------------|---------------|---------------|--------------|
|  |       | 2021                    | 2022          | 2023          | 2023         |
|  |       | RUB                     | RUB           | RUB           | \$           |
| Revenues   | 4     | 356,171                 | 521,699       | 800,125       | 8,921.2      |
| Operating costs and expenses:  |       |                         |               |               |              |
| Cost of revenues <sup>(1)</sup>  |       | 173,952                 | 233,219       | 360,033       | 4,014.3      |
| Product development <sup>(1)</sup>   |       | 48,461                  | 72,278        | 102,991       | 1,148.3      |
| Sales, general and administrative <sup>(1)</sup>                                     |       | 122,924                 | 172,092       | 267,552       | 2,983.0      |
| Depreciation and amortization  |       | 24,111                  | 30,874        | 39,952        | 445.5        |
| Goodwill impairment  | 9     | —                       | —             | 1,136         | 12.7         |
| Total operating costs and expenses   |       | 369,448                 | 508,463       | 771,664       | 8,603.8      |
| <b>Income/(loss) from operations</b>   |       | <b>(13,277)</b>         | <b>13,236</b> | <b>28,461</b> | <b>317.4</b> |
| Interest income  | 4     | 4,615                   | 4,723         | 5,637         | 62.9         |
| Interest expense   |       | (3,711)                 | (3,396)       | (10,863)      | (121.1)      |
| Gain on restructuring of convertible debt  | 13    | —                       | 9,305         | —             | —            |
| Effect of the News and Zen deconsolidation   | 3     | —                       | 38,051        | —             | —            |
| Income/(loss) from equity method investments   |       | 6,367                   | (929)         | (1,602)       | (17.9)       |
| Other income/(loss), net   | 4     | (1,217)                 | 9,359         | 21,514        | 239.8        |
| <b>Income/(loss) before income tax expense</b>                                       |       | <b>(7,223)</b>          | <b>70,349</b> | <b>43,147</b> | <b>481.1</b> |
| Income tax expense   | 10    | 7,430                   | 22,734        | 21,372        | 238.3        |
| <b>Net income/(loss)</b>   |       | <b>(14,653)</b>         | <b>47,615</b> | <b>21,775</b> | <b>242.8</b> |
| Net income attributable to noncontrolling interests                                  |       | (16)                    | (8,150)       | (1,905)       | (21.3)       |
| <b>Net income/(loss) attributable to Yandex N.V.</b>                                 |       | <b>(14,669)</b>         | <b>39,465</b> | <b>19,870</b> | <b>221.5</b> |
| Net income/(loss) per Class A and Class B share:                                     |       |                         |               |               |              |
| Basic  | 2     | (40.48)                 | 107.24        | 53.58         | 0.60         |
| Diluted  | 2     | (40.48)                 | 82.53         | 53.26         | 0.59         |
| Weighted average number of Class A and Class B shares used in per share computation: |       |                         |               |               |              |
| Basic  | 2     | 362,386,669             | 368,020,254   | 370,839,686   | 370,839,686  |
| Diluted  | 2     | 362,386,669             | 377,020,285   | 373,059,228   | 373,059,228  |

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

|                                   |        |        |        |       |
|-----------------------------------|--------|--------|--------|-------|
| Cost of revenues                  | 479    | 593    | 906    | 10.1  |
| Product development               | 11,504 | 13,831 | 16,985 | 189.4 |
| Sales, general and administrative | 8,846  | 9,614  | 13,885 | 154.8 |

The accompanying notes are an integral part of the consolidated financial statements.

## YANDEX N.V.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

(In millions of Russian rubles and U.S. dollars)

|   | Notes | Year ended December 31, |               |               |              |
|---|-------|-------------------------|---------------|---------------|--------------|
|   |       | 2021                    | 2022          | 2023          | 2023         |
|   |       | RUB                     | RUB           | RUB           | \$           |
| Net income/(loss)   |       | (14,653)                | 47,615        | 21,775        | 242.8        |
| Foreign currency translation adjustment:                            |       |                         |               |               |              |
| Foreign currency translation adjustment, net of tax of nil          |       | (1,672)                 | 7,966         | (9,369)       | (104.5)      |
| Reallocation adjustment, net of tax of nil                          | 4     | —                       | —             | 1,646         | 18.4         |
| Total other comprehensive income/(loss)                             |       | (1,672)                 | 7,966         | (7,723)       | (86.1)       |
| <b>Total comprehensive income/(loss)</b>                            |       | <b>(16,325)</b>         | <b>55,581</b> | <b>14,052</b> | <b>156.7</b> |
| Total comprehensive income attributable to noncontrolling interests |       | (74)                    | (8,051)       | (1,865)       | (20.8)       |
| <b>Comprehensive income/(loss) attributable to Yandex N.V.</b>      |       | <b>(16,399)</b>         | <b>47,530</b> | <b>12,187</b> | <b>135.9</b> |

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, |                 |                  |                  |
|--|-------|-------------------------|-----------------|------------------|------------------|
|  |       | 2021<br>RUB             | 2022<br>RUB     | 2023<br>RUB      | 2023<br>\$       |
| <b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>  |       |                         |                 |                  |                  |
| Net income/(loss)  |       | (14,653)                | 47,615          | 21,775           | 242.8            |
| Adjustments to reconcile net income/(loss) to net cash provided by operating activities:                         |       |                         |                 |                  |                  |
| Depreciation of property and equipment   | 7     | 18,162                  | 23,243          | 29,432           | 328.2            |
| Amortization of intangible assets  | 9     | 5,949                   | 7,631           | 10,520           | 117.3            |
| Amortization of content assets   | 11    | 6,386                   | 8,944           | 9,138            | 101.9            |
| Operating lease right-of-use assets amortization and the lease liability accretion                               | 8     | 11,223                  | 14,391          | 14,022           | 156.3            |
| Amortization of debt discount and issuance costs   |       | 2,070                   | 585             | —                | —                |
| Share-based compensation expense (excluding cash settled awards of nil, RUB 17,041 and RUB 23,067, respectively) |       | 20,829                  | 6,996           | 8,710            | 97.1             |
| Deferred income tax expense/(benefit)  |       | (5,163)                 | 4,569           | 598              | 6.7              |
| Foreign exchange gains   | 4     | (235)                   | (9,393)         | (22,852)         | (254.8)          |
| Loss/(income) from equity method investments   |       | (6,367)                 | 929             | 1,602            | 17.9             |
| Gain on restructuring of convertible debt  | 13    | —                       | (9,305)         | —                | —                |
| Effect of the News and Zen deconsolidation   | 3     | —                       | (38,051)        | —                | —                |
| Impairment of long-lived assets  | 9     | —                       | 3,644           | 7,539            | 84.1             |
| Provision for expected credit losses   |       | 1,249                   | 2,799           | 5,171            | 57.7             |
| Other  |       | (458)                   | (92)            | 5,086            | 56.6             |
| Changes in operating assets and liabilities excluding the effect of acquisitions:                                |       |                         |                 |                  |                  |
| Accounts receivable  |       | (19,260)                | (15,905)        | (28,755)         | (320.6)          |
| Prepaid expenses   |       | (8,344)                 | (4,466)         | (1,065)          | (12.0)           |
| Inventory  |       | (4,756)                 | (18,310)        | 3,812            | 42.5             |
| Accounts payable, accrued and other liabilities and non-income taxes payable                                     |       | 22,641                  | 49,698          | 48,301           | 538.4            |
| Deferred revenue   |       | 3,806                   | 5,254           | 6,466            | 72.1             |
| Other assets   |       | (3,736)                 | (9,092)         | (2,886)          | (32.2)           |
| VAT reclaimable  |       | (5,865)                 | (9,228)         | (6,404)          | (71.4)           |
| Funds receivable   |       | (3,890)                 | (2,246)         | (4,414)          | (49.2)           |
| Sales financing receivable   |       | (266)                   | (5,472)         | (18,409)         | (205.3)          |
| Content assets   | 11    | (11,740)                | (11,989)        | (18,719)         | (208.7)          |
| Content liabilities  |       | 1,711                   | (1,061)         | 1,614            | 18.0             |
| <b>Net cash provided by operating activities</b>   |       | <b>9,293</b>            | <b>41,688</b>   | <b>70,282</b>    | <b>783.4</b>     |
| <b>CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:</b>  |       |                         |                 |                  |                  |
| Purchases of property and equipment and intangible assets  |       | (44,621)                | (50,544)        | (90,641)         | (1,010.6)        |
| Purchase of assets to be leased  |       | —                       | (1,408)         | (12,813)         | (142.9)          |
| Acquisitions of businesses, net of cash acquired   | 3     | (8,236)                 | (820)           | —                | —                |
| Net cash acquired as a result of the News and Zen deconsolidation and the acquisition of Delivery Club           | 3     | —                       | 1,795           | —                | —                |
| Investments in marketable equity securities  |       | (10,604)                | —               | —                | —                |
| Bank deposits and loans to customers   |       | —                       | —               | (1,982)          | (22.1)           |
| Proceeds from sale of marketable equity securities   |       | 6,163                   | 5,859           | —                | —                |
| Investments in term deposits   |       | (264,151)               | (3,395)         | (6)              | (0.1)            |
| Maturities of term deposits  |       | 345,474                 | 27,004          | 160              | 1.8              |
| Loans granted  |       | (1,546)                 | (1,224)         | (6,158)          | (68.6)           |
| Proceeds from repayments of loans  |       | 1,667                   | 480             | 3,623            | 40.4             |
| Other investing activities   |       | (2,152)                 | (485)           | 874              | 9.7              |
| <b>Net cash provided by/(used in) investing activities</b>   |       | <b>21,994</b>           | <b>(22,738)</b> | <b>(106,943)</b> | <b>(1,192.4)</b> |

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, |                |               |                |
|--|-------|-------------------------|----------------|---------------|----------------|
|  |       | 2021<br>RUB             | 2022<br>RUB    | 2023<br>RUB   | 2023<br>\$     |
| <b>CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:</b>  |       |                         |                |               |                |
| Proceeds from issuance of debt   | 13    | —                       | 50,666         | 227,151       | 2,532.7        |
| Repayment of debt  | 13    | —                       | (49,560)       | (137,755)     | (1,536.0)      |
| Proceeds from overdraft borrowings   |       | 2,941                   | —              | —             | —              |
| Repayments of overdraft borrowings   |       | (397)                   | (2,940)        | —             | —              |
| Purchase of non-redeemable noncontrolling interests  | 3     | (73,077)                | —              | (57,337)      | (639.3)        |
| Payment of contingent consideration and holdback amount  |       | (6,073)                 | (635)          | (299)         | (3.3)          |
| Repurchases of ordinary shares   |       | (6,966)                 | —              | —             | —              |
| Proceeds from exercise of share options  |       | 1,153                   | —              | —             | —              |
| Bank deposits and liabilities  |       | —                       | —              | 19,002        | 211.9          |
| Payment for finance leases   |       | (737)                   | (1,660)        | (3,245)       | (36.2)         |
| Other financing activities   |       | (1,689)                 | (1,390)        | (5,674)       | (63.2)         |
| <b>Net cash provided by/(used in) financing activities</b>   |       | <b>(84,845)</b>         | <b>(5,519)</b> | <b>41,843</b> | <b>466.6</b>   |
| Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents |       | 511                     | (8,390)        | 8,248         | 92.1           |
| <b>Net change in cash and cash equivalents, and restricted cash and cash equivalents</b>               |       | <b>(53,047)</b>         | <b>5,041</b>   | <b>13,430</b> | <b>149.7</b>   |
| Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period               |       | 132,446                 | 79,399         | 84,440        | 941.5          |
| <b>Cash and cash equivalents, and restricted cash and cash equivalents, end of period</b>              |       | <b>79,399</b>           | <b>84,440</b>  | <b>97,870</b> | <b>1,091.2</b> |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS:</b>          |       |                         |                |               |                |
| Cash and cash equivalents, beginning of period   |       | 132,398                 | 79,275         | 83,131        | 926.9          |
| Restricted cash and cash equivalents, beginning of period  |       | 48                      | 124            | 1,309         | 14.6           |
| Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period               |       | 132,446                 | 79,399         | 84,440        | 941.5          |
| Cash and cash equivalents, end of period   |       | 79,275                  | 83,131         | 96,519        | 1,076.2        |
| Restricted cash and cash equivalents, end of period  |       | 124                     | 1,309          | 1,351         | 15.0           |
| Cash and cash equivalents, and restricted cash and cash equivalents, end of period                     |       | 79,399                  | 84,440         | 97,870        | 1,091.2        |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>   |       |                         |                |               |                |
| Cash paid for income taxes   |       | 12,573                  | 14,744         | 18,619        | 207.6          |
| Cash paid for acquisitions   | 3     | 8,921                   | 1,031          | —             | —              |
| Convertible notes coupon paid  |       | 688                     | 439            | —             | —              |
| Interest paid for finance leases   |       | 575                     | 1,444          | 2,722         | 30.3           |
| Interest paid on loans   |       | —                       | 848            | 8,824         | 98.4           |
| Operating cash flows from operating leases   |       | 12,063                  | 13,009         | 14,259        | 159.0          |
| <b>Non-cash operating activities:</b>  |       |                         |                |               |                |
| Right-of-use assets obtained in exchange for operating lease obligations                               |       | 24,322                  | 6,045          | 21,335        | 237.9          |
| <b>Non-cash investing activities:</b>  |       |                         |                |               |                |
| Acquired property and equipment and intangible assets not yet paid for                                 |       | 2,903                   | 2,666          | 8,334         | 92.9           |
| <b>Non-cash financing activities:</b>  |       |                         |                |               |                |
| Right-of-use assets obtained in exchange for finance lease obligations                                 |       | 13,776                  | 8,898          | 11,466        | 127.8          |

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 |               | Ordinary Shares Issued and Outstanding |               | Treasury shares at cost<br>RUB | Additional Paid-In Capital<br>RUB | Accumulated Other Comprehensive Income/(Loss)<br>RUB | Retained Earnings<br>RUB | Non-controlling interests<br>RUB | Total<br>RUB   | Redeemable non-controlling interests<br>RUB |
|---|---------------------------------------|---------------|--|---------------|--------------------------------|-----------------------------------|--|--------------------------|----------------------------------|----------------|---|
|   | Shares                                | Amount<br>RUB | Shares                                 | Amount<br>RUB |                                |                                   |  |                          |                                  |                |   |
| <b>Balance as of January 1, 2021</b>                              | <b>1</b>                              | <b>—</b>      | <b>354,210,532</b>                     | <b>278</b>    | <b>(6)</b>                     | <b>160,857</b>                    | <b>17,923</b>  | <b>145,789</b>           | <b>20,094</b>                    | <b>344,935</b> | <b>3,167</b>                                |
| Share-based compensation expense                                  | —                                     | —             | —                                      | —             | —                              | 20,926                            | —  | —                        | —                                | 20,926         | —   |
| Exercise of share options   | —                                     | —             | 5,719,175                              | —             | —                              | 1,150                             | —  | —                        | —                                | 1,150          | —   |
| Tax withholding related to exercise of share awards               | —                                     | —             | —                                      | —             | —                              | (242)                             | —  | —                        | —                                | (242)          | —   |
| Repurchases of shares (Note 14)                                   | —                                     | —             | (1,226,355)                            | —             | (6,960)                        | —                                 | —  | —                        | —                                | (6,960)        | —   |
| Reissue of shares for options exercised                           | —                                     | —             | —                                      | —             | 4,241                          | (4,241)                           | —  | —                        | —                                | —              | —   |
| Repurchase of share options                                       | —                                     | —             | —                                      | —             | —                              | 818                               | —  | 15                       | —                                | 833            | (1,921)                                     |
| Other   | —                                     | —             | —                                      | 3             | (3)                            | 879                               | (2)  | (24)                     | (47)                             | 806            | —   |
| Net (loss) / income   | —                                     | —             | —                                      | —             | —                              | —                                 | —  | (14,669)                 | 16                               | (14,653)       | —   |
| Foreign currency translation adjustment                           | —                                     | —             | —                                      | —             | —                              | —                                 | (2,172)  | —                        | 58                               | (2,114)        | —   |
| Transaction with Uber (Note 3)                                    | —                                     | —             | —                                      | —             | —                              | (67,205)                          | 444  | —                        | (6,241)                          | (73,002)       | —   |
| Change in redemption value of redeemable noncontrolling interests | —                                     | —             | —                                      | —             | —                              | —                                 | —  | 377                      | —                                | 377            | (377)                                       |
| <b>Balance as of December 31, 2021</b>                            | <b>1</b>                              | <b>—</b>      | <b>358,703,352</b>                     | <b>281</b>    | <b>(2,728)</b>                 | <b>112,942</b>                    | <b>16,193</b>  | <b>131,488</b>           | <b>13,880</b>                    | <b>272,056</b> | <b>869</b>                                  |
| Effect of adoption of ASU 2020-06                                 | —                                     | —             | —                                      | —             | —                              | (8,573)                           | —  | 2,511                    | —                                | (6,062)        | —   |
| <b>Adjusted balance as of January 1, 2022</b>                     | <b>1</b>                              | <b>—</b>      | <b>358,703,352</b>                     | <b>281</b>    | <b>(2,728)</b>                 | <b>104,369</b>                    | <b>16,193</b>  | <b>133,999</b>           | <b>13,880</b>                    | <b>265,994</b> | <b>869</b>                                  |
| Share-based compensation expense                                  | —                                     | —             | —                                      | —             | —                              | 6,997                             | —  | —                        | —                                | 6,997          | —   |
| Restructuring of convertible debt (Note 13)                       | —                                     | —             | —                                      | —             | —                              | 9,341                             | —  | —                        | —                                | 9,341          | —   |
| Issue of new shares (Note 13)                                     | —                                     | —             | 2,541,791                              | 1             | —                              | (1)                               | —  | —                        | —                                | —              | —   |
| Exercise of share options   | —                                     | —             | 237,138                                | —             | —                              | —                                 | —  | —                        | —                                | —              | —   |
| Tax withholding related to exercise of share awards               | —                                     | —             | —                                      | —             | —                              | (25)                              | —  | —                        | —                                | (25)           | —   |
| Reissue of shares for options exercised                           | —                                     | —             | —                                      | —             | 1,335                          | (1,335)                           | —  | —                        | —                                | —              | —   |
| Repurchase of share options                                       | —                                     | —             | —                                      | —             | —                              | (5)                               | —  | (101)                    | —                                | (106)          | (504)                                       |
| Net income  | —                                     | —             | —                                      | —             | —                              | —                                 | —  | 39,465                   | 8,150                            | 47,615         | —   |
| Translation adjustment  | —                                     | —             | —                                      | —             | —                              | —                                 | 8,065  | —                        | (99)                             | 7,966          | —   |
| Change in redemption value of redeemable noncontrolling interests | —                                     | —             | —                                      | —             | —                              | —                                 | —  | 334                      | —                                | 334            | (334)                                       |
| Other   | —                                     | —             | —                                      | —             | —                              | 123                               | —  | —                        | (61)                             | 62             | (31)  |
| <b>Balance as of December 31, 2022</b>                            | <b>1</b>                              | <b>—</b>      | <b>361,482,281</b>                     | <b>282</b>    | <b>(1,393)</b>                 | <b>119,464</b>                    | <b>24,258</b>  | <b>173,697</b>           | <b>21,870</b>                    | <b>338,178</b> | <b>—</b>                                    |
| Share-based compensation expense                                  | —                                     | —             | —                                      | —             | —                              | 8,710                             | —  | —                        | —                                | 8,710          | —   |
| Transaction with Uber (Note 3)                                    | —                                     | —             | —                                      | —             | —                              | (35,459)                          | 1,646  | —                        | (23,524)                         | (57,337)       | —   |
| Net income  | —                                     | —             | —                                      | —             | —                              | —                                 | —  | 19,870                   | 1,905                            | 21,775         | —   |
| Translation adjustment  | —                                     | —             | —                                      | —             | —                              | —                                 | (9,329)  | —                        | (40)                             | (9,369)        | —   |
| Other   | —                                     | —             | —                                      | —             | —                              | (5,480)                           | —  | 10                       | (195)                            | (5,665)        | —   |
| <b>Balance as of December 31, 2023</b>                            | <b>1</b>                              | <b>—</b>      | <b>361,482,281</b>                     | <b>282</b>    | <b>(1,393)</b>                 | <b>87,235</b>                     | <b>16,575</b>  | <b>193,577</b>           | <b>16</b>                        | <b>296,292</b> | <b>—</b>                                    |
| <b>Balance as of December 31, 2023, \$</b>                        | <b>—</b>                              | <b>—</b>      | <b>—</b>                               | <b>3.1</b>    | <b>(15.5)</b>                  | <b>972.6</b>                      | <b>184.9</b>   | <b>2,158.3</b>           | <b>0.2</b>                       | <b>3,303.6</b> | <b>—</b>                                    |

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, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Business**

Yandex N.V., the parent company (the “Company”), together with its consolidated subsidiaries (collectively “Yandex” or the “Group”), is a technology company that builds intelligent products and services powered by machine learning and other technologies.

Yandex N.V. was incorporated under the laws of the Netherlands in June 2004 and is the holding company of a number of subsidiaries globally.

On February 5, 2024, the Company announced that it had entered into a definitive agreement with a purchaser consortium to sell all of the Group’s businesses in Russia and certain international markets (the “Sale”). The first closing pursuant to the Sale transaction is expected to take place in the coming weeks, with the second closing occurring within seven weeks following the first closing. Following the Sale, the Company will have no interest in the businesses to be divested in Russia and certain international markets (Note 19).

**Basis of Presentation and Going Concern**

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 Sale was approved by the Board in February 2024 and by the Company’s shareholders in March 2024. As of December 31, 2023, the Sale had not been approved and, accordingly, the result of operations of the businesses to be divested in the Sale are included consolidated financial results of the Company for the year ended December 31, 2023, and are not presented as discontinued operations or assets held for sale.

The accompanying consolidated financial statements were prepared assuming that the Group will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As described in Note 19, in the event that the Sale is not completed in a timely manner, it may be difficult or impossible to continue to finance the requirements of the Company or its retained businesses or to find alternative sources of financing. These conditions raise substantial doubt about the Group’s ability to continue as a going concern.

**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 Group have been eliminated upon consolidation.

Noncontrolling interests in consolidated subsidiaries are included in the consolidated balance sheets as a separate component of equity. The Group reports consolidated net income/(loss) 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 assets and liabilities determined in connection with the business combinations (Note 3), impairment assessments of goodwill and intangible assets, useful lives of property and equipment and intangible assets, fair values of share-based awards, deferred tax assets recoverability, fair value of the share consideration part of the convertible debt (Note 13) and tax provisions. The Group bases its estimates on historical experience and on various other assumptions 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, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Foreign Currency Translation**

The functional currency of our parent company, Yandex N.V., is the U.S. dollar. The functional currency of the Group's other businesses, including those businesses to be divested, which are incorporated in other countries is generally the respective local currency. The Russian ruble is currently the Company's 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 operations.

**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 89.6883 to \$1.00, the prevailing exchange rate as of December 31, 2023 (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.

**Reclassification**

Certain reclassifications have been made to the consolidated balance sheet as of December 31, 2022 and consolidated statements of cash flows for the years ended December 31, 2021 and 2022 due to aggregation of certain line items in 2023.

The following table presents the impact of the reclassification on affected consolidated balance sheet line items as of December 31, 2022:

|                                     | As of December 31, 2022 |                  |                        |
|-------------------------------------|-------------------------|------------------|------------------------|
|                                     | As previously reported  | Reclassification | After reclassification |
|                                     | RUB                     | RUB              | RUB                    |
| <b>Selected Balance Sheet Data:</b> |                         |                  |                        |
| Term deposits                       | 154                     | (154)            | —                      |
| Other current assets                | 16,817                  | 154              | 16,971                 |
| Long-term prepaid expenses          | 3,998                   | (3,998)          | —                      |
| Other non-current assets            | 11,279                  | 3,998            | 15,277                 |

The following table presents the impact of the reclassifications on affected consolidated statements of cash flows line items for the years ended December 31, 2021 and 2022:

|   | 2021                   |                   |                         | 2022                   |                   |                         |
|---|------------------------|-------------------|-------------------------|------------------------|-------------------|-------------------------|
|   | As previously reported | Reclassifications | After reclassifications | As previously reported | Reclassifications | After reclassifications |
|   | RUB                    | RUB               | RUB                     | RUB                    | RUB               | RUB                     |
| <b>Selected Statements of Cash Flows Data:</b>                |                        |                   |                         |                        |                   |                         |
| Investments in non-marketable equity securities               | (3,143)                | 3,143             | —                       | (649)                  | 649               | —                       |
| Proceeds from investments in non-marketable equity securities | 944                    | (944)             | —                       | 21                     | (21)              | —                       |
| Other investing activities                                    | 47                     | (2,199)           | (2,152)                 | 143                    | (628)             | (485)                   |
| Net cash provided by / (used in) investing activities         | 21,994                 | —                 | 21,994                  | (22,738)               | —                 | (22,738)                |

**Certain Risks and Concentrations**

During the period up to December 31, 2023 covered by the consolidated financial statements, the Group's principal business activities, through its subsidiaries, have been in the Russian Federation. The ongoing geopolitical situation creates critical risks for the Group and its respective operations both in Russia and internationally. In addition, laws and regulations affecting businesses operating in the Russian Federation are subject to frequent changes and

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

inconsistent application, which could impact the Group's financial position and results of operations. A significant portion of the Group's revenue has been derived from online advertising, ride-hailing, Plus and entertainment services, food tech services and sales of goods, the markets for which is competitive and rapidly changing. Significant changes in these industries, or changes in users' internet preferences or advertiser spending or ride-hailing/food delivery partners' behavior could adversely affect the Group's financial position and results of operations.

A major part of the Group's revenue is collected on a prepaid basis; credit terms are extended to major sales agencies and to larger loyal clients.

No individual customer or groups of affiliated customers represented more than 10% of the Group's consolidated revenues in 2021, 2022 and 2023.

Financial instruments that can potentially subject the Group to a significant concentration of credit risk consist primarily of accounts receivable, sales financing receivable, cash and cash equivalents. The primary focus of the Group's treasury strategy is to preserve capital and meet liquidity requirements.

The Group'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.

**Revenue Recognition**

Revenue is recognized when the control of promised goods or services is transferred to the Group's customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group identifies its contracts with customers and all performance obligations within those contracts. The Group then determines the transaction price and allocates the transaction price to the performance obligations based on their standalone selling prices within the Group's contracts with customers, recognizing revenue when, or as, the Group satisfies its performance obligations. The Group excludes from the measurement of its revenues any tax collected on behalf of third parties.

The Group's principal revenue streams and their respective accounting treatments for the years ended December 31, 2021, 2022 and 2023 are discussed below:

**Online Advertising Revenues**

The Group's online advertising revenues are generated from serving online ads on its own websites and on the websites of members of the Yandex Advertising Network (platform for ads placement). Advance payments received by the Group from advertisers are recorded as deferred revenue on the Group's consolidated balance sheets and recognized as online advertising revenues in the period services are provided.

In accordance with U.S. GAAP, the Group reports online advertising revenues gross of fees paid to Yandex Advertising Network members, because the Group is the principal to its advertisers and retains collection risk. The Group records fees paid to advertising network members as traffic acquisition costs, a component of cost of revenues.

The Group recognizes online advertising revenues based on the following principles:

The Group's Yandex Direct service offers advertisers the ability to place performance-based ads on Yandex and Yandex Advertising Network member websites and mobile applications targeted to users' search queries and behavior profile or website content. The Group 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 mobile application 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 Group 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.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The Group 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 Group believes that there will be no significant changes to the estimates of variable consideration.

**Revenues from ride-hailing and logistics services**

For ride-hailing and logistics services provided to individual users, the Group is not a principal and reports only commission fees as revenue. For services provided to corporate clients the Group acts as the principal and revenue and related costs are recorded gross. Revenue is recognized at the time the taxi ride or delivery is completed, which is when the Group assesses the performance obligation to be satisfied, and in the amount that reflects the consideration that the Group expects to receive in exchange for the service. For the contracts with customers where revenues exceed promotional discounts to users and minimum fare guarantees to drivers, the discounts and guarantees are netted against revenues. In case discounts to users and minimum fare guarantees exceed the related cumulative revenues, the excess is presented in sales, general and administrative expenses in the consolidated statement of operations.

The Group uses its ride-hailing platform to provide various services to individual users, Fleet Management Companies (“FMCs”, which are companies that manage and employ large numbers of drivers), individual drivers and corporate clients. For ride-hailing services individual users access the platform for free and the Group has no performance obligation to individual users. Accordingly, for ride-hailing and logistic services taxi FMCs, individual drivers and corporate clients are considered the Group’s customers. For logistics services the Group not only has performance obligations to FMCs and individual drivers but also to end-users. These obligations involve connecting individual users with drivers via its ride-hailing platform.

*Principal vs. Agent Considerations*

The Group 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 drivers to interact directly with service users and provide the service to the user.

In its relationship with FMCs, individual drivers and individual users, the Group is not a principal. The Group enables drivers to obtain rides or deliveries and receive payment for the orders and enables individual users to place an order through the use of the Group’s technology applications. While the Group facilitates setting the price for the orders, the driver and the user have the discretion to accept the transaction price through the Group’s technology application. The Group is not responsible for fulfilling the transportation services being provided to the service user, nor does the Group have inventory risk related to these services. Accordingly, the Group acts as an agent in the transaction. The Group reports revenue on a net basis, reflecting the fee owed to the Group from the drivers and individual users as revenue, and not the gross amount collected from the individual user.

The Group has exercised judgment in determining whether the Group is the principal or agent in transactions with corporate clients since the Group subcontracts FMCs or individual drivers to deliver the transportation service promised to corporate clients. The Group 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 Group considered the following key facts and circumstances:

- The Group takes strong measures to ensure the quality of transportation services promised to its corporate customers, such as setting quality and response requirements for FMCs and individual 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 Group considers this to be a significant part of the corporate client’s user experience.
- The Group is contractually responsible for providing on-demand transportation services to corporate clients (in order to service corporate clients, the Group enters into an additional contract with FMCs pursuant to

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

which the FMC is the service provider and the Group is the service recipient). In case of customer dissatisfaction, the Group, rather than FMCs or individual drivers, must provide a remedy.

- The Group is required to compensate FMCs and individual drivers regardless of whether the corporate client accepts a ride or not; therefore, the Group has inventory risk.
- The Group has full discretion in setting ride prices for corporate clients.

**Revenues from sales of goods**

The Group's revenues from sales of goods in the period primarily consists of e-grocery revenues, revenues from goods sold through the Group's marketplace platform and revenues from devices sold.

E-grocery revenues are generated from the sale and delivery of consumer products to individual customers. Products are ordered through mobile applications and websites and then delivered from the Group's hyperlocal dark stores.

Marketplace platform revenues are generated from the sale of own goods to individual customers through the Group's multi-category e-commerce marketplace.

Revenue from sale of goods is recognized when control of the goods is transferred to the customers, which generally occurs upon delivery.

**Revenues from food delivery services**

For food delivery services provided to individual users, the Group is not a principal and reports only commission fees as revenue. For food delivery services performed by the Group and not the restaurant itself, the Group recognizes revenue gross of the amounts payable to third-party delivery agents as the Group has the primary responsibility for the fulfilment of the delivery service. Third-party delivery costs are recorded as cost of goods sold. The promotional discounts reduce the Group's revenue once the discount is applied by the user and generally such discounts do not give rise to a material right, except for the Group's loyalty program. The Group recognizes revenue when the food has been successfully delivered, which is when the performance obligation has been completed.

**Revenues from Plus and entertainment services**

The Group's primary source of Plus and entertainment revenues is from monthly membership fees. Members of the Group's streaming services are billed in advance of the start of their monthly membership and revenues are recognized ratably over each membership period. When the timing of the Group's revenue recognition is different from the timing of customer payments, the Group recognizes either a contract asset or deferred revenue in the consolidated balance sheets.

**Revenues from car-sharing services**

The Group derives its car-sharing revenues primarily from the short-term on-demand rentals of cars through the Yandex Drive free-floating car-sharing service and other related services. For its car-sharing business the Group uses the provisions of ASC 842 Leases to account for its car fleet rental revenues and other related products and services. The Group combines all lease and non-lease components of its car fleet rental contracts for which the timing and pattern of transfer corresponds to the lease service, except for revenue related to the Group's customer loyalty program. The Group recognizes car fleet rentals revenues evenly over the period of rental as the control over the promised services is transferred to the customer and associated benefits are consumed. All of the Group's leases, where the Group acts as a lessor, meet the criteria of ASC 842 Leases for classification as operating leases.

**Other Revenue**

The Group's other revenue throughout the period has primarily consisted of revenue from Yandex Cloud platform, value added services from the Group's Classifieds segment and revenues from goods sold on a commission basis through the Group's marketplace platform.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The Group's revenue from Yandex Cloud services is recognized in a period of service utilization based on the quantity of services consumed or ratably over the period of the contract for the services provided on subscription basis.

The Group's revenue from its value added services is recognized over the period when the respective services are provided to users.

The Group offers programs that enable sellers to sell their products and fulfil orders through its marketplace. The Group is not the seller in these transactions. The commissions and any related fulfilment and shipping fees the Group earns from these arrangements are recognized when the services are rendered, which generally occurs upon delivery of the related products to the customer.

**Loyalty Program**

Under the Group's loyalty program, the Group awards loyalty points to individual users who use the Group's services. Loyalty points can be redeemed in the Group's participating services and cannot be redeemed by users for cash. For loyalty points earned through the Group's services, the Group calculates the amount of loyalty points that are expected to be redeemed and allocates the consideration received at the time of the initial transaction between the original performance obligation and the material right for additional services given to an individual user in the form of points based on their standalone selling prices. Consideration may represent the one received from an individual customer or a principal, in case the Group's performance obligation is to enable a principal to provide the service to an individual customer.

Revenue is then recognized when loyalty points are redeemed and a service is provided. The estimated selling price of loyalty points is determined using historical data, including award redemption patterns by service and the type of users. The loyalty points have a redemption period of 3 years, as long as the user has an active subscription. Under current statistics major part of loyalty points are fully redeemed within one year.

**Cost of Revenues**

Cost of revenues consists of cost of devices and other goods sold, traffic acquisition costs, cost of corporate ride-hailing and logistics services, logistics costs, content acquisition costs, personnel expenses, outsourced services (such as gasoline, insurance, maintenance and other services), content assets amortization and other cost of revenues.

**Product Development Expenses**

Product development expenses consist primarily of personnel costs incurred for the development of, enhancement to and maintenance of the Group's search engine and other 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.

Software development costs, including costs to develop software products, are expensed as incurred. The development costs that meet the criteria for capitalization were not material for the years ended December 31, 2021, 2022 and 2023.

**Advertising and Promotional Expenses**

The Group expends advertising and promotional costs in the period in which they are incurred.

**Social Security Contributions**

The Group 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 8.9% to 0.3% for accredited IT companies and from 31.3% to 15.3% for other companies in 2021, 2022 and 2023) based on the annual compensation of each employee. The rates for 2024 for other companies range from 31.3% to 15.3% and for accredited IT companies range from 7.8% to 1.3%.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Share-Based Compensation**

The Company has historically granted restricted share units (“RSUs”), performance share units (“PSUs”), Synthetic Options and Business Unit Equity Awards (together, “Share-Based Awards”) to the Group’s employees and consultants.

The Group estimates the fair value at the grant date of Synthetic Options and Business Unit Equity Awards that are expected to vest using the Black-Scholes-Merton (“BSM”) pricing model or the Monte-Carlo 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 is measured using the Monte-Carlo pricing model. These models incorporate assumptions such as stock price volatility, contractual terms, maturity, risk free rates and expected dividends. The expense per RSU, Synthetic Option and business unit equity award is recognized on a straight-line basis over the requisite service period. PSUs awards have a graded vesting provision and the expense recognition is accelerated.

The assumptions used in calculating the fair value of Share-Based Awards represent the Group’s best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change or the Group uses different assumptions, the Group’s share-based compensation expense could be materially different in the future. The Group accounts for forfeitures as they occur.

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 Group 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 provision for income tax 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 with modification 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. Deferred tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. 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 Group 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 Group recognizes tax benefit measured as the largest amount with a realization possibility exceeding *50 percent*. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**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 Group includes net income and foreign currency translation adjustments. For the years ended December 31, 2021, 2022 and 2023 total comprehensive income included, in addition to net income, the effect of translating the financial statements of the Group's legal entities domiciled outside of Russia from these entities' functional currencies into Russian rubles.

Accumulated other comprehensive income of RUB 24,258 and RUB 16,575 (\$184.9) as of December 31, 2022 and 2023, respectively, consists solely of cumulative foreign currency translation adjustment.

**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 Group'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/(loss) of the Group's consolidated subsidiaries, in which there are noncontrolling interests.

**Fair Value of Financial Instruments**

The carrying amounts of financial instruments carried on the balance sheets such as cash and cash equivalents, short-term deposits, restricted cash, accounts receivable, sales financing receivable, funds receivable, liabilities under the reverse factoring programs, content liabilities, bank deposits and loans to customers, bank deposits and liabilities, accounts payable, accrued and other liabilities approximate their respective fair values due to the short-term nature of those instruments.

Fair value considerations related to the business combination entered into during the reporting period and other Group's financial instruments are disclosed in Note 3 and Note 6, respectively.

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 as cash and cash equivalents if the original maturities are three months or less. Bank deposits, which have original maturities of longer than three months, are classified as (i) current term deposits if they are repayable in less than twelve months; and (ii) non-current term deposits if they are repayable in more than one year.

**Funds Receivable**

Funds receivable relates to online payments processing. When customers pay for certain Group's services using credit cards or a payment system, there is a clearing period of several days before the cash is received by the Group.

**Sales Financing Receivable**

Sales financing receivable represents receivable from individual users who use the Group's Yandex Pay service, Split. This service allows individual users to pay for the Group's services or goods purchased in installments.



## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Allowance for Credit Losses**

The Group maintains an allowance for credit losses for expected uncollectible accounts receivable and sales financing receivable, which is recorded as an offset to the respective receivable, and changes in such amounts are classified as sales, general and administrative expenses in the consolidated statements of operations. The Group 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 inflation rates to inform adjustments to historical loss data. The historical rates are calculated for each of the aging categories used for pooling receivables. To determine the collected portion of each bucket, the collection time of each receivable is identified. To determine the appropriate allowance for expected credit losses, the Group considers certain historical information, credit quality indicators, such as aging, collection history, and creditworthiness of debtors. The Group assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Group identifies specific customers with known disputes or collectability issues.

**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. Cost includes all costs incurred in bringing each product to its present location and condition. The Group 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 in the consolidated statements of operations.

**Liabilities under the reverse factoring programs**

The Group established a reverse factoring program with certain banks whereby a bank acts as the Group's paying agent and pays the Group's suppliers and marketplace sellers on the date the payables are due. There are no assets pledged or other forms of guarantees provided as a security under the program.

Liabilities under the reverse factoring programs are recorded:

- in the accounts payable, accrued and other liabilities line in the consolidated balance sheets, if the program does not significantly extend payment terms beyond the normal terms agreed with other of the Group's marketplace sellers that are not participating. The respective Group payments made under the program are reflected in cash flow from operating activities in the consolidated statements of cash flows; and
- in the debt line in the consolidated balance sheets, if the program significantly extends payment terms beyond the normal terms agreed with other of the Group's suppliers and marketplace sellers that are not participating. The respective Group payments made under the program are reflected in cash flow from financing activities in the consolidated statements of cash flows.

**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.

Depreciable amount of property and equipment is its cost less its residual (salvage) value (if applicable). Depreciation is computed under the straight-line method using estimated useful lives as follows:

|                                      | <u>Estimated useful lives</u>                                      |
|--------------------------------------|--|
| Infrastructure systems and equipment | 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 property and equipment         | 2.0-10.0 years   |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

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 Group 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 Group’s right to use an underlying asset for the lease term and lease liabilities represent the Group’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.

To determine the present value of its lease payments, the Group utilizes the interest rate implicit in the lease agreement. If the implicit interest rate in the Group’s leases is unknown, the Group 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 Group 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 Group will exercise any such options. Lease costs for the Group’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 unless the Group is reasonably certain to exercise an option to purchase the underlying asset within the depreciation and amortization line of the consolidated statements of operations. The interest component of finance leases is included in interest expense and recognized using the effective interest method over the lease term.

The Group 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 and represent mileage-based payments.

The Group accounted 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.

The Group separates its leases into property and car leases by their class of underlying assets. For property leases the Group 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 the non-lease component and accounts for it separately. For car leases the Group 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 Group 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.

For classification of car leases into operating and finance lease the Group determines an economic life of such class of assets as 5-12 years depending on the category of the car.

A change to the terms and conditions of a contract that results in a change in the scope of or the consideration for a lease is assessed by the Group to determine whether the modified contract contains a lease. If the modification results in a separate contract, the Group continues to account for the unmodified original contract and a separate new contract arising from the modification. If the modification is not a separate contract, the Group remeasures the corresponding ROU asset and lease liability, adjusted for the circumstances of the particular contract and its modification. In the event of a full or a partial termination, any difference between the changes in lease liability and ROU asset is recognized in profit or loss at the effective date of the modification.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Investment in the Finance Lease**

Investment in the finance lease consists of sales-type leases of cars and represents net unpaid rentals. The terms of the sales-type leases are from 2 to 5 years, with the possibility of early redemption and secured by the leased assets. The Group recognizes net investment in the lease and derecognizes the assets leased.

Net investment in the lease is calculated as the aggregate of minimum lease payments net of reimbursable expenses, representing the amounts guaranteed by the lessee and any unguaranteed residual value (together - gross investment in the lease), discounted at the interest rate implicit in the lease. The interest rate implicit in the lease is the discount rate that, at the inception of the lease, causes the present value of the gross investment in the lease to be equal to the fair value of the leased assets. The difference between the gross investment in the lease and the net investment in the lease represents unearned finance income.

Unearned finance income is recognized as finance lease income over the lease term in a manner that produces a constant rate of return on the net investment in the lease based on the implicit interest rate.

**Equity Method Investments**

Investments in the stock of entities in which the Group can exercise significant influence but does not own a majority equity interest or otherwise control are accounted under the equity method. The Group records its share of the results of these companies within the income/(loss) from equity method investments line on the consolidated statements of operations or as an adjustment to equity to reflect the Group's share in the changes of the investee's capital.

Following the loss of significant influence over equity method investments without readily determinable fair values the Group accounts for these investments under the measurement alternative at its cost less impairment.

The Group reviews its equity method investments 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 operations and a new cost basis in the investment is established.

**Goodwill and Intangible Assets**

Goodwill represents the excess of purchase consideration over the Group'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 Group 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 Group performs a qualitative assessment to determine whether further impairment testing on goodwill is necessary. If the Group 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 Group recognizes a goodwill impairment charge for the amount by which the carrying value of a reporting unit exceeds its fair value.

The Group recognized goodwill impairment in the amount of nil, nil and RUB 1,136 (\$12.7) for the years ended December 31, 2021, 2022 and 2023, respectively.

## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The Group amortizes intangible assets using the straight-line method and estimated useful lives of assets ranging from 1 to 15.9 years, with a weighted-average remaining useful life of 7.4 years:

|  | Estimated useful lives                                   |
|--|--|
| Acquisition-related intangible assets: |  |
| Trade names and domain names           | 2.7-10.0 years   |
| Customer relationships                 | 4.9-15.9 years   |
| Software                               | 3.0-6.0 years  |
| Supplier relationships                 | 4.4-4.5 years  |
| Other technologies and licenses        | the shorter of 5.0 years or the underlying license terms |

**Impairment of Long-lived Assets Other Than Goodwill**

The Group 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 and channels programming expenses**

The Group 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 Group 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; and
- the content asset is available for its first streaming or showing.

The Group recognizes content assets (licensed and produced) as a separate line item in the Group's consolidated balance sheets.

For produced content, the Group capitalizes costs associated with content production, including development costs, direct costs and production overheads when incurred. These amounts are included in the 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 Group's general policy is to amortize each content's costs on a straight-line basis over its license period. For the subscription and transaction model, the Group's general policy is to amortize each content asset based on the estimated viewing patterns. The Group amortizes content assets (licensed and produced) in the cost of revenues line of the consolidated statements of operations. The Group reviews factors impacting the amortization of content assets on an ongoing basis.

The Group'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 Group has not identified any

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

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.

The Group also incurs programming expenses related to the rights to distribute the third-party programmed channels, platforms and related content through the Group's streaming platform to end consumers. Programming is generally acquired under multiyear distribution agreements, with fees typically fixed or based on the number of customers that receive the programming. Programming arrangements are accounted for as executory contracts with expenses generally recognized ratably throughout the distribution period or based on the rates in the agreements within the cost of revenues line of the consolidated statements of operations.

**Recently Adopted Accounting Pronouncements**

In September 2022, the FASB issued Accounting Standards Update (ASU) No. 2022-04, "Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations", which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose key terms of the programs. The standard does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. The amendments in this ASU are effective for reporting periods beginning after December 15, 2022, except for the amendment on rollforward information, which is effective for periods beginning after December 15, 2023.

The Group adopted the standard effective January 1, 2023, without a material impact on the Group's consolidated financial statements.

**Effect of Recently Issued Accounting Pronouncements Not Yet Effective**

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The standard is effective for annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. The Group is currently evaluating the effect that the adoption of this ASU will have on the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. The standard is effective for annual periods beginning January 1, 2025, with early adoption permitted. The Group is currently evaluating the effect that the adoption of this ASU will have on the consolidated financial statements.

No other recent accounting pronouncements were issued by FASB or the SEC that are believed by management to have a material impact on the Group's present or future consolidated financial statements.

**2. NET INCOME/(LOSS) PER SHARE**

Basic net income/(loss) per Class A and Class B ordinary share for the years ended December 31, 2021, 2022 and 2023 is computed on the basis of the weighted average number of ordinary shares outstanding using the two class method. Basic net income/(loss) per share is computed using the weighted average number of ordinary shares outstanding during the period and including vested restricted share units and shares that will be delivered as part of the restructuring of the Company's convertible notes in June 2022. Diluted net income/(loss) per ordinary share is computed using the dilutive effect of share-based awards calculated using the "treasury stock" method and the dilutive effect of convertible debt restructuring under the if-converted method.

The computation of the diluted net income/(loss) per Class A share assumes the conversion of Class B shares, while the diluted net income/(loss) per Class B share does not assume the conversion of those shares. The net income/(loss) 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/(loss) per ordinary share computation, because their effect was anti-dilutive for the years ended December 31, 2021, 2022 and 2023, was 16,368,866, 7,895,305 and 3,785,706, respectively.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

In June 2022, the Group completed the repurchase of 93.2% in aggregate principal amount of the Group's 0.75% convertible notes due to March 3, 2025 (the "Notes") and accounted for the modification of all the Notes. The Group has to date repurchased more than 99% in aggregate principal amount of the Notes originally issued. Prior to the modification, the convertible debt is included in the calculation of diluted net income per share under the if-converted method.

The components of basic and diluted net (loss)/income per share were as follows:

|  | Year ended December 31, |                |                |                |                |               |                |               |
|--|-------------------------|----------------|----------------|----------------|----------------|---------------|----------------|---------------|
|  | 2021                    |                | 2022           |                | 2023           |               |                |               |
|  | Class A<br>RUB          | Class B<br>RUB | Class A<br>RUB | Class B<br>RUB | Class A<br>RUB | Class A<br>\$ | Class B<br>RUB | Class B<br>\$ |
| Net (loss)/income, allocated for basic   | (13,224)                | (1,445)        | 35,637         | 3,828          | 17,957         | 200.2         | 1,913          | 21.3          |
| Reallocation of net (loss)/income as a result of conversion of Class B to Class A shares | (1,445)                 | —              | 3,828          | —              | 1,913          | 21.3          | —              | —             |
| Reallocation of net income to Class B shares   | —                       | —              | —              | (882)          | —              | —             | (12)           | (0.1)         |
| Effect of convertible debt restructuring, net of tax                                     | —                       | —              | (8,348)        | —              | —              | —             | —              | —             |
| Net (loss)/income, allocated for diluted   | (14,669)                | (1,445)        | 31,117         | 2,946          | 19,870         | 221.5         | 1,901          | 21.2          |
| Weighted average ordinary shares used in per share computation — basic                   | 326,683,201             | 35,703,468     | 332,321,580    | 35,698,674     | 335,141,012    | 335,141,012   | 35,698,674     | 35,698,674    |
| Effect of:   |                         |                |                |                |                |               |                |               |
| Conversion of Class B to Class A shares  | 35,703,468              | —              | 35,698,674     | —              | 35,698,674     | 35,698,674    | —              | —             |
| Incremental shares under the if-converted method   | —                       | —              | 2,694,657      | —              | —              | —             | —              | —             |
| Share-Based Awards   | —                       | —              | 6,305,374      | —              | 2,219,542      | 2,219,542     | —              | —             |
| Weighted average ordinary shares used in per share computation — diluted                 | 362,386,669             | 35,703,468     | 377,020,285    | 35,698,674     | 373,059,228    | 373,059,228   | 35,698,674     | 35,698,674    |
| Net (loss)/income per share attributable to ordinary shareholders:                       |                         |                |                |                |                |               |                |               |
| Basic  | (40.48)                 | (40.48)        | 107.24         | 107.24         | 53.58          | 0.60          | 53.58          | 0.60          |
| Diluted  | (40.48)                 | (40.48)        | 82.53          | 82.53          | 53.26          | 0.59          | 53.26          | 0.59          |

3. BUSINESS COMBINATIONS AND INVESTMENT TRANSACTIONS

Acquisitions in 2023

Acquisition of Uber's remaining interest in MLU B.V.

On April 21, 2023, the Company entered into an agreement (the "Agreement") with Uber NL Holdings 1 B.V. ("Uber"), a subsidiary of Uber Technologies Inc., and on the same day acquired Uber's entire remaining 29% interest in MLU B.V, a mobility joint venture, for consideration in cash of \$702.5 (RUB 57,337 at the exchange rate as of the closing date). The Agreement superseded and was in lieu of the call option Uber granted to the Company under a Framework Agreement dated September 7, 2021. The call option was exercisable until September 7, 2023.

In order to account for the equity ownership changes contemplated by the transaction, the Group reduced the amount of the non-controlling interest and additional paid-in capital by RUB 23,524 and RUB 35,459, respectively, and increased the amount of the accumulated other comprehensive income by RUB 1,646 (Note 4). After the closing date, no earnings are allocated to the noncontrolling interest.

Business combinations in 2022

News and Zen divestment and acquisition of Delivery Club

On August 22, 2022, the Group entered into a binding agreement with VK to sell its news aggregation platform and Zen, the Group's infotainment service, (together, "News and Zen") as well as to acquire 100% of the shares of Delivery Club LLC ("Delivery Club"), one of the leading food and grocery delivery services in Russia. On September 8, 2022, the Group completed its acquisition of 100% of Delivery Club and on September 12, 2022, the Group completed the sale of News and Zen. The transaction marked a strategic decision to exit from media businesses (other than entertainment streaming). The Group accounted for the acquisition as a business combination.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

According to U.S. GAAP requirements, the non-cash consideration transferred to acquire Delivery Club amounted to RUB 38,620, representing the fair value of News and Zen. The fair value has been determined using valuation techniques such as discounted cash flows and is based on significant unobservable inputs, thus representing a Level 3 measurement as defined by ASC 820. The most significant quantitative inputs used to measure the fair value were the future revenue growth rates, projected adjusted profitability margins and discount rates. As a result of the News and Zen deconsolidation, a gain in the amount of RUB 38,051 was recognized for the difference between carrying value and fair value of the net assets of the News and Zen businesses.

As of December 31, 2022, the Group additionally recognized RUB 332 as working capital adjustment to consideration transferred against goodwill.

Set out below is the condensed balance sheet of Delivery Club as of September 8, 2022, reflecting the allocation of the purchase price to net assets acquired:

|   | <u>September 8, 2022</u> |
|---|--------------------------|
|   | RUB                      |
| <b>ASSETS:</b>                                  |                          |
| Cash and cash equivalents                       | 1,893                    |
| Accounts receivable                             | 1,182                    |
| Goodwill  | 24,919                   |
| Intangible assets                               | 13,864                   |
| Other current and non-current assets            | 2,089                    |
| <b>Total assets</b>                             | <b>43,947</b>            |
| <b>LIABILITIES:</b>                             |                          |
| Accounts payable, accrued and other liabilities | 3,496                    |
| Other current and non-current liabilities       | 1,499                    |
| <b>Total liabilities</b>                        | <b>4,995</b>             |
| <b>Total purchase consideration</b>             | <b>38,952</b>            |

Of the RUB 13,864 assigned to intangible assets, RUB 9,626 relates to the acquired trademark of Delivery Club, included in the trade names and domain names category, which is amortized over a period of 10 years; and RUB 4,058 represents the customer base which is included in the customer relationships category, which is amortized over a period of 7 years. The Group used an income valuation approach to determine the fair values of the trademark and customer base. The most significant quantitative inputs used for the valuation of the acquired trademark were future revenue growth rates and projected adjusted profitability margins. The most significant quantitative inputs used for the valuation of the customer base were customer retention rates, future revenue growth rates and projected adjusted profitability margins. These inputs are not observable in the market and thus represent a Level 3 measurement as defined by ASC 820.

The goodwill of RUB 24,919 was assigned to the E-commerce, Mobility and Delivery reportable segment. The Group expects to achieve significant synergies and cost reductions within its food and grocery delivery services. Goodwill is not deductible for income tax purposes.

The results of operations of Delivery Club for the year ended December 31, 2021 and for the period from January 1, 2022 to September 8, 2022 were as follows:

|          | <u>Year ended</u><br><u>December 31, 2021</u> | <u>Period from</u><br><u>January 1, 2022 to</u><br><u>September 8, 2022</u> |
|----------|---|---|
|          | RUB   | RUB   |
| Revenues | 13,047  | 11,724  |
| Net loss | (10,120)                                      | (6,452)   |

## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The following unaudited pro forma information presents the combined results of operations of the Group and Delivery Club for the years ended December 31, 2021 and 2022 as if the acquisition of Delivery Club completed as of January 1, 2021:

|                     | 2021     | 2022    |
|---------------------|----------|---------|
|                     | RUB      | RUB     |
| Revenues            | 369,218  | 533,423 |
| Net income / (loss) | (24,773) | 3,112   |

These amounts have been calculated after the elimination of the gain of RUB 38,051 related to the News and Zen deconsolidation and adjusting the results of Delivery Club to reflect amortization associated with intangible assets acquired. 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, 2021, nor are they indicative of future results of operations.

**Acquisitions in 2021****Transaction with Uber**

On August 30, 2021, the Group entered into a framework agreement with Uber Technologies, Inc., and certain of its affiliates (“Uber”), to restructure their joint ventures, MLU B.V. (“MLU”) and Yandex Self Driving Group B.V. (“SDG”). Pursuant to this agreement, for total consideration of \$1,000 in cash, the Group has acquired from Uber its entire equity interest in SDG and an additional 4.5% (4.6% based on the total number of outstanding shares) interest in MLU, both of which were completed in September 2021, as well as Uber’s entire indirect interest in Yandex Eats, Yandex Lavka and Yandex Delivery (the “Demerged Businesses”), each of which was demerged from MLU in December 2021. The transaction provides the Group and its employees a total of 71.0% (70.2% based on the total number of outstanding shares) ownership in the newly restructured MLU which will focus on mobility business.

On September 7, 2021 (the “Initial Closing”), the Group paid \$800 (RUB 58,363 at the exchange rate as of the Initial Closing) in cash. On December 21, 2021 (the “Demerger Closing”), the remaining \$200 (RUB 14,859 at the exchange rate as of the Demerger Closing) of consideration was paid upon the completion of the demerger and subsequent transfer of Uber’s shares in the Demerged Businesses to the Group.

After the Initial Closing, no earnings are allocated to the noncontrolling interest relating to the Demerged Businesses, as these interests were considered to be mandatorily redeemable. In order to account for all of the equity ownership changes contemplated by the transaction, the Group reduced the amount of the non-controlling interest and additional paid-in capital by RUB 6,241 and RUB 67,205, respectively.

Under the terms of the framework agreement, the Group also received an American call option to acquire Uber’s remaining 29.0% (29.8% based on the total number of outstanding shares) interest in the newly restructured MLU during the two-year period beginning on the Initial Closing. The call option had an initial exercise price of \$1,811 (RUB 132,119 at the exchange rate as of the Initial Closing) which increases to approximately \$2,005 (RUB 146,272 at the exchange rate as of the Initial Closing) if exercised in September 2023. The call option was determined to be embedded in the non-controlling interest in the newly restructured MLU and did not fall under the guidance of ASC 480 nor meet the definition of a derivative under ASC 815. Therefore, the call option did not impact the accounting of the remaining noncontrolling interest in the newly restructured MLU. In April 2023, the Company entered into the Agreement with Uber and acquired Uber’s entire remaining 29% interest in MLU. The Agreement superseded, and was in lieu of, the call option.

**Acquisition of Axelcroft Group**

On February 2, 2021, MLU entered into a share purchase agreement (“SPA”) with Fasten CY Limited (together referred to as “parties”) and completed the acquisition of 100% of the shares of Axelcroft Limited and its subsidiaries (“Axelcroft Group”), representing certain components of the ride-hailing and cargo business of Vezet Group. The transaction was intended to allow the Group to strengthen its position and enhance customer care across Russian regions.



## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The Group expects to achieve synergies and cost reductions resulting from increased operating efficiency due to an improved balance of supply and demand in Russian regions. The Group applied the acquisition method to account for the transaction according to U.S. GAAP requirements.

The acquisition-date fair value of the consideration payable amounted to RUB 12,916, including RUB 7,300 paid in cash at the acquisition date in U.S. dollars and a holdback amount and contingent consideration of up to RUB 5,616 subject to successful achievement of certain integration milestones and other purchase price adjustments.

The contingent consideration consists of up to \$61.3 (undiscounted) (RUB 4,625 (undiscounted) at the exchange rate as of acquisition date) payable to Fasten CY Limited, conditional on the Axelcroft Group meeting defined integration performance targets. The fair value of contingent consideration at the acquisition date was estimated at \$60.4 (RUB 4,557 at the exchange rate as of the acquisition date). The Group estimated the fair value of the integration consideration based on probability adjusted present value of consideration expected to be transferred using significant inputs that are not observable in the market and thus represents a Level 3 measurement as defined by ASC 820. Key assumptions used in these estimates include discount rates and probability assessments with respect to the likelihood of achieving the performance targets given the integration mechanism and the tools available under SPA to the parties to achieve integration milestones.

In July 2021, the parties completed the assessment of the achieved integration performance targets and determined the integration milestone payments due in connection with the acquisition of Axelcroft Group. The total amount paid was RUB 5,791, consisting of RUB 4,509 of integration consideration and RUB 1,282 of holdback amount.

Set out below is the condensed balance sheet of Axelcroft Group as of February 2, 2021, reflecting the allocation of the purchase price to net assets acquired.

|   | February 2, 2021<br>RUB |
|---|-------------------------|
| <b>ASSETS:</b>                            |                         |
| Cash and cash equivalents                 | 72                      |
| Intangible assets                         | 1,774                   |
| Goodwill                                  | 12,250                  |
| Other current and non-current assets      | 1,474                   |
| <b>Total assets</b>                       | <b>15,570</b>           |
| <b>LIABILITIES:</b>                       |                         |
| Deferred income tax liabilities           | 323                     |
| Other current and non-current liabilities | 2,331                   |
| <b>Total liabilities</b>                  | <b>2,654</b>            |
| <b>Total purchase consideration</b>       | <b>12,916</b>           |

Of the RUB 1,774 allocated to intangible assets, RUB 1,024 and RUB 292 relates to the acquired customer relationships and trademarks of Vezet Group, included in the customer relationships and trade names and domain names categories, respectively, which will be amortized over a period of 10 years; and RUB 258 represents driver relationships, included in the customer relationships category, that will be amortized over a period of 2 years. RUB 200 was assigned to IT software and technology, included in the software category, which is mainly represented by driver and client mobile applications that were discontinued at the end of the technical integration period, April 2, 2021, and therefore fully amortized as of March 31, 2021. The Group used the income approach for the estimation of the fair value of customer relationships and trademarks, and the cost approach for IT software and technology and driver relationships. The most significant quantitative inputs used for the valuation of client relationships and trademarks were future revenue growth rates, projected adjusted profitability margins and user retention rates. The most significant quantitative input used for the valuation of IT software technology was time in man-hours required to reconstruct the software applications. The most significant quantitative input used for the valuation of driver relationships was driver acquisition costs. These inputs are not observable in the market and thus represent a Level 3 measurement as defined by ASC 820.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Goodwill recognized in the amount of RUB 12,250 is attributable primarily to the expected synergies described above and was assigned to the E-commerce, Mobility and Delivery reportable segment. Goodwill is not deductible for income tax purposes.

The Group recognized separately from the acquisition RUB 408 of acquisition related costs that were expensed in the current period. These costs were recorded in sales, general and administrative expenses in the consolidated statements of operations.

The revenue and earnings of Axelcroft Group for the period prior to acquisition would not have had a material impact on the Group's revenue and earnings for the years ended December 31, 2021 and 2020. Accordingly, no pro forma financial information is presented. The Group has determined that the presentation of revenue and earnings of Axelcroft Group from the date of acquisition is impracticable due to the integration of the operations upon acquisition.

**Acquisition of Acropol Bank**

On July 16, 2021, the Group completed the acquisition of a 100% ownership interest in Commercial Bank ACROPOL, JSC ("Acropol Bank" or "Acropol"). As a result of the acquisition, the Group acquired all of Acropol's licenses, including a universal banking license. Cash consideration transferred totaled RUB 986. The acquisition was accounted for as a business combination.

Set out below is the condensed balance sheet of the Acropol Bank as of July 16, 2021, reflecting the allocation of the purchase price to net assets acquired.

|   | July 16, 2021<br>RUB |
|---|----------------------|
| <b>ASSETS:</b>                            |                      |
| Cash and cash equivalents                 | 597                  |
| Investments in debt securities, current   | 556                  |
| Goodwill                                  | 105                  |
| Other current and non-current assets      | 44                   |
| <b>Total assets</b>                       | <b>1,302</b>         |
| <b>LIABILITIES:</b>                       |                      |
| Other current and non-current liabilities | 316                  |
| <b>Total liabilities</b>                  | <b>316</b>           |
| <b>Total purchase consideration</b>       | <b>986</b>           |

The results of operations of Acropol for the period prior to the acquisition would not have had a material impact on the Group's results of operations for the years ended December 31, 2021 and 2020. Accordingly, no pro forma financial information is presented.

**4. CONSOLIDATED FINANCIAL STATEMENTS DETAILS**

**Cash and Cash Equivalents**

Cash and cash equivalents as of December 31, 2022 and 2023 consisted of the following:

|  | 2022<br>RUB   | 2023<br>RUB   | 2023<br>\$     |
|--|---------------|---------------|----------------|
| Cash                                   | 48,682        | 70,399        | 784.9          |
| Cash equivalents:                      |               |               |                |
| Bank deposits                          | 34,346        | 26,044        | 290.4          |
| Other cash equivalents                 | 103           | 76            | 0.9            |
| <b>Total cash and cash equivalents</b> | <b>83,131</b> | <b>96,519</b> | <b>1,076.2</b> |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Current expected credit losses for cash and cash equivalents, funds receivable and other financial assets were immaterial for the year ended December 31, 2023. All of the Group's cash is held at financial institutions that management believes to be of high credit quality.

**Allowance for current expected credit losses on trade receivables and net investment in the lease**

Movements in the allowance for current expected credit losses on trade receivables for the years ended December 31, 2022 and 2023 were as follows:

|   | 2022<br>RUB  | 2023<br>RUB  | 2023<br>\$  |
|---|--------------|--------------|-------------|
| Balance at beginning of period                      | 2,716        | 4,169        | 46.5        |
| Current period provision for expected credit losses | 2,114        | 2,565        | 28.6        |
| Write-off   | (617)        | (1,571)      | (17.5)      |
| Foreign exchange difference                         | (44)         | 285          | 3.2         |
| <b>Balance at the end of the period</b>             | <b>4,169</b> | <b>5,448</b> | <b>60.8</b> |

As of December 31, 2023, the Group has no net investment in the lease with past due status and, the period since origination of the leases is less than one year. The entire amount of net investment in the lease is subject to credit risk estimated on a portfolio basis of contracts with similar risk exposure. No significant expected credit loss was recognized as of December 31, 2023.

**Other Current Assets**

Other current assets as of December 31, 2022 and 2023 consisted of the following:

|                                      | 2022<br>RUB   | 2023<br>RUB   | 2023<br>\$   |
|--------------------------------------|---------------|---------------|--------------|
| Other receivables                    | 7,588         | 6,644         | 74.1         |
| Net investment in the lease          | 455           | 3,591         | 40.0         |
| Prepaid income tax                   | 3,328         | 2,842         | 31.7         |
| Bank deposits and loans to customers | 36            | 1,995         | 22.2         |
| Contract assets                      | 1,456         | 1,976         | 22.0         |
| Loans granted to employees           | 1,333         | 1,831         | 20.4         |
| Loans granted to third parties       | 986           | 1,553         | 17.3         |
| Investments in debt securities       | 305           | 958           | 10.7         |
| Restricted cash                      | 643           | 451           | 5.0          |
| Loans granted to related parties     | 3             | —             | —            |
| Other                                | 838           | 1,343         | 15.0         |
| <b>Total other current assets</b>    | <b>16,971</b> | <b>23,184</b> | <b>258.4</b> |

The accrued interest receivable is excluded from the amortized cost basis of financing receivables. The Group did not write-off any accrued interest receivable during the years ended December 31, 2022 and 2023.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Other Non-current Assets**

Other non-current assets as of December 31, 2022 and 2023 consisted of the following:

|                                       | 2022          | 2023          | 2023         |
|---------------------------------------|---------------|---------------|--------------|
|                                       | RUB           | RUB           | \$           |
| Net investment in the lease           | 979           | 8,760         | 97.7         |
| Loans granted to employees            | 6,187         | 8,328         | 92.9         |
| Security deposits                     | 2,841         | 3,051         | 34.0         |
| Loans granted to third parties        | 301           | 2,260         | 25.2         |
| Contract assets                       | 1,292         | 1,502         | 16.7         |
| Prepaid expenses                      | 1,157         | 1,445         | 16.1         |
| Investments in debt securities        | —             | 955           | 10.6         |
| Indemnification assets                | 1,031         | 918           | 10.2         |
| Restricted cash                       | 666           | 900           | 10.0         |
| Loans granted to related parties      | 35            | —             | —            |
| Other                                 | 788           | 1,616         | 18.1         |
| <b>Total other non-current assets</b> | <b>15,277</b> | <b>29,735</b> | <b>331.5</b> |

The loans granted to third parties, current and non-current as of December 31, 2023 represent RUB denominated loans bearing interest of 3%-15% which are expected to be fully repaid in 2024–2026, along with accrued interest.

**Accounts Payable, Accrued and Other Liabilities**

Accounts payable, accrued and other liabilities as of December 31, 2022 and 2023 comprised the following:

|  | 2022           | 2023           | 2023           |
|--|----------------|----------------|----------------|
|  | RUB            | RUB            | \$             |
| Trade accounts payable and accrued liabilities                     | 72,635         | 111,621        | 1,244.5        |
| Salary and other compensation expenses payable/acrued to employees | 11,424         | 22,992         | 256.4          |
| Liabilities under the reverse factoring programs                   | 20,702         | 19,850         | 221.3          |
| Bank deposits and liabilities                                      | 578            | 19,573         | 218.2          |
| Operating lease liabilities, current (Note 8)                      | 10,963         | 9,797          | 109.2          |
| Content liabilities  | 3,353          | 5,485          | 61.2           |
| Finance lease liability, current (Note 8)                          | 2,788          | 4,097          | 45.7           |
| Accounts payable for acquisition of businesses                     | 373            | 33             | 0.3            |
| <b>Accounts payable, accrued and other liabilities</b>             | <b>122,816</b> | <b>193,448</b> | <b>2,156.8</b> |

**Interest income**

The following table presents the components of interest income for the years ended December 31, 2021, 2022 and 2023:

|                              | 2021         | 2022         | 2023         | 2023        |
|------------------------------|--------------|--------------|--------------|-------------|
|                              | RUB          | RUB          | RUB          | \$          |
| Bank deposits                | 3,720        | 3,749        | 4,261        | 47.5        |
| Other                        | 895          | 974          | 1,376        | 15.4        |
| <b>Total interest income</b> | <b>4,615</b> | <b>4,723</b> | <b>5,637</b> | <b>62.9</b> |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Other Income/(Loss), Net**

Other income/(loss), net includes foreign exchange gains in the amount of RUB 235, RUB 9,393 and RUB 22,852 (\$254.8) for the years ended December 31, 2021, 2022 and 2023, respectively.

**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 2,511 and RUB 2,864 (\$31.9) as of December 31, 2022 and 2023, respectively.

**Revenues**

Revenues in the consolidated statements of operations include revenues related to sales of goods in the amount of RUB 55,910, RUB 91,998 and RUB 142,060 (\$1,583.9) for the years ended December 31, 2021, 2022 and 2023 respectively.

**Reallocations of Accumulated Other Comprehensive Income**

The Group adjusted the carrying amount of accumulated other comprehensive income by RUB 1,646 for the year ended December 31, 2023, reflecting the acquisition of Uber's remaining interest in MLU B.V. (Note 3). There were no reallocations in the years ended December 31, 2021 and 2022.

**5. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group does not enter into derivative arrangements for trading or speculative purposes. However, some of the Group's contracts have embedded derivatives that are bifurcated and accounted for separately from the host agreements. The Group also uses derivative financial instruments to protect the Group from the risk that the future foreign currency cash flows will be adversely affected by changes in the exchange rates.

The Group recognizes such derivative instruments as either assets or liabilities on the consolidated balance sheets at fair value and records changes in the fair value of the derivatives in the consolidated balance sheets through accumulated other comprehensive income.

The Group entered into derivative arrangements used as economic hedges for the total amount of nil and RUB 24,763 for the years ended December 2022 and 2023, respectively.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

6. FAIR VALUE MEASUREMENTS

The fair value of assets and liabilities as of December 31, 2022 and 2023, including those measured at fair value on a recurring basis and excluding those which fair value approximates carrying value, consisted of the following:

|                        | As of December 31, 2022 |                |                |               | As of December 31, 2023 |                |                |                |                |
|------------------------|-------------------------|----------------|----------------|---------------|-------------------------|----------------|----------------|----------------|----------------|
|                        | Level 1<br>RUB          | Level 2<br>RUB | Level 3<br>RUB | Total<br>RUB  | Level 1<br>RUB          | Level 2<br>RUB | Level 3<br>RUB | Total<br>RUB   | Total<br>\$    |
| Assets:                |                         |                |                |               |                         |                |                |                |                |
| Loans granted (Note 4) | —                       | 9,067          | —              | 9,067         | —                       | 13,266         | —              | 13,266         | 147.9          |
|                        | —                       | <u>9,067</u>   | —              | <u>9,067</u>  | —                       | <u>13,266</u>  | —              | <u>13,266</u>  | <u>147.9</u>   |
| Liabilities:           |                         |                |                |               |                         |                |                |                |                |
| Loans (Note 13)        | —                       | —              | 46,134         | 46,134        | —                       | —              | 124,311        | 124,311        | 1,386.0        |
|                        | —                       | —              | <u>46,134</u>  | <u>46,134</u> | —                       | —              | <u>124,311</u> | <u>124,311</u> | <u>1,386.0</u> |

The Company measures the fair value of loans received and loans granted for disclosure purposes. The carrying amount and fair value of loans received and loans granted as of December 31, 2022 and 2023 were as follows:

|                        | As of December 31, 2022   |                      | As of December 31, 2023 |                |                |                |
|------------------------|---------------------------|----------------------|-------------------------|----------------|----------------|----------------|
|                        | Carrying<br>amount<br>RUB | Fair<br>value<br>RUB | Carrying<br>amount      |                | Fair<br>value  |                |
|                        |                           |                      | RUB                     | \$             | RUB            | \$             |
| Assets:                |                           |                      |                         |                |                |                |
| Loans granted (Note 4) | 8,845                     | 9,067                | 13,972                  | 155.8          | 13,266         | 147.9          |
|                        | <u>8,845</u>              | <u>9,067</u>         | <u>13,972</u>           | <u>155.8</u>   | <u>13,266</u>  | <u>147.9</u>   |
| Liabilities:           |                           |                      |                         |                |                |                |
| Loans (Note 13)        | 50,669                    | 46,134               | 127,233                 | 1,418.6        | 124,311        | 1,386.0        |
|                        | <u>50,669</u>             | <u>46,134</u>        | <u>127,233</u>          | <u>1,418.6</u> | <u>124,311</u> | <u>1,386.0</u> |

There were no transfers of financial assets and liabilities between the levels of the fair value hierarchy for the years ended December 31, 2021, 2022 and 2023.

7. PROPERTY AND EQUIPMENT

Property and equipment, net of accumulated depreciation, as of December 31, 2022 and 2023 consisted of the following:

|                                      | 2022<br>RUB    | 2023<br>RUB    | 2023<br>\$     |
|--------------------------------------|----------------|----------------|----------------|
| Infrastructure systems and equipment | 117,566        | 169,298        | 1,887.7        |
| Finance lease right-of-use assets    | 26,674         | 36,846         | 410.8          |
| Land, land rights and buildings      | 19,096         | 20,844         | 232.4          |
| Office furniture and equipment       | 11,923         | 16,889         | 188.3          |
| Other property and equipment         | 10,063         | 18,494         | 206.2          |
| Leasehold improvements               | 4,507          | 6,186          | 69.0           |
| Assets not yet in use                | 42,170         | 63,020         | 702.7          |
| Total                                | 231,999        | 331,577        | 3,697.1        |
| Less: accumulated depreciation       | (104,293)      | (137,659)      | (1,535.0)      |
| <b>Total property and equipment</b>  | <u>127,706</u> | <u>193,918</u> | <u>2,162.1</u> |

Assets not yet in use primarily represent building construction, infrastructure systems, equipment and other assets under installation, including related prepayments, and comprise the cost of the assets and other direct costs

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

applicable to purchase and installation. Leasehold improvements included in assets not yet in use amounted to RUB 364 and RUB 1,806 (\$20.1) as of December 31, 2022 and 2023, respectively.

Depreciation expenses related to property and equipment for the years ended December 31, 2021, 2022 and 2023 amounted to RUB 18,162, RUB 23,243 and RUB 29,432 (\$328.2), respectively.

**8. LEASES**

*Group as Lessee*

The Group has operating leases for corporate offices, warehouses, sorting centers, cars and parking spots. The Group's leases have remaining lease terms of 1 to 8 years, some of which include options to terminate the leases within 1 year.

The Group has finance leases for warehouses and cars. The Group's leases have remaining lease terms of 1 to 18 years, some of which include options to terminate the leases within 1 year.

The components of lease expense comprise of the operating lease cost, which is disclosed in the consolidated statements of cash flows, and the following costs:

|                                     | 2021<br>RUB  | 2022<br>RUB  | 2023<br>RUB  | 2023<br>\$  |
|-------------------------------------|--------------|--------------|--------------|-------------|
| <b>Total variable lease cost</b>    | <b>2,067</b> | <b>1,139</b> | <b>119</b>   | <b>1.3</b>  |
| Finance lease cost:                 |              |              |              |             |
| Amortization of right-of-use assets | 977          | 1,893        | 3,240        | 36.1        |
| Interest on lease liabilities       | 683          | 1,557        | 2,719        | 30.3        |
| <b>Total finance lease cost</b>     | <b>1,660</b> | <b>3,450</b> | <b>5,959</b> | <b>66.4</b> |

Variable lease costs are mainly related to car leases for carsharing business and represent mileage-based payments.

Supplemental balance sheet information related to leases was as follows:

|  | 2022<br>RUB   | 2023<br>RUB   | 2023<br>\$   |
|--|---------------|---------------|--------------|
| <b>Operating leases</b>                        |               |               |              |
| Operating lease right-of-use assets            | 28,646        | 35,522        | 396.1        |
| Operating lease liabilities – current (Note 4) | 10,963        | 9,797         | 109.2        |
| Operating lease liabilities – non-current      | 17,609        | 25,556        | 284.9        |
| <b>Total operating lease liabilities</b>       | <b>28,572</b> | <b>35,353</b> | <b>394.1</b> |
| Finance lease liabilities – current (Note 4)   | 2,788         | 4,097         | 45.7         |
| Finance lease liabilities – non-current        | 21,185        | 27,600        | 307.7        |
| <b>Total finance lease liabilities</b>         | <b>23,973</b> | <b>31,697</b> | <b>353.4</b> |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Maturities of lease liabilities as of December 31, 2023 were as follows:

| Year ended December 31,     | Operating leases |              | Finance leases |              |
|-----------------------------|------------------|--------------|----------------|--------------|
|                             | RUB              | \$           | RUB            | \$           |
| 2024                        | 13,216           | 147.4        | 7,087          | 79.0         |
| 2025                        | 11,876           | 132.4        | 9,289          | 103.6        |
| 2026                        | 8,754            | 97.6         | 8,897          | 99.2         |
| 2027                        | 4,536            | 50.5         | 6,498          | 72.5         |
| 2028                        | 2,652            | 29.5         | 3,269          | 36.4         |
| Thereafter                  | 2,732            | 30.6         | 8,611          | 96.0         |
| <b>Total lease payments</b> | <b>43,766</b>    | <b>488.0</b> | <b>43,651</b>  | <b>486.7</b> |
| Less imputed interest       | (8,413)          | (93.9)       | (11,954)       | (133.3)      |
| <b>Total</b>                | <b>35,353</b>    | <b>394.1</b> | <b>31,697</b>  | <b>353.4</b> |

Information about weighted-average remaining lease term and weighted-average discount rate is presented below:

|                  | Weighted average remaining lease term, years |                   | Weighted average discount rate, % |                   |
|------------------|--|-------------------|-----------------------------------|-------------------|
|                  | December 31, 2022                            | December 31, 2023 | December 31, 2022                 | December 31, 2023 |
| Operating leases | 3.6  | 3.9               | 7.4%                              | 11.0%             |
| Finance leases   | 6.8  | 5.6               | 8.6%                              | 10.1%             |

Sublease income is mainly represented by operating lease revenue.

As of December 31, 2023, the Group had additional operating leases that have not yet commenced of RUB 2,817 (\$31.4). These operating leases will commence in accordance with lease terms of 5 to 10 years.

**Group as Lessor**

The Group leases cars through the Yandex Drive free-floating car-sharing service and other related services. These leases meet the criteria of ASC 842 Leases for classification as operating leases. The Group recognized operating lease revenue of RUB 11,873, RUB 10,172 and 10,601 RUB (\$118.2) for the twelve months ended December 31, 2021, 2022 and 2023, respectively, presented within the revenues line in the consolidated statements of operations.

Investment in the finance lease consists of sales-type leases of cars and represents net unpaid rentals. The terms of the sales type leases are from 2 to 5 years, with the possibility of early redemption and secured by the leased assets.



YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The future minimum rental payments receivable for net investment in the lease as of December 31, 2023 were as follows:

| Year ended December 31,                   | December 31, 2023 |              |
|---|-------------------|--------------|
|   | RUB               | \$           |
| 2024                                      | 5,253             | 58.6         |
| 2025                                      | 5,161             | 57.5         |
| 2026                                      | 3,547             | 39.5         |
| 2027                                      | 1,541             | 17.2         |
| 2028                                      | 163               | 1.9          |
| <b>Total undiscounted rental payments</b> | <b>15,665</b>     | <b>174.7</b> |
| Less unearned interest                    | (3,314)           | (37.0)       |
| <b>Net investment in the lease</b>        | <b>12,351</b>     | <b>137.7</b> |

9. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill were as follows:

|   | Search and Portal | E-commerce, Mobility and Delivery | Plus and Entertainment | Classifieds  | Other Business Units and Initiatives | Total          | Total          |
|---|-------------------|-----------------------------------|------------------------|--------------|--------------------------------------|----------------|----------------|
|   | RUB               | RUB                               | RUB                    | RUB          | RUB                                  | RUB            | \$             |
| <b>Balance as of January 1, 2022</b>    |                   |                                   |                        |              |                                      |                |                |
| Gross amount of goodwill                | 2,719             | 107,810                           | 2,140                  | 6,382        | 151                                  | 119,202        | —              |
| Accumulated impairment loss             | —                 | (762)                             | (576)                  | —            | —                                    | (1,338)        | —              |
|   | <b>2,719</b>      | <b>107,048</b>                    | <b>1,564</b>           | <b>6,382</b> | <b>151</b>                           | <b>117,864</b> | —              |
| Acquisitions (Note 3)                   | —                 | 26,139                            | —                      | —            | —                                    | 26,139         | —              |
| Foreign currency translation adjustment | —                 | (226)                             | —                      | —            | —                                    | (226)          | —              |
| <b>Balance as of December 31, 2022</b>  |                   |                                   |                        |              |                                      |                |                |
| Gross amount of goodwill                | 2,719             | 133,724                           | 2,140                  | 6,382        | 151                                  | 145,116        | —              |
| Accumulated impairment loss             | —                 | (762)                             | (576)                  | —            | —                                    | (1,338)        | —              |
|   | <b>2,719</b>      | <b>132,962</b>                    | <b>1,564</b>           | <b>6,382</b> | <b>151</b>                           | <b>143,778</b> | —              |
| Foreign currency translation adjustment | —                 | 142                               | —                      | —            | —                                    | 142            | 1.6            |
| Measurement period adjustment           | —                 | 56                                | —                      | —            | —                                    | 56             | 0.6            |
| Impairment loss                         | —                 | (1,136)                           | —                      | —            | —                                    | (1,136)        | (12.7)         |
| <b>Balance as of December 31, 2023</b>  |                   |                                   |                        |              |                                      |                |                |
| Gross amount of goodwill                | 2,719             | 133,922                           | 2,140                  | 6,382        | 151                                  | 145,314        | 1,620.2        |
| Accumulated impairment loss             | —                 | (1,898)                           | (576)                  | —            | —                                    | (2,474)        | (27.6)         |
|   | <b>2,719</b>      | <b>132,024</b>                    | <b>1,564</b>           | <b>6,382</b> | <b>151</b>                           | <b>142,840</b> | <b>1,592.6</b> |

Goodwill is non-deductible for tax purposes for all business combinations completed in the years ended December 31, 2021, 2022 and 2023.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Intangible assets, net of amortization, as of December 31, 2022 and 2023 consisted of the following intangible assets:

|   | As of December 31, 2022   |   |                         | As of December 31, 2023   |   |                         |                        | Weighted-average remaining useful life (in years) |
|---|---------------------------|---|-------------------------|---------------------------|---|-------------------------|------------------------|---|
|   | Gross carrying amount RUB | Less: accumulated amortization and impairment RUB | Net carrying amount RUB | Gross carrying amount RUB | Less: accumulated amortization and impairment RUB | Net carrying amount RUB | Net carrying amount \$ |   |
| <b>Acquisition-related intangible assets:</b>       |                           |   |                         |                           |   |                         |                        |   |
| Trade names and domain names                        | 13,430                    | (2,840)   | 10,590                  | 13,282                    | (8,967)   | 4,315                   | 48.1                   | 6.3   |
| Customer relationships                              | 13,226                    | (3,834)   | 9,392                   | 13,231                    | (5,231)   | 8,000                   | 89.2                   | 7.4   |
| Software  | 8,387                     | (3,444)   | 4,943                   | 8,148                     | (4,760)   | 3,388                   | 37.8                   | 2.6   |
| Supplier relationships                              | 215                       | (83)  | 132                     | 215                       | (130)   | 85                      | 0.9                    | 2.0   |
| <b>Total acquisition-related intangible assets:</b> | <b>35,258</b>             | <b>(10,201)</b>                                   | <b>25,057</b>           | <b>34,876</b>             | <b>(19,088)</b>                                   | <b>15,788</b>           | <b>176.0</b>           |   |
| <b>Other intangible assets:</b>                     |                           |   |                         |                           |   |                         |                        |   |
| Technologies and licenses                           | 10,765                    | (5,799)   | 4,966                   | 20,277                    | (9,500)   | 10,777                  | 120.2                  | 2.2   |
| Assets not yet in use                               | 1,743                     | —   | 1,743                   | 1,796                     | —   | 1,796                   | 20.0                   |   |
| Total other intangible assets:                      | 12,508                    | (5,799)   | 6,709                   | 22,073                    | (9,500)   | 12,573                  | 140.2                  |   |
| <b>Total intangible assets</b>                      | <b>47,766</b>             | <b>(16,000)</b>                                   | <b>31,766</b>           | <b>56,949</b>             | <b>(28,588)</b>                                   | <b>28,361</b>           | <b>316.2</b>           |   |

In 2022 and 2023, the Group recognized a loss from the impairment of certain intangible assets related to E-commerce, Mobility and Delivery segment of RUB 2,740 (\$30.6) and RUB 6,403 (\$71.4), respectively (the amount of intangible assets carrying value excess over their fair value). The fair value was determined using the discounted cash flow method (Level 3). The impairment is presented within the Sales, general and administrative line in the consolidated statements of operations.

Amortization expenses of acquisition-related intangible assets for the years ended December 31, 2021, 2022 and 2023 were RUB 3,338, RUB 3,778 and RUB 4,828 (\$53.8) respectively.

Amortization expenses of other intangible assets for the years ended December 31, 2021, 2022 and 2023 were RUB 2,611, RUB 3,853 and RUB 5,691 (\$63.5), respectively.

Estimated amortization expense over the next five years and thereafter for intangible assets subject to amortization as of December 31, 2023 was as follows:

|              | Acquired intangible assets | Other intangible assets | Total intangible assets |              |
|--------------|----------------------------|-------------------------|-------------------------|--------------|
|              | RUB                        | RUB                     | RUB                     | \$           |
| 2024         | 3,350                      | 5,800                   | 9,150                   | 102.0        |
| 2025         | 3,019                      | 3,664                   | 6,683                   | 74.5         |
| 2026         | 2,299                      | 822                     | 3,121                   | 34.8         |
| 2027         | 1,512                      | 412                     | 1,924                   | 21.5         |
| 2028         | 1,511                      | 79                      | 1,590                   | 17.7         |
| Thereafter   | 4,097                      | —                       | 4,097                   | 45.7         |
| <b>Total</b> | <b>15,788</b>              | <b>10,777</b>           | <b>26,565</b>           | <b>296.2</b> |

## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

## 10. INCOME TAX

Income taxes are computed in accordance with Russian Federation, Dutch and other national tax laws.

Yandex N.V. is incorporated in the Netherlands, and its taxable profits are subject to income tax at the rate of 25% in the year ended December 31, 2021, and 25.8% for the years ended December 31, 2022 and 2023.

Dividends paid to Yandex N.V. by its Russian subsidiaries are subject to a 15% dividend withholding tax, computed in accordance with the laws of the Russian Federation. The rate has increased starting in 2022 from 5% to 15% due to denunciation of the double tax treaty between Russia and Netherlands in June 2021 by the Russian government. Due to the so-called participation exemption, dividends distributed by the Group's Russian subsidiaries to Yandex N.V. are exempt from income tax in the Netherlands.

Income tax provision for the years ended December 31, 2021, 2022 and 2023 consisted of the following:

|   | 2021         | 2022          | 2023          | 2023         |
|---|--------------|---------------|---------------|--------------|
|   | RUB          | RUB           | RUB           | \$           |
| Current tax expense - Russia            | 11,987       | 16,466        | 16,905        | 188.5        |
| Current tax expense - Netherlands       | 218          | 549           | 1,051         | 11.7         |
| Current tax expense - other             | 388          | 1,150         | 4,002         | 44.6         |
| Total current tax expense               | 12,593       | 18,165        | 21,958        | 244.8        |
| Deferred tax (benefit)/expense - Russia | (5,436)      | 4,654         | (1,259)       | (14.0)       |
| Deferred tax expense - Netherlands      | 87           | 107           | 9             | 0.1          |
| Deferred tax (benefit)/expense - other  | 186          | (192)         | 664           | 7.4          |
| Total deferred tax (benefit)/expense    | (5,163)      | 4,569         | (586)         | (6.5)        |
| <b>Total income tax expense</b>         | <b>7,430</b> | <b>22,734</b> | <b>21,372</b> | <b>238.3</b> |

The components of income/(loss) before income tax expense for the years ended December 31, 2021, 2022 and 2023 were as follows:

|   | 2021           | 2022          | 2023          | 2023         |
|---|----------------|---------------|---------------|--------------|
|   | RUB            | RUB           | RUB           | \$           |
| Income/(Loss) before income tax expense - Russia      | 14,520         | 80,299        | (16,855)      | (187.9)      |
| Income/(Loss) before income tax expense - Netherlands | (28,707)       | (7,548)       | 44,737        | 498.8        |
| Income/(Loss) before income tax expense - other       | 6,964          | (2,402)       | 15,265        | 170.2        |
| <b>Total income/(loss) before income tax expense</b>  | <b>(7,223)</b> | <b>70,349</b> | <b>43,147</b> | <b>481.1</b> |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The amount of income tax expense that would result from applying the Dutch statutory income tax rate to income/(loss) before income taxes reconciled to the reported amount of income tax expense was as follows for the years ended December 31, 2021, 2022 and 2023:

|  | 2021         | 2022          | 2023          | 2023         |
|--|--------------|---------------|---------------|--------------|
|  | RUB          | RUB           | RUB           | \$           |
| Expected expense/(income) at Dutch statutory income tax rate of 25.8% for 2023 (25.8% for 2022 and 25% for 2021) | (1,806)      | 18,150        | 11,131        | 124.1        |
| Effect of:   |              |               |               |              |
| Tax on inter-company dividends   | (617)        | 2,171         | 4,964         | 55.3         |
| Non-deductible share-based compensation  | 5,207        | 6,201         | 8,198         | 91.4         |
| Other expenses not deductible for tax purposes   | 2,015        | 1,405         | 5,096         | 56.8         |
| Accrual of unrecognized tax benefit  | 949          | 3,154         | 3,029         | 33.8         |
| Effect of the disposal of intercompany investments   | (1,462)      | —             | —             | —            |
| Non-taxable effect of the News and Zen deconsolidation   | —            | (9,817)       | —             | —            |
| Effect of change in tax rate   | (269)        | 5,186         | 12            | 0.1          |
| Difference in foreign tax rates  | (1,754)      | (5,999)       | (25,654)      | (286.0)      |
| Change in valuation allowance  | 5,145        | 2,104         | 11,498        | 128.2        |
| Other  | 22           | 179           | 3,098         | 34.6         |
| <b>Income tax expense</b>  | <b>7,430</b> | <b>22,734</b> | <b>21,372</b> | <b>238.3</b> |

Movements in the valuation allowance were as follows:

|   | 2021            | 2022            | 2023            | 2023           |
|---|-----------------|-----------------|-----------------|----------------|
|   | RUB             | RUB             | RUB             | \$             |
| Balance at the beginning of the period  | (7,763)         | (12,482)        | (14,778)        | (164.8)        |
| Charged to expenses                     | (5,145)         | (2,104)         | (11,498)        | (128.2)        |
| Effect of adoption of ASU 2020-06       | —               | (1,330)         | —               | —              |
| Foreign currency translation adjustment | (19)            | 768             | (1,442)         | (16.1)         |
| Acquisition-related change              | —               | (1,568)         | —               | —              |
| Other                                   | 445             | 1,938           | (399)           | (4.4)          |
| <b>Balance at the end of the period</b> | <b>(12,482)</b> | <b>(14,778)</b> | <b>(28,117)</b> | <b>(313.5)</b> |

As of December 31, 2022 and 2023, the Company included accrued interest and penalties related to unrecognized tax benefits, totaling RUB 807 and RUB 2,257 (\$25.2), respectively, as a component of other accrued liabilities in the consolidated balance sheets and RUB 609 (\$6.8) as of December 31, 2023, as a component of account payable, accrued and other liabilities. The interest and penalties recorded as part of income tax expense in the years ended December 31, 2021, 2022 and 2023 resulted in expenses of RUB 209, RUB 440 and RUB 1,449 (\$16.2), respectively. The Company does not anticipate significant increases or decreases in unrecognized income tax benefits over the next twelve months.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

A reconciliation of the total amounts of unrecognized tax benefits for the years ended December 31, 2021, 2022 and 2023 was as follows:

|   | 2021<br>RUB  | 2022<br>RUB  | 2023<br>RUB  | 2023<br>\$  |
|---|--------------|--------------|--------------|-------------|
| Balance at the beginning of the period          | 427          | 1,345        | 5,463        | 60.9        |
| Increases related to prior years tax positions  | 633          | 1,099        | 601          | 6.7         |
| Decreases related to prior years tax positions  | (141)        | (309)        | (180)        | (2.0)       |
| Increases related to current year tax positions | 426          | 3,328        | 2,238        | 25.0        |
| Settlements                                     | —            | —            | (344)        | (3.8)       |
| <b>Balance at the end of the period</b>         | <b>1,345</b> | <b>5,463</b> | <b>7,778</b> | <b>86.8</b> |

Temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities and carryforwards gave rise to the following deferred tax assets and liabilities as of December 31, 2022 and 2023:

|   | 2022<br>RUB     | 2023<br>RUB     | 2023<br>\$     |
|---|-----------------|-----------------|----------------|
| Assets/(liabilities) arising from the tax effect of:        |                 |                 |                |
| <b>Deferred tax asset</b>                                   |                 |                 |                |
| Accrued expenses  | 3,279           | 6,249           | 69.7           |
| Net operating loss carryforward                             | 18,144          | 29,968          | 334.1          |
| Intangible assets   | —               | 839             | 9.4            |
| Property and equipment                                      | 840             | 964             | 10.7           |
| Operating lease liabilities                                 | 2,442           | 5,046           | 56.3           |
| Finance lease liabilities                                   | 3,362           | 6,288           | 70.1           |
| Other   | 1,295           | 3,345           | 37.3           |
| <b>Total deferred tax asset</b>                             | <b>29,362</b>   | <b>52,699</b>   | <b>587.6</b>   |
| Valuation allowance   | (14,778)        | (28,117)        | (313.5)        |
| <b>Total deferred tax asset, net of valuation allowance</b> | <b>14,584</b>   | <b>24,582</b>   | <b>274.1</b>   |
| <b>Deferred tax liability</b>                               |                 |                 |                |
| Property and equipment                                      | (2,883)         | (3,656)         | (40.8)         |
| Intangible assets   | (4,147)         | (2,873)         | (32.0)         |
| Unremitted earnings   | (3,399)         | (7,409)         | (82.6)         |
| Deferred expenses   | (223)           | (172)           | (1.9)          |
| Operating lease assets                                      | (2,081)         | (4,656)         | (51.9)         |
| Finance lease assets  | (2,938)         | (6,032)         | (67.3)         |
| Other   | (482)           | (1,524)         | (17.0)         |
| <b>Total deferred tax liability</b>                         | <b>(16,153)</b> | <b>(26,322)</b> | <b>(293.5)</b> |
| <b>Net deferred tax liability</b>                           | <b>(1,569)</b>  | <b>(1,740)</b>  | <b>(19.4)</b>  |

As of December 31, 2023, the Company had net operating loss carryforwards (“NOLs”) for Dutch income tax purposes of RUB 2,777 (\$31.0), that can be carried forward indefinitely. However, losses can only be fully deducted (on an annual basis) up to an amount of EUR 1 million plus 50% of the taxable profit that exceeds EUR 1 million.

As of December 31, 2023, the Group had NOLs for Russian income tax purposes of RUB 88,327 (\$984.8) with indefinite term of carryforward. Russian income tax law also specifies that the annual tax base may be reduced by 50% maximum of tax losses carried forward for 2024 to 2026.

As of December 31, 2023, the Dutch entities of the Group (other than the Company) also had NOLs for Dutch income tax purposes of RUB 20,774 (\$231.6).

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

NOLs for other jurisdictions income tax purposes amounted to RUB 30,750 (\$342.9) as of December 31, 2023 and related mostly to Israel, USA and Serbia.

The Group did not provide for dividend withholding taxes on the unremitted earnings of its principal Russian operating subsidiary as of December 31, 2023. As of December 31, 2023, the cumulative amount of unremitted earnings from which dividend withholding taxes were not provided amounted to approximately RUB 124,775 (\$1,391.2). The Group estimates that the amount of unrecognized deferred tax liability related to these earnings amounted to RUB 18,716 (\$208.7).

The tax years 2021, 2022 and 2023 remain open for examination by the Russian tax authorities with respect to all Russian subsidiaries.

The tax years 2022 and 2023 remain open for examination by the Dutch tax authorities with respect to the Company.

11. CONTENT ASSETS

Content assets as of December 31, 2022 and 2023 consisted of the following:

|                                  | 2022          | 2023          | 2023         |
|----------------------------------|---------------|---------------|--------------|
|                                  | RUB           | RUB           | \$           |
| Licensed content, net            |               |               |              |
| Licensed content, net            | 7,503         | 11,549        | 128.8        |
| Advances for licensed content    | 1,723         | 3,665         | 40.8         |
| Produced content, net            |               |               |              |
| Released, less amortization      | 2,427         | 3,792         | 42.3         |
| Completed and not released       | 758           | 295           | 3.3          |
| In production and in development | 4,433         | 7,324         | 81.7         |
| <b>Content assets</b>            | <b>16,844</b> | <b>26,625</b> | <b>296.9</b> |

The following table represents the amortization of content assets for the years ended December 31, 2021, 2022 and 2023:

|   | 2021         | 2022         | 2023         | 2023         |
|---|--------------|--------------|--------------|--------------|
|   | RUB          | RUB          | RUB          | \$           |
| Licensed content                            | 5,904        | 7,903        | 7,082        | 79.0         |
| Produced content                            | 482          | 1,041        | 2,056        | 22.9         |
| <b>Total amortization of content assets</b> | <b>6,386</b> | <b>8,944</b> | <b>9,138</b> | <b>101.9</b> |

As of December 31, 2023, the estimated amortization expense of unamortized cost of released content assets over the next three years was as follows:

|              | Licensed content | Produced content | Total content assets |              |
|--------------|------------------|------------------|----------------------|--------------|
|              | RUB              | RUB              | RUB                  | \$           |
| 2024         | 5,592            | 1,416            | 7,008                | 78.1         |
| 2025         | 3,320            | 1,142            | 4,462                | 49.8         |
| 2026         | 1,604            | 912              | 2,516                | 28.1         |
| Thereafter   | 1,033            | 322              | 1,355                | 15.1         |
| <b>Total</b> | <b>11,549</b>    | <b>3,792</b>     | <b>15,341</b>        | <b>171.1</b> |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

12. COMMITMENTS AND CONTINGENCIES

**Purchase Commitments**

The Group has entered into purchase commitments for streaming content with future payments (net of VAT) amounting to RUB 5,623 (\$62.7) in 2024, RUB 837 (\$9.3) in 2025, RUB 283 (\$3.2) in 2026, RUB 280 (\$3.1) in 2027 and RUB 171 (\$1.9) in 2028. The Group has also entered into purchase commitments for other goods and services with future payments (net of VAT) amounting to RUB 12,196 (\$136.0) in 2024, RUB 10,567 (\$117.8) in 2025, RUB 1,665 (\$18.6) in 2026, RUB 879 (\$9.8) in 2027, RUB 613 (\$6.8) in 2028 and RUB 826 (\$9.2) in 2029.

**Legal Proceedings**

In the ordinary course of business, the Group is a party to various legal proceedings and subject to claims, certain of which relate to the alleged breach of certain contractual arrangements. The Group intends to vigorously defend any lawsuit and believes that the ultimate outcome of any pending litigation, other legal proceedings or other matters will not have any material adverse effect on the financial condition, results of operations or liquidity of the Group.

As of December 31, 2022 and 2023, the Group recorded liabilities of RUB 726 and RUB 123 (\$1.4) respectively, in the accounts payable, accrued and other liabilities line of the consolidated balance sheets for all pending legal matters that were probable and reasonably estimable.

As of December 31, 2022 and 2023 the Group was subject to various legal and regulatory matters that have arisen in the normal course of business. Related claims amounted to RUB 813 and RUB 1,096 (\$12.2), respectively. The Group has not recognized a liability in respect of those claims because management does not believe that the Group has incurred a probable material loss by reason of any of those matters.

**Environment and Current Economic Situation**

In 2023, the Group had principal operations in Russia, as well as certain smaller, early-stage businesses that operated internationally. Ongoing geopolitical tensions and their impact on the Russian and global economy have created an exceptionally challenging environment for the Group's business, team and shareholders. These developments have adversely impacted (and may in the future materially adversely impact) the macroeconomic climate in Russia, resulting in volatility of the ruble, including significant devaluation, currency controls, increased interest rates and inflation, and a potential contraction in consumer spending, as well as the withdrawal of foreign businesses and suppliers from the Russian market. In addition, laws or regulations have been (and may be in the future) adopted that adversely affected the Group's non-Russian shareholders and the value of the shares they hold in the Group.

In 2023, the Group was 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.

Higher rates of inflation may lead to an increase in the Group's operating expenses and capital expenditures. Inflation in Russia (the group's key market in 2023) was 7.4% for 2023 compared to 11.9% for 2022 (the highest since 2015). The ruble's sharp depreciation by 38% (weakening from USD/RUB 65.8 as of December 2022, to USD/RUB 90.8 last December) was a major pro-inflationary factor last year. In order to respond to inflation growth and to control the growth of consumer prices, during 2023 the Central Bank of Russia (CBR) raised the key rate several times (overall from 7.5% as of the end of December 2022 to 16.0% as of December 2023) and kept it unchanged so far in 2024. According to the statistical office of the Russian Federation (Rosstat), real GDP in Russia grew 3.6% in 2023 following the 1.2% decline in 2022. Real disposable incomes of the population increased by 5.4% in 2023 following the 1.0% decline in 2022.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

In February 2024, the Group announced that it had entered into a definitive agreement with a purchaser consortium to sell all of the Group’s businesses in Russia and certain international markets (the “Sale”) at a total valuation of RUB 475 billion, subject to adjustments, and payable in a combination of cash and Class A shares of the Company (Note 19). The Group completed an internal reorganization in preparation for the Sale: all of Yandex’s assets and operations in Russia and certain international markets, which form the divestment perimeter, are now held by IPJSC “Yandex”, an international public joint stock company incorporated in Russia.

Following the completion of the Sale transaction, the Company will no longer hold any interest in the Russia-based businesses and will retain a portfolio of international businesses and other non-Russian assets initially focused on the markets in Europe, the US and the Middle East.

Taxes are subject to review and investigation by a number of authorities authorized by law to impose fines and penalties. Although the Group 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 Group. As of December 31, 2023, except for the unrecognized tax benefits described in Note 10, the Group accrued RUB 13,952 (\$155.6) (RUB 10,913 as of December 31, 2022) for contingencies related to non-income taxes, including penalties and interest of RUB 4,280 (\$47.7) (RUB 2,439 as of 31 December 2022), as a component of other accrued liabilities and RUB 352 (\$3.9) (zero as of December 31, 2022) for contingencies related to non-income taxes, including penalties and interest of RUB 189 (\$2.1) (zero as of 31 December 2022), as a component of account payable, accrued and other liabilities in the consolidated balance sheets. Additionally, the Group has identified possible contingencies related to non-income taxes, which are not accrued. Such contingencies could materialize and require the Group to pay additional amounts of tax. As of December 31, 2023, the Group estimated the contingencies related to non-income taxes, including penalties and interest, at approximately RUB 59,143 (\$659.4) (RUB 25,232 as of December 31, 2022).

**13. DEBT**

Debt as of December 31, 2022 and 2023 consisted of the following:

|  | 2022          | 2023           | 2023           |
|--|---------------|----------------|----------------|
|  | RUB           | RUB            | \$             |
| Convertible debt                                 | 522           | 615            | 6.9            |
| Loans  | 50,669        | 127,233        | 1,418.6        |
| Liabilities under the reverse factoring programs | —             | 13,636         | 152.0          |
| <b>Total debt</b>                                | <b>51,191</b> | <b>141,484</b> | <b>1,577.5</b> |
| Less: current portion                            | (21,306)      | (92,046)       | (1,026.3)      |
| <b>Total debt, non-current portion</b>           | <b>29,885</b> | <b>49,438</b>  | <b>551.2</b>   |

**Convertible debt**

On March 3, 2020, the Company issued and sold \$1,250.0 in aggregate principal amount of 0.75% convertible notes due March 3, 2025 at par. The net proceeds to the Group from the sale of the Notes were RUB 82,050 (\$1,237.0 at the exchange rate as of the issue date).

On March 7, 2022, the Notes’ delisting event condition was triggered as a result of the trading of Company’s Class A shares on Nasdaq having been suspended for at least five trading days. This resulted in the holders of the Notes having the right to require the redemption of their Notes at par in the full amount of \$1,250.0, plus accrued interest. To date the Group has repurchased a total of over 99% of the aggregate principal amount of convertible Notes through a combination of cash and share consideration.

On September 30, 2022 and on October 17, 2022, the Company issued total 2.5 million Class A shares as a partial settlement of its obligations under the share consideration portion of the purchase agreements (Note 14). Such issuance was made in compliance with the provisions of Office of Foreign Assets Control of the US Department of the Treasury (“OFAC”) General License No. 45, issued on July 22, 2022. The Group will use its commercially reasonable



YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

efforts to deliver the remaining share consideration of the purchase price when it becomes permissible to do so under applicable laws and regulations.

Having considered all relevant circumstances, including indicators of financial difficulties and the amendment of the terms of the Notes, the Group accounted for the modification of the Notes as a troubled debt restructuring as defined by ASC 470. In June 2022, the Group recognized a gain of \$177.4 and a related income tax expense in the amount of \$13.1 (RUB 9,305 and RUB 751 as of the date of the transaction, respectively) as the difference between the carrying value of all the Notes and the fair value of the purchase price paid and payable, including the cash component and share consideration. The Group's remaining obligation in respect of the share consideration was reflected as additional paid-in capital in the consolidated balance sheets. In accordance with the reporting requirements of ASC 470, the Group measured the fair value of the share consideration with reference to its share price as quoted on the Moscow Exchange (Level 1 of the fair value hierarchy). The effect of the gain, net of tax, on basic and diluted net income/(loss) per Class A and Class B shares amounted to RUB 22.68 and nil, respectively for the year ended December 31, 2022.

The Group recognized RUB 2,213, RUB 585 and nil as interest expense related to amortization of the debt discount and issuance expenses and RUB 691, RUB 335 and nil as interest expense related to the contractual interest coupon of the convertible debt for the years ended December 31, 2021, 2022 and 2023, respectively. The effective interest rate on the liability component of the convertible debt for the years ended December 31, 2021 and 2022 was 3.4% and 1.8%, respectively.

**Loans**

In 2022, the Group funded the cash component of the Notes primarily by means of a RUB-denominated loan in the amount of RUB 49,885 maturing in June 2025. In June 2023, the Group partially repaid the loan in the amount of RUB 20,000.

In 2023, the Group also signed several loan agreements maturing in years 2024 to 2028, the used and unused balance of which amounted to RUB 97,348 and RUB 118,408, respectively, as of December 31, 2023. All these signed agreements are related to the businesses to be divested in the Sale.

**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.
- 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.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

On September 21, 2009, the Company issued a Priority Share. In December 2019, the Priority Share was repurchased by the Company and held in treasury as of January 1, 2020. 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 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, 2022 |       |     | December 31, 2023 |       |     |
|-------------------------|-------------------|-------|-----|-------------------|-------|-----|
|                         | 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:  | 362,050,945       | € 6.8 | 284 | 362,040,945       | € 6.8 | 284 |
| Priority share          | 1                 | —     | —   | 1                 | —     | —   |
| Class A ordinary shares | 326,342,270       | 3.2   | 156 | 326,342,270       | 3.2   | 156 |
| Class B ordinary shares | 35,698,674        | 3.6   | 128 | 35,698,674        | 3.6   | 128 |
| Class C ordinary shares | 10,000            | —     | —   | —                 | —     | —   |

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. Treasury stock was accounted for under the cost method.

In November 2021, the Company's Board of Directors ratified a program to repurchase up to \$200 worth of Class A shares from time to time in open market transactions, which was previously approved by the Company's Audit Committee in July 2021.

For the year ended December 31, 2021, the Company repurchased 1,226,355 Class A shares at an average price \$78.39 per share for a total amount of RUB 6,960. During the years ended December 31, 2022 and 2023 there were no repurchases of the Company's Class A shares.

The Company issued total 2,541,791 new Class A ordinary shares in September 2022 and October 2022 as a partial settlement of its obligations under the share consideration portion of the purchase agreements relating to the Notes (Note 13).

## 15. SHARE-BASED COMPENSATION

### Employee Equity Incentive Plan

The Company has granted Share-Based Awards to employees of the Group pursuant to its 2016 Equity Incentive Plan (the "2016 Plan").

The 2016 Plan was approved at the 2016 annual general meeting of shareholders on May 27, 2016 and replaced the Fourth Amended and Restated 2007 Equity Incentive Plan (the "2007 Plan"). However, there remain unexercised grants under the 2007 Plan.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

A share option issued under the 2016 Plan entitles the holder to purchase an ordinary share at a specified exercise price. RSUs awarded under the Plan entitle the holder to receive a fixed number of Class A shares at no cost upon the satisfaction of certain time-based vesting criteria. 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 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 Group and members of the Board of the Company to acquire ordinary shares representing in the aggregate a maximum of 20% of the issued share capital of the Company.

Under the 2016 Plan, 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 2016 Plan, “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 depositary shares, if necessary) on the date of such determination; and (ii) in the case of share options, the average closing price per Class A share (as adjusted to account for the ratio of Class A shares to such depositary shares, if necessary) on the 20 trading days immediately following the date of determination. Share-Based Awards granted under the 2016 Plan generally vest over a four-year period. RSUs generally vest with one-sixteenth vesting each quarter. Each one-third of the total number of PSUs shall vest on the second, third and fourth anniversary of the vesting start date or 100% of PSUs vest on the third anniversary of the vesting start date. The maximum term of a Share-Based Award granted under the 2016 Plan 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 Group estimates the fair value of share options using the BSM pricing model. The assumptions used in the BSM pricing model for grants made under the 2016 Plan in the year ended December 31, 2021 were as follows:

|                                     | 2021   |
|-------------------------------------|--------|
| Dividend yield                      | —      |
| Expected annual volatility          | 42.1 % |
| Risk-free interest rate             | 1.28 % |
| Expected life of the awards (years) | 7.24   |

No share options grants were made for the years ended December 31, 2022 and 2023.

The Group estimates the fair value of Synthetic Options and Business Unit Equity Awards and PSUs using the Monte-Carlo or BSM pricing models. The assumptions used in the Monte-Carlo and BSM pricing models in the years ended December 31, 2021, 2022 and 2023 were as follows:

|  | 2021        | 2022          | 2023          |
|--|-------------|---------------|---------------|
| Dividend yield                             | —           | —             | —             |
| Business unit’s expected annual volatility | 30.2-78.5 % | 30.9 - 75.2 % | 30.5 - 86.0 % |
| Risk-free interest rate                    | 0.29-1.00 % | 1.54 - 8.83 % | 9.11-12.78 %  |

The Company’s expected annual volatility used in the Monte-Carlo pricing model were in the ranges 39.0 to 42.0% and 47.0 to 51.4% in the years ended December 31, 2021 and 2022, respectively.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The Group used the following assumptions in the BSM and Monte-Carlo pricing models when valuing its Share-Based Awards:

- *Expected volatility.* For share options and PSUs grants, the Group used historical volatility of the Company’s own shares. For synthetic options and business unit equity awards grants, the Group calculated the estimated volatility rates based on the volatilities of common stock of comparable companies in business units’ industries.
- *Expected term.* For BSM pricing model calculation 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 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 Group over the expected life of the award as a percentage of the share price at the grant date. The Group did not declare any dividends with respect to 2021, 2022 or 2023. Because optionees were generally compensated for dividends and the Group has no plans to pay cash dividends in the near term, it used an expected dividend yield of zero in its pricing models in the years ended December 31, 2021, 2022 and 2023.
- *Risk-free interest rate.* The Group used the risk-free interest rates based on the U.S. Treasury yield curve or the Russian government bond zero coupon yield curve in effect at the grant date.

**Share-Based Compensation Expense**

The following table summarizes information about recognized share-based compensation expenses for the years ended December 31, 2021, 2022 and 2023:

|   | 2021          | 2022          | 2023          | 2023         |
|---|---------------|---------------|---------------|--------------|
|   | RUB           | RUB           | RUB           | \$           |
| Restricted Share Units (“RSUs”)                   | 15,651        | 17,576        | 21,225        | 236.7        |
| Synthetic Options and Business Unit Equity Awards | 1,925         | 5,396         | 9,556         | 106.5        |
| RSUs in respect of the Self-Driving Group         | 1,280         | 304           | 433           | 4.8          |
| Share options                                     | 493           | 395           | 341           | 3.8          |
| Performance Share Units (“PSUs”)                  | 1,277         | 307           | 51            | 0.6          |
| RSUs and Options in respect of MLU Group          | 203           | —             | —             | —            |
| Other   | —             | 60            | 170           | 1.9          |
| <b>Total share-based compensation expenses</b>    | <b>20,829</b> | <b>24,038</b> | <b>31,776</b> | <b>354.3</b> |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

**Yandex N.V. Equity Incentive Plan**

The following table summarizes awards activity for the Company:

|  | Share 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 |
| <b>Outstanding as of December 31, 2022</b> | <b>2,895,300</b> | <b>\$ 44.32</b>                           | <b>75,000</b> | <b>\$ 32.85</b>                           | <b>11,939,720</b> | <b>—</b>                                  | <b>171,979</b> | <b>—</b>                                  |
| Forfeited                                  | —                | —   | —             | —   | (306,519)         | —   | —              | —   |
| Cancelled                                  | —                | —   | —             | —   | (4,608,186)       | —   | —              | —   |
| <b>Outstanding as of December 31, 2023</b> | <b>2,895,300</b> | <b>\$ 44.32</b>                           | <b>75,000</b> | <b>\$ 32.85</b>                           | <b>7,025,015</b>  | <b>—</b>                                  | <b>171,979</b> | <b>—</b>                                  |

The following table summarizes information about outstanding and exercisable awards as of December 31, 2023:

| 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          | 5.59  | \$ —                      | 734,631            | 5.59  | \$ —                      |
| \$40.00   | Option        | 1,176,746          | 4.13  | —                         | 1,176,746          | 4.13  | —                         |
| \$64.79   | Option        | 650,000            | 7.39  | —                         | 390,000            | 7.39  | —                         |
| <b>Total Share options</b>                      |               | <b>2,895,300</b>   | <b>5.40</b>                                   | <b>—</b>                  | <b>2,301,377</b>   | <b>5.15</b>                                   | <b>—</b>                  |
| \$32.85   | SARs          | 75,000             | 0.40  | —                         | 75,000             | 0.40  | —                         |
| <b>Total SARs</b>                               |               | <b>75,000</b>      | <b>0.40</b>                                   | <b>—</b>                  | <b>75,000</b>      | <b>0.40</b>                                   | <b>—</b>                  |
| Total RSUs                                      | RSU           | 7,025,015          | 5.56  | 199.7                     | 6,223,661          | 5.36  | 176.9                     |
| Total PSUs                                      | PSU           | 171,979            | 7.32  | 4.9                       | —                  | —   | —                         |
| <b>Total Share options, SARs, RSUs and PSUs</b> |               | <b>10,167,294</b>  | <b>5.51</b>                                   | <b>\$ 204.6</b>           | <b>8,600,038</b>   | <b>5.26</b>                                   | <b>\$ 176.9</b>           |

The following table summarizes information about non-vested share awards:

|   | Share Options  |  | RSUs             |  | PSUs           |  |
|---|----------------|--|------------------|--|----------------|--|
|   | Quantity       | Weighted Average Grant Date Fair Value | Quantity         | Weighted Average Grant Date Fair Value | Quantity       | Weighted Average Grant Date Fair Value |
| <b>Non-vested as of December 31, 2022</b> | <b>723,923</b> | <b>\$ 21.94</b>                        | <b>5,725,549</b> | <b>\$ 54.47</b>                        | <b>171,979</b> | <b>\$ 97.51</b>                        |
| Vested                                    | (130,000)      | 27.05                                  | (61,496)         | 41.31                                  | —              | —                                      |
| Forfeited                                 | —              | —                                      | (306,519)        | 56.44                                  | —              | —                                      |
| Cancelled                                 | —              | —                                      | (4,556,180)      | 55.16                                  | —              | —                                      |
| <b>Non-vested as of December 31, 2023</b> | <b>593,923</b> | <b>\$ 20.82</b>                        | <b>801,354</b>   | <b>\$ 50.77</b>                        | <b>171,979</b> | <b>\$ 97.51</b>                        |

In March 2022, the Company offered to all holders of Yandex N.V. RSUs an opportunity to exchange the portion of outstanding awards that would otherwise have vested between February 28, 2022 and the end of 2022 in exchange for cash bonuses. Equity awards in respect of an aggregate of approximately 3.3 million RSUs were exchanged. The replacement cash payments are paid in accordance with the original 2022 vesting schedules of the exchanged RSUs. The exchange was accounted for as a modification of equity awards, resulting in additional share-based compensation expense of RUB 3,277, excluding tax effect.

In January 2023, the Company modified the terms of Yandex N.V. RSU awards and extended the program into 2023 to provide an opportunity for all holders of RSUs to exchange the portion of outstanding awards that would otherwise have vested in 2023 for cash bonuses. Equity awards in respect of an aggregate of approximately 2.7 million

## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

RSUs were exchanged. The replacement cash payments were payable in accordance with the original 2023 vesting schedules in respect of the exchanged RSUs. The exchange was accounted for as a modification of equity awards, resulting in additional share-based compensation expense of RUB 7,476 (\$83.4) excluding tax effect.

In December 2023, the Company modified the terms of Yandex N.V. RSU awards and extended the program into 2024 and 2025 to provide an opportunity for certain holders of RSUs to exchange the portion of outstanding awards that would otherwise have vested in 2024 and 2025 for cash bonuses. Equity awards in respect of an aggregate of approximately 1.3 million RSUs were exchanged. The replacement cash payments are payable in accordance with the original 2024 and 2025 vesting schedules of the exchanged RSUs. The exchange was accounted for as a modification of equity awards, resulting in additional share-based compensation expense of RUB 3,542, excluding tax effect, which is expected to be recognized during the years ending December 31, 2024 and 2025. The accrued liability associated with the replacement cash payment in the amount of RUB 1,099 (\$12.3) is included in accounts payable, accrued and other liabilities in the consolidated balance sheets as of December 31, 2023.

As of December 31, 2023, there was RUB 9,507 (\$106.0) 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 2.70 years.

**Synthetic Options and Business Unit Equity Awards**

The Company granted share-based awards to the employees of several business units, comprised of a synthetic option awards in respect of the relevant business unit (“Synthetic Options” and “Business Unit Equity Awards”) and a linked RSU award. Synthetic Options and Business Unit Equity Awards entitle the participants to receive phantom or synthetic “shares” in the relevant business unit, which represent the participant’s right to an amount (the “Payout Amount”) based on the appreciation in value of the synthetic “shares” from the grant date to the vesting or exercise date. Such Payout Amounts are satisfied by the vesting of the linked RSU award, which are ultimately settled in the Company’s Class A shares or cash. Generally, 25% of the Synthetic Options and Business Unit Equity Awards vest after one year, with the remaining vesting in equal amounts on the last day of each quarter over the following three years.

The following table summarizes awards activity for the Group:

|  | Synthetic Options and Business Units Equity Awards |   |
|--|--|---|
|  | Quantity   | Weighted average exercise price per share |
| <b>Outstanding as of December 31, 2022</b> | <b>4,067,306</b>                                   | <b>RUB 1,704.8</b>                        |
| Granted                                    | 2,163,779  | 1,494.6                                   |
| Exercised                                  | (369,112)  | 879.0                                     |
| Forfeited                                  | (237,752)  | 1,659.6                                   |
| Cancelled                                  | (309,475)  | 4,426.4                                   |
| <b>Outstanding as of December 31, 2023</b> | <b>5,314,746</b>                                   | <b>RUB 1,520.2</b>                        |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The following table summarizes information about outstanding and exercisable awards as of December 31, 2023:

|  | Awards Outstanding |   | Awards Exercisable |   |
|--|--------------------|---|--------------------|---|
|  | Number outstanding | Average Remaining Contractual Life (in years) | Number exercisable | Average Remaining Contractual Life (in years) |
| Total Synthetic Options and Business Units Equity Awards | 5,314,746          | 7.98  | 2,664,501          | 6.80  |

The following table summarizes information about non-vested share awards:

|   | Synthetic Options and Business Units Equity Awards |            |  |
|---|--|------------|--|
|   | Quantity   |            | Weighted Average Grant Date Fair Value |
| <b>Non-vested as of December 31, 2022</b> | <b>1,991,383</b>                                   | <b>RUB</b> | <b>3,405.1</b>                         |
| Granted                                   | 2,163,779  |            | 1,665.1                                |
| Vested                                    | (959,015)  |            | 2,343.6                                |
| Forfeited                                 | (237,752)  |            | 3,639.1                                |
| Cancelled                                 | (308,150)  |            | 6,038.7                                |
| <b>Non-vested as of December 31, 2023</b> | <b>2,650,245</b>                                   | <b>RUB</b> | <b>2,041.3</b>                         |

As of December 31, 2023, the Group recognized its obligation to settle the Synthetic Options and Business Units Equity Awards as a liability based on past practice of settlements in cash. The accrued liability associated with the settlement of Synthetic Options and Business Units Equity Awards in cash amounted to RUB 10,550 (\$117.6) as of December 31, 2023.

As of December 31, 2023, there was RUB 5,740 (\$64.0) of unamortized share-based compensation expense related to unvested Synthetic Options and Business Units Equity Awards which are expected to be recognized over a weighted average period of 2.87 years.

**Self-Driving Group 2021 Equity Incentive Plan**

Yandex Self-Driving Group B.V., a subsidiary of the Group (“SDG”), adopted the SDG 2021 Equity Incentive Plan (the “SDG Plan”) on February 11, 2021. Under the SDG Plan, SDG may grant equity-based awards, including restricted share unit awards, in respect of SDG. RSUs awarded under the SDG Plan entitle the holder to receive a fixed number of depository receipts (“DRs”) representing Class A shares in SDG at no cost upon the satisfaction of certain time-based vesting criteria. On February 11, 2021, the Supervisory Board of SDG approved the grant of an aggregate of 2,132,749 SDG RSUs, representing a total of approximately 6.3% of the equity of Self-Driving Group on a fully diluted basis. Generally, SDG RSUs vest over a six-year period, 17% after one year, with the remaining vesting in equal amounts on the last day of each quarter over the following five years.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The following table summarizes SDG RSUs awards activity for the Group:

|  | SDG RSUs         |   |
|--|------------------|---|
|  | Quantity         | Weighted average exercise price per share |
| <b>Outstanding as of December 31, 2022</b> | <b>2,103,533</b> | <b>\$ —</b>                               |
| Forfeited                                  | (28,000)         |   |
| <b>Outstanding as of December 31, 2023</b> | <b>2,075,533</b> | <b>\$ —</b>                               |

The following table summarizes information about outstanding and exercisable awards as of December 31, 2023:

|                | Awards Outstanding |                    |   | Awards Exercisable |   |
|----------------|--------------------|--------------------|---|--------------------|---|
|                | Type of award      | Number outstanding | Average Remaining Contractual Life (in years) | Number exercisable | Average Remaining Contractual Life (in years) |
| Total SDG RSUs | RSU                | 2,075,533          | 7.15  | 1,834,496          | 7.13  |

The following table summarizes information about non-vested share awards:

|   | SDG RSUs       |
|---|----------------|
|   | Quantity       |
| <b>Non-vested as of December 31, 2022</b> | <b>619,623</b> |
| Vested                                    | (350,586)      |
| Forfeited                                 | (28,000)       |
| <b>Non-vested as of December 31, 2023</b> | <b>241,037</b> |

As of December 31, 2023, the unamortized share based compensation expense related to SDG B.V. RSUs is expected to be recognized over a weighted average period of 1.28 years.

**16. INFORMATION ABOUT SEGMENTS & GEOGRAPHIC AREAS**

The Group's chief operating decision maker ("CODM") is the management committee. The Group has determined its operating segments based on how the CODM manages the business, allocates resources, makes operating decisions and evaluates operating performance. The Company has entered into a definitive agreement to sell all of the Group's businesses in Russia and certain international markets (Note 19). The businesses described below form part of the transaction perimeter and will not continue as part of the Yandex group following the completion of the proposed Sale. Those Target businesses are managed and reported on as part of the following operating segments: Search and Portal, E-commerce, Mobility and Delivery, Plus and Entertainment Services and Classifieds. The results of the Group's remaining operating segments, including self-driving vehicles business ("Yandex SDG"), Zen (until it was divested from the Group on September 12, 2022), Yandex Cloud, Yandex Education, Devices and Alice, FinTech and number of other experiments, that do not meet quantitative or qualitative thresholds for disclosure, as well as unallocated corporate expenses, are combined into a final category defined as Other Business Units and Initiatives which is shown separately from the reportable segments and reconciling items.

In 2023, the Group introduced the following changes to its reporting segments compared to those presented within the notes to the consolidated financial statements for the year ended December 31, 2022, in order to better reflect operational structure of the businesses:

- the Group renamed the Devices business within Other Business Units and Initiatives segment to Devices and Alice;



YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

- the Group transferred the following services from the Search and Portal segment to the Other Business Units and Initiatives segment: Yandex 360 to Yandex Cloud, Alice voice assistance to Devices and Alice, and Yandex Pay and Yandex ID to FinTech; and
- the Group transferred RouteQ from the Other Business Units and Initiatives segment to the Delivery services within the E-Commerce, Mobility and Delivery segment.

These changes have been applied retroactively to all periods presented.

Reportable segments derive revenues from the following services:

- the Search and Portal segment includes Search, Geo, Weather and a number of other services;
- the E-commerce, Mobility and Delivery segment includes transactional online-to-offline (O2O) businesses, which consist of (i) the mobility businesses, including ride-hailing, Yandex Drive, the car-sharing business, and scooters; (ii) the E-commerce businesses in Russia and CIS, including Yandex Market, multi-category e-commerce marketplace, Yandex Lavka, hyperlocal convenience store delivery service, and the grocery delivery services of Yandex Eats and Delivery (the service was earlier known as Delivery Club); and (iii) other O2O businesses, including Yandex Delivery, a middle and last-mile delivery service; Yandex Eats and Delivery, a ready-to-eat delivery from restaurants services; and Yandex Fuel, a contactless payment service at gas stations, and several smaller experiments;
- the Plus and Entertainment Services segment includes subscription service Yandex Plus, Yandex Music, Kinopoisk, Yandex Afisha, Bookmate and the production center Yandex Studio; and
- the Classifieds segment includes Auto.ru, Yandex Realty, Yandex Rent and Yandex Travel.

Operating segments of the Group may integrate products managed by other operating segments into their services, for which they pay royalties or other types of compensation. Such compensation represents intersegment transactions, which are included in revenues of the reportable segments presented below. The Group considers it to be 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 the CODM.

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.

## YANDEX N.V.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The table below presents information about reported segments' revenues and adjusted EBITDA:

|  | 2021           | 2022           | 2023           | 2023            |
|--|----------------|----------------|----------------|-----------------|
|  | RUB            | RUB            | RUB            | \$              |
| <b>Search and Portal:</b>                    |                |                |                |                 |
| Revenues                                     | 162,176        | 226,022        | 337,514        | 3,763.2         |
| Adjusted EBITDA                              | 81,259         | 120,503        | 172,950        | 1,928.3         |
| <b>E-commerce, Mobility and Delivery:</b>    |                |                |                |                 |
| Revenues                                     | 166,714        | 261,246        | 420,753        | 4,691.3         |
| Adjusted EBITDA loss                         | (30,393)       | (19,644)       | (23,611)       | (263.3)         |
| <b>Plus and Entertainment:</b>               |                |                |                |                 |
| Revenues                                     | 18,408         | 31,782         | 66,899         | 745.9           |
| Adjusted EBITDA/(loss)                       | (6,464)        | (7,849)        | 2,944          | 32.8            |
| <b>Classifieds:</b>                          |                |                |                |                 |
| Revenues                                     | 9,217          | 12,287         | 24,174         | 269.5           |
| Adjusted EBITDA                              | 1,864          | 1,111          | 423            | 4.7             |
| <b>Other Business Units and Initiatives:</b> |                |                |                |                 |
| Revenues                                     | 26,822         | 48,784         | 82,734         | 922.5           |
| Adjusted EBITDA loss                         | (14,471)       | (29,844)       | (56,794)       | (633.2)         |
| <b>Total segment revenues:</b>               | <b>383,337</b> | <b>580,121</b> | <b>932,074</b> | <b>10,392.4</b> |
| <b>Total segment adjusted EBITDA:</b>        | <b>31,795</b>  | <b>64,277</b>  | <b>95,912</b>  | <b>1,069.3</b>  |
| <b>Eliminations:</b>                         |                |                |                |                 |
| Revenues                                     | (27,166)       | (58,422)       | (131,949)      | (1,471.2)       |
| Adjusted EBITDA                              | 348            | (135)          | 1,058          | 11.8            |
| <b>Total:</b>                                |                |                |                |                 |
| <b>Revenues from external customers</b>      | <b>356,171</b> | <b>521,699</b> | <b>800,125</b> | <b>8,921.2</b>  |
| <b>Adjusted EBITDA</b>                       | <b>32,143</b>  | <b>64,142</b>  | <b>96,970</b>  | <b>1,081.1</b>  |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

The reconciliation between adjusted EBITDA and income/(loss) before income tax expense was as follows:

|  | 2021           | 2022          | 2023          | 2023         |
|--|----------------|---------------|---------------|--------------|
|  | RUB            | RUB           | RUB           | \$           |
| Total adjusted EBITDA  | 32,143         | 64,142        | 96,970        | 1,081.1      |
| Less: depreciation and amortization  | (24,111)       | (30,874)      | (39,952)      | (445.5)      |
| Less: certain share-based compensation expense*                                      | (20,829)       | (17,319)      | (20,541)      | (229.0)      |
| Less: one-off restructuring cost   | (9)            | —             | (477)         | (5.2)        |
| Less: compensation expense (reversal of expense) related to contingent consideration | (471)          | 27            | —             | —            |
| Add: gain on restructuring of convertible debt                                       | —              | 9,305         | —             | —            |
| Add: effect of the News and Zen deconsolidation                                      | —              | 38,051        | —             | —            |
| Add: interest income   | 4,615          | 4,723         | 5,637         | 62.9         |
| Less: interest expense   | (3,711)        | (3,396)       | (10,863)      | (121.1)      |
| Less: loss/(income) from equity method investments                                   | 6,367          | (929)         | (1,602)       | (17.9)       |
| Add: other income/(loss), net  | (1,217)        | 9,359         | 21,514        | 239.8        |
| Less: impairment of goodwill and other intangible assets                             | —              | (2,740)       | (7,539)       | (84.0)       |
| <b>Income/(loss) before income tax expense</b>                                       | <b>(7,223)</b> | <b>70,349</b> | <b>43,147</b> | <b>481.1</b> |

\* The Group settled the RSU equity awards of the employees in cash during 2022 and 2023, and did not eliminate the relevant SBC expense corresponding to the cash payment from adjusted EBITDA.

The following table sets forth long-lived assets other than financial instruments and deferred tax assets by geographic area:

|                                | 2021           | 2022           | 2023           | 2023           |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | RUB            | RUB            | RUB            | \$             |
| Long-lived assets:             |                |                |                |                |
| Russia                         | 279,934        | 339,570        | 398,654        | 4,444.9        |
| Rest of the world              | 11,907         | 13,971         | 34,034         | 379.5          |
| <b>Total long-lived assets</b> | <b>291,841</b> | <b>353,541</b> | <b>432,688</b> | <b>4,824.4</b> |

17. RELATED-PARTY TRANSACTIONS

In 2021, the Group obtained a noncontrolling interest and exercised significant influence over ClickHouse, Inc. The Group considered technical support services received from ClickHouse, Inc. in the amount of RUB 22 and RUB 42 (\$0.6) for the years ended December 31, 2021 and 2022, respectively, as transactions with related party. As of December 31, 2022, ClickHouse Inc. has ceased to be a related party of the Group as a result of the loss of significant influence by the Group.

18. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

As a consequence of capital control and protection measures first introduced by the Russian Government in February and March 2022, the Group's subsidiaries in Russia are temporarily restricted from remitting funds outside Russia, including to the parent company, in the form of cash dividends or loans as a result of a variety of regulations and local statutory requirements.

Regulation S-X requires that condensed financial information of the parent company is presented when the restricted net assets of consolidated subsidiaries together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. The Group performed a test on the restricted net assets of consolidated subsidiaries

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

and concluded that the restricted net assets exceed 25% of the consolidated net assets of the Group as of December 31, 2023.

As of December 31, 2022 and 2023 there were no material commitments or contingencies, significant provisions for long-term obligations or guarantees of the parent company, except for those which have been separately disclosed in the Group's consolidated financial statements, if any.

Condensed balance sheets of Yandex N.V.

|   | As of December 31, |                |                |
|---|--------------------|----------------|----------------|
|   | 2022               | 2023           | 2023           |
|   | RUB                | RUB            | \$             |
| <b>ASSETS</b>                                   |                    |                |                |
| Cash and cash equivalents                       | 8,860              | 6,991          | 77.9           |
| Receivables from consolidated subsidiaries      | 86                 | 11,910         | 132.8          |
| Other current assets                            | 373                | 779            | 8.7            |
| <b>Total current assets</b>                     | <b>9,319</b>       | <b>19,680</b>  | <b>219.4</b>   |
| Equity method investments                       | 1,377              | 577            | 6.4            |
| Investments in non-marketable equity securities | 6,483              | 8,267          | 92.2           |
| Investments in consolidated subsidiaries        | 300,730            | 298,434        | 3,327.5        |
| Other non-current assets                        | 49                 | 873            | 9.7            |
| <b>Total non-current assets</b>                 | <b>308,639</b>     | <b>308,151</b> | <b>3,435.8</b> |
| <b>TOTAL ASSETS</b>                             | <b>317,958</b>     | <b>327,831</b> | <b>3,655.2</b> |
| <b>LIABILITIES AND EQUITY</b>                   |                    |                |                |
| <b>Total liabilities</b>                        | <b>1,650</b>       | <b>31,555</b>  | <b>351.8</b>   |
| <b>Equity</b>                                   | <b>316,308</b>     | <b>296,276</b> | <b>3,303.4</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>             | <b>317,958</b>     | <b>327,831</b> | <b>3,655.2</b> |

Condensed statements of operations of Yandex N.V.

|   | Year ended December 31, |               |                |               |
|---|-------------------------|---------------|----------------|---------------|
|   | 2021                    | 2022          | 2023           | 2023          |
|   | RUB                     | RUB           | RUB            | \$            |
| <b>Loss from operations</b>                                   | <b>(1,374)</b>          | <b>(996)</b>  | <b>(1,820)</b> | <b>(20.3)</b> |
| Gain on restructuring of convertible debt                     | —                       | 9,305         | —              | —             |
| Non-operating income/(expense) from consolidated subsidiaries | 259                     | 56            | (3,636)        | (40.5)        |
| Other income/(loss), net                                      | 4,313                   | 9,228         | (1,461)        | (16.3)        |
| Share in result of consolidated subsidiaries after tax        | (18,029)                | 22,368        | 26,787         | 298.6         |
| <b>Income/(loss) before income taxes</b>                      | <b>(14,831)</b>         | <b>39,961</b> | <b>19,870</b>  | <b>221.5</b>  |
| Provision for income taxes                                    | 162                     | (496)         | —              | —             |
| <b>Net income/(loss)</b>                                      | <b>(14,669)</b>         | <b>39,465</b> | <b>19,870</b>  | <b>221.5</b>  |

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Condensed statements of comprehensive income/(loss) of Yandex N.V.

|  | Year ended December 31, |               |               |              |
|--|-------------------------|---------------|---------------|--------------|
|  | 2021                    | 2022          | 2023          | 2023         |
|  | RUB                     | RUB           | RUB           | \$           |
| Net income/(loss)  | (14,669)                | 39,465        | 19,870        | 221.5        |
| Foreign currency translation adjustment, net of tax of nil     | (1,730)                 | 8,065         | (9,329)       | (104.0)      |
| Total other comprehensive income/(loss)                        | (1,730)                 | 8,065         | (9,329)       | (104.0)      |
| <b>Comprehensive income/(loss) attributable to Yandex N.V.</b> | <b>(16,399)</b>         | <b>47,530</b> | <b>10,541</b> | <b>117.5</b> |

Condensed statements of cash flows of Yandex N.V.

|  | Year ended December 31, |                 |                 |                |
|--|-------------------------|-----------------|-----------------|----------------|
|  | 2021                    | 2022            | 2023            | 2023           |
|  | RUB                     | RUB             | RUB             | \$             |
| <b>Net cash provided by/(used in) operating activities</b>   | <b>(11,067)</b>         | <b>45,965</b>   | <b>50,608</b>   | <b>564.3</b>   |
| Investments in marketable equity securities                  | (10,604)                | —               | —               | —              |
| Proceeds from sale of marketable equity securities           | 6,163                   | 5,859           | —               | —              |
| Investments in term deposits                                 | (78,223)                | —               | —               | —              |
| Maturities of term deposits                                  | 132,849                 | —               | —               | —              |
| Other investing activities                                   | 7,875                   | 21              | (688)           | (7.7)          |
| <b>Net cash provided by/(used in) investing activities</b>   | <b>58,060</b>           | <b>5,880</b>    | <b>(688)</b>    | <b>(7.7)</b>   |
| Repayment of debt  | —                       | (46,310)        | (51)            | (0.6)          |
| Purchase of non-redeemable noncontrolling interests          | (73,077)                | —               | (57,337)        | (639.3)        |
| Repurchases of ordinary shares                               | (6,966)                 | —               | —               | —              |
| Proceeds from exercise of share options                      | 1,153                   | —               | —               | —              |
| Other financing activities                                   | (1,662)                 | (1,390)         | (23)            | (0.2)          |
| <b>Net cash used in financing activities</b>                 | <b>(80,552)</b>         | <b>(47,700)</b> | <b>(57,411)</b> | <b>(640.1)</b> |
| Effect of exchange rate changes on cash and cash equivalents | 473                     | (16,513)        | 5,622           | 62.6           |
| <b>Net change in cash and cash equivalents</b>               | <b>(33,086)</b>         | <b>(12,368)</b> | <b>(1,869)</b>  | <b>(20.9)</b>  |
| Cash and cash equivalents, beginning of period               | 54,314                  | 21,228          | 8,860           | 98.8           |
| <b>Cash and cash equivalents, end of period</b>              | <b>21,228</b>           | <b>8,860</b>    | <b>6,991</b>    | <b>77.9</b>    |

19. SUBSEQUENT EVENTS

Divestment of the Group's operations in Russia and certain international markets

On February 4, 2024, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with "Consortium First", a closed-end mutual investment fund under the trust management of JSC Solid Management, a joint stock company incorporated under the laws of the Russian Federation (the "Purchaser"), related to the Sale of 100% of the Company's interest in IPJSC "Yandex", an international joint stock company incorporated under the laws of the Russian Federation. The Group has completed an internal reorganization in preparation for the Sale: all of the Group's assets and operations in Russia and certain international markets, which form the divestment perimeter, are now held by IPJSC "Yandex". The businesses to be divested generated more than 95% of the Group's consolidated revenues for the year ended December 31, 2023, and approximately 95% of the Group's consolidated assets as of December 31, 2023. Following the completion of the Sale transaction, the Company will no longer hold any interest in the Russia-based businesses and will retain a portfolio of international businesses and other non-Russian assets initially focused on the markets in Europe, the US and the Middle East.

YANDEX N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

(in millions of Russian rubles and U.S. dollars, except share and per share data)

Pursuant to the Share Purchase Agreement, the Company has agreed to sell its entire equity interest in the IPJSC “Yandex” for a total valuation of RUB 475 billion (\$5.2 billion at the exchange rate as of the date of the Share Purchase Agreement) to be satisfied in a combination of cash and the Company’s own shares (the “Consideration Shares”). The valuation gives effect to a mandatory 50% discount to “fair value” of the assets to be divested, as currently required by applicable Russian laws. The Company understands that the Purchaser will acquire the Consideration Shares through bilateral arrangements with and public offers to current shareholders in Russia whose Company shares are recorded within the Russian securities infrastructure (the “Consideration Shares Acquisitions”).

The Company has received all necessary regulatory approvals in Russia, including the approval from the Government Commission for Control over Foreign Investments, and antitrust approval from the Federal Antimonopoly Service. On March 7, 2024, the Company received the requisite Shareholder approvals (including the separate approval of Class A shareholders) for the divestment and related amendments to the Company’s articles of association. Following the Shareholder approvals, the consolidated financial results of the businesses to be divested are reported in discontinued operations. Since the Sale had not been approved as of December 31, 2023, the result of operations of the businesses to be divested in the Sale are included in the consolidated financial results of the Company for the year ended December 31, 2023, and are not presented as discontinued operations or assets held for sale.

The Sale will be implemented in two closings. At the initial closing (“First Completion”), the Company will sell a controlling stake of approximately 68% of the entire issued share capital in IPJSC “Yandex” to the Purchaser for consideration consisting of a combination of approximately RUB 230 billion (\$2.5 billion) in cash and up to 68 million Consideration Shares, which will result in the deconsolidation of the businesses to be divested from the Group’s consolidated financial results. Following First Completion, the Purchaser will complete the Consideration Shares Acquisitions. At the second (and final) closing (“Second Completion”), any such further Consideration Shares acquired by the Purchaser will be transferred to the Company in consideration for the transfer of the remaining shareholding in IPJSC “Yandex”, with the balance of the transaction consideration, if any, to be paid in additional cash by the Purchaser. The Share Purchase Agreement contains customary representations, warranties, and covenants of each of the parties thereto. First Completion is expected to take place in the coming weeks, with Second Completion expected to take place within seven weeks following First Completion.

In addition, in connection with the Sale and as contemplated by the Share Purchase Agreement, the Company has sold 14,166,665 ordinary shares in the capital of IPJSC “Yandex”, constituting 3.73% of the entire issued share capital in IPJSC “Yandex”, for cash to a subsidiary of IPJSC “Yandex”, to serve as an equity incentive pool for IPJSC “Yandex” and its subsidiaries.

In the event that the Sale is not completed, the future prospects of the Company and its retained businesses could be materially and adversely affected. The Company and its retained businesses have historically been financed principally by the operating businesses in Russia. Due to the regulatory restrictions, there are now significant limitations on the transfer of funds from Russia to parent companies incorporated in jurisdictions considered to be “unfriendly” by the Russian government. It may be difficult or impossible to continue to finance the requirements of the Company or its retained businesses or to find alternative sources of financing. In addition, if the Sale is not completed in a timely manner, the Company may face a number of other risks, including increasing constraints imposed by international sanctions; potential loss of employees of the retained businesses; further distraction of Board and management time, and additional expense, in seeking an alternative transaction; and delisting of the Company’s Class A Shares from Nasdaq. These conditions raise substantial doubt about the Group’s ability to continue as a going concern.

The consolidated financial statements were prepared on a going concern basis assuming that the Group will take all reasonable efforts to complete the Sale or to find sources of sufficient financing, including the realization of the highly liquid assets of the Company. Therefore, the accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities, or any other adjustments that might result in the event the Group is unable to continue as a going concern.

**PART III.**

**Item 17. Financial Statements**

See “Item 18. Financial Statements.”

**Item 18. Financial Statements.**

See the financial statements beginning on page F-1.

[Table of Contents](#)

**Item 19. Exhibits.**

| Exhibit<br>Number | Description of Document  |
|-------------------|--|
| 1.1               | <a href="#">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</a>  |
| 2.1               | <a href="#">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)</a>  |
| 4.1*†             | <a href="#">Share Purchase Agreement in relation to International Joint Stock Company “Yandex” dated as of February 4, 2024, between Yandex N.V. and Closed-end Mutual Investment Fund “Consortium First” (under the trust management of Joint Stock Company Solid Management)</a>   |
| 4.2*†             | <a href="#">Deed of Amendment dated as of March 28, 2024, in relation to Share Purchase Agreement in relation to International Joint Stock Company “Yandex” dated as of February 4, 2024, between Yandex N.V. and Closed-end Mutual Investment Fund “Consortium First” (under the trust management of Joint Stock Company Solid Management)</a>  |
| 4.3*†             | <a href="#">Deed of Undertaking dated as of February 4, 2024, between Yandex N.V. and International Joint Stock Company “Yandex”</a>   |
| 8.1†              | <a href="#">Principal Subsidiaries</a>   |
| 11†               | <a href="#">Insider Trading Policy</a>   |
| 12.1†             | <a href="#">Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 12.2†             | <a href="#">Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 13.1†             | <a href="#">Certification by Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 15.1†             | <a href="#">Consent of Joint-Stock Company “Technologies of Trust – Audit”, Independent Registered Public Accounting Firm</a>  |
| 101               | The following financial information formatted in Inline eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of December 31, 2022 and 2023, (ii) Consolidated Statements of Operations for the Years Ended December 31, 2021, 2022 and 2023, (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2021, 2022 and 2023, (iv) Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2022 and 2023, (v) Consolidated Statements of Shareholders’ Equity for the Years Ended December 31, 2021, 2022 and 2023, 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/ JOHN BOYNTON

Name: John Boynton

Title: *Chairman of the Board of Directors*

Date: April 26, 2024

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

EXECUTION VERSION

4 FEBRUARY 2024

JSC SOLID MANAGEMENT

and

YANDEX N.V.

---

SHARE PURCHASE AGREEMENT

---

Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

## TABLE OF CONTENTS

| Clause | Headings   | Page |
|--------|--|------|
| 1.     | <a href="#">INTERPRETATION</a>   | 5    |
| 2.     | <a href="#">SALE AND PURCHASE</a>                                      | 21   |
| 3.     | <a href="#">CONSIDERATION</a>  | 22   |
| 4.     | <a href="#">CONDITIONS</a>   | 23   |
| 5.     | <a href="#">CONDUCT OF BUSINESS BEFORE FIRST COMPLETION</a>            | 29   |
| 6.     | <a href="#">FIRST COMPLETION</a>                                       | 30   |
| 7.     | <a href="#">SECOND COMPLETION</a>                                      | 32   |
| 8.     | <a href="#">WARRANTIES</a>   | 33   |
| 9.     | <a href="#">SELLER LIMITATIONS ON LIABILITY</a>                        | 34   |
| 10.    | <a href="#">PURCHASER UNDERTAKINGS</a>                                 | 34   |
| 11.    | <a href="#">PURCHASER FUNDING OBLIGATIONS</a>                          | 35   |
| 12.    | <a href="#">RESTRICTIONS ON CHANGES TO BENEFICIAL OWNERSHIP</a>        | 37   |
| 13.    | <a href="#">LEAKAGE</a>  | 39   |
| 14.    | <a href="#">SELLER COVENANTS AND UNDERTAKINGS</a>                      | 42   |
| 15.    | <a href="#">TRANSITIONAL ARRANGEMENTS</a>                              | 43   |
| 16.    | <a href="#">TERMINATION</a>  | 45   |
| 17.    | <a href="#">MISCELLANEOUS</a>  | 47   |
| 18.    | <a href="#">NOTICES</a>  | 55   |
| 19.    | <a href="#">GOVERNING LAW AND DISPUTE RESOLUTION</a>                   | 56   |
|        | <a href="#">SCHEDULE 1 DETAILS OF THE GROUP</a>                        | 58   |
|        | <a href="#">PART A DETAILS OF THE COMPANY</a>                          | 58   |
|        | <a href="#">PART B SUMMARY OF THE COMPLETE TARGET GROUP</a>            | 59   |
|        | <a href="#">SCHEDULE 2</a>   | 60   |
|        | <a href="#">SCHEDULE 3 SIGNING OBLIGATIONS</a>                         | 62   |
|        | <a href="#">SCHEDULE 4 CONDUCT OF BUSINESS BEFORE FIRST COMPLETION</a> | 63   |
|        | <a href="#">PART A CONDUCT OF BUSINESS</a>                             | 63   |
|        | <a href="#">PART B PERMITTED TRANSACTIONS</a>                          | 66   |
|        | <a href="#">SCHEDULE 5 FIRST COMPLETION OBLIGATIONS</a>                | 68   |
|        | <a href="#">SCHEDULE 6 SECOND COMPLETION OBLIGATIONS</a>               | 71   |
|        | <a href="#">SCHEDULE 7 SELLER WARRANTIES</a>                           | 73   |
|        | <a href="#">SCHEDULE 8 BUSINESS WARRANTIES</a>                         | 77   |
|        | <a href="#">SCHEDULE 9 PURCHASER WARRANTIES</a>                        | 85   |
|        | <a href="#">SCHEDULE 10 LIMITATIONS ON LIABILITY</a>                   | 89   |
|        | <a href="#">SCHEDULE 11 LOCKED BOX ACCOUNTS</a>                        | 97   |
|        | <a href="#">SCHEDULE 12 AGREED UPON PROCEDURES</a>                     | 99   |
|        | <a href="#">SCHEDULE 13 COMPLETION NOTIFICATIONS</a>                   | 106  |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

THIS AGREEMENT (the "Agreement") is made on 4 February 2024

**BETWEEN:**

- (1) **YANDEX N.V.**, a public limited 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 (the "Seller"); and
- (2) **JSC SOLID MANAGEMENT, Trust Manager ("J.V.") for CLOSED-END MUTUAL INVESTMENT COMBINED FUND "CONSORTIUM. FIRST"**, a joint stock company incorporated in the Russian Federation with its registered office at Room 2 Suite XVI, 5<sup>th</sup> floor, Khoroshyovskoye sh. 32A, Moscow, 125284, the Russian Federation, and registered with the Russian unified state register of legal entities under number (OGRN) [\*\*\*]; Closed-end Mutual Investment Combined Fund "Consortium. First" (trust management rules No. [\*\*\*], number assignment date 22 August 2023, as amended) (the "Purchaser"),

together the "Parties" and each a "Party".

**RECITALS:**

(Capitalised terms used in these Recitals that are not set out above are defined in Clause 1.1 below)

- (A) WHEREAS, the Seller is the sole legal and beneficial owner of the entire issued share capital of International Joint Stock Company Yandex (*Международная компания акционерное общество «Яндекс»*), an international joint stock company incorporated in the Russian Federation with its registered office at Solnechniy bulvar 3, Premise 6, Office 202, Kaliningrad, 236006, the Russian Federation, and registered with the Russian unified state register of legal entities under number (OGRN) 1233900014699, being the ultimate holding company resulting from the Pre-Completion Reorganisation pursuant to the Pre-Completion Reorganisation Steps Plan (the "Company");
- (B) WHEREAS, the Purchaser proposes to acquire the Sale Shares, in accordance with the terms and conditions of this Agreement;
- (C) WHEREAS, the Seller has agreed to sell and to transfer to the Purchaser the Sale Shares upon the terms and subject to the conditions set out in this Agreement;
- (D) WHEREAS, the Parties have agreed that 14,166,665 ordinary shares in the Company (the "Pre-Completion Sale Shares"), which comprise 3.73% of the entire issued share capital in the Company, shall be transferred by the Seller to Yandex.Technologies LLC pursuant to a sale and purchase agreement entered into on 27 December 2023 (the "Pre-Completion Sale");
- (E) WHEREAS, in addition to this Agreement, the Parties have further agreed to enter into the other Transaction Documents as an integral part of and in order to further the transactions contemplated hereby and which together form the entire agreement between the Parties; and
- (F) WHEREAS, in consideration of the mutual promises, agreements, warranties and provisions contained in this Agreement, the receipt, sufficiency and entirety of which is hereby acknowledged, the Parties have agreed the following.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**IT IS AGREED** as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Agreement, the following words and terms shall have the meaning given to them below:

"**Accounts**" means the unaudited condensed consolidated balance sheet of the Seller and its subsidiary undertakings as at 30 September 2023 prepared in accordance with GAAP consistent with the Seller's and its subsidiary undertakings' GAAP accounting policies, which were used to prepare the consolidated financial statements for 2022 prepared in conformity with GAAP;

"**Actual Tax Liability**" means a Tax Liability falling within limb (a) of the definition of Tax Liability;

"**Adjusted Conversion Rate**" means the Conversion Rate divided by ([\*\*]\*)% minus FX Volume Adjustment);

"**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 and, in the case of a trust, any trustee or beneficiary (actual or potential) of that trust and, in the case of an individual, his or her Family Members provided that, notwithstanding the foregoing, in relation to the Purchaser, an Affiliate shall also mean any investment vehicle in which the Purchaser (or any Affiliate or Underlying Investor thereof) is a general partner (or otherwise entitled (directly or indirectly) to direct or cause the direction of the management or policies of such investment vehicle), or any person who is (directly or indirectly) a shareholder in (but which does not Control and which is not under common Control with) the Purchaser;

"**Aggregate FCALA**" has the meaning given to that term in Clause 13.3;

"**Aggregate SCALA**" has the meaning given to that term in Clause 13.6;

"**Agreed Announcements**" has the meaning given to that term in Clause 17.2.2;

"**Agreed Statement**" has the meaning given to that term in Clause 17.16.1;

"**Annual Revenue**" means the revenue generated by third party transactions only (excluding intercompany transactions) for the period of [\*\*\*] months ending on the Locked Box Date calculated in accordance with GAAP and the applicable Seller's and its subsidiary undertakings' GAAP accounting policies;

"**Anti-Bribery Law**" means laws, regulations or orders relating to anti-bribery or anti-corruption (governmental or commercial), without limitation, laws that prohibit the corrupt payment, offer, promise, or authorisation of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any government official, commercial entity, or any other person to obtain a (business) advantage; such as, without limitation, the United Nations Convention Against Corruption approved by Decree dated as of 12 June 2008, the U.S. Foreign Corrupt Practices Act of 1977, as amended from time to time, and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

"**Anti-Money Laundering Law**" has the meaning given to that term in paragraph 9 of Schedule 8 (*Business Warranties*);

"**Applicable Law(s)**" means all laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, decisions and awards of any court or competent authority or tribunal and all codes of practice having force of law, in each case to the extent applicable to the Parties or any of them, any of the Complete Target Group, or as the context requires;

"**Articles of Association**" means the articles of association of the Seller;

"**Base First Tranche Payment**" has the meaning given to that term in Clause 3.1.1;

"**Base Second Tranche Payment**" has the meaning given to that term in Clause 3.1.3;

"**Basket**" means RUB [\*\*\*] ([\*\*\*] Rubles);

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Moscow (Russia), Amsterdam (the Netherlands) and the jurisdictions of the Purchaser Bank Account, the Seller Bank Account, and their respective correspondent banks;

"**Central Bank Consent**" means the consent of the Central Bank of the Russian Federation to the indirect transfer of the shares in the share capital of JSC "Yandex Bank" as part of the Transaction, on terms satisfactory to the Parties, acting reasonably, or confirmation from the Central Bank of the Russian Federation that its consent to the indirect transfer of the shares in the share capital of JSC "Yandex Bank" as part of the Transaction is not required;

"**Claim**" means any claim against the Seller for breach of any of the Seller Warranties, and any claim under Clauses 14.1.1 to 14.1.6 (inclusive);

"**Company**" has the meaning given to that term in Recital (A);

"**Complete Target Group**" means the Company and the Target Group Companies;

"**Complete Target Group Advisory Expenses**" means an amount of RUB [\*\*\*] ([\*\*\*] Rubles) incurred by the Complete Target Group in respect of the fees of [\*\*\*] pursuant to an agreement dated [\*\*\*] (and, for the avoidance of doubt, any additional fees, expenses or Taxes thereunder, or under any similar agreement with Start Capital, shall not be Complete Target Group Advisory Expenses);

"**Completion**" means the First Completion or the Second Completion, as the context requires, and "**Complete**" shall be construed accordingly;

"**Completion Date**" means the First Completion Commencement Date or the Second Completion Commencement Date, as the context requires;

"**Compromise Notice**" has the meaning given to that term in Clause 11.2;

"**Compromised Investor**" has the meaning given to that term in Clause 11.7;

"**Conditions**" means the conditions set out in the table in Clause 4.1;

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

"**Confidential Information**" has the meaning given to that term in Clause 17.6;

"**Connected Persons**" means, in relation to a person, the Affiliates of that person, and the Family Members of that person or any of his, her or its Affiliates (as applicable), in each case from time to time, provided that, in respect of the Seller, only its Affiliates and the Seller Nominated Persons shall be deemed to be its Connected Persons, together with their Affiliates (and Affiliates of their Affiliates), which shall, for the avoidance of doubt, include the Seller Group Companies and shall not include any member of the Complete Target Group;

"**Control**" means the ability of a person to secure, directly or indirectly, (whether by the holding of shares or possession of voting rights) that the affairs of such other person are conducted in accordance with his or its wishes and "**Controlled by**", "**Controlling**" and "**under common Control with**" shall be construed accordingly;

"**Data Room**" means the Seller's virtual data room hosted by Digify as at [\*\*\*], a copy of which was uploaded to two sets of identical USB flash drives with unique Checksum number [\*\*\*] generated using WinMD5 software (i) one to be provided to the Purchaser and (ii) the other to be provided to the Seller as at the date of this Agreement, and each document or folder contained in the Data Room is a "**Data Room Document**" or "**Data Room Folder**" (as the context requires), provided that Data Room Folder 15 (other than Data Room Document 15.8) is excluded from the Data Room;

"**Decree No. 520 Consent**" means consent of the Russian President for the indirect transfer of the shares in the share capital of JSC "Yandex Bank" as part of the Transaction on terms satisfactory to the Parties, acting reasonably, issued in accordance with President's decree No. 520 dated 5 August 2022 "On special economic measures in financial and fuel and energy spheres in connection with unfriendly acts of certain foreign states and international organisations";

"**Deed of Undertaking**" means a deed of undertaking between the Seller and the Company dated the date of this Agreement;

"**Disclosed**" means fairly disclosed in the Disclosure Letter with sufficient detail to enable a reasonable purchaser to clearly identify the nature and scope of the fact, matter, event or circumstance disclosed;

"**Disclosure Letter**" means the letter dated the same date as this Agreement from the Seller to the Purchaser in relation to the Seller Warranties;

"**Dispose**" has the meaning given to that term in Clause 12.3;

"**Eligible Employees**" means employees of the Complete Target Group as of First Completion and former employees of the Complete Target Group (other than employees employed by the Seller or any Seller Group Company) eligible to receive up to 5,439,228 ordinary shares of the issued share capital in the Company (in total) in exchange for outstanding vested equity incentive awards in the Seller held by such employees and former employees (including, without limitation, in the form of restricted share units);

"**Employee Benefit Plan**" means any employee benefit plan, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit-sharing, performance share and other synthetic options or phantom awards, termination, change of control, pension, retirement, redundancy, share option, share purchase, restricted share, deferred compensation, share



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

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, in each case established by adopted policies of the Complete Target Group as at the Locked Box Date;

**"Encumbrance"** means any option, charge (fixed or floating), mortgage, hypothecation, lien, pledge, assignment by way of security, title retention, right to acquire, right of pre-emption (other than any statutory pre-emption right), right of first refusal, right to set off, counterclaim, trust arrangement or any other security, preferential right, equity or other encumbrance of any kind, any restriction upon ownership, use or alienation, or any agreement or arrangement to create any of the foregoing;

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder;

**"Exchange NV Shares"** means the First Tranche Exchange NV Shares and the Second Tranche Exchange NV Shares;

**"Extraordinary Shareholder Meeting"** means the extraordinary general meeting and the meeting of Class A Shareholders of the Seller to be held in connection with the Transactions contemplated by this Agreement;

**"Extraordinary Shareholder Meeting Materials"** means the: (i) Shareholder Circular; (ii) notice of the Class A Shareholders meeting; (iii) agenda and explanatory notes of Class A Shareholders meeting; (iv) notice of the extraordinary general meeting; (v) agenda and explanatory notes of the extraordinary general meeting; (vi) proposed amendments to the Articles of Association; and (vii) audited annual accounts for 2022, each with respect to the Extraordinary Shareholder Meeting;

**"Family Member"** means, in relation to any individual, such person's spouse or civil partner, and his/her children (including in law), parents and grandparents, and any trust, nominee arrangement or similar entity or arrangement formed by or for the benefit of any such person;

**"FAS"** means the Federal Antimonopoly Service of the Russian Federation;

**"FAS Consent"** means the consent issued by FAS to the Purchaser and authorising performance of the Transaction, on terms satisfactory to the Parties, acting reasonably, or confirmation from FAS that its consent is not required;

**"Financial Indebtedness"** means the amount of liabilities of the Complete Target Group (but excluding: (i) any liability solely between members of the Complete Target Group; and (ii) any double accounting of liabilities under independent guarantees and sureties entered into by a member of the Complete Target Group in respect of any obligations of any other member of the Complete Target Group) based on the rules and principles used to prepare the consolidated financial statements of the Complete Target Group, which includes:

- (a) any amount raised by acceptance under any credit facility;
- (b) any deferred payment obligation, liability under which has matured;
- (c) any amount raised pursuant to any issue of bonds, notes, debentures, loan stock or any similar instrument;

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- (d) any amount of liability in respect of any lease or hire purchase contract which would in accordance with the rules and principles used to prepare the consolidated financial statements of the Complete Target Group be treated as a finance or capital lease;
- (e) any amount raised under any other transaction which (and in accordance with applicable accounting rules, as the context requires) has a commercial effect of a borrowing (other than commercial and trade credits, advances, operating leases, or any deferred payment or other performance of payment obligations (save for any deferred payment obligation that has matured and become payable)); and
- (f) the amount of any liability in respect of any guarantee or indemnity in favour of a third party for any of the items referred to in the preceding paragraphs (a) to (e) (both inclusive),

in each case save for: (i) any deposits opened by third parties with JSC Yandex Bank and other entities within the Complete Target Group with retail loan/financial transactions as their core business; and (ii) other liabilities of JSC Yandex Bank and other entities within the Complete Target Group with retail loan/financial transactions as their core business;

**"First Completion"** means completion of the sale and purchase of the First Tranche Sale Shares in accordance with Clause 6;

**"First Completion Agreed Leakage Amount"** has the meaning given to that term in Clause 13.3;

**"First Completion Commencement Date"** has the meaning given to that term in Clause 6.1;

**"First Completion End Date"** means a date on which completion of all obligations of the Parties set out in Schedule 5 (*First Completion Obligations*) takes place;

**"First Completion Settlement Agreement"** means an agreement on restriction on disposal and transfer of shares between the Seller, the Purchaser and the Purchaser Depositary;

**"First Tranche Exchange NV Shares"** means such number of NV Shares as may be notified by the Purchaser to the Seller prior to First Completion in accordance with Clause 6.2, which in any case shall not exceed 67,833,664 NV Shares;

**"First Tranche Exchange Ordinary Shares"** means an amount of ordinary shares in the Company equal to the First Tranche Exchange NV Shares;

**"First Tranche NV Shares Payment"** means First Tranche Exchange NV Shares multiplied by NV Share Price;

**"First Tranche Payment"** has the meaning given to that term in Clause 3.2;

**"First Tranche Pre-Conversion Payment"** has the meaning given to that term in Clause 3.1.1;

**"First Tranche Sale Ordinary Shares"** means 189,726,898 ordinary shares in the Company (which comprise 50% of the entire issued share capital of the Company plus one ordinary share);

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

"**First Tranche Sale Shares**" means the First Tranche Total Ordinary Company Shares and the Preference Share A;

"**First Tranche Total Ordinary Company Shares**" means First Tranche Exchange Ordinary Shares plus First Tranche Sale Ordinary Shares;

"**Fund**" means Closed-end Mutual Investment Combined Fund "Consortium. First" (*Закрытый паевой инвестиционный комбинированный фонд «Консорциум. Первый»*), a closed-end mutual investment combined fund under the trust management of JSC SOLID Management, a joint stock company incorporated in the Russian Federation with its registered office at Room 2 Suite XVI, 5<sup>th</sup> floor, Khoroshyovskoye sh. 32A, Moscow, 125284, the Russian Federation, registered under the main state registration number (OGRN) [\*\*\*];

"**Fund Documents**" means trust management rules No. [\*\*\*], number assignment date 22 August 2023, as amended on 9 November 2023, 23 November 2023 and 31 January 2024, and as may be further amended from time to time;

"**Fundamental Claim**" means a claim for breach of any of the Fundamental Warranties;

"**Fundamental Warranties**" means the warranties given in paragraphs 1 to 6 (inclusive), paragraph 8, paragraph 9 and paragraph 11 of Schedule 7 (*Seller Warranties*) and paragraph 3 of Schedule 8 (*Business Warranties*);

"**Funding Notice**" has the meaning given to that term in Clause 11.1;

"**FX Volume Adjustment**" means [\*\*\*]%;

"**GAAP**" means recognition and measurement accounting principles generally accepted in the United States of America in effect from time to time;

"**Government Commission**" means the Sub-commission of the Government Commission for Control over Foreign Investments in the Russian Federation;

"**Government Commission Approval**" means the consent of the Government Commission for consummation of the Transaction, on terms satisfactory to the Parties, acting reasonably, issued in accordance with President's Decree No. 618 dated 8 September 2022 and President's Decree No. 81 dated 1 March 2022 or confirmation from the Government Commission that its consent for consummation of the Transaction is not required;

"**Governmental Authority**" means any state or political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions on behalf of the state or its political subdivision, including any governmental authority, ministry, agency, department, board, commission or instrumentality or subdivision thereof; any court, including tribunal (whether standing or ad hoc), arbitration panel or arbitrator (including an arbitrator of international commercial arbitrations); and any self-regulatory organisation acting on behalf of the state or itself pursuant to the rights granted thereto by Applicable Law;

"**Group Information Technology**" means Information Technology that was owned by the Complete Target Group as at the Locked Box Date;

"**Group Intellectual Property**" means Intellectual Property that: (i) was developed, created

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

by, or acquired from a third party by, the Complete Target Group; and (ii) as at the Locked Box Date, was owned by the Complete Target Group;

**"Immovable Property Share Statement"** means the calculation of the share of immovable property located in the Russian Federation, of which assets of the Company directly or indirectly consist as at [\*\*\*], provided to the Purchaser in writing at or prior to First Completion;

**"Information Technology"** means information and communications technology infrastructure, including without limitation any Intellectual Property relating thereto;

**"Intellectual Property"** means:

- (a) patents, rights in inventions, know-how and trade secrets, copyright and related rights, registered designs, design rights, database rights, semiconductor topography rights, trademarks and service marks, trade names, business names, rights in get-up and logos, domain names, and any other intellectual property rights (in each case, whether or not registered, and including all applications to register and rights to apply to register any of them); and
- (b) all rights or forms of protection having equivalent or similar effect in any jurisdiction;

**"Intra-Group Agreements"** has the meaning given to that term in Clause 15.3.2;

**"IP Claim MAE"** means, solely for the purposes of paragraph 3.5 of Schedule 8 (*Business Warranties*) any change, event, effect or circumstance that, individually or taken together with all such other changes, events, effects or circumstances that have occurred prior to the date of determination of the occurrence of the IP Claim MAE, has or may reasonably be expected to have a material adverse effect on the business, properties, liabilities (actual or contingent), management, condition (financial or otherwise), financial position, profits, shareholders' equity, operations or prospects of the Complete Target Group, and/or has resulted in or may reasonably be expected to result in losses (including any Tax Liability) to the Complete Target Group in excess of RUB [\*\*\*] ([\*\*\*] Rubles) in the aggregate;

**"Key Employee"** means any employee employed by the Complete Target Group that is graded "level [\*\*\*]" or above, information in respect of whom was provided to the Purchaser by the Seller before the date of this Agreement;

**"Leakage"** means the matters listed in Part A (*Leakage*) of Schedule 2;

**"Lock-Up Term"** has the meaning given to that term in Clause 12.2;

**"Locked Box Accounts"** means the unaudited combined consolidated balance sheet of the Complete Target Group as at the Locked Box Date attached hereto as Schedule 11 (*Locked Box Accounts*), which has been subject to procedures agreed upon by the Parties and set out in Schedule 12 (*Agreed Upon Procedures*);

**"Locked Box Date"** means 30 September 2023;

**"Locked Box Warranty Claims"** means any claim for breach of any of the Seller Warranties given in paragraph 1 of Schedule 8 (*Business Warranties*);

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

"**Longstop Date**" means 2 April 2024 or such other date as the Seller and the Purchaser may agree in writing;

"**Main Activities**" means each business segment which accounts for more than [\*\*\*] per cent ([\*\*\*]%) of Annual Revenue of the Complete Target Group as at the Locked Box Date;

"**Management**" means those members of the management of the Complete Target Group as the Parties have agreed on the date of this Agreement;

"**Management Foundation**" means International Foundation "Management Foundation", an international foundation incorporated under the laws of the Russian Federation and registered under the main state registration number (OGRN) [\*\*\*];

"**Material Adverse Effect**" means any change, event, effect or circumstance (each, an "**Effect**") that, individually or taken together with all other Effects that have occurred prior to the date of determination of the occurrence of the Material Adverse Effect, has or may reasonably be expected to have a material adverse effect on the business, properties, liabilities (actual or contingent), management, condition (financial or otherwise), financial position, profits, shareholders' equity, operations or prospects of the Complete Target Group taken as a whole, and/or has resulted in or may reasonably be expected to result in losses (including any Tax Liability) to the Complete Target Group in excess of RUB [\*\*\*] ([\*\*\*] million Rubles) in the aggregate;

"**Material Intellectual Property**" means: (i) any Group Intellectual Property having a book value in excess of RUB [\*\*\*] ([\*\*\*] Rubles) for each unit; (ii) such other Group Intellectual Property that is necessary for the Main Activities of the Complete Target Group; and (iii) such other Group Intellectual Property that was developed within the Prospective Streams which, on the date of this Agreement, is necessary, or could reasonably be expected to be necessary, for the further development of such Prospective Streams;

"**Material Subsidiary**" means: (i) each direct or indirect subsidiary of the Company with Total Assets in excess of RUB [\*\*\*] ([\*\*\*] Rubles) on the Locked Box Date; (ii) each direct or indirect subsidiary of the Company with Annual Revenue in excess of RUB [\*\*\*] ([\*\*\*] Rubles); and/or (iii) each direct or indirect subsidiary of the Company that owns any Material Intellectual Property on the Locked Box Date, in each case as listed in Part B of Schedule 1 (*Details of the Group*) marked with an asterisk (\*) against its name;

"**Memorandum**" means a memorandum on invitation to make offers addressed to the holders of NV Shares to be published by Purchaser on the terms and subject to the conditions specified therein;

"**NV Priority Share**" means the priority share with a nominal value of EUR 1.00 (one Euro) in the share capital of the Seller;

"**NV Share**" means a class A ordinary share in the issued share capital of the Seller (ISIN NL0009805522);

"**NV Share Price**" means an amount in RUB equal to the Price per Ordinary Share;

"**Ordinary Sale Shares**" means the First Tranche Total Ordinary Company Shares and the Second Tranche Total Ordinary Company Shares;

"**Ordinary Shares Outstanding**" means 379,453,795 ordinary shares in the Company

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

(which comprise 100% of the entire issued share capital of the Company);

**"Original Group"** means each of the entities and companies comprising the Seller Group prior to the Pre-Completion Reorganisation, being the Seller Group Companies, the Target Group Companies, other than the Company, and **"Original Group Companies"** shall be construed accordingly;

**"Permitted Assignee"** means, in respect of the Purchaser, and following First Completion: (i) any Underlying Investor; or (ii) a subsidiary that is solely, wholly, and beneficially owned and controlled by an Underlying Investor, any 100% direct or indirect shareholder of an Underlying Investor or a beneficial owner of an Underlying Investor, provided that, in each case, such person is not a Sanctioned Person;

**"Permitted Leakage"** means the matters listed in Part B (*Permitted Leakage*) of Schedule 2 (*Leakage*);

**"Permitted Person"** means those individuals notified by the Seller to the Purchaser in writing on the date hereof, which comprises: (i) those individual employees of the Complete Target Group whose contract of employment or similar arrangements with the Complete Target Group will be terminated prior to First Completion and who will be employed or otherwise engaged by the Seller Group; (ii) those individuals engaged pursuant to consultancy or similar arrangements, which will be terminated prior to First Completion; and (iii) those individuals with an entitlement to un-paid leave, whose employment with the Complete Target Group will be terminated prior to First Completion;

**"Permitted Transaction"** means the matters listed in Part B (*Permitted Transactions*) of Schedule 4 (*Conduct of Business Before First Completion*);

**"PIF"** means International Foundation Public Interest Foundation, registered under the main state registration number (OGRN) 1203900002767;

**"Pre-Completion Conduct Claim"** means any claim under Clause 5 or Schedule 4 (*Conduct of Business Before First Completion*);

**"Pre-Completion Reorganisation"** has the meaning as the Parties have agreed in writing on the date of this Agreement;

**"Pre-Completion Reorganisation Steps Plan"** has the meaning as the Parties have agreed in writing on the date of this Agreement;

**"Pre-Completion Sale"** has the meaning given to that term in Recital (D);

**"Preference Share A"** means the type "A" preferred share with a nominal value of RUB [\*\*\*] ([\*\*\*] kopecks) in the share capital of the Company;

**"Preference Share A Purchase Price"** means RUB [\*\*\*] ([\*\*\*] kopecks);

**"Preference Share B"** means the type "B" preferred share with a nominal value of RUB [\*\*\*] ([\*\*\*] kopecks) in the share capital of the Company;

**"Price per Ordinary Share"** means RUB [\*\*\*] ([\*\*\*] Ruble and [\*\*\*] kopecks);

**"Prospective Streams"** means the following segments as conducted on the date of this

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

Agreement: (i) [\*\*\*]; (ii) [\*\*\*]; and (iii) [\*\*\*];

**"Purchaser Bank Account"** means such bank account as the Purchaser may notify to the Seller not less than [\*\*\*] Business Days prior to First Completion and on the basis the bank at which such account is held is not the target of any Sanctions, owned or Controlled by any Sanctioned Person or designated on any Sanctions List;

**"Purchaser Depository"** means JSC Specialized Depository "Infinitum" registered with the Russian unified state register of legal entities under number [\*\*\*];

**"Purchaser Financing Provider"** means any person (including any individual, bank or credit institution) that: (i) lends money or provides credit to the Purchaser, any of the Underlying Investors, their respective Affiliates for the purposes of payment of the First Tranche Payment or the Second Tranche Payment; or (ii) transfers the First Tranche Payment or the Second Tranche Payment on behalf of the Purchaser to the Seller at First Completion and Second Completion, respectively;

**"Purchaser's Group"** means the Purchaser, its Affiliates and each of the Underlying Investors;

**"Purchaser Warranties"** means the warranties given in Schedule 9 (*Purchaser Warranties*);

**"Regulators"** means any regulatory or governmental authorities or bodies, including, as they may be titled from time to time:

- (a) the Government Commission;
- (b) President of the Russian Federation;
- (c) FAS; and
- (d) Central Bank of the Russian Federation;

**"Regulatory Approvals"** means all of the necessary approvals to be granted or given by any of the Regulators or any other Governmental Authority as applicable from time to time in connection with the Transaction;

**"Relevant Tax Audit"** means the issue of any notice, demand, assessment, letter or other document by or on behalf of any Tax Authority, or the preparation of any tax return or any self-assessment or any other document from which it appears that an Actual Tax Liability may arise or be incurred or imposed on the Complete Target Group for which the Seller is or may be liable under Clauses 14.1.5 or 14.1.6;

**"Representatives"** has the meaning given to that term in Clause 10.1 in respect of any Party or legal or natural person, as the context may allow;

**"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

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

Governmental Authority,

which has the effect of making unlawful or otherwise prohibiting or restricting First Completion, Second Completion, the Transaction, or performance by any Party of its obligations under this Agreement;

"**Russian Exit Tax**" means the voluntary monetary contribution to the Russian federal budget which may be imposed by the Government Commission as a condition of the Government Commission Approval;

"**Russian Language Information**" has meaning given to that term in Clause 17.37;

"**Russian Sub-Holding**" has the meaning as the Parties have agreed in writing on the date of this Agreement;

"**Sale Shares**" means [\*\*\*] ordinary shares in the Company and [\*\*\*] Preference Share A;

"**Sanctioned Person**" means a person (i) that is designated or listed under any Sanctions List by any Sanctions Authority, (ii) in which any persons so designated or listed (individual or collectively) have an interest or control with the consequence that such person's property is blocked pursuant to any Sanctions, or (iii) acting on behalf of any of the foregoing;

"**Sanctions**" means any laws, regulations or trade embargoes relating to blocking (asset freeze) sanctions that envisage blocking of the assets administered or enforced from time to time by any Sanctions Authority;

"**Sanctions Authority**" means (i) the United Nations Security Council; (ii) the United States government; (iii) the European Union; (iv) the United Kingdom government; (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 (OFAC), the United States Department of State and Department of Commerce, and His Majesty's Treasury and the UK Office of Financial Sanctions Implementation (OFSI); and (vi) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over any Party;

"**Sanctions List**" means the Specially Designated Nationals and Blocked Persons List maintained by OFAC, the Consolidated List of Financial Sanctions Targets maintained by His Majesty's Treasury (but only the sub-list for "Asset Freeze Targets" and not the sub-list for "Investment Ban Targets") or any similar list maintained by, or public announcement of sanctions designations made by a Sanctions Authority, each as amended, supplemented or substituted from time to time, provided that, in each case, any such list relates to the so called freezing or blocking sanctions and does not include sanctions known as "sectoral sanctions" that do not envisage blocking of the assets;

"**SEC Reports**" means each of the documents filed by the Seller with the SEC since [\*\*\*];

"**Second Completion**" means completion of the sale and purchase of the Second Tranche Total Ordinary Company Shares in accordance with Clause 7;

"**Second Completion Agreed Leakage Amount**" has the meaning given to that term in Clause 13.6;

"**Second Completion Commencement Date**" has the meaning given to that term in Clause



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

7.1;

"**Second Completion Settlement Agreement**" means an agreement on restriction on disposal and transfer of shares between the Seller, the Purchaser and the Purchaser Depositary;

"**Second Tranche Exchange NV Shares**" means such number of NV Shares as may be notified by the Purchaser to the Seller prior to Second Completion in accordance with Clause 7.2, which in any case shall not exceed the Second Tranche Total Ordinary Company Shares;

"**Second Tranche NV Shares Payment**" means Second Tranche Exchange NV Shares multiplied by NV Share Price;

"**Second Tranche Payment**" has the meaning given to that term in Clause 3.2;

"**Second Tranche Pre-Conversion Payment**" has the meaning given to that term in Clause 3.1.3;

"**Second Tranche Purchase Price**" means any amount in RUB equal to the number of the Second Tranche Total Ordinary Company Shares multiplied by the Price per Ordinary Share;

"**Second Tranche Total Ordinary Company Shares**" means Ordinary Shares Outstanding minus Pre-Completion Sale Shares minus First Tranche Total Ordinary Company Shares;

"**Securities Act**" means the US Securities Act of 1933, as amended;

"**Seller Bank Account**" means such bank account as the Seller may notify to the Purchaser not less than [\*\*\*] Business Days prior to First Completion;

"**Seller Group Companies**" means all the subsidiary undertakings held by the Seller as set out in the Yandex Group Corporate Structure after the Pre-Completion Reorganisation (Data Room Document 15.8), including (without limitation) the Nebius, AVRide, Toloka, and TripleTen businesses, [\*\*\*], and the Finland data center, but excluding following First Completion, the Complete Target Group, and "**Seller Group**" shall be interpreted accordingly;

"**Seller Nominated Persons**" shall mean those persons nominated by the Seller, as agreed between the Parties in writing on the date of this Agreement;

"**Seller Warranties**" means the warranties given in each of Schedule 7 (*Seller Warranties*) and Schedule 8 (*Business Warranties*);

"**Shareholder Circular**" means the shareholders circular to be circulated by the Seller to the Shareholders in connection with the Extraordinary Shareholder Meeting;

"**Shareholders**" means the shareholders of the Seller holding any class of share;

"**Statement**" has the meaning given to that term in Clause 17.16.1;

"**Target Group Companies**" means the Company's subsidiary undertakings pursuant to and resulting from the completion of the Pre-Completion Reorganisation Steps Plan set out in Part B of Schedule 1 (*Details of the Group*);

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

"**Tax**" means all forms of taxes and statutory, governmental, state, federal, provincial, local, customs, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities of whatever nature and wherever chargeable, including any penalty, fine, surcharge, interest, charges, costs or any other liability relating to any of the above;

"**Tax Authority**" means any state, governmental or municipal authority, agency, body or other regulatory authority that is responsible for the assessment, administration or collection of any Taxes in any jurisdiction;

"**Tax Claim**" means any claim for breach of any of the Tax Warranties or any claim under Clauses 14.1.5 or 14.1.6;

"**Tax Liability**" means:

- (a) any liability of any member of the Complete Target Group to make an actual payment of Tax or a payment on account of Tax; and/or
- (b) the loss of or failure to obtain, for any reason, of any Tax Relief, in which case the amount of Tax Liability will be the amount of Tax that would (on the basis of Tax rates current at the date of that loss) have been saved but for that loss, assuming for this purpose that any member of the Complete Target Group had sufficient profits or was otherwise in a position to use a Tax Relief, or, where the Tax Relief is the right to repayment of Tax or to a payment in respect of Tax, the amount of repayment or payment;

"**Tax Relief**" means any relief, allowance, loss, exemption, incentive, special tax regime, set-off or deduction from or credit available or other relief of a similar nature from, against or in relation to Taxation or in the computation of income, profits or gains for Taxation purposes, or any repayment of or saving of Tax (including any repayment supplement or interest in respect of Tax, reduced income tax rate and/or VAT refund);

"**Tax Warranties**" means the warranties given in paragraph 7 of Schedule 8 (*Business Warranties*);

"**Third Party Claim**" has the meaning given to that term in paragraph 9.1 of Schedule 10 (*Limitations on Liability*);

"**Third-Party Intellectual Property**" means Intellectual Property that was developed and created by a third party and, as at the date of this Agreement, is used by the Complete Target Group in its business operations;

"**Total Assets**" means the total assets of a company, excluding any intercompany balances due from other members of Complete Target Group and intercompany investments in other members of the Complete Target Group (in each case, to the extent such intercompany balances and investments are initially included in the total assets) calculated in accordance with GAAP and the applicable Seller's and its subsidiary undertakings' GAAP accounting policies;

"**Total Consideration**" means RUB 475,000,000,000 (four hundred and seventy five billion Rubles);

"**Transaction**" means the sale and purchase of the Sale Shares as contemplated in Clause 2

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

and as governed by the terms of this Agreement;

**"Transaction Documents"** means this Agreement, the Disclosure Letter, the Transitional Services Agreements, the Deed of Undertaking, the First Completion Settlement Agreement, the Second Completion Settlement Agreement and the NV Priority share transfer agreement between the Seller and the PIF;

**"Transitional Services Agreements"** means TSA1 and TSA2;

**"TSA1"** means the transitional services agreement between [\*\*\*] as provider, [\*\*\*] as licensor, and the Seller as receiver, in relation to the operation of the Seller's and the Seller Group Companies' ongoing businesses dated on the date of this Agreement;

**"TSA2"** means the transitional services agreement between the [\*\*\*] as provider and [\*\*\*] as receiver, in relation to the operation of the Target Group Companies' ongoing businesses dated on the date of this Agreement;

**"Underlying Investors"** means the following entities together with the individuals and ultimate beneficial owners of each of them, each as disclosed to the Seller on the date hereof:

- (a) LLC "FMP", a limited liability company organised under the laws of Russia and registered as a legal entity under the main state registration number (OGRN) [\*\*\*], which is jointly, wholly and beneficially owned and controlled by the Management;
- (b) Closed-end Mutual Investment Combined Fund "Argonaut", a closed-end mutual investment fund organised under the laws of Russia, whose sole investor is a company wholly owned by PJSC "LUKOIL", company organised under the laws of Russia and registered as a legal entity under the main state registration number (OGRN) [\*\*\*]; under the trust management of LLC Asset Management Company "Lerta Capital" Limited, a limited liability company organised under the laws of Russia and registered as a legal entity under the main state registration number (OGRN) [\*\*\*];
- (c) JSC "IT. Elaboration", a joint stock company organised under the laws of Russia and registered as a legal entity under the main state registration number (OGRN) [\*\*\*], which is solely, wholly, and beneficially owned and controlled by Pavel Igorevich Prass;
- (d) JSC "Infinity Management", a joint stock company organised under the laws of Russia and registered as a legal entity under the main state registration number (OGRN) [\*\*\*], which is solely, wholly, and beneficially owned and controlled by Alexander Anatolievich Chachava; and
- (e) LLC "Meridian-Servis", a limited liability company organised under the laws of Russia and registered as a legal entity under the main state registration number (OGRN) [\*\*\*], which is solely, wholly, and beneficially owned and controlled by Alexander Nikolayevich Ryazanov;

**"Upstream Payment"** means a payment of an amount equal to RUB [\*\*\*] ([\*\*\*] Rubles and [\*\*\*] kopecks), to be paid to the Seller by [\*\*\*] under, and pursuant to the terms of, the Pre-Completion Sale; and

**"Upstream Reserve"** means a payment of an amount equal to RUB [\*\*\*] ([\*\*\*] Rubles and

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

[\*\*\*] kopecks) to be paid to the Seller by [\*\*\*] under, and pursuant to the terms of, the Pre-Completion Sale.

#### **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 any references to a Party shall include that Party's successors and permitted assigns;
  - 1.2.5 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;
  - 1.2.6 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;
  - 1.2.7 words in the singular shall include the plural and vice versa, and references to one gender include other genders;
  - 1.2.8 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);
  - 1.2.9 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, Dutch 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, the Netherlands or Russia (as relevant) be deemed to include what most nearly approximates the English, Dutch or Russian legal term in that jurisdiction and references to any English, Dutch or Russian statute or enactment shall be deemed

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- to include any equivalent or analogous laws or rules in any other jurisdiction;
- 1.2.12 expressions "**subsidiary**" and "**subsidiary undertaking**" defined in the Companies Act 2006 shall bear the same meaning as in that Act;
- 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 references to documents "**in the agreed form**", agreed on the date of this Agreement or any similar expression shall be to documents agreed between the Seller and the Purchaser, and initialled for identification by, or on behalf of, the Seller and the Purchaser;
- 1.2.15 a reference to "**CNH**" is to the lawful currency of the People's Republic of China (as traded outside of mainland China). A reference to "**RUB**" or "**Rubles**" is to the lawful currency of the Russian Federation. A reference to "**USD**", "**\$**" or "**Dollars**" is to the lawful currency of the United States of America. A reference to "**EUR**" or "**Euro**" is to the lawful currency of the member states of the European Union that have the euro as their lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;
- 1.2.16 a reference to a "**share**" includes a "**participatory interest**", "**share capital**" includes "**charter capital**" and a "**shareholder**" includes a "**participant**", and vice versa;
- 1.2.17 references to fractional holdings of shares shall be rounded up to the nearest whole share; and
- 1.2.18 except where the context otherwise requires, a reference to time or the time of any day is to Amsterdam (the Netherlands) 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, 5:00 p.m. on the relevant date.
- 1.3 Unless otherwise stated in this Agreement, any amount to be converted from one currency into another currency for the purposes of this Agreement shall be converted into an equivalent amount at the Conversion Rate set on the Relevant Date, provided that the First Tranche Pre-Conversion Payment and the Second Tranche Pre-Conversion Payment are to be converted to equivalent amount in CNH at the Adjusted Conversion Rate set at the Relevant Date as stated in Clause 3.2. For the purposes of this Clause 1.3:
- "**Conversion Rate**" means [\*\*\*] currency fixing set by [\*\*\*] for CNH / RUB on the Relevant Date or, if no such rate is set on that date, on the preceding date on which such rate is set;
- "**Relevant Date**" means:
- (a) for the purposes of determining whether a monetary threshold or limit referred to in paragraph 3 of Schedule 10 (*Limitations on liability*) has been reached or exceeded, the date of receipt of written notification of the relevant claim in accordance with paragraph 2 of Schedule 10 (*Limitations on liability*); and
- (b) for any other purpose under this Agreement, the date falling [\*\*\*] days before the

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

date on which a payment or an assessment is to be made, provided that exact date shall be chosen by the respective payor.

- 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.

## 2. SALE AND PURCHASE

### Sale and purchase

- 2.1 The Seller is the legal and beneficial owner of and shall sell and the Purchaser shall purchase the Sale Shares, as follows:
- 2.1.1 at First Completion, the Seller shall transfer to the Purchaser the First Tranche Sale Shares free from any Encumbrance and together with all rights attached to them at the First Completion Commencement Date or subsequently becoming attached to them (including the right to receive all dividends and distributions declared, paid, or made by the Company by reference to a record date falling on or after the First Completion Commencement Date); and
- 2.1.2 at Second Completion the Seller shall transfer to the Purchaser the Second Tranche Total Ordinary Company Shares free from any Encumbrance and together with all rights attached to them at the Second Completion Commencement Date or subsequently becoming attached to them (including the right to receive all dividends and distributions declared, paid, or made by the Company by reference to a record date falling on or after the Second Completion Commencement Date),
- in each case subject to and in accordance with the provisions of this Agreement, the First Completion Settlement Agreement and the Second Completion Settlement Agreement (as applicable).

### Covenants for title

- 2.2 The Seller covenants that it:
- 2.2.1 has the right to sell the Sale Shares;
- 2.2.2 will at its own cost do all that it can to give the Purchaser title to the Sale Shares free from any Encumbrance and with all rights attached or accruing to the Sale Shares on and after the relevant Completion Date; and
- 2.2.3 is selling the Sale Shares free from any Encumbrance.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**Waiver of pre-emption and other rights**

2.3 The Seller waives:

2.3.1 all pre-emption rights in respect of the Sale Shares; and

2.3.2 any other rights which restrict the transfer of the Sale Shares,

conferred on the Seller whether by the constitutional documents of the Company, by agreement or otherwise and agrees to procure that all such rights conferred on any other person shall be irrevocably waived so as to permit the sale and purchase of the Sale Shares pursuant to this Agreement.

**Evidence of authority**

2.4 On the date of this Agreement, each Party shall perform the obligations that Schedule 3 (*Signing Obligations*) states are to be performed by it.

**Disclosure Letter**

2.5 Unless otherwise agreed in writing between the Seller and the Purchaser, on the date of this Agreement, each Party shall deliver, or cause to be delivered, to the other Party a duly signed counterpart of the Disclosure Letter, provided that the Purchaser shall sign the Disclosure Letter to acknowledge its receipt only.

**3. CONSIDERATION**

**Consideration**

3.1 Subject to and in accordance with the provisions of this Agreement, the consideration for the sale of the Sale Shares by the Seller to the Purchaser shall be:

3.1.1 payment to the Seller Bank Account for the First Tranche Sale Ordinary Shares and Preference Share A at First Completion of an amount calculated as follows (such amount being, the "**First Tranche Pre-Conversion Payment**");

*Preference Share A Purchase Price + Base First Tranche Payment – AFCALA,*

where:

**AFCALA** means the Aggregate FCALA agreed by the Parties prior to First Completion;

**Base First Tranche Payment** means First Tranche Sale Ordinary Shares multiplied by Price per Ordinary Share and is equal to RUB 237,500,130,916.40 (two hundred thirty seven billion five hundred million one hundred thirty thousand nine hundred sixteen Rubles and forty kopecks) (such amount being, the "**Base First Tranche Payment**"); and

**Preference Share A Purchase Price** means an amount equal to the Preference Share A Purchase Price (as defined in Clause 1.1);

3.1.2 transfer of the First Tranche Exchange NV Shares to the Seller at First Completion

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

as set out in paragraph 1.6.2 of Schedule 5 (*First Completion Obligations*);

- 3.1.3 payment to the Seller Bank Account for the Second Tranche Total Ordinary Company Shares at Second Completion of an amount calculated as follows (such amount being, the "**Second Tranche Pre-Conversion Payment**");

**Base Second Tranche Payment – ASCALA**,

where:

**ASCALA** means the Aggregate SCALA agreed by the Parties prior to Second Completion (if there is no Second Completion Agreed Leakage Amount, ASCALA equals 0); and

**Base Second Tranche Payment** means the amount calculated as follows (such amount being, the "**Base Second Tranche Payment**");

**STPP - STSP**,

where:

**STPP** means the Second Tranche Purchase Price; and

**STSP** means the Second Tranche NV Shares Payment; and

- 3.1.4 transfer of the Second Tranche Exchange NV Shares to the Seller at Second Completion as set out in Schedule 6 (*Second Completion Obligations*) and the Second Completion Settlement Agreement.
- 3.2 The First Tranche Pre-Conversion Payment and the Second Tranche Pre-Conversion Payment shall be payable to the Seller Bank Account in CNH converted from RUB at the relevant Adjusted Conversion Rate (the "**First Tranche Payment**" and the "**Second Tranche Payment**", respectively).
- 3.3 For the avoidance of doubt, the First Tranche Pre-Conversion Payment plus the Second Tranche Pre-Conversion Payment plus the First Tranche NV Shares Payment plus the Second Tranche NV Shares Payment plus AFCALA plus ASCALA plus the Upstream Payment plus the Upstream Reserve in aggregate equal the Total Consideration.
4. **CONDITIONS**
- Conditions to First Completion**
- 4.1 First Completion is conditional on the following Conditions being satisfied on or before 5.30 p.m. (Amsterdam time) on the Longstop Date, and continuing to be satisfied at First Completion:



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

|    | <b>Condition</b>  | <b>Party Responsible<br/>(Purchaser/Seller)</b> | <b>Party entitled to<br/>waive Condition<br/>(Purchaser/Seller)</b> |
|----|---|---|---|
| 1. | The FAS Consent having been given and not having been revoked or amended.   | Purchaser                                       | Cannot be waived  |
| 2. | The Decree No. 520 Consent having been given and not having been revoked or amended.  | Purchaser                                       | Cannot be waived  |
| 3. | Government Commission Approval having been given and not having been revoked or amended.  | Purchaser                                       | Cannot be waived  |
| 4. | The Central Bank Consent having been given and not having been revoked or amended.  | Purchaser                                       | Purchaser   |
| 5. | The requisite approvals of the Shareholders.  | Seller  | Cannot be waived  |
| 6. | No Sanctions applying to the Seller which have the effect of making unlawful, prohibiting, or otherwise restricting First Completion, Second Completion, the Transaction, or performance by any Party of its obligations under this Agreement (including, for the avoidance of doubt, circumstances where a transfer of shares in the Company is prohibited or otherwise restricted).                                       | N/A   | Cannot be waived  |
| 7. | No Sanctions applying to the Purchaser or any of the Underlying Investors which have the effect of making unlawful, prohibiting, or otherwise restricting First Completion, Second Completion, the Transaction, or performance by any Party of its obligations under this Agreement (including, for the avoidance of doubt, circumstances where a transfer of shares in the Company is prohibited or otherwise restricted). | N/A   | Cannot be waived  |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

|     | <b>Condition</b>   | <b>Party Responsible<br/>(Purchaser/Seller)</b> | <b>Party entitled to<br/>waive Condition<br/>(Purchaser/Seller)</b> |
|-----|--|---|---|
| 8.  | There being no Restraint.  | N/A   | Cannot be waived  |
| 9.  | The Complete Target Group having made all filings and obtained all approvals from the Regulators reasonably necessary for the completion of the Pre-Completion Reorganisation and the transfer of the Preference Share B to the Management Foundation. | Seller  | Purchaser   |
| 10. | Completion (as defined in Clause 4.2) of the Pre-Completion Reorganisation, in compliance with the Pre-Completion Reorganisation Steps Plan.   | Seller  | Purchaser and Seller  |
| 11. | Memorandum and announcement relating thereto having been published on the dedicated website.   | Purchaser                                       | Seller  |
| 12. | The Pre-Completion Sale Shares having been transferred by the Seller to Yandex.Technologies LLC in full.   | Seller  | Purchaser   |
| 13. | [***] having paid the Upstream Payment and the Upstream Reserve to the Seller in full.   | Seller  | Seller  |
| 14. | Amended charter of the Company in a form agreed among the Parties having been adopted and registered with the unified state register of legal entities.  | N/A   | Purchaser   |
| 15. | Each of the First Completion Settlement Agreement and Second Completion Settlement Agreement having been entered into.   | Purchaser and Seller                            | Purchaser and Seller  |

#### **Pre-Completion Reorganisation**

- 4.2 For the purposes of this Clause 4 and this Agreement, the Pre-Completion Reorganisation shall be considered to have reached "Completion" on the terms as the Parties have agreed in writing on the date of this Agreement.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**Waiver**

- 4.3 A Party entitled to waive a Condition (as set out in Clause 4.1) may, by notice to the Party responsible for satisfying that Condition as set out in Clause 4.1, waive that Condition in whole or in part at any time on or before the Longstop Date.

**Satisfaction of Conditions**

- 4.4 The Purchaser and the Seller shall each use all reasonable endeavours to satisfy or procure the satisfaction of the Conditions for which it is responsible (as set out in Clause 4.1) as soon as possible and in any event on or before the Longstop Date.
- 4.5 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 any such fact or circumstance.

**Notification of Satisfaction of Conditions**

- 4.6 The Party responsible for satisfying a Condition (as set out in Clause 4.1) shall notify the Seller (if the Purchaser is the Party responsible) or the Purchaser (if the Seller is the Party responsible) of the satisfaction of the Condition as soon as possible after it has been satisfied, and in any event within [\*\*\*] Business Days of such satisfaction.
- 4.7 Following the satisfaction, or (if capable of waiver) waiver, of all the Conditions in accordance with the terms of this Agreement, the Parties shall proceed to First Completion in the event that:
- 4.7.1 the Seller's bank and the respective correspondent bank confirm that they are able to receive the First Tranche Payment to the Seller's Bank Account (having completed its "Know-Your-Customer" and related compliance checks). The Seller shall use its reasonable endeavours to procure that such confirmation is obtained as soon as practicable following the satisfaction, or (if capable of waiver) waiver, of all the Conditions in accordance with the terms of this Agreement and shall keep the Purchaser informed of the process in all material respects. If no such confirmation is received by the Seller on or before the Longstop Date, the Seller may terminate this Agreement with immediate effect by serving written notice on the Purchaser, in which case the provisions of Clauses 16.1 and 16.4 shall apply; and
- 4.7.2 the Purchaser Financing Providers and the respective correspondent bank confirm that they are able to process the First Tranche Payment. The Purchaser shall use its reasonable endeavours to procure that such confirmations are obtained as soon as practicable following the satisfaction, or (if capable of waiver) waiver, of all the Conditions in accordance with the terms of this Agreement and shall keep the Seller informed of the process in all material respects. If any of such confirmations is not received by the Purchaser on or before the Longstop Date, the Purchaser may terminate this Agreement with immediate effect by serving written notice on the Seller, in which case the provisions of Clauses 16.1 and 16.4 shall apply.

**Satisfaction Process**

- 4.8 The Seller shall promptly:

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 4.8.1 co-operate with the Purchaser in connection with the Purchaser obtaining the Regulatory Approvals set out in Conditions 1 to 4 (inclusive) of Clause 4.1; and
  - 4.8.2 provide (and procure that the Complete Target Group provides) the Purchaser with all such information reasonably required to prepare any required filings or applications in order to obtain the Regulatory Approvals set out in Conditions 1 to 4 (inclusive) of Clause 4.1, including the valuation report relating to the Complete Target Group prepared by [\*\*\*].
- 4.9 The Purchaser shall, before submitting any application or filing in respect of any Regulatory Approval contemplated by Clause 4.8, share a draft copy (which may be in a redacted form) of any such application or filing with the Seller and its representatives and allow reasonable time for comments to be provided by the Seller (and the Purchaser shall take account of the reasonable comments of the Purchaser) which have the purpose of ensuring that, to the extent applicable, any such application or filing is submitted in a form that seeks approval for any relevant obligation of the Seller under this Agreement (or any Transaction Document).
- 4.10 The Seller and the Purchaser agree that any requests and enquiries from any person in connection with the satisfaction of any of the Conditions shall be dealt with by the Seller and the Purchaser in consultation with each other and the Seller and the Purchaser shall promptly co-operate with and provide all necessary information and assistance reasonably required by such persons upon being requested to do so by the other.
- 4.11 The Purchaser shall keep the Seller informed of the process of obtaining the Regulatory Approvals set out in Conditions 1 to 4 (inclusive) of Clause 4.1 in all material respects. The Purchaser shall, as soon as practicable upon receipt by the Purchaser, provide the Seller with a copy of each Regulatory Approval, which may be in redacted form, provided that such form shall allow the Seller to assess whether: (i) any relevant Condition has been satisfied; and (ii) such Regulatory Approval grants approval for any relevant obligation of the Seller under this Agreement (or any Transaction Document).
- 4.12 In relation to the satisfaction of Condition 5 of Clause 4.1, the Seller hereby undertakes that it shall use all reasonable endeavours to circulate the Extraordinary Shareholder Meeting Materials to the Seller's Shareholders as soon as reasonably practicable following the date of this Agreement and convene the Extraordinary Shareholder Meeting on the shortest possible timeframe thereafter in order to approve the resolutions contemplated thereby, provided that:
- 4.12.1 in the event Conditions 2 and 3 set out in Clause 4.1 are not satisfied by the Purchaser within [\*\*\*] days of the notice of such Extraordinary Shareholder Meeting, the Seller may adjourn or cancel such Extraordinary Shareholder Meeting; and
  - 4.12.2 in the event of any changes to the subject matter or terms of the Transaction as a result of the satisfaction of Conditions 2 and 3 of Clause 4.1, the Seller may cancel the relevant Extraordinary Shareholder Meeting.
- 4.13 In connection with Clause 4.12, the Seller shall, before circulating the Extraordinary Shareholder Meeting Materials to the Seller's Shareholders, share a draft copy of the Shareholder Circular with the Purchaser and its representatives and allow reasonable time for comments to be provided on any references to the Purchaser or the Purchaser's obligations under this Agreement, any Transaction Document, and in connection with the Transaction. The Seller shall consider any such comments in good faith prior to finalising the Shareholder Circular and shall incorporate any reasonable comments the Purchaser may have on such

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

references prior to circulating the Shareholder Circular to the Seller's Shareholders.

- 4.14 Following the date of this Agreement, the Seller shall procure that the relevant outstanding amount, if any, of the Upstream Payment and the Upstream Reserve shall be immediately paid to the Seller by [\*\*\*] and in any event not later than [\*\*\*] days following the date this Agreement. The Purchaser shall not interfere with the acceleration of the Upstream Payment and the Upstream Reserve to the Seller.
- 4.15 In relation to the satisfaction of Condition 11 of Clause 4.1, the Purchaser hereby undertakes to publish the Memorandum and the announcement relating thereto on the dedicated website not later than [\*\*\*] Business Days prior to First Completion and in any event no earlier than the satisfaction of Condition 5 of Clause 4.1.
- 4.16 Following the satisfaction of Condition 11 of Clause 4.1, as notified to the Seller by the Purchaser in accordance with Clause 4.6, the Purchaser undertakes that it shall not (and shall procure that its Affiliates and the Underlying Investors undertake that they shall not), directly or indirectly, interfere with, cancel, revoke, delay, or make any material amendments to the Memorandum (except in accordance with its terms).
- 4.17 Nothing in Clause 4.8, 4.9, 4.11 or Clause 4.13 shall oblige any Party to provide the other Party with commercially sensitive information relating to that Party, its Affiliates or to its or their business.

**No Interference**

- 4.18 Each Party undertakes that it shall not, and shall procure that none of its Affiliates shall, initiate, instigate, procure or be party to any action creating any Restraint (or otherwise prevent any Completion from occurring) and shall subject to Clause 4.19, take all reasonable steps to remove or set aside any Restraint.

**Failure to Satisfy Conditions**

- 4.19 In the event Conditions 2 and 3 set out in Clause 4.1 are not satisfied by the Purchaser within [\*\*\*] days following the date of this Agreement, as notified to the Seller by the Purchaser in accordance with Clause 4.6, the Seller may terminate this Agreement with immediate effect by serving written notice on the Purchaser, in which case the provisions of Clauses 16.1 and 16.4 shall apply.
- 4.20 If one or more of the Conditions:
- 4.20.1 remains unsatisfied at 5.30 p.m. (Amsterdam time) on the Longstop Date and (if capable of waiver) has not been waived on or before that time; or
- 4.20.2 becomes impossible to satisfy on or before the Longstop Date and (if capable of waiver), has not been waived within [\*\*\*] Business Days of such Condition becoming impossible to satisfy; or
- 4.20.3 is unsatisfied immediately before First Completion and (if capable of waiver) has not been waived,
- the Party entitled to waive that Condition (or if the Condition cannot be waived, either the Seller or the Purchaser) may give notice to the Seller or the Purchaser (as applicable) terminating this Agreement in which case the provisions of Clauses 16.1 and 16.4 shall apply.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## 5. CONDUCT OF BUSINESS BEFORE FIRST COMPLETION

### Normal course

- 5.1 Pending First Completion the Seller shall procure that the Company and each Target Group Company:
- 5.1.1 continues to carry on its business in the normal course and in substantially the same manner as its business has been carried within [\*\*\*] months before the date of this Agreement; and
  - 5.1.2 complies with the requirements of Schedule 4 (*Conduct of Business Before First Completion*).

### Notification by Seller

- 5.2 The Seller undertakes to notify the Purchaser in writing fully and promptly upon becoming aware of anything which constitutes or may constitute a breach of its obligations under Clause 5.1.

### Purchaser's access

- 5.3 The Seller will use its best endeavours to procure that from the date of this Agreement until First Completion the Purchaser and its advisers and representatives shall have reasonable access to:

- 5.3.1 the premises and assets of each member of the Complete Target Group; and
- 5.3.2 all books, records, accounts, and documents controlled or used by each member of the Complete Target Group (including computer programs) and shall be able to take copies of the foregoing,

in each case, solely to the extent reasonably necessary for the purposes of providing the Purchaser with information or materials to assess:

- (A) the existence of any Leakage or any circumstances that could reasonably be expected to result in any Leakage from the Locked Box Date to (and including) the First Completion End Date;
  - (B) compliance with the provisions of Schedule 4 (*Conduct of Business Before First Completion*); or
  - (C) the status of the implementation of the Pre-Completion Reorganisation.
- 5.4 The Seller will use its best endeavours to procure that from the date of this Agreement until First Completion the directors of each member of the Complete Target Group and the Management shall be instructed to give fully and promptly all such information and explanations to the Purchaser and its representatives as they may reasonably request.
- 5.5 The Purchaser is not entitled to receive any books, records, accounts, documents or other information or explanations relating to the period prior to the Locked Box Date, except when such books, records, accounts, documents or other information or explanations are necessary to assess, and/or relate to, any matter set out in Clause 5.3.2(A) – 5.3.2(C).

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**No internal regulations and policies**

- 5.6 The Seller shall procure that from the date of this Agreement until First Completion neither the general shareholders meeting nor board of directors of the Company adopt any internal regulations or policies, save for any internal regulations or policies that are required solely for the Company's listing on MOEX and the distribution of 5,439,228 shares (or awards in respect thereof) in the Company to the Eligible Employees (in the same proportions as the relevant outstanding vested equity incentive awards were allocated under the Seller's Employee Benefit Plans), without the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed) which shall be obtained in accordance with provisions of Schedule 4 (*Conduct of Business Before First Completion*). If from the date of this Agreement until First Completion any internal regulations or policies that are required for the Company's listing on MOEX and the distribution of 5,439,228 shares (as set out in this Clause 5.6) are adopted, the Seller shall disclose to the Purchaser such internal regulations or policies as soon as practicable.

**Breach**

- 5.7 If between the date of this Agreement and First Completion the Purchaser becomes aware that there has been a breach of any Seller's obligation under Clause 5.1 and the Seller fails to remedy the breach to the satisfaction of the Purchaser within a [\*\*\*]-day period from the date on which the Purchaser has given notice of the relevant breach, in the event that such breach has resulted in or may reasonably be expected to result in losses (including any Tax Liability) to the Complete Target Group:
- 5.7.1 in excess of RUB [\*\*\*] ([\*\*\*]), the Purchaser may terminate this Agreement by notice in writing to the Seller, in which case the provisions of Clauses 16.1 and 16.4 shall apply; and
- 5.7.2 less than RUB [\*\*\*] ([\*\*\*] Rubles), the Purchaser shall proceed to First Completion in accordance with the provisions of this Agreement but without prejudice to its right to claim for breach of this Agreement (including in particular Clause 5.1).

**Circumvention**

- 5.8 Since the Locked Box Date, neither the Seller nor any Connected Person of the Seller has knowingly taken any action the sole purpose of which was to circumvent the terms and obligations set out in paragraph 3 of Part B of Schedule 4 (*Conduct of Business Before First Completion*) and paragraph 13.3 (*No Reliance on Seller or Seller Group*) of Schedule 8 (*Business Warranties*).
- 5.9 The Seller further covenants and agrees that from the date of this Agreement it will not, and will procure that no Connected Person of the Seller will, take any action the sole purpose of which is to circumvent the terms and obligations set out in the paragraphs referred to in Clause 5.8.

**6. FIRST COMPLETION**

**First Completion Commencement Date**

- 6.1 Unless this Agreement is previously terminated in accordance with its terms, First Completion shall commence at the office of the Purchaser Depositary at 9.00 am (Moscow)

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

time) as soon as practicable following the satisfaction, or (if capable of waiver) waiver, of all the Conditions with the exact date of First Completion commencement to be agreed by the Parties in writing, or at such other place or time as the Seller and the Purchaser shall agree (the "**First Completion Commencement Date**").

#### **First Tranche Exchange NV Shares Notification**

- 6.2 Prior to First Completion, but in any case no later than [\*\*\*] Business Days before First Completion, the Purchaser shall notify the Seller substantially in the form set out in Part A of Schedule 13 (*Completion Notifications*) of: (i) the number of the First Tranche Exchange NV Shares to be exchanged at First Completion; (ii) the total number of the First Tranche Total Ordinary Company Shares to be acquired at First Completion; and (iii) the calculation of the First Tranche Pre-Conversion Payment in RUB.

#### **Obligations at First Completion**

- 6.3 At First Completion, each Party shall perform the obligations that Schedule 5 (*First Completion Obligations*) states are to be performed by it and in the order set out therein.
- 6.4 All of the documents and monies delivered at First Completion pursuant to Schedule 5 (*First Completion Obligations*) shall be held by the recipient to the order of the person delivering them until such time as First Completion takes place. Following the delivery of all documents and monies required to be delivered or paid at First Completion or the waiver of the requirement to deliver any such document or monies by the person entitled to receive the relevant document or monies for the purposes of enabling First Completion to proceed, the documents and monies delivered pursuant to Schedule 5 (*First Completion Obligations*) shall cease to be held to the order of the person delivering them and First Completion shall be deemed to have taken place.
- 6.5 At First Completion, the Seller shall sell and transfer (or procure the sale and transfer of) the Preference Share B to the Management Foundation.

#### **Default at First Completion**

- 6.6 Neither Party shall be obliged to complete the sale and purchase of the First Tranche Sale Shares unless the other Party complies in full with its obligations pursuant to Clause 6.3.
- 6.7 Without limiting Clause 6.6, if a Party has not complied with its obligations under Clause 6.3, the Purchaser (in the case of non-compliance by the Seller) or the Seller (in the case of non-compliance by the Purchaser) may by giving written notice to the Seller or the Purchaser (as appropriate):
- 6.7.1 defer First Completion with respect to all of the First Tranche Sale Shares to a date selected by it, being not more than [\*\*\*] days after that date (in which case this Clause shall apply to First Completion as so deferred); or
- 6.7.2 proceed to First Completion as far as practicable and in any case without prejudice to its rights under this Agreement; or
- 6.7.3 if First Completion has already been deferred on two separate occasions pursuant to Clause 6.7.1, terminate this Agreement in which case the provisions of Clauses 16.1 and 16.4 shall apply.



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

7. **SECOND COMPLETION**

**Second Completion Commencement Date**

- 7.1 Unless this Agreement is previously terminated in accordance with its terms, Second Completion shall commence as soon as reasonably practicable following the date of First Completion, and in any event no later than on the date falling [\*\*\*] Business Days after First Completion with the exact date of Second Completion commencement to be agreed by the Parties in writing, or at such other time as the Seller and the Purchaser shall agree (the "**Second Completion Commencement Date**").

**Second Tranche Exchange NV Shares Notification**

- 7.2 Prior to Second Completion, but in any case no later than [\*\*\*] Business Days before the Second Completion Commencement Date, the Purchaser shall notify the Seller substantially in the form set out in Part B of Schedule 13 (*Completion Notifications*) of: (i) the number of the Second Tranche Exchange NV Shares to be exchanged at Second Completion; (ii) the total number of the Second Tranche Total Ordinary Company Shares to be acquired at Second Completion; and (iii) the calculation of the Second Tranche Pre-Conversion Payment in RUB.
- 7.3 For the avoidance of doubt, in the event the Purchaser: (i) has not acquired the Second Tranche Exchange NV Shares; or (ii) has acquired less Second Tranche Exchange NV Shares than the amount notified to the Seller in accordance with Clause 7.2, in each case prior to Second Completion for any reason whatsoever, the Purchaser shall proceed to Second Completion and the Second Tranche Pre-Conversion Payment shall be increased accordingly as set out in paragraph 1.3 of Schedule 6 (*Second Completion Obligations*).

**Obligations at Second Completion**

- 7.4 At Second Completion, each Party shall perform the obligations that Schedule 6 (*Second Completion Obligations*) states are to be performed by it and in the order set out therein.
- 7.5 All of the documents and monies delivered at Second Completion pursuant to Schedule 6 (*Second Completion Obligations*) shall be held by the recipient to the order of the person delivering them until such time as Second Completion takes place. Following the delivery of all documents and monies required to be delivered or paid at Second Completion or the waiver of the requirement to deliver any such document or monies by the person entitled to receive the relevant document or monies for the purposes of enabling Second Completion to proceed, the documents and monies delivered pursuant to Schedule 6 (*Second Completion Obligations*) shall cease to be held to the order of the person delivering them and Second Completion shall be deemed to have taken place.

**Default at Second Completion**

- 7.6 Neither Party shall be obliged to complete the sale and purchase of the Second Tranche Total Ordinary Company Shares unless the other Party complies in full with its obligations pursuant to Clause 7.4.
- 7.7 Without limiting Clause 7.6, if a Party has not complied with its obligations under Clause 7.4 at Second Completion, the Purchaser (in the case of non-compliance by the Seller) or the Seller (in the case of non-compliance by the Purchaser) may by giving written notice to the Seller or the Purchaser (as appropriate):

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 7.7.1 defer Second Completion to a date selected by it, being not more than [\*\*\*] days after that date (in which case this Clause shall apply to Second Completion as so deferred); or
- 7.7.2 proceed to Second Completion as far as practicable and in any case without prejudice to its rights under this Agreement.
8. **WARRANTIES**
- Seller Warranties**
- 8.1 Subject to the limitations in Clause 9 (*Seller limitations on liability*), the Seller warrants to the Purchaser (for itself and as trustee for the Permitted Assignees and any successor in title to the Sale Shares) that each of the Seller Warranties is true, accurate and not misleading.
- 8.2 The Seller gives the Seller Warranties at the date of this Agreement and shall be deemed to repeat:
- 8.2.1 the Fundamental Warranties (provided that paragraph 8 of Schedule 7 (*Seller Warranties*) shall be given in respect of the First Tranche Sale Shares only, as if references in such paragraph 8 to the Sale Shares were references to the First Tranche Sale Shares) immediately before First Completion by reference to the circumstances subsisting at that time; and
- 8.2.2 the Fundamental Warranties (provided that paragraph 8 of Schedule 7 (*Seller Warranties*) shall be given in respect of the Second Tranche Total Ordinary Company Shares only, as if references in such paragraph 8 to the Sale Shares were references to the Second Tranche Total Ordinary Company Shares, and excluding paragraphs 8.2 and 8.4) immediately before Second Completion by reference to the circumstances subsisting at that time.
- Warranties to be independent**
- 8.3 Each of the Seller Warranties shall be separate and independent and shall not be limited by reference to any other Seller Warranty or any other provision of this Agreement.
- Notification by Seller**
- 8.4 The Seller undertakes to notify the Purchaser in writing fully and promptly of anything of which the Seller is or becomes aware which renders or may render any of the Seller Warranties untrue, inaccurate, or misleading.
- Seller's knowledge**
- 8.5 Where any of the Seller Warranties is qualified by the expression "so far as the Seller is aware" or any similar expression, that Seller Warranty shall be deemed to refer to the actual knowledge of those individuals as agreed by the Seller and the Purchaser in writing on the date hereof, having made due and careful enquiries of [\*\*\*].
- Purchaser Warranties**
- 8.6 The Purchaser warrants to the Seller that each of the Purchaser Warranties is true, accurate and not misleading.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 8.7 The Purchaser gives the Purchaser Warranties (excluding paragraph 9 of Schedule 9 (*Purchaser Warranties*)) at the date of this Agreement and shall give:
- 8.7.1 the Purchaser Warranties contained in paragraphs 9.1 of Schedule 9 (*Purchaser Warranties*) immediately before First Completion by reference to the circumstances subsisting at that time; and
- 8.7.2 the Purchaser Warranties contained in paragraphs 9.2 and 9.3 of Schedule 9 (*Purchaser Warranties*) immediately before Second Completion by reference to the circumstances subsisting at that time.

**Purchaser's knowledge**

- 8.8 Where any of the Purchaser Warranties is qualified by the expression "so far as the Purchaser is aware" or any similar expression, that Purchaser Warranty shall be deemed to refer to the actual knowledge of the general director, the director of the department of legal support for trust management and the advisor to the general director for project management of JSC Solid Management, each having made due and careful enquiries of those individuals as agreed by the Seller and the Purchaser in writing on the date hereof.

**Notification by Purchaser**

- 8.9 The Purchaser undertakes to notify the Seller in writing fully and promptly of anything of which the Purchaser is or becomes aware which renders or may render any of the Purchaser Warranties untrue, inaccurate, or misleading.

**9. SELLER LIMITATIONS ON LIABILITY**

The liability of the Seller in respect of Claims shall be limited in the circumstances and to the extent set out in Schedule 10 (*Limitations on Liability*).

**10. PURCHASER UNDERTAKINGS**

**Preservation of information**

- 10.1 The Purchaser undertakes to the Seller that it shall, and shall procure that the Complete Target Group shall, preserve for a period of at least [\*\*\*] years from First Completion all books, records and documents of or relating to the Complete Target Group reasonably required: (i) for accounting purposes; (ii) for purposes of complying with any Applicable Laws, including any requirement or order of any securities exchange or Governmental Authority, to which the Seller and/or any Seller Group Company is or may be subject; (iii) to complete and file any Tax or similar returns or reports; (iv) for the purposes of any Tax audit or other proceedings involving any Governmental Authority and the Seller and/or Seller Group Companies to the extent that the relevant book, record or document is required to be provided under mandatory provisions of Applicable Laws (to the extent such books, record and documents were within Complete Target Groups' possession at First Completion). The Purchaser shall permit and allow and shall procure that each member of the Complete Target Group shall permit and allow, upon reasonable notice (and in any event on [\*\*\*] days' written notice) and during normal business hours, the Seller or any employees, agents and professional advisers ("**Representatives**") of the Seller access to such books, records and documents and to inspect and make copies of them, provided that such Seller's Representatives shall be subject to non-disclosure obligations equivalent to the provisions of Clauses 17.6 to 17.9 as if they were a party to this Agreement and the Seller shall procure

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

compliance by its Representatives with such non-disclosure obligations and shall be responsible for such compliance.

#### **Return of information**

- 10.2 If First Completion does not take place, the Purchaser undertakes to the Seller that:
- 10.2.1 it shall forthwith hand over, or procure the handing over to the Seller of, all accounts, records, documents and papers of or relating to the Seller, or any member of the Complete Target Group which have been made available to it and all copies or other records derived from such materials;
  - 10.2.2 to the extent legally and technically practicable, it shall remove any information derived from such materials or otherwise concerning the subject matter of this Agreement from its computers, word processors or other devices containing information; and
  - 10.2.3 shall ensure that its Representatives do the same.

#### **Memorandum**

- 10.3 The Purchaser hereby undertakes that it shall instruct any relevant brokers engaged for the purposes of the transactions stipulated in the Memorandum that they are not to transact with any Sanctioned Persons in connection with any block trades or stake building off-market in bilateral transactions (which restriction, for the avoidance of doubt, shall not apply to (i) any attorneys and representatives of the holders of the Exchange NV Shares; and (ii) any Exchange NV Shares acquired by the Purchaser via stock exchange infrastructure).

### **11. PURCHASER FUNDING OBLIGATIONS**

#### **Future funding**

- 11.1 The Parties acknowledge and understand that the Purchaser will become funded immediately prior to the relevant Completion by: (i) way of the necessary funding being called by notices from the Purchaser to each of the Underlying Investors pursuant to the Fund Documents (a "**Funding Notice**"); and (ii) bank financing.

#### **Interim Period prior to First Completion**

- 11.2 In the event that any of the Purchaser, JSC Solid Management in its personal capacity, the Fund, an Underlying Investor or a Purchaser Financing Provider becomes a Compromised Investor (as defined in Clause 11.7) prior to the First Completion, the Seller may issue a notice to the Purchaser (a "**Compromise Notice**") irrespective of whether the Purchaser has informed the Seller of any such circumstances in accordance with Clause 11.3. A Compromise Notice shall be deemed received by the Purchaser in accordance with Clause 18 (*Notices*).
- 11.3 Notwithstanding the Seller's right to issue a Compromise Notice pursuant to Clause 11.2, the Purchaser shall inform the Seller in writing, as soon as practicable and in any event within [\*\*\*] Business Day of obtaining the knowledge, in the event that any of the Purchaser or the Underlying Investors shall satisfy any of the provisions of Clause 11.7 prior to First Completion, irrespective of whether or not the circumstances are public knowledge or expected to be already known by the Seller.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 11.4 The Purchaser hereby undertakes to the Seller that after having received a Compromise Notice from the Seller, it shall procure that no Funding Notice is issued to a Compromised Investor. Notwithstanding the provisions of Clause 11.5, the Purchaser shall further procure that any Funding Notices issued to other Underlying Investors (who for the avoidance of doubt, are not Compromised Investors) may thereafter be revised in accordance with the Fund Documents, in order to ensure that the Purchaser is fully funded and capable of satisfying its obligation to pay the First Tranche Payment.

#### **Emergency Funding**

- 11.5 If a Compromise Notice is served by the Seller or a notice is served by the Purchaser in accordance with Clause 11.3, the Purchaser shall, in order to ensure that it is fully funded and capable of satisfying its obligation to pay the First Tranche Payment:
- 11.5.1 seek such additional funding from the remaining Underlying Investors (who for the avoidance of doubt, are not Compromised Investors) in the form of either a subscription for new units (participatory interests) in the Purchaser or through the provision of loans advanced to the Purchaser;
  - 11.5.2 seek such additional funding from new investor(s) of the Purchaser, provided such new investor(s) would not be deemed to be a Compromised Investor (as defined in Clause 11.7); or
  - 11.5.3 seek a loan from third party lenders.
- 11.6 In the event that the Purchaser is unable to satisfy its obligation to pay the First Tranche Payment due to a funding shortfall resulting from an Underlying Investor becoming a Compromised Investor of which the Purchaser shall notify the Seller in writing, the Seller may terminate this Agreement with immediate effect by serving written notice on the Purchaser in which case the provisions of Clauses 16.1 and 16.4 shall apply.

#### **Compromised Investors**

- 11.7 For the purposes of this Clause 11, a "**Compromised Investor**" is each of the Purchaser, JSC Solid Management in its personal capacity, the Fund, an Underlying Investor, a Purchaser Financing Provider, or any new replacement investor who provides funding pursuant to Clause 11.5.2 and otherwise in accordance with this Clause 11, which satisfies any one of the following criteria (whether capable of remedy or otherwise):
- 11.7.1 in the case of an entity only:
    - (A) becomes bankrupt or insolvent or unable to pay its debts when due;
    - (B) an order has been made against it, corporate action or other step has been taken or legal proceedings have been started, for its winding-up, dissolution or re-organisation or for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager (or equivalent in any jurisdiction) of it or over any of its assets; or
    - (C) any other measures have been taken against or in respect of it under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction,

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 11.7.2 in the case of an individual only:
- (A) becomes bankrupt under any Applicable Laws;
  - (B) bankruptcy or similar proceedings have been commenced against him or any event has occurred, which under Applicable Laws, would justify any such proceedings; or
  - (C) has died, become permanently incapacitated or is otherwise no longer of sound mind, or
- 11.7.3 becomes the target of Sanctions, is placed on any Sanctions List, is owned or Controlled by a Sanctioned Person, in each case to the extent it has the effect of making unlawful, prohibiting, or otherwise restricting First Completion, the Transaction or performance by any Party of its obligations under this Agreement; or
- 11.7.4 is otherwise not able to be a counterparty or otherwise work or be associated with the Seller on the basis of the Seller's internal policies as adopted as at the date of this Agreement, including, without limitation, as a result of any anti-money laundering, "Know-Your-Client" or other regulatory compliance policies as adopted as at the date of this Agreement.
- 11.8 Without limitation to any other rights of the Seller under this Agreement (including, this Clause 11), and from the date of this Agreement, the Seller shall not be entitled to exercise its rights under this Clause 11 in respect of the Purchaser, JSC Solid Management in its personal capacity, the Fund, an Underlying Investor or a Purchaser Financing Provider solely based on the criterion set out in Clause 11.7.4.

**Compliance Policies**

- 11.9 The Seller hereby undertakes that from the date of this Agreement until First Completion it shall not amend or modify the provisions of its internal "Know-Your-Client" or other regulatory compliance policies that are in place on the date of this Agreement, save as may be required or otherwise deemed necessary in order to comply with Applicable Laws and any Sanctions administered or enforced by any Sanctions Authority.

**12. RESTRICTIONS ON CHANGES TO BENEFICIAL OWNERSHIP**

**Standstill**

- 12.1 Subject to Clause 12.4 during the Lock-Up Term, the Purchaser agrees that neither it nor any of its Affiliates or, solely in respect of the participation units in the Fund, the Underlying Investors shall (and the Purchaser shall procure that its Affiliates and, solely in respect of the participation units in the Fund, the Underlying Investors shall not):
- 12.1.1 make or publicly promote or publicly support a tender or other offer or proposal by any other person or group, the consummation of which would result in a change in the legal or beneficial ownership of the Ordinary Sale Shares;
  - 12.1.2 publicly propose (i) any merger, consolidation, business combination, tender offer, purchase of all or substantially all of the Company's assets or businesses, or similar transaction involving the Company; or (ii) any recapitalization, restructuring,

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

liquidation or other extraordinary transaction with respect to the Company, except for (i) any internal restructuring of the Complete Target Group; (ii) issuance of shares in the Company, including in a public offering or in a private subscription; or (iii) as required to facilitate compliance with Applicable Laws;

- 12.1.3 deposit any Ordinary Sale Shares in a voting trust or subject any Ordinary Sale Shares to any arrangement or agreement with respect to the voting of such Ordinary Sale Shares in a manner that would or could reasonably be expected to allow any third party to take any action in Clauses 12.1.1 and 12.1.2 above;
- 12.1.4 enter into detailed discussions, negotiations, arrangements or agreements with any person relating to any actions prohibited in Clauses 12.1.1 to 12.1.3 (inclusive).

#### **Restrictions on Dispositions**

- 12.2 Subject to Clause 12.4, from and after the date of this Agreement and until the one year anniversary of the First Completion End Date (the "**Lock-Up Term**"), the Purchaser shall not Dispose of any Ordinary Sale Shares, together with any shares issued in respect thereof as a result of any share split, dividend, share exchange, merger, consolidation or similar recapitalization, and the Purchaser shall provide confirmation of the same as such may be reasonably requested by the Seller from time to time (by way of a simple statement without being required to disclose any further evidence). Subject to Clause 12.4, during the Lock-Up Term, the Purchaser shall procure that the Underlying Investors shall not Dispose of their relevant participation units in the Fund.
- 12.3 For the purposes of this Clause 12, "**Dispose**" means, in respect of an Ordinary Sale Share:
  - 12.3.1 any sale, transfer, mortgage, assignment, grant of options over, charge, pledge, or other disposal or alienation or vesting in another person of any legal or beneficial interest in such Ordinary Sale Share or any interest in such Ordinary Sale Share;
  - 12.3.2 effect a reduction of an interest (including selling short) or enter into a derivative transaction with respect to, any legal or beneficial interest in such Ordinary Sale Share or any interest in such Ordinary Sale Share;
  - 12.3.3 enter into any swap or other agreement or arrangement that disposes, in whole or in part, any of the economic consequences or incidents of ownership of such Ordinary Sale Share or any interest in such Ordinary Sale Share;
  - 12.3.4 enter into any other transaction with the same economic effect as any transaction referred to in Clauses 12.3.1 to 12.3.3 (inclusive);
  - 12.3.5 agree or contract to or publicly announce any intention to enter into transaction referred to in paragraphs Clauses 12.3.1 to 12.3.4; or
  - 12.3.6 mandate any third party to do any of the foregoing on their behalf,

in each case directly or indirectly and whether conditionally or unconditionally, and "**Disposal**", "**Disposing**" and "**Disposition**" shall be construed accordingly.
- 12.4 Nothing in this Clause 12 shall prohibit or restrict any of the following transactions during the Lock-Up Term:

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 12.4.1 the transfer of any of the Ordinary Sale Shares in exchange for the NV Shares to be transferred to the Seller at First Completion or Second Completion in accordance with this Agreement, the Memorandum and any other relevant documents;
  - 12.4.2 entering into any transaction, pursuant to which any Underlying Investor shall transfer any participation units in the Fund to its Permitted Assignees, any other Underlying Investor(s) and/or their Permitted Assignees, provided that in all cases: (i) any such transferee is not a Compromised Investor; and (ii) the completion and the actual transfer of the participation units in the Fund under such transaction can only take place after First Completion;
  - 12.4.3 entering into any transaction, pursuant to which the Fund shall transfer the Ordinary Sale Shares to the relevant Underlying Investor(s) and/or Permitted Assignees, provided that completion and the actual transfer of the Ordinary Sale Shares under such transaction can only take place after expiration of the Lock-Up Term;
  - 12.4.4 creation of any Encumbrance by the Purchaser or any Underlying Investor(s) in connection with provision of any arms' length funding to the Purchaser or to any Underlying Investor(s) in connection with the Transaction, provided that, in each case, such funding arrangements are entered into in good faith and not intended to circumvent the restrictions on Disposals set out in Clauses 12.2 and 12.3; and
  - 12.4.5 direct or indirect Disposal of any shares in the share capital of the Company by the Management.
13. **LEAKAGE**
- 13.1 The Seller:
- 13.1.1 warrants to the Purchaser that from (but excluding) the Locked Box Date to (and including) the date of this Agreement, there has been; and
  - 13.1.2 undertakes to the Purchaser to procure that from the date of this Agreement to (and including) the First Completion End Date, there will be,
- no Leakage, provided that the Seller shall have no liability to the Purchaser under this Clause 13 if First Completion does not occur.
- 13.2 The Seller undertakes to the Purchaser to notify the Purchaser in writing as soon as is reasonably practicable upon becoming aware of anything which is or could reasonably be expected to be Leakage having taken place at any time in the period from (but excluding) the Locked Box Date to (and including) the First Completion End Date, including reasonable detail (in so far as they are readily available) of the Leakage concerned and as far as is reasonably practicable, details of the quantum of such Leakage.

**Consequences for Leakage**

**Prior to First Completion**

- 13.3 If on or prior to First Completion:



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

13.3.1 any Leakage is notified by the Seller to the Purchaser; or

13.3.2 the Purchaser becomes aware of any Leakage and notifies the Seller of such Leakage,

the Parties shall agree in good faith an amount of Leakage, which shall be deducted from the Base First Tranche Payment on a corresponding RUB for RUB basis pursuant to Clause 3.1.1 (each a "**First Completion Agreed Leakage Amount**", and together with all other First Completion Agreed Leakage Amounts (if any), the "**Aggregate FCALA**"). Each First Completion Agreed Leakage Amount will be net of any Tax deduction available to any member of the Complete Target Group in respect of such Leakage and any amount in respect of VAT which is recoverable as input tax by a member of the Complete Target Group in respect of such Leakage.

13.4 Any First Completion Agreed Leakage Amount will be paid by way of reduction of the Base First Tranche Payment payable by the Purchaser to the Seller pursuant to Clause 3.1.1 (and subject to Clause 3.1.13.1.1, the payment of the amount of the Base First Tranche Payment so reduced shall be an absolute discharge of the Purchaser's obligations hereunder in respect of the First Tranche Pre-Conversion Payment to be paid to the Seller at First Completion pursuant to this Agreement). As of the date of this Agreement, the Parties have agreed that each of the Upstream Reserve and the Complete Target Group Advisory Expenses constitutes the First Completion Agreed Leakage Amount and shall be deducted from the Base First Tranche Payment.

13.5 If on or prior to First Completion:

13.5.1 any Leakage is notified by the Seller to the Purchaser; or

13.5.2 the Purchaser becomes aware of any Leakage and notifies the Seller of such Leakage,

and the Parties fail to agree on an amount of Leakage, which shall be deducted from the Base First Tranche Payment, the Purchaser may by giving written notice to the Seller:

(A) proceed to First Completion as far as practicable and in any case without prejudice to its rights under this Agreement (including in particular, Clause 13.9); or

(B) terminate this Agreement with immediate effect by serving written notice on the Seller in which case the provisions of Clauses 16.1 and 16.4 shall apply, provided that the amount of such Leakage in dispute estimated by the Purchaser acting in good faith exceeds RUB [\*\*\*] ([\*\*\*] Rubles).

#### **Between First Completion and Second Completion**

13.6 If at any time between First Completion and Second Completion the Purchaser becomes aware of any Leakage that occurred prior to First Completion or any Leakage that occurred after First Completion but on the basis of any contract, agreement or arrangement entered into prior to First Completion and notifies the Seller of such Leakage (including reasonable detail (in so far as they are readily available) of the Leakage concerned, and as far as is reasonably practicable, details of the quantum of such Leakage estimated by the Purchaser in good faith), the Parties shall agree in good faith an amount of Leakage, which shall be deducted from the Base Second Tranche Payment on a corresponding RUB for RUB basis

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

pursuant to Clause 3.1.3 (each a "**Second Completion Agreed Leakage Amount**", and together with all other Second Completion Agreed Leakage Amounts (if any), the "**Aggregate SCALA**"). Each Second Completion Agreed Leakage Amount will be net of any Tax deduction available to any member of the Complete Target Group in respect of such Leakage and any amount in respect of VAT which is recoverable as input tax by a member of the Complete Target Group in respect of such Leakage.

- 13.7 Any Second Completion Agreed Leakage Amount will be paid by way of reduction of the Base Second Tranche Payment payable by the Purchaser to the Seller pursuant to Clause 3.1.3 (and subject to Clause 3.1.3, the payment of the amount of the Base Second Tranche Payment so reduced shall be an absolute discharge of the Purchaser's obligations hereunder in respect of the Second Tranche Pre-Conversion Payment to be paid to the Seller at Second Completion pursuant to this Agreement).
- 13.8 If at any time between First Completion and Second Completion the Purchaser becomes aware of any Leakage that occurred prior to First Completion or any Leakage that occurred after First Completion but on the basis of any contract, agreement or arrangement entered into prior to First Completion and notifies the Seller of such Leakage (including reasonable detail (in so far as they are readily available) of the Leakage concerned, and as far as is reasonably practicable, details of the quantum of such Leakage estimated by the Purchaser in good faith), and the Parties fail to agree on an amount of Leakage, which shall be deducted from the Base Second Tranche Payment at Second Completion, the Purchaser shall be entitled to make a claim under Clause 13.9 in respect of such Leakage.

#### **Indemnity for Leakage**

- 13.9 Subject to First Completion having occurred, in the event of any breach of Clause 13.1, the Seller covenants with the Purchaser (for itself and as trustee for its Permitted Assignees and any successor in title to the Sale Shares) to pay to the Purchaser on demand on a RUB for RUB basis an amount equal to the amount of any Leakage, to the extent the relevant Leakage has not been compensated to the Purchaser by way of deduction of the Aggregate FCALA pursuant to Clause 13.4, the Aggregate SCALA pursuant to Clause 13.6, and to indemnify the Purchaser and keep it indemnified on an after Tax basis (if Tax is payable by the Purchaser on any amount received by it under this indemnity) from and against, any damages, penalties, fines, liabilities, claims, obligations, losses and reasonable expenses (including court costs and attorneys' fees) which the Purchaser or any member of the Complete Target Group incurs or suffers as a consequence of or by reference to such breach of Clause 13.1.
- 13.10 The Seller shall not be liable to make a payment under Clause 13.9 unless:
- 13.10.1 the Purchaser has first notified the Seller in writing of the breach of Clause 13.1 including reasonable detail (in so far as they are readily available) of the Leakage concerned and, as far as is reasonably practicable, details of the quantum of such Leakage, as soon as is reasonably practicable but in any case no later than on or before the date falling [\*\*\*] months after First Completion; and
- 13.10.2 following the delivery of a notice to the Seller pursuant to 13.10.1, the Seller fails to fully remedy the matter underlying such breach of Clause 13.1 to the satisfaction of the Purchaser (acting reasonably) within [\*\*\*] days of receiving such notice (such remediation to be agreed in advance with the Purchaser (acting reasonably) and in any case to be at no cost for the Purchaser or the Complete Target Group).
- 13.11 The Seller's aggregate liability for all Leakage and Locked Box Warranty Claims shall not

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

exceed [\*\*\*] per cent ([\*\*\*]%) of the amount of the Total Consideration that is received by the Seller in cash.

#### 14. SELLER COVENANTS AND UNDERTAKINGS

##### Specific covenant

- 14.1 The Seller covenants with the Purchaser (for itself and as trustee for its Permitted Assignees and any successor in title to the Sale Shares) to pay to the Purchaser on demand (by way of adjustment to and repayment of the Total Consideration) such amounts as are equal to, and to indemnify the Purchaser and keep it indemnified on an after Tax basis (if Tax is payable by the Purchaser on any amount received by it under this indemnity) from and against, any liabilities, claims, losses, damages, fines, penalties, costs and charges which the Purchaser or any member of the Complete Target Group incurs or suffers as a consequence of or by reference to:
- 14.1.1 the Purchaser not having or ceasing to have full legal and beneficial title, free from any Encumbrances, in the First Tranche Sale Shares upon First Completion, as a result of an event, occurrence or circumstance which occurred prior to First Completion;
  - 14.1.2 the Purchaser not having or ceasing to have full legal and beneficial title, free from any Encumbrances, in the Second Tranche Total Ordinary Company Shares upon Second Completion, as a result of an event, occurrence or circumstance which occurred prior to Second Completion;
  - 14.1.3 any member of the Complete Target Group not having or ceasing to have (whether directly or indirectly) full legal and beneficial title, free from any Encumbrances, in shares or participation interests in any Material Subsidiary as shares or participation interests held by such member of the Complete Target Group upon First Completion, as a result of an event, occurrence or circumstance which occurred prior to First Completion;
  - 14.1.4 any transferee of the Preference Share A not having or ceasing to have full legal and beneficial title, free from any Encumbrances, in the Preference Share A upon First Completion, as a result of an event, occurrence or circumstance which occurred prior to First Completion;
  - 14.1.5 any Actual Tax Liability of the Complete Target Group to make a payment to a Tax Authority of Tax which is levied by a jurisdiction other than the Russian Federation, which arises as a consequence of the implementation of the Pre-Completion Reorganisation; and
  - 14.1.6 any other indemnity as agreed between the Parties in writing on the date of this Agreement.

##### Tax Indemnity Payment

- 14.2 The Seller shall pay to the Purchaser any amount properly claimed by the Purchaser under Clauses 14.1.5 or 14.1.6 on (or following) the date on which the Tax which is the subject matter of the claim is actually paid to any relevant Tax Authority by the Purchaser or a member of the Complete Target Group.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 14.3 For the avoidance of any doubt, notwithstanding any term of this Clause 14, the provisions of Schedule 10 (*Limitations of Liability*) (including paragraphs 8.2 and 9 of Schedule 10 (*Limitations of Liability*)) shall apply to claims under Clauses 14.1.5 and 14.1.6.

#### **Pre-Completion Reorganisation**

- 14.4 The Seller shall use its best endeavours to procure that the Pre-Completion Reorganisation is implemented in compliance with the Pre-Completion Reorganisation Steps Plan in all material respects as soon as reasonably practicable following the date of this Agreement and in any event prior to First Completion.
- 14.5 The Seller irrevocably and unconditionally waives any right to and undertakes that it shall not, and the Seller shall procure that each Seller Group Company and each its Affiliate irrevocably and unconditionally waives any right to and undertakes that it shall not (i) make or pursue any claims against the Complete Target Group in connection with the Pre-Completion Reorganisation and/or the Pre-Completion Sale (other than any claim against [\*\*\*] for payment of the Upstream Payment and the Upstream Reserve under the Pre-Completion Sale), and (ii) seek to challenge the validity of, invalidate, set-aside, avoid, or terminate any transaction under the Pre-Completion Reorganisation. The Purchaser will hold the benefit of the waiver in this Clause 14.5 as agent and trustee for each member of the Complete Target Group. Each member of the Complete Target Group may also enforce the terms of this Clause 14.5 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.
- 14.6 The Seller shall within [\*\*\*] days of the execution of any Pre-Completion Reorganisation Document, provide a final executed copy of such Pre-Completion Reorganisation Document to the Purchaser, together with any other related documents that the Purchaser may reasonably request. For the purposes of this Clause 14.6, "**Pre-Completion Reorganisation Document**" means any documents required to be executed by the Seller, any Seller Group Company or a member of the Complete Target Group in connection with the implementation of paragraphs (a) to (e) (both inclusive) of the definition of Pre-Completion Reorganisation.

#### **15. TRANSITIONAL ARRANGEMENTS**

##### **Transitional Services Agreements and Termination of Existing Arrangements**

- 15.1 The Parties acknowledge that the Transitional Services Agreements shall take effect at First Completion.
- 15.2 The Seller shall procure, and shall cause its Affiliates to procure (as applicable), that any and all obligations of the Seller, its Affiliates and all members of the Complete Target Group under any and all Intra-Group Agreements, are, on or before First Completion, fully discharged or otherwise terminated, and the relevant Intra-Group Agreements, including all provisions of such agreements, are terminated. The Seller shall procure, and shall cause its Affiliates to procure (as applicable), on or before First Completion, the release of each member of the Complete Target Group without payment by, or other cost to, it from the Seller Group Obligations.
- 15.3 Solely for the purposes of Clause 15.2:
- 15.3.1 references to the Seller's Affiliates shall include, for the avoidance of doubt, a reference to each Connected Person of the Seller;

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 15.3.2 **"Intra-Group Agreements"** means any agreement or arrangement that: (i) includes any extant financial obligations or liabilities of the Complete Target Group; and/or (ii) grants any right to use the Intellectual Property, in each case which exists at immediately prior to First Completion between, on the one hand, any one or more members of the Complete Target Group, and on the other hand, the Seller and/or any one or more of its Affiliates (excluding the Transitional Services Agreements and any other arrangements contemplated by the terms of the Transaction Documents); and
- 15.3.3 **"Seller Group Obligations"** means any guarantee, surety, indemnity, mortgage, charge or other security arrangement of any kind, entered into by any member of the Complete Target Group in respect of any obligations of the Seller or its Affiliates.

**Wind Down Use of Names and Logos**

- 15.4 The Seller covenants with the Purchaser that:
- 15.4.1 from First Completion and until 31 July 2024, it shall not, and shall procure that no Seller Group Company, or any Affiliate of the Seller or any Seller Group Company shall, offer consumer-facing services, or market and service products under any Relevant Branding, provided that the Seller, a Seller Group Company, and any Affiliate of the Seller or any Seller Group Company shall be entitled to make use of any Relevant Branding for purposes of official or legal communications with any other person (including, without limitation, correspondence on company letterhead with banks);
- 15.4.2 after 31 July 2024, it shall not, and shall procure that no Seller Group Company, or any Affiliate of the Seller or any Seller Group Company shall, make use of any Relevant Branding or permit, allow, authorize, encourage or enable any other person to make any use of any Relevant Branding; and
- 15.4.3 as soon as practicable after First Completion, but in any event by no later than 31 July 2024, it shall, and shall procure that the relevant Seller Group Companies shall, rename the following companies to names that do not include any of the Relevant Names:
- (A) the Seller;
  - (B) [\*\*\*];
  - (C) [\*\*\*];
  - (D) [\*\*\*];
  - (E) [\*\*\*]; and
  - (F) [\*\*\*].
- 15.5 Notwithstanding anything to the contrary, the Seller shall rename its NASDAQ "ticker" symbol within one (1) year of the date that the trading halt relating to the NV Shares on NASDAQ is lifted. For so long as the NASDAQ trading halt relating to the NV Shares remains in effect, the Parties agree that the Seller does not breach the restrictions in Clause

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

15.4 as a result of the NASDAQ "ticker" symbol relating to the Seller at the date of this Agreement.

15.6 For the purposes of Clause 15.4:

15.6.1 "NASDAQ" means The Nasdaq Global Select Market (or its successor);

15.6.2 "Relevant Branding" means any Relevant Name or any brand, trade or service mark, trade name or branding owned or used by any member of the Complete Target Group; and

15.6.3 "Relevant Name" means any of: (a) "Yandex"; (b) any abbreviation of the foregoing, whether on its own or as part of another name; (c) [\*\*\*], [\*\*\*] and any other domain name held or used by any member of the Complete Target Group at any time; and (d) any word or words similar to or which are likely to be confused with any of above.

#### **No Grant of Licence**

15.7 Each Party acknowledges that nothing contained in this Agreement or other Transaction Documents shall be deemed to grant the Seller or any of the Seller's Connected Persons any intellectual property right or license, expressly or impliedly, save as provided by the terms of the Transitional Services Agreements.

#### **Registry Agreement Transfer**

15.8 The Seller shall use its reasonable endeavours to procure that, by [\*\*\*], all rights and obligations of [\*\*\*] or any other Seller Group Company under registry agreement dated 10 April 2014 entered into with the [\*\*\*] in relation to the [\*\*\*] top level domain are assigned and transferred to the Complete Target Group in accordance with the provisions of such agreement and requirements of the [\*\*\*].

### **16. TERMINATION**

#### **Termination events**

16.1 Subject to Clause 16.4, 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 Clauses 4.7.1, 4.7.2, 4.19, 4.20 (*Failure to satisfy Conditions*), 5.7.1 (*Breach of conduct of business before First Completion*), 6.7.3 (*Default at First Completion*), 11.6 (*Funding shortfall resulting from an Underlying Investor becoming a Compromised Investor*), 13.5.2(B) (*Failure to agree on the Agreed Leakage Amount*), 16.2 (*Breach of Seller Warranties*), 16.3 (*Breach of Purchaser Warranties*), 17.31 (*New Taxes*) or 17.32 (*Russian Exit Tax payment*).

16.2 If:

16.2.1 between the date of this Agreement and First Completion the Purchaser becomes aware that:

- (A) any Fundamental Warranty, any Warranty set out in paragraph 12 of Schedule 7 (*Seller Warranties*) or paragraph 10 of Schedule 8 (*Business Warranties*) was untrue, inaccurate or misleading when given on the date

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

of this Agreement; or

- (B) any Seller Warranty (other than the Seller Warranties set out in Clause 16.2.1(A)) was untrue, inaccurate or misleading in any material respect when given on the date of this Agreement, which results or may reasonably be expected to result in a Material Adverse Effect;

16.2.2 between the date of this Agreement and First Completion the Purchaser becomes aware of any matter, fact or circumstance that constitutes, or would constitute, a breach of:

- (A) any Fundamental Warranty, any Warranty set out in paragraph 12 of Schedule 7 (*Seller Warranties*) or paragraph 10 of Schedule 8 (*Business Warranties*) as if it was repeated at any time before First Completion by reference to the circumstances then subsisting; or
- (B) any Seller Warranty (other than the Seller Warranties set out in Clause 16.2.2(A)), as if it was repeated at any time before First Completion, notwithstanding the provisions of Clause 8.2, by reference to the circumstances then subsisting, which results or may reasonably be expected to result in a Material Adverse Effect,

the Purchaser may at its option:

- (1) terminate this Agreement by notice in writing to the Seller, in which case the provisions of Clauses 16.1 and 16.4 shall apply; or
- (2) proceed to First Completion but without prejudice to its right to claim for breach of the Seller Warranties.

16.3 If:

16.3.1 between the date of this Agreement and First Completion the Seller becomes aware that any Purchaser Warranty set out in paragraphs 1 to 5 (inclusive), 7, 8, and 10 to 16 (inclusive) of Schedule 9 (*Purchaser Warranties*) was untrue, inaccurate or misleading when given on the date of this Agreement; or

16.3.2 between the date of this Agreement and First Completion the Seller becomes aware of any matter, fact or circumstance that constitutes, or would constitute, a breach of any Purchaser Warranty set out in paragraphs 1 to 5 (inclusive), 7, 8, or 10 to 16 (inclusive) of Schedule 9 (*Purchaser Warranties*), as if it was repeated at any time before First Completion, notwithstanding the provisions of Clause 8.7, by reference to the circumstances then subsisting,

the Seller may at its option:

- (A) terminate this Agreement by notice in writing to the Purchaser, in which case the provisions of Clauses 16.1 and 16.4 shall apply; or
- (B) proceed to First Completion but without prejudice to its right to claim for breach of the Purchaser Warranties.

#### **Effect of termination**

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

16.4 The termination of this Agreement shall not affect:

16.4.1 any rights or obligations which have accrued or become due prior to the date of termination; and

16.4.2 the continued existence and validity of the rights and obligations of the Parties under this Clause and Clauses 1 (*Interpretation*), 8 (*Warranties*), 9 (*Seller limitations on liability*), this Clause 16 (*Termination*), 17 (*Miscellaneous*) (other than Clause 17.25 (*Effect of Completion*)), 18 (*Notices*), and 19 (*Governing law and dispute resolution*).

**No other right to terminate or rescind**

16.5 Subject to Clauses 6.7, 7.7 and 16.1, no Party shall have a 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 the relevant Completion or either before or after the relevant Completion to rescind or terminate or fail to perform this Agreement and shall not be entitled to treat the other Party as having repudiated this Agreement. Unless otherwise stated in this Agreement, the sole remedy of the Party in relation to any breach of the Seller Warranties or the Purchaser Warranties (other than in the case of fraud) shall be for breach of this Agreement.

**17. MISCELLANEOUS**

**Announcements**

17.1 Subject to Clause 17.2, neither Party shall (and both Parties shall procure that none of its Affiliates, or in the case of the Purchaser, any of its Underlying Investors shall):

17.1.1 make or send; or

17.1.2 permit another person to make or send on its behalf,

a public announcement or circular regarding the existence or the subject matter of this Agreement unless it has first obtained the other Party's written consent (such consent not to be unreasonably withheld or delayed).

**Permitted Announcements**

17.2 Clause 17.1 does not apply to:

17.2.1 the Shareholder Circular;

17.2.2 each of: (i) the press release/announcement by the Seller; (ii) the press release/announcement by the Complete Target Group; (iii) the press release/announcement by the Purchaser; and (iv) the press release/announcement by [\*\*\*], each as may be agreed by the Parties, and in relation to the signing of this Agreement and the transactions contemplated hereby (together, the "**Agreed Announcements**"); or

17.2.3 any announcement or circular:

(A) which is required by Applicable Law, a court of competent jurisdiction or



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

a competent Governmental Authority or any other regulatory or legislative body, including without limitation the SEC;

- (B) which, in the case of the Seller only, is required by a rule of a stock exchange or listing authority on which its shares or other securities are listed or traded; or
- (C) which does not go beyond the language, content, intent or substance of any Agreed Announcements.

#### **Cooperation**

- 17.3 If a Party is required to make or send an announcement or circular in the circumstances contemplated by Clauses 17.2.3(A) or 17.2.3(B), it must, before making or sending such announcement or circular, consult with the other Party and take into account the other Party's views 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.
- 17.4 The Purchaser shall at the Seller's request supply such information and reports concerning each member of the Complete Target Group as may be reasonably requested by the Seller to comply with any Applicable Law or regulation or the rules of any stock exchange (to which the Seller is or may become subject) as to any prospectus, continuing obligations or circular to be published by the Seller or any announcement required to be made in relation to this Agreement or any matters contemplated by it.

#### **Disparaging Statements**

- 17.5 Neither Party shall (and each Party shall procure that its Affiliates and Connected Persons shall not) do or say anything which is intended to damage the goodwill or reputation of the other Party, its Affiliates, the Complete Target Group or any of its or their businesses.

#### **Confidentiality**

- 17.6 For the purposes of Clauses 17.7 and 17.8, "**Confidential Information**" means the existence and contents of this Agreement and any other agreement or arrangement contemplated by this Agreement and:
  - 17.6.1 information of whatever nature concerning the business, finances, assets, liabilities, dealings, transactions, know-how, customers, suppliers, processes or affairs of the other Party and any of their group undertakings from time to time; and
  - 17.6.2 any information which is expressly indicated to be confidential in relation to the Party disclosing it (or in relation to any of its group undertakings) from time to time,

which any Party may from time to time receive or obtain (verbally or in writing or in disk or electronic form) from the other Party as a result of negotiating, entering into, or performing its obligations pursuant to this Agreement and provided that such information concerning the Complete Target Group in relation to the period before First Completion shall not be Confidential Information of the Seller following First Completion; such information concerning the Complete Target Group in relation to the period after First Completion shall be Confidential Information of the Purchaser.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 17.7 Each Party undertakes to the other Party that, subject to Clause 17.8, unless the prior written consent of the other Party shall first have been obtained, it shall, and shall procure that its officers, employees, advisers, agents, any other Representatives and, in case of the Purchaser, each Underlying Investor shall, keep confidential and shall not by failure to exercise due care or otherwise by any act or omission disclose to any person whatever, or use or exploit commercially for its or their own purposes, any of the Confidential Information of the other Party.
- 17.8 The consent referred to in Clause 17.7 shall not be required for disclosure by a Party of any Confidential Information:
- 17.8.1 to its officers, employees, advisers, agents or other Representatives, in each case, as may be contemplated by this Agreement or, to the extent required to enable such Party to carry out its obligations or enforce its rights under this Agreement and who shall in each case be made aware by such Party of its obligations under this Clause and shall be required by such Party to observe the same restrictions on the use of the relevant information as are contained in Clauses 17.7 and 17.9, subject to the same exceptions as are contained in this Clause 17.8;
- 17.8.2 subject to Clause 17.9, to the extent required by Applicable Laws or by the regulations of any stock exchange or regulatory authority to which such Party is or may become subject or pursuant to any order of court or other competent authority or tribunal;
- 17.8.3 to the extent that the relevant Confidential Information is in the public domain otherwise than by breach of this Agreement by either Party;
- 17.8.4 which 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;
- 17.8.5 which that Party lawfully possessed prior to obtaining it from another;
- 17.8.6 to the other Party to this Agreement; or
- 17.8.7 pursuant to the terms of this Agreement.
- 17.9 If a Party becomes required, in circumstances contemplated by Clause 17.8.2, to disclose any information such Party shall (save to the extent prohibited by law) give to the other Party such notice as is practical in the circumstances of such disclosure and shall co-operate with the other Party, having due regard to the other Party's views, and take such steps as the other Party may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure.

**No partnership**

- 17.10 Nothing in this Agreement or in any document referred to in it shall constitute either Party a partner of the other, nor shall the execution, completion and implementation of this Agreement confer on either Party any power to bind or impose any obligations to any third parties on the other Party or to pledge the credit of the other Party.

**Assignment**

- 17.11 Except as provided in Clause 17.12, no Party shall assign (whether absolutely or by way of

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

security and whether in whole or in part), transfer, mortgage, charge or otherwise dispose of or deal with in any manner whatsoever the benefit of this Agreement or sub-contract or delegate in any manner whatsoever its performance under this Agreement.

17.12 Following the First Completion End Date, the Purchaser may, upon giving notice to the Seller, assign the benefit of this Agreement and/or of any other Transaction Document to which it is a party (in whole or in part) to, and it may be enforced by (subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999), any Permitted Assignee (provided that as at the time of the relevant assignment any such Permitted Assignee was not a Compromised Investor) as if it (they) were the Purchaser under this Agreement, provided that the liabilities of the Seller under this Agreement and/or any other Transaction Document shall be no greater than such liabilities would have been had the assignment not occurred. Any party to whom an assignment is made in accordance with the provisions of this Clause 17.12 may itself make an assignment as if it were the Purchaser under this Clause 17.12.

17.13 This Agreement will be binding on and continue for the benefit of the successors and permitted assignees of each Party.

#### **Third party rights**

17.14 With the exception of:

17.14.1 the rights of any member of the Complete Target Group to enforce the terms of this Agreement pursuant to Clause 14.5;

17.14.2 the rights of any Permitted Assignee to enforce the terms of this Agreement pursuant to Clause 17.12 (*Assignment*);

17.14.3 the rights of each beneficiary referred to in Clause 17.19 to enforce the terms contained in Clause 17.17 (*Claims from Completion*);

17.14.4 the rights of each beneficiary referred to in Clause 17.20 to enforce the terms contained in Clause 17.18 (*Claims from Completion*),

(each such party being, for the purposes of this Clause 17.14, a "**Third Party**") and

17.14.5 the rights of each Third Party to enforce the terms of Clause 19 (*Governing law and dispute resolution*),

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 rights of the relevant Third Parties under Clause 17.12 (*Assignment*) and Clause 17.18 (*Claims from Completion*) are subject to the terms of Clause 17.11 (*Assignment*) and Clause 19 (*Governing law and dispute resolution*). The Parties to this Agreement may by agreement rescind or vary any term of this Agreement without the consent of any of the Third Parties.

#### **Entire agreement**

17.15 Each of the Parties to this Agreement confirms on behalf of itself and its Affiliates that this Agreement together with any other Transaction Document and any agreed form documents (as agreed at the date of this Agreement), represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

between the Parties with respect thereto, whether in writing or 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.

17.16 Each Party agrees and undertakes on behalf of itself and its Affiliates that:

17.16.1 in entering into this Agreement and the other Transaction Documents, it has not relied on any statement, representation, warranty, assurance, covenant, indemnity, undertaking or commitment of any person (whether a party to this Agreement or the other Transaction Documents or not) (a "**Statement**") which is not expressly set out in this Agreement or the other Transaction Documents or the agreed form documents, as agreed at the date of this Agreement (an "**Agreed Statement**"); and

17.16.2 without prejudice to any liability for fraudulent misrepresentation or fraudulent concealment, it shall have no rights, claims or remedies (and hereby irrevocably waives any such rights, claims or remedies) in relation to any Statement other than an Agreed Statement;

17.16.3 for the avoidance of doubt and without limitation, 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, the other Transaction Documents or any agreed form documents (as agreed on the date 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 statute).

#### **Claims from Completion**

17.17 The Purchaser with effect from First Completion irrevocably covenants to the Seller that at no time will it, its successors or assigns, directly or indirectly, alone or by, with, or through others, cause, induce or authorise, or voluntarily assist, participate or cooperate in the commencement, maintenance, or prosecution of any action or proceeding of any kind or nature whatsoever against the Seller, the Seller Group Companies, or any of their Affiliates (including any Connected Person of the Seller), any of their Representatives, or any past or present directors, officers of the Target Group Companies (including successors or assigns), in each case in connection with such persons having been direct or indirect shareholders, directors or officers, controlling persons or members of managing bodies of the Target Group Companies or otherwise having participated in the management of the Complete Target Group and arising out of events, facts, conditions or circumstances existing or arising at or prior to First Completion and/or arising out of any information or advice provided (or omitted to be provided) by any such person on which the Purchaser relied when agreeing to the terms of this Agreement or any other Transaction Document, other than any claim against the Seller under this Agreement or any other Transaction Document (subject at all times to the limitations set out in Schedule 10 (*Limitations of Liability*)) or any claim for fraud or dishonesty, in any jurisdiction.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 17.18 The Seller with effect from First Completion irrevocably covenants to the Purchaser that at no time will it, its Affiliates, its Connected Persons, successors or assigns, directly or indirectly, alone or by, with, or through others, cause, induce or authorise, or voluntarily assist, participate or cooperate in the commencement, maintenance, or prosecution of any action or proceeding of any kind or nature whatsoever against the Purchaser, JSC Solid Management in its personal capacity, the Fund, the Underlying Investors, any member of the Complete Target Group or any of their Affiliates, any of their Representatives, or any past or present directors, officers of the Target Group Companies (including successors or assigns), in connection with such persons having been or becoming direct or indirect shareholders, directors or officers, controlling persons or members of managing bodies of the Target Group Companies or otherwise having participated or becoming to participate in the management of the Complete Target Group and/or arising out of any information or advice provided (or omitted to be provided) by any such person on which the Seller relied when giving any of the Seller Warranties or otherwise agreeing to the terms of this Agreement or any other Transaction Document, other than any claim against the Purchaser under this Agreement or any other Transaction Document or any claim for fraud or dishonesty, in any jurisdiction.
- 17.19 The Seller will hold the benefit of the waiver in Clause 17.17 as agent and trustee for each of the beneficiaries referred to in that Clause. Each such beneficiary may also enforce the terms of Clause 17.17 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.
- 17.20 The Purchaser will hold the benefit of the waiver in Clause 17.18 as agent and trustee for each of the beneficiaries referred to in that Clause. Each such beneficiary may also enforce the terms of Clause 17.18 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

#### **Default Interest**

- 17.21 If any sum due for payment under this Agreement is not paid on the due date by any Party, such amount will be converted into a RUB equivalent amount (as the context admits) on such due date, and the Party in default must pay interest on such RUB amount unpaid at [\*\*\*]% per annum. Interest payable under this Clause 17.21 accrues on a [\*\*\*] basis from the relevant due date up to and including the date of actual payment. For the avoidance of doubt, the [\*\*\*]% default interest shall not apply to the payment of the First Tranche Payment and the Second Tranche Payment to the extent the Purchaser has complied with its payment obligations under Schedule 5 (*First Completion Obligations*), Schedule 6 (*Second Completion Obligations*) the First Completion Settlement Agreement and the Second Completion Settlement Agreement (as applicable).
- 17.22 Without limitation to Clause 17.21, the Seller shall pay interest at [\*\*\*]% per annum on any Leakage amount (save for any Aggregate FCALA or Aggregate SCALA deducted from the Base First Tranche Payment or Base Second Tranche Payment (as applicable)). The interest payable under this Clause 17.22 accrues on a [\*\*\*] basis (including, for the avoidance of doubt, during any applicable cure periods) from the date the relevant Leakage has occurred up to and including the date of actual payment.

#### **No challenges**

- 17.23 Each Party undertakes to the other Party that it shall not (and it shall procure that none of its Connected Persons shall):

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 17.23.1 seek to challenge the validity of any Transaction Document or any provision thereof; or
- 17.23.2 seek to invalidate, set-aside, avoid, or terminate any Transaction Document or any provision thereof other than in compliance with the provisions thereof; or
- 17.23.3 not instigate any third party to do any of the above.

#### **Unenforceable provisions**

- 17.24 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. Each Party shall use its reasonable endeavours to replace the invalid provision in that respect with a valid and enforceable substitute provision the effect of which is as close (commercially and legally) to its intended effect as possible.

#### **Effect of Completion**

- 17.25 So far as it remains to be performed, this Agreement shall continue in full force and effect notwithstanding the First Completion or the Second Completion. Unless otherwise stated in this Agreement, the rights and remedies of the Parties shall not be affected by the First Completion or the Second Completion.

#### **Waiver**

- 17.26 Unless otherwise agreed between the Parties as part of the terms of this Agreement, 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**

- 17.27 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**

- 17.28 This Agreement may be executed (either by autographic signature or by the Parties applying their signature by some electronic, mechanical or other means) in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same Agreement. The exchange of a fully executed (either by autographic signature or by the Parties applying their signature by some mechanical or other means) version of this Agreement (in counterparts or otherwise) by electronic transmission in PDF format shall be sufficient to bind the Parties to the terms and conditions of this Agreement and no exchange of originals is necessary.

#### **Payments**

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

17.29 Save as otherwise provided by this Agreement and subject to Clause 3.2, when a Party pays an amount due under this Agreement, it shall pay it:

17.29.1 to such account of the other Party as it has specified therefor; and

17.29.2 in CNH.

**Taxation**

17.30 Unless otherwise expressly provided in this Agreement or any other Transaction Document:

17.30.1 the Purchaser must pay all present and future Taxes imposed under applicable Russian law (other than any Taxes which would have not arisen, had the Seller Warranties set out in paragraphs 7.6, 7.7 and 7.8 of Schedule 8 (*Business Warranties*) been true, accurate and not misleading, which such Taxes in each case shall be payable by the Seller); and

17.30.2 the Seller must pay all present and future Taxes imposed in any applicable jurisdiction other than the Russian Federation,

in each case, payable in connection with this Agreement and any other Transaction Document. For the avoidance of doubt, the Seller shall not (and shall procure that no Seller Group Company shall) make any claim by way of recourse against the Purchaser for any compensation of Dutch withholding tax arising as a result of the acquisition of the Exchange NV Shares under this Agreement.

17.31 If any new Applicable Law is introduced and enters into force after the date of this Agreement but prior to First Completion which requires the Purchaser or the Seller to pay any additional Tax or make any payment of the nature of Tax in connection with this Agreement and any other Transaction Document, the Purchaser (if such new Applicable Law is introduced by the Russian Governmental Authorities) or the Seller (if the new Applicable Law is introduced by the Governmental Authorities in any applicable jurisdiction other than the Russian Federation) shall be entitled to terminate this Agreement with immediate effect by giving notice to the other Party, in which case the provisions of Clauses 16.1 and 16.4 shall apply.

17.32 If the Seller is required to pay any Russian Exit Tax in connection with this Agreement or any other Transaction Document (whether as a condition to the Government Commission Approval or otherwise), the Seller shall be entitled to terminate this Agreement with immediate effect by giving notice to the Purchaser, in which case the provisions of Clauses 16.1 and 16.4 shall apply.

17.33 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 law.

**Payments net of mandatory withholdings or deductions**

17.34 Subject to Clause 17.30, if any deductions or withholdings are required by law, the payer shall be liable to pay to the payee such further sums as shall be required to ensure that the net amount received by the payee will equal the full amount which would have been received under the relevant provisions of this Agreement in the absence of any such deductions or

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

withholdings.

**No set off, deduction or counterclaim**

- 17.35 Unless otherwise agreed between the Parties as part of the terms of this Agreement, 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 which is due and payable to that Party under this Agreement.

**Costs**

- 17.36 The Parties shall pay their own costs in connection with the preparation and negotiation of this Agreement and any matter contemplated by it.

**Language**

- 17.37 This Agreement was negotiated in English and, to be valid, all certificates, notices, communications and other documents made in connection with it (other than information in the Schedules or the Disclosure Letter that is in Russian (the "**Russian Language Information**")) shall be in English. If all or any part of this Agreement or any such certificate, notice, communication or other document (other than the Russian Language Information, in respect of which the Russian text shall prevail) 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. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge that where any document to be executed pursuant to or in connection with this Agreement is required under Applicable Law, or otherwise can be reasonably expected, to be executed in the Russian language, that document shall be executed in the Russian language only.

**Independent advice**

- 17.38 Each Party confirms it is a sophisticated commercial party with respect to the Transaction and has received independent legal advice relating to all the matters provided for in this Agreement, including the provisions of this Clause 17.38, and agrees, having considered the terms of this Agreement as a whole, that the provisions of this Agreement, including this Clause 17.38, are fair and reasonable.

**18. NOTICES**

- 18.1 Any notice in connection with this Agreement shall be in writing in English and delivered by hand, email, courier using an internationally recognised courier company to the address or email address (as the case may be) specified in Clause 18.3 or to such other address or email address as the relevant Party may from time to time specify by notice to the other Party given in accordance with this Clause.
- 18.2 A notice shall be effective upon receipt and shall be deemed to have been received:
- 18.2.1 at the time of delivery, if delivered by hand or courier; or
- 18.2.2 if sent by email, the earlier of (a) when the sender receives an automated message confirming delivery; or (b) four hours after the time sent (as recorded on the device)



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

provided that, in each case, a notice received, or deemed to be received, on a day which is not a business day in the place of receipt, or after 5 pm on any business day in the place of receipt, shall be deemed to have been received on the next following business day in the place of receipt (and for the purposes of this Clause, a business day in the place of receipt shall mean a day (other than a Saturday or Sunday) on which banks are open for general business in that place).

18.3 The relevant details of each Party at the date of this Agreement are:

**Seller**

Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands

Email: [\*\*\*]

Attention: [\*\*\*]

**Purchaser**

Address: Khoroshyovskoye sh. 32A, Moscow, 125284, the Russian Federation

Email: [\*\*\*]

Attention: [\*\*\*]

18.4 Should a Party fail to notify the other Party of any change to its address in accordance with Clause 18.3, then any notice served under this Clause shall be validly served by that second Party if served to the address listed in Clause 18.3. In the absence of evidence of earlier receipt, any notice shall take effect from the time that it is deemed to be received in accordance with Clause 18.2.

**19. GOVERNING LAW AND DISPUTE RESOLUTION**

19.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

19.2 If any dispute or claim arising out of or in connection with this Agreement or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) ("**Dispute**"), such Dispute shall be referred to, and finally resolved by, arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules for the time being in force, which rules are deemed to be incorporated by reference in this Clause 19.

19.3 The arbitral tribunal shall consist of three (3) arbitrators, one of whom shall be designated by the claimant (or collective claimants), another one by the respondent (or collective respondents), and the third of whom, who shall act as the presiding arbitrator shall be

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- nominated by the two party-nominated arbitrators.
- 19.4 The seat of the arbitration shall be Hong Kong. The arbitral tribunal may however decide, after consulting with the Parties, that any hearing (if applicable) will be conducted by videoconference, teleconference or other appropriate means of remote communication, and/or at any appropriate location or locations other than the indicated seat of arbitration.
- 19.5 The arbitration proceedings shall be conducted in, and the award rendered in, the English language.
- 19.6 This agreement to arbitrate shall be binding upon the Parties, their successors and assigns.
- 19.7 Rights granted to Third Parties under this Agreement shall be enforced by such Third Parties by arbitration in accordance with this Clause 19. Where a claim is brought against a Third Party by a Party in response to which a Third Party wishes to rely on any right or defence afforded to it under this Agreement, such Third Party shall have the option to choose that the dispute be finally settled by arbitration in accordance with this Clause 19 provided such option is exercised by notice in writing to all Parties within [\*\*\*] days of being notified of the claim by any Party.
- 19.8 Any arbitral award rendered pursuant to this Clause 19 shall be final and binding upon the Parties, their successors and assigns. 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 19.2 to 19.9 (inclusive), to the validity and/or enforcement of any arbitral award.
- 19.9 The law of this arbitration agreement shall be the law of England and Wales.

**THIS AGREEMENT** has been duly executed by the Parties (or their duly authorised representatives) on the date specified at the beginning of this Agreement.

Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

**SCHEDULE 1**

**DETAILS OF THE GROUP**

**PART A**

**DETAILS OF THE COMPANY**

|  |  |
|--|--|
| <b>Name</b>                                  | IJSC Yandex  |
| <b>Main state registration number (OGRN)</b> | 1233900014699  |
| <b>Company type</b>                          | International Joint Stock Company ( <i>Международная компания акционерное общество</i> )   |
| <b>Country of incorporation</b>              | Russian Federation   |
| <b>Registered office</b>                     | Solnechniy bulvar 3, Premise 6, Office 202, Kaliningrad, the Russian Federation  |
| <b>Issued share capital</b>                  | RUB [***] divided into: <ul style="list-style-type: none"> <li>– [***] ordinary shares having nominal value of [***] kopecks each;</li> <li>– [***] preferred share of type "A" having nominal value of [***] kopecks; and</li> <li>– [***] preferred share of type "B" having nominal value of [***] kopecks</li> </ul> |
| <b>Shareholders</b>                          | Yandex N.V.  |
| <b>Directors</b>                             | <ul style="list-style-type: none"> <li>– General Director (sole executive): [***]</li> <li>– Members of the board of directors: [***], [***] and [***]</li> </ul>  |
| <b>Registrar</b>                             | Joint Stock Company "Independent Registrar Company R.O.S.T.", main state registration number (OGRN) [***]  |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**PART B**

**SUMMARY OF THE COMPLETE TARGET GROUP**

(this list includes non-profit organisations and foundations where an entity of the Complete Target Group is a founder, but excluding those where it is a participant)

| No. | Legal Name | Entity Type | Registered Address | Registered Number | Share / Charter Capital | Shareholders/ Participants | Destiny | Encumbrances Over Shares / Participation Interests |
|-----|------------|-------------|--------------------|-------------------|-------------------------|----------------------------|---------|--|
| 1.  | [***]      | [***]       | [***]              | [***]             | [***]                   | [***]                      | [***]   | [***]  |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 2

### PART A

#### LEAKAGE

"**Leakage**" shall mean, in each case during the period from (but excluding) the Locked Box Date to (and including) the First Completion End Date:

- (a) any dividend or distribution (whether in cash or in kind) or any payments in lieu of any dividend or distribution, declared, paid or made or agreed to be paid or made by any member of the Complete Target Group to the Seller, the Seller's Connected Persons, or the Family Members of the Seller's Connected Persons;
- (b) any redemption, repurchase, repayment or return of shares or other securities, or return of capital (whether by reduction of capital or otherwise and whether in cash or in kind) by any member of the Complete Target Group the Seller, the Seller's Connected Persons, or the Family Members of the Seller's Connected Persons;
- (c) any bonus or similar payments paid or agreed to be paid by any member of the Complete Target Group to any employee of the Seller or any of the Seller's Connected Persons;
- (d) any transfer or surrender (including, for the avoidance of doubt, any waiver, discount, deferral, release or discharge) of assets, contractual rights (including any claim (howsoever arising) or liability), Intellectual Property of any member of the Complete Target Group, or other benefits by any member of the Complete Target Group to the Seller or any of the Seller's Connected Persons;
- (e) any member of the Complete Target Group assuming, indemnifying, guaranteeing, securing, incurring or agreeing to assume, indemnify, guarantee, secure or incur by or on behalf of any member of the Complete Target Group any liability or obligation for the benefit of the Seller or any of the Seller's Connected Persons;
- (f) any payment made by any member of the Complete Target Group to the Seller or any of its Connected Persons;
- (g) any agreement, arrangement or other commitment by any member of the Complete Target Group to do or give effect to any of the matters referred to in paragraphs (a) to (f) (both inclusive) above; and
- (h) any Tax Liability incurred by, or any Tax being paid or becoming payable by any member of the Complete Target Group as a consequence of any of the matters referred to in paragraphs (a) to (g) (both inclusive) above,

but, in each case, not including any Permitted Leakage.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**PART B**

**PERMITTED LEAKAGE**

"Permitted Leakage" shall mean:

- (a) payment to the Seller of USD [\*\*\*] ([\*\*\*] Dollars) as funded to the Seller by [\*\*\*] on [\*\*\*];
- (b) payment of the Upstream Payment;
- (c) any actions, steps or payments made (or to be made) by the Company or the Complete Target Group expressly provided by or required under the Pre-Completion Reorganisation Steps Plan;
- (d) any transactions, actions, steps or payments made or performed (or to be made or performed) solely amongst the Complete Target Group;
- (e) any payments of salary, benefits, compensation or other contractual entitlements of any Permitted Person in the ordinary course of business not exceeding: (i) for [\*\*\*] (inclusive), RUB [\*\*\*] ([\*\*\*] Rubles); and (ii) thereafter, in respect of each calendar month following [\*\*\*], no more than RUB [\*\*\*] ([\*\*\*] Rubles), in each case in aggregate (save that the total amount for the months following [\*\*\*] shall not exceed RUB [\*\*\*] ([\*\*\*] Rubles)), provided that such foregoing amounts may be increased by an aggregate amount of not more than RUB [\*\*\*] ([\*\*\*] Rubles) during the entire period to the First Completion End Date in respect of statutory payments made to any Permitted Person in respect of unused vacation entitlements or other similar statutory entitlements;
- (f) any payments of salary, benefits, compensation or other contractual entitlements of certain directors of the board of directors of the Seller as agreed between the Parties in writing on the date of this Agreement, in each case in connection with their position on the board of directors of the Seller;
- (g) any transfer or surrender of hardware, office equipment and other assets (including laptops and mobile telephones), provided that the net value (less depreciation) of such assets does not exceed RUB [\*\*\*] ([\*\*\*] Rubles) in aggregate;
- (h) any payments made (or to be made) by the Company or the Complete Target Group which have been specifically accrued or provided for in the Locked Box Accounts;
- (i) any payments which would otherwise constitute Leakage, provided that such payments do not exceed RUB [\*\*\*] ([\*\*\*] Rubles) in aggregate, and provided that if any payments which would otherwise constitute Leakage exceed RUB [\*\*\*] ([\*\*\*] Rubles) in aggregate, the Seller shall be liable for the whole amount of the Leakage and not for the excess over the above threshold only; and
- (j) any other payment, accrual, transfer of assets or assumption of liability by the Company or the Complete Target Group which the Purchaser has expressly approved in writing as Permitted Leakage.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**SCHEDULE 3**

**SIGNING OBLIGATIONS**

1. The following events shall occur on the date of this Agreement (to the extent such events have not already occurred prior to the date of this Agreement):

**Purchaser's obligations**

- 1.1 The Purchaser shall deliver (or procure the delivery) to the Seller:
- 1.1.1 written minutes of the meeting of the investment committee of the Fund authorising the Fund to enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party (if applicable), certified to be a true and complete copy by a director or the secretary of the Purchaser;
  - 1.1.2 written consent of the Purchaser Depositary authorising the Fund to enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party (if applicable), certified to be a true and complete copy by a director or the secretary of the Purchaser; and
  - 1.1.3 if relevant, applicable power of attorney or other authority, under which this Agreement and each other Transaction Document to which it is a party (if applicable), is executed on behalf of the Purchaser, certified to be a true and complete copy by a director or the secretary of the Purchaser.

**Seller's obligations**

- 1.2 The Seller shall deliver (or procure the delivery) to the Purchaser:
- 1.2.1 a copy of the minutes of a meeting of the board of directors of the Seller authorising it to enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party (if applicable), certified to be a true and complete copy by a director or the secretary of the Seller;
  - 1.2.2 if relevant, applicable power of attorney or other authority, under which this Agreement and each other Transaction Document to which it is a party (if applicable), is executed on behalf of the Seller, certified to be a true and complete copy by a director or the secretary of the Seller;
  - 1.2.3 two original copies of the Deed of Undertaking duly executed by the Seller and the Company; and
  - 1.2.4 two original copies of each Transitional Services Agreements duly executed by the [\*\*\*], [\*\*\*] and [\*\*\*] (as the context requires).

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

#### SCHEDULE 4

#### CONDUCT OF BUSINESS BEFORE FIRST COMPLETION

#### PART A

#### CONDUCT OF BUSINESS

Save for any action that: (i) is expressly provided for or contemplated by this Agreement; (ii) is reasonably required to comply with an obligation of the Seller pursuant to this Agreement; (iii) is a Permitted Transaction; or (iv) is otherwise required in order to facilitate compliance with Applicable Laws or contractual obligations entered into by any member of the Complete Target Group before the date of this Agreement (provided that any such contractual obligations do not give rise to Leakage or cause any of the Seller Warranties to be untrue, inaccurate or misleading), prior to First Completion the Seller shall procure that, without the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed), no member of the Complete Target Group shall:

1. create, allot or issue any shares or participatory interests, or agree, arrange or undertake to create, allot or issue any shares or participatory interests, in each case in any member of the Complete Target Group to any third parties;
2. incur or otherwise create any Financial Indebtedness, the impact of which would cause the Net Debt to LTM EBITDA ratio of the Complete Target Group according to the quarterly consolidated financial statements of the Seller at each applicable reporting to exceed 2, provided that the Complete Target Group will not enter into borrowing transactions without the prior written consent of the Purchaser, if such transactions:
  - 2.1 include an annual interest rate on sums advanced that is higher than the key interest rate of the [\*\*\*] plus [\*\*\*] per cent ([\*\*\*]%), or
  - 2.2 contain a pledge or collateral as security, other than any guarantee granted by a member of the Complete Target Group in respect of any obligations of any other member of the Complete Target Group,

and for the sole purpose of this paragraph 2:

- (A) "LTM EBITDA" shall mean adjusted EBITDA for the immediately preceding full [\*\*\*] period, where adjusted EBITDA means U.S. GAAP net income adjusted so as to exclude each of the following items without double counting (and so that, to the extent any of the following have been charged, expensed or deducted in calculating such net income, the amount shall be added back and, to the extent any of the following have been credited in calculating such earnings, the amount shall be deducted) (1) depreciation and amortization, (2) interest expense, (3) income tax expense, net, (4) expenses (or reversal of expenses) related to the contingent compensation payable to employees in connection with certain business combinations, (5) gain or loss from equity method investments, (6) one-off restructuring and other related expenses, (7) impairment of goodwill and other intangible assets, (8) interest income, and (9) other non-operating income or loss, net; and



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- (B) "Net Debt" means the Financial Indebtedness (including all accrued interest, fees and penalties) less the cash and cash equivalents of the Complete Target Group as at the reporting date based on the consolidated financial statements of the Seller, prepared in accordance with U.S. GAAP;
3. grant or provide any credit or loan in excess of RUB [\*\*\*] ([\*\*\*] Rubles) (whether in a single transaction or a series of related transactions), except for to any member of the Complete Target Group in the ordinary and usual course of business in accordance with past practice in the past [\*\*\*] months (both as to the scope and volume);
  4. sell, grant an option, right to acquire, right of pre-emption, right of first refusal or preferential right, assign, pledge, create any restriction upon ownership, use or alienation over, or make an agreement to do any of the above in relation to any Material Intellectual Property, save for if any of the foregoing is approved by the PIF. For the avoidance of doubt, the granting of any non-transferable and non-exclusive licenses by the Complete Target Group to its customers and third parties to use the products of the Complete Target Group in the ordinary and usual course of business and which do not place any restrictions on the use of the relevant Material Intellectual Property by the Complete Target Group is not prohibited;
  5. enter into or agree to any contract or binding commitment with a value of RUB [\*\*\*] ([\*\*\*] Rubles) or more (whether in a single transaction or a series of related transactions), other than in relation to treasury operations, including borrowing transactions in compliance with paragraph 2 above;
  6. grant or agree to grant any option, right to acquire or call (whether by conversion, subscription or otherwise), sell, assign, otherwise dispose of, or make an agreement to do any of the above in relation to any shares or interest or loan capital in any member of the Complete Target Group (other than the Company) with a market value in excess of RUB [\*\*\*] ([\*\*\*] Rubles); (ii) grant or agree to grant any option, right to acquire or call (whether by conversion, subscription or otherwise), sell, assign, otherwise dispose of, or make an agreement to do any of the above in relation to any shares or loan capital in the Company; or (iii) grant any right of pre-emption, right of first refusal, preferential right, pledge, create any restriction upon ownership, use or alienation or make an agreement to do any of the above in relation to any shares or interest or loan capital in any member of the Complete Target Group;
  7. acquire or agree to acquire the shares of a corporate body or merge or consolidate with a corporate body or any other person, enter into any demerger transaction or participate in any other type of corporate reconstruction, in each case, with a value in excess of RUB [\*\*\*] ([\*\*\*] Rubles);
  8. sell, otherwise dispose of, or create an Encumbrance over, any asset of any member of the Complete Target Group with a book or market value in excess of RUB [\*\*\*] ([\*\*\*] Rubles);
  9. make any proposal for the winding up or liquidation of any entity within the Complete Target Group;
  10. alter the terms of employment of any Key Employee (save for any increase in the compensation terms of any Key Employee by no more than [\*\*\*]% of the target total cash compensation for such Key Employee as approved by the compensation committee of the board of directors of the Seller for the year 2024 and disclosed to the Purchaser prior to the

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

date of this Agreement) or terminate the employment of any Key Employee, save for termination for cause, termination at the instance of the employee, or by mutual agreement;

11. make an admission of liability, agreement, settlement or compromise with any third party in relation to any claim, action or demand against any member of the Complete Target Group that may reasonably result in a loss to member of the Complete Target Group in excess of RUB [\*\*\*] ([\*\*\*] Rubles);
12. introduce any changes in the accounting policies or practices of the Complete Target Group; or
13. enter into any agreement, undertaking or contract to do any of the above.

Any request for consent shall set out in reasonable detail the action or matter proposed to be approved and shall be made by the Seller or any Original Group Company in writing and sent by email headed "Project [\*\*\*] – Consent Request" to each of the persons whose email address is specified below:

| Person | Email address |
|--------|---------------|
| [***]  | [***]         |

Consent may be given or refused (with explanation of the reasons for such refusal) by an email reply by any of those persons to the address from which the request was sent and such consent shall not be unreasonably withheld.

Consent shall be deemed to have been given if the Purchaser fails to respond by way of reply to the aforementioned email or by any other form of written notice within [\*\*\*] Business Days of the request being sent, or, if the Seller or an Original Group Company is required or obliged whether by Governmental Authority or otherwise to take the action for which it is seeking the approval prior to such date (the "**Emergency Request**"), such earlier date or time as is reasonable in the circumstances and notified to the Purchaser in the Emergency Request.

Within [\*\*\*] Business Days of a request for approval (other than any Emergency Request), any of the persons to whom the request for approval was sent may request additional information to the extent reasonably necessary to assess the request for approval, in which case the above [\*\*\*] Business Day-period for approval shall commence from the date of receipt of such additional information by the relevant requesting person.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## PART B

### PERMITTED TRANSACTIONS

For the purpose of this Schedule 4 (*Conduct of Business Before First Completion*), "**Permitted Transaction**" shall mean any transactions, actions or steps:

1. required or necessary for the implementation of any Pre-Completion Reorganisation and/or the execution of any Pre-Completion Reorganisation Documents, in each case substantially in accordance with or as contemplated by the Pre-Completion Reorganisation Steps Plan;
2. which is performed solely amongst the Complete Target Group;
3. any grants, options, shares, loans, other benefits, and payments to the persons employed or engaged by the Complete Target Group and any other persons as set out in the respective Employee Benefit Plans, in each case save for the employees of the Seller and/or Seller Group Companies, that are subject to issuance and/or payment in accordance with any adopted policies of the Complete Target Group and/or the Seller (in each case as of the Locked Box Date), including such grants, options, or other equity awards to be allocated as of First Completion in respect of the amendment or conversion of outstanding awards granted by the Seller or Seller Group Companies prior to the date hereof (such awards to cover up to a maximum of 5,439,228 shares in the capital of the Company for the Eligible Employees (in the same proportions as the relevant outstanding incentive awards were allocated under the Seller's Employee Benefit Plans));
4. any grant or provision of any credit or loan to any employee of the Complete Target Group in an amount not exceeding RUB [\*\*\*] ([\*\*\*] Rubles) in respect of each individual employee;
5. performed in the ordinary course of the lending activities of [\*\*\*] (OGRN [\*\*\*]), [\*\*\*] (OGRN [\*\*\*]) and [\*\*\*] (OGRN [\*\*\*]);
6. which are reasonably necessary and undertaken in good faith with the intention of minimizing any adverse effect in an emergency or disaster situation, provided that the Purchaser has been notified accordingly as soon as reasonably practicable after the respective actions or steps have been taken;
7. which is expressly provided for in any Transaction Document;
8. which has been consented to, or deemed to have been consented to pursuant to Part A of Schedule 4, by the Purchaser;
9. to engage in discussions or conduct formal proceedings (including, without limitation, in relation to any dispute), including proceedings with any Governmental Authority, the non-conduct of which could prejudice the business of any member of the Complete Target Group or the Transaction provided that such engagements shall not amount to an admission of liability, settlement or compromise. For the purposes of this paragraph, formal proceedings include any action, suit, litigation, arbitration, proceeding, hearing, inquiry, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel;

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

10. necessary for compliance with Applicable Laws;
11. relating to the winding up or liquidation (as the context requires) of the following entities:
  - 11.1 [\*\*\*];
  - 11.2 [\*\*\*];
  - 11.3 [\*\*\*];
  - 11.4 [\*\*\*];
  - 11.5 [\*\*\*];
  - 11.6 [\*\*\*];
  - 11.7 [\*\*\*];
  - 11.8 [\*\*\*];
  - 11.9 [\*\*\*];
  - 11.10 [\*\*\*];
  - 11.11 [\*\*\*]; and
  - 11.12 [\*\*\*];
12. any transactions, actions or steps as agreed by the Seller and the Purchaser in writing on the date hereof; and
13. any agreement, undertaking or other arrangement to do any of the foregoing.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 5

### FIRST COMPLETION OBLIGATIONS

1. The following events shall occur on the First Completion Commencement Date (to the extent such events have not occurred prior to the First Completion Commencement Date):

#### **Purchaser's obligations**

- 1.1 The Purchaser shall deliver (or procure the delivery) to the Seller:
  - 1.1.1 a notice substantially in the form set out in Part C of Schedule 13 (*Completion Notifications*) of: (i) the number of the First Tranche Exchange NV Shares to be exchanged at First Completion; (ii) the total number of the First Tranche Total Ordinary Company Shares to be acquired at First Completion; and (iii) the calculation of the First Tranche Payment in CNH;
  - 1.1.2 a copy of or evidence of the satisfaction of each of the Conditions in paragraphs 1 to 4 (inclusive) of Clause 4.1 (*Conditions*), in each case, on the terms set out in Clause 4.11;
  - 1.1.3 the details of the Purchaser's custody account(s) opened with the Purchaser Depositary;
  - 1.1.4 the Purchaser's custody account statement issued by the Purchaser Depositary confirming that the First Tranche Exchange NV Shares are registered in the Purchaser's custody account and are free from Encumbrances;
  - 1.1.5 copies of the written resignations of certain directors from the board of directors of the Seller, waiving, to the extent possible under Applicable Law, all claims against the Seller; and
  - 1.1.6 a signature page of the NV Priority Share transfer agreement between the Seller and the PIF by PDF file (or other scanned document) duly executed by the PIF's authorised signatory.

#### **Seller's obligations**

- 1.2 The Seller shall deliver (or procure the delivery) to the Purchaser:
  - 1.2.1 a copy of the minutes of a meeting of the shareholders of the Seller authorising it to enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party (if applicable), certified to be a true and complete copy by a director or the secretary of the Seller;
  - 1.2.2 the details of the Seller's custody account(s) opened with the Purchaser Depositary;
  - 1.2.3 the Seller's custody account statement issued by the Purchaser Depositary confirming that the First Tranche Total Ordinary Company Shares and the Preference Share A are registered in the Seller's custody account(s) and are free from Encumbrances; and

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

1.2.4 the Immovable Property Share Statement.

#### **Settlements**

1.3 Following the performance by each Party of its obligations set out paragraphs 1.1 and 1.2 and in accordance with the First Completion Settlement Agreement each of the Parties shall take, and shall exercise their rights and powers to cause the Purchaser Depositary to take, all such actions as are required of it under, and in accordance with, the terms of the First Completion Settlement Agreement.

1.4 On the First Completion Commencement Date:

1.4.1 each of the Purchaser and the Seller shall duly execute instruction on blocking of the First Tranche Total Ordinary Company Shares and the Preference Share A at the Seller's custody account(s) opened with the Purchaser Depositary in favour of the Purchaser in form acceptable to the Purchaser Depositary and deliver such duly executed instructions to the Purchaser Depositary;

1.4.2 each of the Purchaser and the Seller shall duly execute instruction on blocking of the First Tranche Exchange NV Shares at the Purchaser's custody account opened with the Purchaser Depositary in favour of the Seller in form acceptable to the Purchaser Depositary and deliver such duly executed instructions to the Purchaser Depositary,

provided that unless paragraph 1.6 applies, the blocking shall automatically lapse upon expiry of [\*\*\*] Business Days (in Moscow), whereupon the Parties shall agree on a new First Completion Commencement Date; and

1.4.3 the Parties shall take all reasonable endeavours to procure that the Purchaser Depositary simultaneously executes the instructions set out in paragraphs 1.4.1 and 1.4.2 above and provides to each Party the confirmation documents in respect thereof in accordance with the First Completion Settlement Agreement.

1.5 Following the performance by each Party of its obligations set out paragraph 1.4 above and in any event within [\*\*\*] Business Days (in Moscow) (or such other term as may be agreed in the First Completion Settlement Agreement) of such performance, the Purchaser shall provide its bank with an order to transfer the First Tranche Payment to the Seller Bank Account (and the Parties acknowledge that it shall be a term of the First Completion Settlement Agreement that such payment shall be evidenced in the form of a SWIFT or CIPS confirmation) and deliver to the Purchaser Depositary such documents confirming the remittance of the First Tranche Payment as set out in the First Completion Settlement Agreement.

1.6 Subject to the performance by the Purchaser of its obligations set out in paragraph 1.5 above, the Parties shall take all reasonable endeavours to procure that the Purchaser Depositary simultaneously:

1.6.1 makes entries on removal of the blocking of the First Tranche Total Ordinary Company Shares and the Preference Share A and on transfer of the First Tranche Total Ordinary Company Shares and the Preference Share A to the Purchaser's custody account opened with the Purchaser Depositary; and

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 1.6.2 makes entries on removal of the blocking of the First Tranche Exchange NV Shares and on transfer of the First Tranche Exchange NV Shares to the Seller's custody account opened with the Purchaser Depository, in each case in accordance with the First Completion Settlement Agreement and on the earlier of:
- (A) a date falling [\*\*\*] Business Days after the receipt of the confirmation of the remittance of the First Tranche Payment as set out in paragraph 1.5 above; and
  - (B) a date of the First Tranche Payment having been credited to the Seller Bank Account, of which the Seller shall immediately notify the Purchaser Depository and the Purchaser.
- 1.7 Following the performance by the Parties of their respective obligations set out in paragraphs 1.1 - 1.6 above, the Parties shall take all reasonable endeavours to procure:
- 1.7.1 the registration by the Purchaser Depository of the First Tranche Total Ordinary Company Shares and the Preference Share A in the name of the Purchaser; and
  - 1.7.2 registration by the Purchaser Depository of the First Tranche Exchange NV Shares in the name of the Seller.
- 1.8 Notwithstanding any term of the First Completion Settlement Agreement, in the event that upon expiry of the period referred in paragraph 1.6.2(A): (i) the First Tranche Total Ordinary Company Shares and the Preference Share A have been registered by the Purchaser Depository in the name of the Purchaser (in each case free from Encumbrances) and (ii) the First Tranche Payment has not been credited to the Seller Bank Account in full, the Purchaser acknowledges that all legal and beneficial ownership in such amount shall vest in the Seller and shall to the maximum extent possible be held on trust for, and on the account of, the Seller in all respects. The Purchaser shall have a continuing obligation to exercise all of its rights to procure that such amounts are transferred to the Seller (or any nominee of the Seller) as soon as reasonably practicable, and pending receipt by the Seller (or the nominee of the Seller) of such amounts the Purchaser shall only deal in the First Tranche Payment in accordance with the prior instructions of the Seller.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 6

### SECOND COMPLETION OBLIGATIONS

1. The following events shall occur on the Second Completion Commencement Date (to the extent such events have not occurred prior to the Second Completion Commencement Date):
  - 1.1 The Purchaser shall deliver (or procure the delivery) to the Seller:
    - 1.1.1 a notice substantially in the form set out in Part D of Schedule 13 (*Completion Notifications*) of: (i) the number of the Second Tranche Exchange NV Shares to be exchanged at Second Completion; (ii) the total number of the Second Tranche Total Ordinary Company Shares to be acquired at Second Completion; and (iii) the calculation of the Second Tranche Payment in CNH;
    - 1.1.2 (unless provided earlier) three original copies of the Second Completion Settlement Agreement duly executed by the Purchaser and the Purchaser Depositary; and
    - 1.1.3 the details of the Purchaser's custody account(s) opened with the Purchaser Depositary;
  - 1.2 The Seller shall deliver (or procure the delivery) to the Purchaser:
    - 1.2.1 (unless provided earlier) three original copies of the Second Completion Settlement Agreement duly executed by the Seller; and
    - 1.2.2 the details of the Seller's custody account(s) opened with the Purchaser Depositary.
  - 1.3 The Parties shall undertake such actions as set out in the Second Completion Settlement Agreement and in the order set out therein, provided always if the actual amount of the Second Tranche Exchange NV Shares delivered by the Purchaser at Second Completion is less than the amount of the Second Tranche Exchange NV Shares notified by the Purchaser to the Seller in accordance with Clause 7.2, the Purchaser shall increase the Second Tranche Pre-Conversion Payment notified by the Purchaser to the Seller in accordance with Clause 7.2 and payable to the Seller Bank Account by an amount calculated as follows:
 

***NVSP\**** (***NSTES - ASTES***),

where:

**NVSP** means NV Share Price;

**NSTES** means the amount of the Second Tranche Exchange NV Shares as notified by the Purchaser to the Seller for the purported exchange in accordance with Clause 7.2; and

**ASTES** means the amount of the NV Shares actually delivered by the Purchaser at Second Completion;
  - 1.4 Following the performance by the Parties of their obligations set out in paragraphs 1.1- 1.3 above and the obligations set out in the Second Completion Settlement Agreement, the Parties shall take all reasonable endeavours to procure:



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 1.4.1 the registration by the Purchaser Depositary of the Second Tranche Total Ordinary Company Shares in the name of the Purchaser; and
- 1.4.2 registration by the Purchaser Depositary of the Second Tranche Exchange NV Shares in the name of the Seller.
- 1.5 The Parties agree that the provision set out in paragraph 1.8 of Schedule 5 (*First Completion Obligations*) shall also apply to Second Completion equally (*mutatis mutandis*).

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 7

### SELLER WARRANTIES

1. **Incorporation**

The Seller is duly incorporated, duly organised and validly existing under the laws of its jurisdiction of incorporation and has full power to conduct its business as conducted at the date of this Agreement.

2. **Corporate power and authority**

Save to the extent the same are the subject of the Conditions, the Seller has the corporate power and authority to enter into and perform this Agreement and any other Transaction Document.

3. **Binding agreements**

The provisions of this Agreement and any of the Transaction Documents, constitute valid and binding obligations on the Seller and are enforceable against the Seller in accordance with their respective terms, in each case subject to principles of Applicable Laws of general application limiting obligations.

4. **Due authorisation, execution, and delivery**

Save to the extent the same are the subject of the Conditions, the Seller has duly authorised, executed and delivered this Agreement and will, at Completion, have authorised, executed and delivered any Transaction Documents.

5. **Effect of the Transaction**

5.1 The execution and delivery by the Seller of, and the performance by the Seller of its obligations under, this Agreement and any other Transaction Document will not result in:

5.1.1 a breach of or conflict with any provision of the Articles of Association or any other constitutional documents of the Seller;

5.1.2 a material breach of, or constitute a material default under, any instrument to which the Seller is a party or by which it is bound; or

5.1.3 a breach of any Applicable Law.

6. **Consents**

Save to the extent the same are the subject of the Conditions, all consents, permissions, authorisations, approvals from any Governmental Authority or Regulator having jurisdiction over the Seller which are necessary for it to obtain in order to enter into and perform this Agreement and any other Transaction Document in accordance with its terms, will have been unconditionally obtained by the First Completion Commencement Date.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**7. SEC Reports**

Each of the SEC Reports, as of its respective filing date, complied in all material respects with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Report, and, except to the extent that information contained in any SEC Report has been revised or superseded by a later filed SEC Report filed and publicly available prior to the date of this Agreement, none of the SEC Reports contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

**8. Title to the Sale Shares**

- 8.1 The Seller is the legal and beneficial owner of the Sale Shares free from any Encumbrances.
- 8.2 The issued share capital of the Company is comprised of: (i) [\*\*\*] [\*\*\*] ordinary shares with a nominal value of RUB [\*\*\*] each; (ii) [\*\*\*] Preference Share A; and (iii) [\*\*\*] Preference Share B. The Sale Shares represent [\*\*\*] ordinary shares of the Company and [\*\*\*] Preference Share A of the Company.
- 8.3 No decision has been taken by the Seller or the Company nor has any other arrangement or agreement been made, in each case which has not been fulfilled, that may result in a change in the amount or other reorganisations of the share capital of the Company, save as expressly contemplated by the Pre-Completion Reorganisation Steps Plan.
- 8.4 No person has any right (whether exercisable now or in the future and whether contingent or otherwise) to require the Company:
- 8.4.1 to allot, or grant rights to subscribe for, shares in the Company;
- 8.4.2 to convert any existing securities into, or to issue securities that have rights to convert into, shares in the Company; or
- 8.4.3 to sell or transfer any share or loan capital or any other security of any kind giving rise to a right over the capital in the Company.
- 8.5 The Seller has the full right to exercise all voting rights and other rights over the Sale Shares and to transfer the legal and beneficial title to the Sale Shares to the Purchaser on the terms and subject to this Agreement.
- 8.6 There are no outstanding claims against the Seller in connection with the Sale Shares.

**9. The Company and the Material Subsidiaries**

- 9.1 The particulars set out in Schedule 1 (*Details of the Group*) are true and accurate.
- 9.2 The Company and each Material Subsidiary is validly existing and is a company duly incorporated and registered under the law of its jurisdiction of incorporation.
- 9.3 The direct and indirect subsidiaries of the Company upon completion of the Pre-Completion

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- Reorganisation (as described in Clause 4.2) are set out in Part B of Schedule 1 (*Details of the Group*) and, save for those companies set out therein, the Company has no other direct or indirect subsidiaries.
- 9.4 There exists no shareholders' agreement or similar arrangement or agreement which purports to regulate, control or otherwise affect the voting or disposition of the Sale Shares or the shares (participatory interests) of the Company or any Material Subsidiary.
- 9.5 No decision has been taken by any member of the Complete Target Group in favour of any third party (other than the Company or Material Subsidiary), nor has any other arrangement or agreement been made in favour of a third party (other than the Company or Material Subsidiary), in each case which has not been fulfilled, that may result in a change in the amount or other reorganisations of the charter capital of any Material Subsidiary.
- 9.6 Members of the Complete Target Group are the sole legal owners of the shares (participatory interests) of each Material Subsidiary as shown in Part B of Schedule 1 (*Details of the Group*) as being held by the relevant members of the Complete Target Group, free from any Encumbrances.
- 9.7 No person has any right (whether exercisable now or in the future and whether contingent or otherwise) to require any Material Subsidiary:
- 9.7.1 to allot, or grant rights to subscribe for, shares in that Material Subsidiary in favour of a third party;
- 9.7.2 to convert any existing securities into, or to issue securities that have rights to convert into, shares in that Material Subsidiary in favour of a third party; or
- 9.7.3 to sell or transfer any share or loan capital or any other security of any kind giving rise to a right over the capital in that Material Subsidiary in favour of a third party,
- save in respect of any agreement or arrangement which exists to which only members of the Complete Target Group are a party.
- 9.8 There are no outstanding claims against the Company, Seller or any Seller Group Company in connection with the shares (participatory interests) in a Material Subsidiary and, so far as the Seller is aware, there are no circumstances likely to give rise to any such claims.
- 9.9 The transactions and transfers contemplated by the Pre-Completion Reorganisation have been completed in accordance with the Pre-Completion Reorganisation Steps Plan, constitutional documents of each member of the Complete Target Group and, in all material respects, in accordance with Applicable Law.
10. **Proceedings against the Seller**
- 10.1 There are no:
- 10.1.1 outstanding judgments, orders, injunctions or decrees of any governmental or

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

regulatory body or arbitration tribunal against or affecting the Seller;

10.1.2 lawsuits, actions or proceedings pending or, to the Seller's knowledge, threatened against or affecting it; or

10.1.3 investigations by any governmental or regulatory body which are pending or, to the Seller's knowledge, threatened against it,

and which, in each case, has or could have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document.

11. **Solvency**

The Seller is not bankrupt or insolvent or unable to pay its debts when due and no order has been made, and no corporate action or other step has been taken and no legal proceedings have been started or threatened, for its winding-up, dissolution or reorganisation or for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager (or equivalent in any jurisdiction) of it or over any of its assets, or any other measures taken against or in respect of it under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction, and no events have occurred which, under Applicable Law, would justify any such orders, steps or proceedings.

12. **Sanctions relating to the Seller**

12.1 The Seller is not currently the subject or the target of any Sanctions administered or enforced by any Sanctions Authority, nor is the Seller designated under any Sanctions List.

12.2 The Seller is not organised or resident in a country, region or territory that is the subject or the target of country or region-wide Sanctions, including, without limitation, Russia, Crimea (including Sevastopol), Cuba, Iran, North Korea, Sudan, and Syria.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 8

### BUSINESS WARRANTIES

#### 1. Locked Box Accounts

1.1 The Locked Box Accounts have been prepared on a basis consistent with that used in preparing the Accounts and fairly represent the combined assets and liabilities of the Complete Target Group as at and to the date to which they have been prepared, except that:

1.1.1 the Locked Box Accounts are carved out from the Accounts by way of exclusion from the Accounts of the individual financial statements of the Seller and Seller Group Companies, and no other adjustments or changes have been made for such carving out;

1.1.2 the Accounts have not been audited but have been subject to review and procedures agreed upon by the Parties and set out in Schedule 12 (*Agreed Upon Procedures*);

1.1.3 the following year-end closing procedures have not been applied for the preparation of the Locked Box Accounts:

- (A) the quantitative impairment test of goodwill;
- (B) valuations of separate business units performed by an independent appraiser;
- (C) stocktaking of inventory, operating right-of-use assets, property and equipment and intangible assets; and
- (D) signing of reconciliation acts with counterparties (debtors and creditors) that have the most material balances;

1.1.4 the Locked Box Accounts have been prepared with a materiality of RUB [\*\*\*] ([\*\*\*] Rubles);

1.1.5 the Locked Box Accounts have been prepared on the basis that each of the following entities are treated as being part of a group together with the Complete Target Group, notwithstanding that each such entity: (i) does not, under or in accordance with Applicable Laws, form part of a group together with the Complete Target Group; and (ii) is not a subsidiary undertaking of the Company:

- (A) [\*\*\*]; and
- (B) [\*\*\*];

1.1.6 since the Locked Box Date, each of the following entities have been dissolved, wound up or liquidated (as the context requires):

- (A) [\*\*\*];
- (B) [\*\*\*]; and

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

(C) [\*\*\*].

- 1.2 The Locked Box Accounts do not materially misstate the assets or liabilities of the Complete Target Group as at the Locked Box Date, for which purposes misstatement shall be deemed to be material if the aggregate value of such misstatement is in excess of RUB [\*\*\*] ([\*\*\*] Rubles).
- 1.3 Each contractual agreement entered into from the Locked Box Date to the date of this Agreement which, if entered into after the date of this Agreement, would require the Purchaser's prior written consent pursuant to paragraphs 2, 5, 7 or 8 of Schedule 4 (*Conduct of Business Before First Completion*), is listed in the Disclosure Letter, and true, accurate and complete copies of any such contractual agreements have been Disclosed to the Purchaser.
- 1.4 Since the Locked Box Date, the Seller has not knowingly taken any action, the sole purpose of which is to circumvent the prohibitions relating to Leakage in Clause 13 of this Agreement.

## 2. **Litigation**

So far as the Seller is aware, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending, to which any of the Complete Target Group is a party or to which any property of the Company or of the Complete Target Group is subject that, individually or in the aggregate, if determined adversely to the Complete Target Group, could reasonably be expected to have a Material Adverse Effect, and no such investigations, actions, suits or proceedings are, to the knowledge of the Seller, threatened or contemplated by any governmental or regulatory authority or threatened by others.

## 3. **Intellectual Property**

- 3.1 At the date of this Agreement, the Complete Target Group:

- 3.1.1. owns all Group Intellectual Property and Group Information Technology; and

- 3.1.2. so far as the Seller is aware, has access to all necessary Third-Party Intellectual Property,

which, together, encompasses all the Intellectual Property and Information Technology that is necessary in the context of the business of the Complete Target Group as conducted by the Target Group Companies as at the date of this Agreement, including, without limitation, with respect to the internet search engine technology used by the Complete Target Group.

- 3.2 At the date of this Agreement, the Complete Target Group owns all Group Intellectual Property and Group Information Technology that was developed within the Prospective Streams which, on the date of this Agreement, is necessary, or could reasonably be expected to be necessary, for the further development of such Prospective Streams.
- 3.3 Other than as provided by the Transitional Services Agreements, no Information Technology or Intellectual Property depends or otherwise relies on any service or data owned or controlled by the Seller or any Seller Group Company.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 3.4 Other than as provided by the Transitional Services Agreements, no Group Intellectual Property and no Group Information Technology is subject to any Encumbrance that would, or could reasonably be considered to, adversely impact, restrict or otherwise impair: (i) the Complete Target Group's use or application of the Material Intellectual Property as it is used or applied on the date of this Agreement; or (ii) the Complete Target Group's ability to dispose of the Material Intellectual Property.
- 3.5 So far as the Seller is aware, no member of the Complete Target Group has received any notice or claim of infringement or misappropriation of or conflict with asserted rights of others: (i) within the [\*\*\*] years prior to the date of this Agreement; and (ii) where such claim or notice relates to any subsisting or ongoing proceedings to which a member of the Complete Target Group is a party, before the [\*\*\*] years prior to the date of this Agreement, with respect to any of the Group Intellectual Property that:
- 3.5.1 is necessary in the context of the business of the Complete Target Group as conducted by the Target Group Companies as at the date of this Agreement, including, without limitation, with respect to the internet search engine technology used by the Complete Target Group; or
- 3.5.2 was developed within the Prospective Streams which, on the date of this Agreement, is necessary, or could reasonably be expected to be necessary, for the further development of such Prospective Streams,
- which, in each case, resulted in or could reasonably be expected to result in an IP Claim MAE, and, so far as the Seller is aware, no member of the Complete Target Group has received notice of, or is aware of facts that would form a reasonable basis for, any such notice or claims, which, individually or in the aggregate, if the subject of an unfavourable decision, ruling or finding, would have an IP Claim MAE.
- 3.6 The business and operations of the Complete Target Group do not infringe the rights of the Seller and the Seller Group Companies, in respect of:
- 3.6.1 any registered Group Intellectual Property that:
- (A) is necessary in the context of the business of the Complete Target Group as conducted by the Target Group Companies as at the date of this Agreement, including, without limitation, with respect to the internet search engine technology used by the Complete Target Group; and
- (B) was developed within the Prospective Streams which, on the date of this Agreement, is necessary, or could reasonably be expected to be necessary, for the further development of such Prospective Streams; and
- 3.6.2 as far as the Seller is aware, any unregistered or non-registrable Group Intellectual Property,
- in each case, which results or may reasonably be expected to result in a Material Adverse Effect.
4. **No Undisclosed Relationships**



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

To the Seller's knowledge, no relationship, direct or indirect, exists between or among the Complete Target Group, on the one hand, and the directors, officers, shareholders, customers or suppliers of the Complete Target Group, on the other, that is required by the Securities Act to be described in a registration statement to be filed with the SEC and that is not so described in the SEC Reports.

5. **Permits**

Each member of the Complete Target Group possesses all licenses, certificates, permits and other authorisations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses, except where the failure to possess or make the same would not or could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect; and none of the Complete Target Group has received notice of any revocation or modification of any such license, certificate, permit or authorisation or has any reason to believe that any such license, certificate, permit or authorisation will not be renewed in the ordinary course.

6. **Employees**

- 6.1 So far as the Seller is aware, no labour disturbance by or dispute with employees of the Company or any other member of the Complete Target Group exists or, to the knowledge of the Seller, is contemplated or threatened and the Seller is not aware of any existing or imminent labour disturbance by, or dispute with, the employees of any of the Complete Target Group's independent contractors who perform product development services for the members of the Complete Target Group, except as would not, individually or in the aggregate, have a Material Adverse Effect.
- 6.2 No terms of employment of any Key Employee require on termination of the employee's employment payment of compensation which exceeds the minimum amount of compensation payable on termination under Applicable Laws, including any so-called "golden parachute" type arrangements.
- 6.3 None of the operation of any member of the Complete Target Group, as conducted by such Target Group Company as at the date of this Agreement, are wholly or partly dependent on employees or directors who, as at First Completion, are employed by the Seller or any Seller Group Company.
- 6.4 No person, other than the Eligible Employees, has received, or has any entitlement to receive, any shares in the Company transferred by the Seller to Yandex.Technologies LLC in connection with the Pre-Completion Sale.

7. **Taxes**

- 7.1 Each member of the Complete Target Group has:
- 7.1.1 filed (or received an extension to file) with all appropriate taxing authorities all income, profit, franchise or other Tax returns required to be filed, and given all notices and supplied all information required to be given or supplied for the purposes of Taxation, through the date hereof, save for any filings the failure to file which

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- would not, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect, and all such returns, notices and information were correct and complete when given in all material respects;
- 7.1.2 properly and punctually discharged its liability to make any payment of Tax which has fallen due, including any penalty, fine, surcharge or interest in respect of such Tax;
- 7.1.3 properly made all deductions and withholdings on account of Tax required to be made in respect of any payment made or benefit provided before the date of this Agreement, and has to the extent required by Applicable Laws in its jurisdiction of incorporation properly accounted for all such deductions and withholdings; and
- 7.1.4 has in all material respects prepared, maintained, and has in its possession or under its control, accurate and up-to-date statutory books, books of account and other records relating to Taxes and Tax Reliefs that enable such member of the Complete Target Group to calculate and assess its Tax liabilities accurately in all material respects and support use of Tax Reliefs.
- 7.2 No Tax deficiency has been determined adversely to any of the Complete Target Group which has had (nor does the Seller have any knowledge of any Tax deficiency which, if determined adversely to the Complete Target Group, might individually or in the aggregate have) a Material Adverse Effect.
- 7.3 So far as the Seller is aware, no member of the Complete Target Group is party to any transaction which is fraudulent or a sham or which has as its main purpose or one of its main purposes the avoidance of a liability to Tax.
- 7.4 Each member of the Complete Target Group is, and since the date of its incorporation has been, resident for Tax purposes only in the jurisdiction in which it was incorporated.
- 7.5 So far as the Seller is aware:
- 7.5.1 each member of the Complete Target Group was and remains in all material respects compliant with Applicable Laws establishing transfer pricing rules;
- 7.5.2 all transactions or arrangements made by each member of the Complete Target Group requiring preparation of transfer pricing documentation under Applicable Laws were duly supported by such documentation; and
- 7.5.3 with respect to all transactions or arrangements made by each member of the Complete Target Group requiring transfer pricing filing with the Tax Authorities under Applicable Laws, the relevant filings were made in all material respects in accordance with Applicable Laws.
- 7.6 The Seller, in the [\*\*\*] years prior to the date of this Agreement:
- 7.6.1 has not been a resident of any jurisdiction (including the Russian Federation), other than the Netherlands, for Tax purposes; and
- 7.6.2 has not been acting in the territory of the Russian Federation through a permanent establishment.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

7.7 The Seller has provided to the Purchaser true, accurate and complete copies of each certificate of residence, in respect of years [\*\*\*] (inclusive) issued to the Seller by the competent Governmental Authority of the Netherlands, which confirm that the Seller has been a resident of the Netherlands for Tax purposes during the years [\*\*\*] (inclusive).

7.8 The Company is not a legal entity more than [\*\*\*] per cent ([\*\*\*]%) of whose assets consist, directly or indirectly, of immovable property located in the Russian Federation. The Immovable Property Share Statement has been prepared in good faith and with reasonable care and skill. The Immovable Property Share Statement is true, accurate, not misleading and fairly represents the share of immovable property located in the Russian Federation of which assets of the Company consist, directly or indirectly, as at the date of the accounts used for the preparation of the Immovable Property Share Statement. During the period from the date of the accounts used for the preparation of the Immovable Property Share Statement and until the date of this Agreement, there have been no investments in immovable property or reductions in the balance sheet total that would result in more than [\*\*\*]% of the share of immovable property on the balance sheet assets of the Company.

8. **No Unlawful Payments**

No member of the Complete Target Group or, to the Seller's knowledge, any Affiliate or Representative of any of the Complete Target Group, has taken any action in furtherance of an offer, payment, promise to pay, or authorisation or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organisation, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper advantage relating to the Company or any other member of the Complete Target Group or any of their respective businesses; for the past [\*\*\*] years, the Target Group Companies have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

9. **Compliance with Anti-Money Laundering Laws**

The current operations of the Company and the operations conducted within the past [\*\*\*] years by the Target Group Companies are and have been, to the knowledge of the Seller, in material compliance with applicable financial recordkeeping and reporting requirements, including to the extent applicable those of the (i) European Union Money Laundering Directives and member states' implementing legislation, (ii) the UK Proceeds of Crime Act 2002, (iii) the U.S. Bank Secrecy Act, USA Patriot Act and other US legislation relating to money laundering, including the Currency and Foreign Transactions Reporting Act of 1970, as amended, and (iv) any other laws, regulations and orders relating to money laundering or the proceeds of criminal activity and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving any of the Complete Target Group with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Seller, threatened.

10. **No Conflicts with Sanctions Laws**

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

None of the Complete Target Group or, to the Seller's knowledge, any Affiliate or Representative of any member of the Complete Target Group is currently the subject or the target of any Sanctions administered or enforced by any Sanctions Authority and including, without limitation, designated under any Sanctions List, which have the effect of making unlawful, prohibiting or otherwise restricting First Completion, Second Completion, the Transaction or performance by any Party of its obligations under this Agreement.

11. This paragraph is intentionally left blank.

12. **No Defaults**

12.1 So far as the Seller is aware, none of the Company or any other member of the Complete Target Group is, or will be as a result of execution of this Agreement or Completion, (i) in material violation of its constitutional or organisational documents; (ii) in default, and no event has occurred, or will occur as a result of execution of this Agreement or Completion, that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the any member of the Complete Target Group is a party or by which members of the Complete Target Group are bound or to which any of the property or assets of the Complete Target Group is subject; or (iii) in violation of any Applicable Laws or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of each of (i) and (ii) above, for any such default or violation that would not or could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

12.2 Except as Disclosed, and so far as the Seller is aware, no Material Contract may be terminated as a result of a change of control of the Company or any of the Material Subsidiaries, and such a change of control would not entitle any person to call for early repayment under any Material Contract.

For the purposes of this paragraph 12.2, "**Material Contract**" means: (i) any contract or agreement to which a member of the Complete Target Group is a party involving aggregate consideration payable to or by such member of the Complete Target Group, or liabilities of such member of the Complete Target Group, in an amount exceeding RUB [\*\*\*] ([\*\*\*] Rubles) in any year; and (ii) any contract or agreement as to which the breach, termination or failure to renew by such member of the Complete Target Group could reasonably be considered to be material to the business or operations of the Complete Target Group taken as a whole.

13. **No Reliance on the Seller or Seller Group Companies**

13.1 Other than as provided by the Transitional Services Agreements, no member of the Complete Target Group has outstanding obligations or liabilities to or for the benefit of the Seller or any Seller Group Company in an amount exceeding RUB [\*\*\*] ([\*\*\*] Rubles) in aggregate in respect of all members of the Complete Target Group (and, where the threshold is exceeded, the Parties agree that the Seller will be liable for the whole such amount, and not for the excess over the threshold only, subject to the remaining terms and conditions of this Agreement).

13.2 Each Material Subsidiary owns or has the right to use each asset, and has access to all

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

information necessary to continue its operations in the ordinary course of business, as conducted by such Material Subsidiary in the [\*\*\*] months prior to the date of this Agreement, and such use and access are not wholly or partly dependent on any facilities or services under the ownership or control of the Seller or any of the Seller Group Company.

13.3 Other than the services to be provided pursuant to the Transitional Services Agreements, no Seller, Seller Group Company, or Seller's Connected Persons provide any services to any member of the Complete Target Group necessary for each Target Group Company to continue its operations in the ordinary course of business, as conducted by such Target Group Company in the [\*\*\*] months prior to the date of this Agreement.

13.4 At First Completion, all Intra-Group Agreements that would or could reasonably be deemed to be material to the business, properties, liabilities (actual or contingent), management, condition (financial or otherwise), financial position, profits, shareholders' equity, operations or prospects of the Complete Target Group taken as a whole have been discharged or otherwise terminated.

14. **No Marketing or Disclosure of the Transaction**

No transaction contemplated by this Agreement has been announced, disclosed, communicated, or marketed by the Seller prior to the date hereof.

15. **No Internal Regulations**

From the date of the Company's incorporation, neither the general shareholders meeting nor board of directors of the Company have adopted any internal regulations or policies.

16. **Pre-Completion Reorganisation**

The Pre-Completion Reorganisation, solely to the extent carried out outside of the Russian Federation, complies in all material respects with Applicable Laws (including, for the avoidance of doubt, applicable anti-trust and competition laws in any jurisdiction (other than the Russian Federation)).

17. **No Other Representations and Warranties**

Except for the warranties contained in Schedule 7 (*Seller Warranties*) and this Schedule 8 (*Business Warranties*), the Seller makes no other representation or warranty, express or implied, written or oral, and hereby, to the maximum extent permitted by Applicable Laws, disclaims any such representation or warranty, whether by the Seller or any other person, with respect to the Seller or with respect to any other information made available to the Purchaser or its representatives in connection with the transactions contemplated hereby.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 9

### PURCHASER WARRANTIES

1. **Incorporation**

The Purchaser is duly incorporated, duly organised and validly existing under the laws of its jurisdiction of incorporation.

2. **Corporate power and authority**

The Purchaser has the corporate power and authority to enter into and perform this Agreement and any agreement entered into pursuant to the terms of this Agreement.

3. **Binding agreements**

The provisions of this Agreement and any agreement entered into pursuant to the terms of this Agreement, constitute valid and binding obligations on the Purchaser and are enforceable against it in accordance with their respective terms, in each case subject to principles of Applicable Laws of general application limiting obligations.

4. **Due authorisation, execution and delivery**

The Purchaser has duly authorised, executed and delivered this Agreement and will, at Completion, have authorised, executed and delivered any agreements to be entered into by the Purchaser pursuant to the terms of this Agreement.

5. **No breach**

The execution and delivery by the Purchaser of, and the performance by it of its obligations under, this Agreement and any agreement entered into pursuant to the terms of this Agreement will not result in:

- 5.1 a breach of or conflict with any provision of the Purchaser's memorandum or articles of association or equivalent constitutional documents nor any of the constitutional documents of the Fund, including the Fund Documents;
- 5.2 a material breach of, or constitute a material default under, any instrument to which the Purchaser is a party or by which it is bound; or
- 5.3 a breach of any Applicable Laws.

6. **Consents**

Save to the extent the same are the subject of the Conditions, all consents, permissions, authorisations, approvals from any Governmental Authority or Regulator having jurisdiction over it which are necessary for the Purchaser to obtain in order to enter into and perform this Agreement and any agreement into pursuant to the terms of this Agreement in accordance with its terms, will have been unconditionally obtained by the First Completion Commencement Date.

7. **Proceedings**

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

There are no:

- 7.1 outstanding judgments, orders, injunctions or decrees of any governmental or regulatory body or arbitration tribunal against or affecting the Purchaser or the Fund, or any of its Affiliates, or so far as the Purchaser is aware, any of the Underlying Investors or any of their Affiliates;
- 7.2 lawsuits, actions or proceedings pending or, to its knowledge, threatened against or affecting the Purchaser or any of the Underlying Investors; or
- 7.3 investigations by any governmental or regulatory body which are pending or, to its knowledge, threatened against the Purchaser or any of the Underlying Investors,

and which, in each case, has or could have a material adverse effect on its ability to perform its obligations under this Agreement or any other agreements entered into pursuant to the terms of this Agreement.

**8. Beneficial Ownership**

The identity of each and any of the Underlying Investors, which for the avoidance of doubt includes such Underlying Investors' ultimate beneficial owners, to the extent applicable, as provided to the Seller prior to the date hereof is true and accurate.

**9. Title to Exchange NV Shares**

- 9.1 At First Completion, the Purchaser is the legal and beneficial owner of the First Tranche Exchange NV Shares free from any Encumbrances.
- 9.2 The Purchaser has not disposed of any Second Tranche Exchange NV Shares and/or created any Encumbrance thereover.
- 9.3 As far as the Purchaser is aware, no person from whom the Purchaser has received the respective Second Tranche Exchange NV Shares has (i) done anything which may reasonably result in loss or deficiency of title to the Second Tranche Exchange NV Shares; or (ii) created any Encumbrance over the Second Tranche Exchange NV Shares.

**10. Sufficient Funds**

The Purchaser has obtained financing commitments sufficient to meet its obligations under this Agreement such that it cannot foresee that it will not be fully funded and have all of the necessary cash resources in order to fulfil its obligations under this Agreement at the relevant Completion.

**11. Purchase For Own Account**

The Purchaser is acquiring the Ordinary Sale Shares as principal, for its own account (and those of its Underlying Investors and Affiliates) solely for the purpose of investment, not as nominee or agent, and not with a view to, or for sale in connection with, any distribution of the Ordinary Sale Shares in violation of this Agreement. The Purchaser has (and, so far as the Purchaser is aware, each Underlying Investor has) no present agreement, undertaking,

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

arrangement, obligation, or commitment providing for the direct or indirect disposition of the Ordinary Sale Shares, save in respect of the transactions contemplated by Clause 12.4.

**12. Solvency**

Neither the Purchaser nor any of the Underlying Investors is bankrupt or insolvent or unable to pay its debts when due and no order has been made, and no corporate action or other step has been taken and no legal proceedings have been started or threatened, for its winding-up, dissolution or reorganisation or for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager (or equivalent in any jurisdiction) of it or over any of its assets, or any other measures taken against or in respect of it under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction, and no events have occurred which, under Applicable Laws, would justify any such orders, steps or proceedings.

**13. Anti-Bribery and Anti-Money Laundering**

13.1 In connection with the sale and purchase of the Sale Shares pursuant to this Agreement, the Purchaser is and will be in compliance with all applicable Anti-Bribery Law and Anti-Money Laundering Law and has instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such laws. None of the Purchaser, the Underlying Investors nor, so far as the Purchaser is aware, any of their Affiliates has in connection with the Transaction (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government employee or official from corporate funds, or (iii) violated or is in violation of any provision of any applicable Anti-Bribery Law.

13.2 The funds that the Purchaser will use for the purchase of the Sale Shares do not derive from criminal activity.

**14. Sanctions**

14.1 None of the Purchaser, the Fund, the Underlying Investors, nor any of their respective subsidiaries or directors, nor, to its knowledge, any agent, or Affiliate of the Purchaser, the Fund, the Underlying Investors nor any of its subsidiaries is currently the target of any Sanctions, owned or Controlled by any Sanctioned Person or designated on any Sanctions List nor has any of the foregoing persons taken any steps, performed any acts or omissions, taken any action or is party to any agreement, arrangement or understanding which would or could reasonably be expected to cause or result in any such persons being deemed a Sanctioned Person on the date hereof, in each case to the extent relevant Sanctions have the effect of making unlawful, prohibiting or otherwise restricting First Completion, Second Completion, the Transaction or performance by any Party of its obligations under this Agreement.

14.2 As far as the Purchaser is aware, none of the persons from whom the Purchaser has acquired the First Tranche Exchange NV Shares as at First Completion, is the target of any Sanctions, owned or Controlled by any Sanctioned Person or designated on any Sanctions List, in each case to the extent relevant Sanctions have the effect of making unlawful, prohibiting or otherwise restricting First Completion, the Transaction or performance by any Party of its obligations under this Agreement.



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 14.3 As far as the Purchaser is aware, none of the persons from whom the Purchaser has acquired the Second Tranche Exchange NV Shares under over-the-counter transactions as at Second Completion, is the target of any Sanctions, owned or Controlled by any Sanctioned Person or designated on any Sanctions List, in each case to the extent relevant Sanctions have the effect of making unlawful, prohibiting or otherwise restricting Second Completion, the Transaction or performance by any Party of its obligations under this Agreement (which warranty, for the avoidance of doubt, shall not extend to any Exchange NV Shares acquired by the Purchaser via stock exchange infrastructure).
- 14.4 The funds that the Purchaser will use for the purchase of the Sale Shares do not derive in any way from any transaction with or action involving a target of Sanctions, to the extent the use of such funds have the effect of making unlawful, prohibiting or otherwise restricting First Completion, Second Completion, the Transaction or performance by any Party of its obligations under this Agreement.

15. **Non-Reliance**

Neither the Purchaser, the Fund, any of the Underlying Investors, nor, so far as the Purchaser is aware, any of their respective Representatives has relied or is relying on any representation or warranty, express or implied, written or oral, made by the Seller or any of its Representatives, except those representations and warranties expressly set forth in Schedule 7 (*Seller Warranties*) and Schedule 8 (*Business Warranties*), as qualified by the contents of the Disclosure Letter. Neither the Seller nor any of its Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or any other person resulting from any other express or implied representation or warranty with respect to the Company or the Complete Target Group, unless any such information is expressly included in a representation or warranty contained in Schedule 7 (*Seller Warranties*) and Schedule 8 (*Business Warranties*), as qualified by the contents of the Disclosure Letter.

16. **Tax**

The Purchaser is not a resident in any jurisdiction, other than the Russian Federation, for Tax purposes.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 10

### LIMITATIONS ON LIABILITY

#### 1. DISCLOSURE

The Seller shall not be liable in respect of a Claim for breach of any of the Seller Warranties to the extent that the facts and circumstances giving rise to such Claim are Disclosed in the Disclosure Letter or are treated as Disclosed pursuant to the terms of the Disclosure Letter.

#### 2. TIME LIMITS

2.1 As soon as reasonably practicable after the Purchaser becomes aware of any matter or event which might reasonably give rise to a Claim, it shall notify the Seller of such matter or circumstance in writing.

2.2 The Seller shall not be liable for any Claim unless the Purchaser gives notice to the Seller containing (i) reasonable details of the legal and factual basis of such Claim as then known to the Purchaser and (ii) if practicable, the Purchaser's estimate of the amount of such Claim (which estimate shall not prejudice the Purchaser's rights in respect of the Claim):

2.2.1 in the case of any Fundamental Claim or Claim under Clauses 14.1.1 to 14.1.4 (inclusive), on or before the date being [\*\*\*] years from the First Completion End Date;

2.2.2 in the case of any Tax Claim, on or before [\*\*\*], provided that if any Tax audit in respect of any member of the Complete Target Group is commenced by any Tax Authority but is not completed before the expiry of such period, it shall be extended but only in relation to Tax Claims resulting from such Tax audit and only until the expiry of [\*\*\*] months following completion of such Tax audit (and, for the purpose of this paragraph 2.2.2, a Tax audit shall be deemed completed from the date of entry into force of:

(A) a decision by a competent Tax Authority on the imposition (non-imposition) of sanctions for the commission of a tax offence revealed by that Tax audit in accordance with Articles 101 and 101.2 of the Tax Code of the Russian Federation, and, for claims by foreign Tax Authorities, in accordance with the procedure provided for by Applicable Laws of the relevant foreign jurisdictions; or

(B) a decision of the appellate court (in Russian, *суд апелляционной инстанции*) with respect to the results of such Tax audit); and

2.2.3 in the case of any Pre-Completion Conduct Claim, Locked Box Warranty Claim or any claim under Clause 13 (*Leakage*), on or before the date being [\*\*\*] months from the First Completion End Date;

2.2.4 any claim under Clauses 17.6 to 17.9 (*Confidentiality*), on or before [\*\*\*]; and

2.2.5 any other Claim (other than a Fundamental Claim, Tax Claim, Locked Box Warranty Claim and Claims under Clauses 14.1.1 to 14.1.4 (inclusive)), or any

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

other claim under this Agreement, on or before the date being [\*\*\*] months from the First Completion End Date.

- 2.3 To the extent that a Claim arises out of a liability which at the time that it is notified to the Seller is contingent only, the Seller shall not be under any obligation to make any payment to the Purchaser unless and until the liability ceases to be contingent and becomes an actual liability (provided that, subject to any such Claim being notified within the period specified in paragraph 2.2, the [\*\*\*] month time limit referred to in paragraph 2.4 for commencing proceedings in respect of that Claim shall begin on the date on which the relevant liability ceases to be contingent and becomes an actual liability).
- 2.4 A Claim shall not be enforceable against the Seller and shall be deemed to have been withdrawn, and no new Claim may be made in respect of the facts giving rise to such Claim, unless legal proceedings in respect of such Claim are commenced (by a request for arbitration being issued and served) within [\*\*\*] months of the service of a notice of the Claim on the Seller in accordance with the notice provisions in this paragraph 2 (*Time limits*), and such proceedings are being and continue to be pursued with reasonable diligence.
3. **MONETARY LIMITS**
- 3.1 The total liability of the Seller in respect of all claims under this Agreement shall not exceed [\*\*\*] per cent ([\*\*\*]%) of the amount of the Total Consideration. Subject always to that aggregate cap, the cap on the Seller's total liability in respect of:
- 3.1.1 all Leakage and Locked Box Warranty Claims shall not exceed [\*\*\*] per cent ([\*\*\*]%) of the amount of the Total Consideration that is received by the Seller in cash;
- 3.1.2 the Fundamental Claims and Claims under Clauses 14.1.1 to 14.1.4 (inclusive) shall not exceed [\*\*\*] per cent ([\*\*\*]%) of the amount of the Total Consideration that is received by the Seller in cash;
- 3.1.3 the Pre-Completion Conduct Claims and other Claims (other than the Fundamental Claims, Locked Box Warranty Claims and Claims under Clauses 14.1.1 to 14.1.4 (inclusive)) shall not exceed [\*\*\*] per cent ([\*\*\*]%) of the Total Consideration, save that any such amount shall not exceed the amount of the Total Consideration that is received by the Seller in cash; and
- 3.1.4 all other claims under this Agreement shall not exceed [\*\*\*] per cent ([\*\*\*]%) of the amount of the Total Consideration that is received by the Seller in cash.
- 3.2 Subject to paragraph 3.4 of this Schedule 10, the Seller shall not be liable for any Claim unless the total amount of the liability of the Seller in respect of all Claims (excluding interest and costs) exceeds the Basket in which case the Seller shall be liable for the whole amount of such Claims and not for the excess over the Basket only.
- 3.3 Notwithstanding the provisions of paragraph 3.2 of this Schedule 10, the Seller shall not be liable for an Actual Tax Liability to which Clauses 14.1.5 and 14.1.6 applies unless, in respect of all claims under Clause 14.1.5 or all claims under Clause 14.1.6, the amount of the Actual Tax Liability exceeds USD [\*\*\*] ([\*\*\*] Dollars), in which case the Seller shall be

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

liable for the full amount of such Actual Tax Liability and not for the excess over the foregoing threshold only.

- 3.4 For the purpose of this paragraph 3 of Schedule 10, all Claims arising from the same or substantially the same set of circumstances shall be treated as one individual Claim.
- 3.5 The limitation in paragraph 3.2 of this Schedule 10 does not apply to Fundamental Claims and Claims under Clauses 14.1.1 to 14.1.4 (inclusive).

#### 4. CURE

- 4.1 If and to the extent that a Claim neither qualifies as a Third Party Claim nor a Tax Claim and the breach underlying that Claim is capable of being remedied within a reasonable period, the Purchaser shall give the Seller the opportunity to take all such reasonable actions or measures to cure the breach at its expense as if the relevant breach had not occurred.
- 4.2 Should the Seller wish to remedy the breach, it shall give written notice to the Purchaser within [\*\*\*] Business Days of receiving notice under paragraph 2.1 of this Schedule 10 (*Limitations on Liability*), such notice to set out in reasonable detail the contemplated measures and expected timeframe for remedying the relevant breach.
- 4.3 During the timeframe referred to in paragraph 4.2 and without prejudice to the Purchaser's right to give a notice of Claim under paragraph 2.2 of this Schedule 10 to avoid any period contained in it to have lapsed, the Purchaser shall not commence any arbitration proceedings for the relevant Claim against the Seller.
- 4.4 The Seller shall not be liable for a Claim in respect of any matter, fact or circumstance to the extent that the breach to which that Claim relates has meanwhile been fully cured by the Seller under this paragraph 3.5 to the reasonable satisfaction of the Purchaser.

#### 5. PURCHASER'S ACTIONS

- 5.1 The Seller shall not be liable for a Claim in respect of any matter, fact or circumstance:
- 5.1.1 to the extent that the relevant Claim arises or is increased (but in the latter case only to the extent of the amount of the increase) as a consequence of an act or omission of the Purchaser or any of its Affiliates from time to time (including from First Completion, any member of the Complete Target Group), including a change of valuation method, which the Purchaser (or such Affiliate), actually knew, or ought reasonably to have actually known, would result in a Claim (or result in the increase of the amount of such Claim), and except for such voluntary act or omission which was carried out to comply with Applicable Laws or lawful requirements of Governmental Authorities or in consequence of the execution and performance of, and in accordance with the terms of, this Agreement or any other Transaction Document;
- 5.1.2 to the extent that the relevant Claim arises or is increased as a consequence of an act, omission or transaction occurring before First Completion at the request or direction of or with the consent (whether actual or deemed) of the Purchaser or any member of the Purchaser's Group; or

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 5.1.3 to the extent that the amount of such Claim is actually recovered under any policy of insurance maintained by the Purchaser or from First Completion, any of the Complete Target Group or would have been so recovered if the policy of insurance has been maintained after the First Completion End Date on no less favourable terms than those existing at the First Completion End Date.
- 6. CHANGES IN LAW, REGULATION AND PRACTICE**
- 6.1 The Seller shall not be liable in respect of a Claim to the extent that the Claim arises or is increased as a result of:
- 6.1.1 a change in any Applicable Laws (including the passing of any legislation, or making of any subordinate legislation) after the date of this Agreement, including any increase in the rates of Tax, any imposition of Tax or any withdrawal of relief from Tax not in effect at the date of this Agreement;
- 6.1.2 any change in generally accepted accounting practice after the date of this Agreement; or
- 6.1.3 any change in the accounting policies or practice of the Purchaser, or the Purchaser's Group after the date of this Agreement or (after the First Completion End Date) any member of the Complete Target Group other than any such change which is necessary to comply with any Applicable Law in force at the date of this Agreement.
- 7. MATTERS INCLUDED IN THE LOCKED BOX ACCOUNTS**
- The Seller shall not be liable in respect of a Claim to the extent that the Claim relates to any matter specifically provided for or recognised, or included as a liability, in the Locked Box Accounts.
- 8. SUMS RECOVERABLE FROM THIRD PARTIES**
- 8.1 If the Purchaser or member of the Complete Target Group (or any assignee or successor in title thereof) is entitled to recover from any third party any sum that indemnifies or compensates it for any losses which are the subject matter of the Claim, the Purchaser shall or shall procure that the person so entitled shall use all reasonable endeavours to recover that sum. The Purchaser must as soon as reasonably practicable provide to the Seller such material information in relation to the conduct of such recovery as the Seller requests (acting reasonably). Any sum recovered by the Purchaser or any member of the Complete Target Group (or any assignee or successor in title thereof) (less any reasonable costs and expenses incurred by the Purchaser or any member of the Complete Target Group (or any assignee or successor in title thereof) in recovering the sum and any Tax attributable to or suffered in respect of the sum recovered) will reduce the Seller's liability in respect of the Claim to the extent of such recovery.
- 8.2 If the Seller has paid an amount in discharge of any Claim and the Purchaser or member of the Complete Target Group (or any assignee or successor in title thereof) is entitled to recover from any third party any sum that indemnifies or compensates it for any losses which are the subject matter of the Claim, the Purchaser shall or shall procure that the person so entitled shall use all reasonable endeavours to recover that sum. The Purchaser shall or shall procure

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

that the person receiving such sum shall pay to the Seller, as soon as practicable after receipt, an amount equal to the sum actually recovered (less any reasonable costs and expenses incurred by the Purchaser or any member of the Complete Target Group (or any assignee or successor in title thereof) in recovering the sum and any Tax attributable to or suffered in respect of the sum recovered), but not exceeding the amount paid by the Seller to the Purchaser in discharge of the Claim.

- 8.3 The provisions of paragraphs 8.1 and 8.2 of this Schedule 10 shall not apply where the Purchaser (acting reasonably and in good faith) determines that complying with the relevant provisions would be materially prejudicial to the interests of the Complete Target Group, or would otherwise materially damage the goodwill of the Complete Target Group.

## 9. ACTIONS BY THIRD PARTIES

- 9.1 If the Purchaser becomes aware of any claim, action or demand made against it or any of the Complete Target Group by a third party which may reasonably be expected to give rise to a Claim (including, for the avoidance of doubt, any Tax Claim under Clauses 14.1.5 or 14.1.6) (a "**Third Party Claim**"):

9.1.1 the Purchaser shall as soon as practicable notify the Seller, giving reasonable details of the relevant facts and circumstances relating to the Third Party Claim;

9.1.2 the Purchaser shall and shall procure that the relevant member of the Complete Target Group shall keep the Seller reasonably informed of all material developments in relation to the Third Party Claim and not settle or make any admission of liability, agreement or compromise any claim or matter relating to the Third Party Claim without written consent of the Seller, such consent not to be unreasonably withheld or delayed, unless the Purchaser (acting reasonably and in good faith) determines that refraining from such settlement or admission would be materially prejudicial to the interests of the Complete Target Group, or would otherwise materially damage the goodwill of the Complete Target Group; and

9.1.3 subject to the Purchaser and the relevant member of the Complete Target Group being indemnified against all reasonable liabilities, costs and expenses which may be suffered or incurred by reason of such action, the Purchaser shall and shall procure that the relevant member of the Complete Target Group shall consult with and follow the reasonable instructions of the Seller in relation to all material matters connected with the Third Party Claim and take all such action as the Seller may reasonably request in relation to the Third Party Claim, including commencing conducting, defending, resisting, settling, compromising or appealing against any proceedings, unless the Purchaser (acting reasonably and in good faith) determines that taking of such actions would be materially prejudicial to the interests of the Complete Target Group, or would otherwise materially damage the goodwill of the Complete Target Group.

## 10. INFORMATION PROVIDED BY THE SELLER

The Seller expressly disclaims all liability and responsibility for any conclusion, opinion, forecast or evaluation contained within or derived or capable of being derived from any investigation carried out or made by or on behalf of the Purchaser in the course of any due diligence or other enquiry prior to the Parties entering into this Agreement or any other data,

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

document, record or information disclosed by the Seller or any member of the Complete Target Group or any employee, agent or adviser of any of them, to the Purchaser or to any person on behalf of the Purchaser.

#### 11. NO LIABILITY TO THIRD PARTIES

No person other than the Purchaser is entitled to make any Claim, save to the extent that Clause 17.14 (*Third Party Rights*) provides otherwise.

#### 12. CHANGE OF CONTROL

12.1 The Seller shall not be liable for any Claim to the extent that the amount of such Claim is payable to or accrues for the benefit of (directly or indirectly) any person (other than the person(s) that are the Underlying Investors or their Permitted Assignees) that (i) on the date such Claim is made or at any time thereafter, acquired any Sale Shares in circumstances where the Purchaser was in breach of Clause 12 (*Restrictions on Changes to Beneficial Ownership*), or (ii) as at the date of the relevant Claim is the target of any Sanctions, owned or Controlled by any Sanctioned Person or designated on any Sanctions List (in each case, a "**Non-Eligible Owner**"), and the Purchaser shall not make or pursue any Claim to the extent that the amount of such Claim is payable to or accrues for the benefit of (directly or indirectly) any Non-Eligible Owner.

12.2 If: (i) the owner of some of the Sale Shares has acquired them from the Purchaser, the Underlying Investors and/or their Permitted Assignees following the expiry of the Lock-Up Term and otherwise not in breach of Clause 12 (*Restrictions on Changes to Beneficial Ownership*); (ii) at the date of any relevant Claim such owner is not the target of any Sanctions, owned or Controlled by any Sanctioned Person or designated on any Sanctions List; (iii) each of the Company and the Purchaser is still under the Control of the Underlying Investors (or their Permitted Assignees) (except where such Control is lost solely as a result of a dilution to the interests held by the foregoing as a result of (y) any primary public offering of shares in the Company, or (z) the issuance of any shares in the Company under the terms of any Employee Benefit Plan); and (iv) the liabilities of the Seller under this Agreement shall be no greater than such liabilities would have been had the sale or transfer of Sale Shares contemplated by this paragraph 12.2 not occurred, then provided always that a Claim under this Agreement is made by the Purchaser (and not by such owner directly), the Seller hereby waives the right to object to such Claim solely on the basis that, at the time when the Claim is made or at any time thereafter, the Purchaser may no longer own the Sale Shares and may not have suffered a loss as a result of the circumstances forming ground for the Claim, and the Seller shall not be relieved from any liability under such Claim.

12.3 For the avoidance of doubt, an internal reorganisation within the Purchaser's Group, or the liquidation or legal reorganisation of a member of the Purchaser's Group (other than the Purchaser) whereby it ceases to exist, would not necessarily of itself constitute a change of Control of the Purchaser or of a member of the Complete Target Group or the assets, business or revenue of an entity in the Complete Target Group.

#### 13. MITIGATION

Where the Seller is or may likely become liable in respect of any Claim, the Purchaser shall take all reasonable steps, and (if applicable) shall (following First Completion) procure that

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

the members of the Complete Target Group and any other relevant person shall take all reasonable steps, to mitigate the loss in respect of which the Claim is made.

**14. NO DOUBLE RECOVERY**

The Purchaser agrees that it shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of any one shortfall, damage, deficiency, breach or other set of circumstances which give rise to one or more Claims. For this purpose, recovery by an entity in the Complete Target Group shall be deemed to be recovery by the Purchaser.

**15. INDIRECT LOSS**

15.1 The Seller shall not be liable for any:

15.1.1 indirect or consequential loss;

15.1.2 indirect loss of profit; or

15.1.3 punitive damages (whether direct or indirect).

**16. COOPERATION AND PROVISION OF INFORMATION**

16.1 In the event that the Purchaser notifies the Seller of any Claim pursuant to paragraph 2.1 of this Schedule 10 (*Limitations on Liability*), the Seller shall, in consultation with the Purchaser, be entitled to investigate the matter either on its own or with the assistance of its advisers, and the Purchaser shall procure that:

16.1.1 the Complete Target Group grants the Seller, its agents and advisers such access to all of the Company's and any other member of the Complete Target Group's personnel, books, records, accounts and documents of whatsoever kind in possession or under control of any member of the Complete Target Group, free of charge, such access to be granted at any reasonable time and repeatedly, to the extent related specifically to any Claim;

16.1.2 the Complete Target Group allows the Seller to make copies of any books and records, accounts and documents of whatsoever kind in possession or under control of any member of the Complete Target Group, free of charge, to the extent reasonably necessary for such proceedings; and

16.1.3 the current and any former auditors of the Company make available to the Seller its agents and advisers the audit working papers in respect of any audit of the accounts of the Company to the extent reasonably necessary for such proceedings,

provided that the Seller will give the Purchaser at least [\*\*\*] Business Days' prior notice and will, and will procure that its advisers will, treat all information that is disclosed as confidential, and that nothing in this paragraph 16.1 shall require the Purchaser to disclose: (i) any legally privileged information or internal analysis that has been prepared by, or for the benefit of, the Complete Target Group, (ii) the confidential information disclosure of which by the Purchaser will violate the obligations owed by the Purchaser or any member of the Complete Target Group to any third party other than the Seller; or (iii) any other



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

documents and information to the extent such disclosure would materially prejudice the ability of the Purchaser to bring a claim against the Seller.

16.2 The Purchaser shall and shall procure that the Company shall keep safe all information, books, records, documents (including information in electronic form) relating to the Complete Target Group and its business which are or may be relevant in connection with any matter which may give rise to a Claim for the period within which any Claim may be brought under this Agreement and after that for as long as any actual or prospective Claim remains outstanding.

16.3 For the avoidance of doubt, the Seller shall not be exempt from its liability under any Claim solely by reason of the Purchaser failing to comply with any of the provisions of this paragraph 16.

17. **GENERAL**

17.1 This Schedule 10 (*Limitations on Liability*) applies notwithstanding any other provision of this Agreement to the contrary and shall not cease to have effect as a consequence of any rescission or termination of any other provisions of this Agreement.

17.2 The limitations on the liability of the Seller set out in this Schedule 10 (*Limitations on Liability*) shall not apply in relation to the Seller to the extent that the Claim is in respect of or is increased by the fraud of the Seller.

Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

## SCHEDULE 11

## LOCKED BOX ACCOUNTS

Complete Target Group combined balance sheet as  
of  
30 September 2023  
(in millions of Russian rubles)  
RUB

## [ASSETS

|   |       |
|---|-------|
| Cash and cash equivalents                       | [***] |
| Accounts receivable                             | [***] |
| Sales financing receivable                      | [***] |
| Prepaid expenses                                | [***] |
| Inventory                                       | [***] |
| Funds receivable                                | [***] |
| VAT reclaimable                                 | [***] |
| Net investment in the lease                     | [***] |
| Investments in debt securities                  | [***] |
| Bank deposits and loans to customers            | [***] |
| Other current assets, including                 | [***] |
| Other receivables                               | [***] |
| Loans granted                                   | [***] |
| Prepaid income tax                              | [***] |
| Contract assets                                 | [***] |
| Restricted cash                                 | [***] |
| Prepaid other taxes                             | [***] |
| Interest receivable                             | [***] |
| Other   | [***] |
| <b>Total current assets</b>                     | [***] |
| Property and equipment                          | [***] |
| Operating lease right-of-use assets             | [***] |
| Intangible assets                               | [***] |
| Content assets                                  | [***] |
| Goodwill  | [***] |
| Equity method investments                       | [***] |
| Investments in non-marketable equity securities | [***] |
| Deferred tax assets                             | [***] |
| Net investment in the lease                     | [***] |
| Long-term prepaid expenses                      | [***] |
| Bank deposits and loans to customers            | [***] |
| Other non-current assets, including             | [***] |
| Loans granted                                   | [***] |
| Contract assets                                 | [***] |
| Restricted cash                                 | [***] |
| VAT reclaimable                                 | [***] |
| Other receivables                               | [***] |
| <b>Total non-current assets</b>                 | [***] |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

|                                |       |
|--------------------------------|-------|
| Investments in group companies | [***] |
| Due from group companies       | [***] |
| <b>TOTAL ASSETS</b>            | [***] |

**Complete Target Group  
combined balance sheet as of  
September 30, 2023  
(in millions of Russian rubles)  
RUB**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

|   |       |
|---|-------|
| Accounts payable, accrued and other liabilities, including          | [***] |
| Trade accounts payable for services                                 | [***] |
| Other trade accounts payable and accrued liabilities                | [***] |
| Salary and other compensation expenses payable/accrued to employees | [***] |
| Liabilities under the reverse factoring program                     | [***] |
| Operating lease liabilities, current                                | [***] |
| Content liabilities   | [***] |
| Finance lease liability, current                                    | [***] |
| Accounts payable for acquisition of businesses                      | [***] |
| Debt, current portion   | [***] |
| Income and non-income taxes payable                                 | [***] |
| Deferred revenue  | [***] |
| Bank deposits and liabilities                                       | [***] |
| <b>Total current liabilities</b>                                    | [***] |
| Debt, non-current portion   | [***] |
| Deferred tax liabilities  | [***] |
| Operating lease liabilities   | [***] |
| Finance lease liabilities   | [***] |
| Bank deposits and liabilities                                       | [***] |
| Other accrued liabilities, including                                | [***] |
| Other accrued tax liabilities                                       | [***] |
| Other accrued liabilities   | [***] |
| <b>Total non-current liabilities</b>                                | [***] |
| Due to group companies  | [***] |
| <b>Total liabilities</b>  | [***] |
| Commitments and contingencies                                       | [***] |
| <b>Total shareholders' equity</b>                                   | [***] |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                   | [***] |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

## SCHEDULE 12

### AGREED UPON PROCEDURES

#### *General procedures*

**Procedure 1:** obtain the information as set out in Appendix 2 to the Contract and Appendix 2 to the Report.

**Procedure 2:** compare the list of TP companies to the list of companies included into the TP Group consolidation table as of December 31, 2022, and as of September 30, 2023.

**Procedure 3:** compare the list of EP companies to the list of companies included into the EP Group consolidation table as of December 31, 2022, and as of September 30, 2023.

**Procedure 4:** in respect of each discrepancy identified as a result of performing Procedures 2 and 3 perform inquiry of Head of Corporate reporting and financial control division of [\*\*\*] regarding the nature of the discrepancy identified.

#### *Math accuracy and completeness check of TP Group combined balance sheet as of December 31, 2022*

**Procedure 5.1:** sum up the amount for respective line item from TP companies' stand-alone balance sheets as of December 31, 2022 with US GAAP adjustments for this line item from the TP Group consolidation table as of December 31, 2022 and agree the resulting total to the amount for this line item in the TP Group combined balance sheet as of December 31, 2022.

**Procedure 5.2:** sum up the amount for respective line item from EP companies' stand-alone balance sheets as of December 31, 2022 with US GAAP adjustments for this line item from the EP Group consolidation table as of December 31, 2022 and agree the resulting total to the amount for this line item in the EP Group combined balance sheet as of December 31, 2022.

**Procedure 5.3:** sum up the amount for respective line item from the TP Group balance sheet as of December 31, 2022, the EP Group balance sheets as of December 31, 2022 and amount of US GAAP adjustments from the Group consolidation table for this line and agree the resulting total to the amount for this line item in the Group balance sheet as of December 31, 2022.

#### *Math accuracy and completeness check of TP Group combined balance sheet as of September 30, 2023*

**Procedure 6.1:** sum up the amount for respective line item from TP companies' stand-alone balance sheets as of September 30, 2023 with US GAAP adjustments for this line item from the TP Group consolidation table as of September 30, 2023 and agree the resulting total to the amount for this line item in the TP Group combined balance sheet as of September 30, 2023.

**Procedure 6.2:** sum up the amount for respective line item from EP companies' stand-alone balance sheets as of September 30, 2023 with US GAAP adjustments for this line item from the EP Group consolidation table as of September 30, 2023 and agree the resulting total to the amount for this line item in the EP Group combined balance sheet as of September 30, 2023.

**Procedure 6.3:** sum up the amount for respective line item from the TP Group combined balance sheet as of September 30, 2023, the EP Group combined balance sheets as of September 30, 2023

**Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.**

and amount of US GAAP adjustments from the Group consolidation table as of September 30, 2023 for this line and agree the resulting total to the amount for this line item in the Group balance sheet as of September 30, 2023.

#### *Cash and cash equivalents*

**Procedure 7.1:** compare the total of Cash detailed listing and the total of Deposits detailed listing for [\*\*\*] to the amount per line "Cash and cash equivalents" for respective companies in the TP Group consolidation table as of September 30, 2023.

**Procedure 7.2:** agree the amounts of cash balances as of September 30, 2023 as per bank statements to the amount of cash balances for respective banks accounts in the Cash detailed listing of [\*\*\*].

**Procedure 7.3:** agree the amounts of deposits balances as of September 30, 2023 as per deposit application form to the amount of deposits balances for respective banks accounts in the Deposits detailed listing of [\*\*\*].

**Procedure 7.4:** sum up the total of Cash detailed listing and the total of Deposits detailed listing for all EP companies and compare it to the amount per line "Cash and cash equivalents" for respective companies in the EP Group consolidation table as of September 30, 2023.

**Procedure 7.5:** agree the amounts of cash balances as of September 30, 2023 as per bank statements to the amount of cash balances for respective banks accounts in the Cash detailed listing for all EP companies.

**Procedure 7.6:** agree the amounts of deposits balances as of September 30, 2023 as per deposit application form to the amount of deposits balances for respective banks accounts in the Deposits detailed listing for all EP companies.

**Procedure 7.7:** in respect of each individual difference of RUB [\*\*\*] or above identified as a result of performing Procedures 7.1 - 7.6 perform the additional procedures (a) – (b):

- a) inquire Head of Corporate reporting and financial control division of [\*\*\*] of the respective company regarding the nature of the difference identified and obtain a breakdown of difference by transactions,
- b) For all transactions from point a) above, compare the amount of the transaction to the amount from supporting documents, provided by the Client.

#### *Accounts receivable*

**Procedure 8:** compare the total of Accounts receivable detailed listing for [\*\*\*] together with the adjustments to the amount per line "Accounts receivable" for respective companies in the TP Group consolidation table as of September 30, 2023. Specify the cumulative difference for the indicated companies if it is above RUB [\*\*\*].

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

#### *Inventory*

**Procedure 9.1:** compare the total of Inventory detailed listing for [\*\*\*] from [\*\*\*] together with the adjustments to the amount per line "Inventory" for [\*\*\*] in the TP Group consolidation table as of September 30, 2023. Specify the difference if it is above RUB [\*\*\*] in total.

**Procedure 9.2:** compare the total of Inventory detailed listing for [\*\*\*] from [\*\*\*] together with the adjustments to the amount per line "Inventory" for [\*\*\*] in the TP Group consolidation table as of September 30, 2023. Specify the difference if it is above RUB [\*\*\*] in total.

#### *Prepaid expenses*

**Procedure 10:** compare the total of Prepaid expenses detailed listing for [\*\*\*] together with the adjustments to the amount per line "Prepaid expenses" for respective companies in the TP Group consolidation table as of September 30, 2023. Specify the cumulative difference for the indicated companies if it is above RUB [\*\*\*].

#### *Property and equipment*

**Procedure 11:** sum up the total of Fixed assets register, the total of Finance lease register, the total of Assets not yet in use register and the total of Prepaid property and equipment detailed listing for [\*\*\*] and compare to the amount per line "Property, plant and equipment" for respective companies in the TP consolidation table as of September 30, 2023. Specify the cumulative difference for the indicated companies if it is above RUB [\*\*\*].

#### *Operating lease right-of-use assets*

**Procedure 12:** compare the total of Operating lease right-of-use assets register for [\*\*\*] to the amount per line "Operating lease right-of-use assets" for respective companies in the TP consolidation table as of September 30, 2023. Specify the cumulative difference for the indicated companies if it is above RUB [\*\*\*].

#### *Intangible assets*

**Procedure 13:** compare the total of Intangible assets detailed listing for [\*\*\*] to the amount per line "Intangible assets" respective companies in the TP consolidation table as of September 30, 2023. Specify the cumulative difference for the indicated companies if it is above RUB [\*\*\*].

#### *Debt*

**Procedure 14.1:** sum up the amount per line "Debt, current portion" and "Debt, non-current portion" for [\*\*\*] in the TP Group consolidation table as of September 30, 2023 and compare to the sum of total of Loans payable detailed listing and total of Liabilities under the reverse factoring program (within debt) detailed listing for [\*\*\*].

**Procedure 14.2:** agree the amounts of loans payable balances as of September 30, 2023 as per bank statement to the amount of loans payable balances for respective loan agreements in the Loans payable detailed listing of [\*\*\*].

**Procedure 14.3:** agree the amounts of liabilities under the reverse factoring program balances as of September 30, 2023 for [\*\*\*] as per factoring agent report to the amount of liabilities under the

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

reverse factoring program for respective agreements as per Liabilities under the reverse factoring program balances (within debt) detailed listing.

*Accounts payable, accrued and other liabilities*

**Procedure 15.1:** compare the total of Accounts payable, accrued and other liabilities breakdown to the amount in line item "Accounts payable, accrued and other liabilities" in TP Group combined balance sheet as of September 30, 2023.

**Procedure 15.2:** compare each line item in the Accounts payable, accrued and other liabilities breakdown to respective line item in the TP Group consolidation table as of September 30, 2023.

**Procedure 15.3:** compare the total of Trade accounts payable for services detailed listing for [\*\*\*] together with the adjustments to the amount per line "Trade accounts payable for services" for respective companies in the TP Group consolidation table as of September 30, 2023. Specify the difference if it is above RUB [\*\*\*] in total.

**Procedure 15.4:** compare the total of Liabilities under the reverse factoring program (within account payables) detailed listing to the amount per line "Liabilities under the reverse factoring program" in the TP Group consolidation table as of September 30, 2023 for [\*\*\*].

**Procedure 15.5:** agree the amounts of liabilities under the reverse factoring program balances as of September 30, 2023 as per factoring agent report to the amount of liabilities under the reverse factoring program for respective agreements as per Liabilities under the reverse factoring program (within account payables) detailed listing for [\*\*\*].

*Other accrued liabilities*

**Procedure 16.1:** compare the total of Other accrued liabilities breakdown to the line item "Other accrued liabilities" (within non-current liabilities) of TP Group combined balance sheet as of September 30, 2023.

**Procedure 16.2:** compare each line item in the Other accrued liabilities breakdown to respective line item in the TP Group consolidation table as of September 30, 2023.

**Procedure 16.3:** compare the total of Tax risk register together with the adjustments for TP companies to the line item "Other accrued tax liabilities" in the Other accrued liabilities breakdown. Specify the difference if it is above RUB [\*\*\*] in total.

*Intragroup balances*

**Procedure 17:** compare the amount per line item "Due from Group companies" in the TP consolidation table to the total of Intragroup detailed listing with US GAAP adjustments. Specify the cumulative difference for the indicated companies if it is above RUB [\*\*\*].

***Appendix No. 1 – Information provided***

The following information has been provided by the management of the Client:

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- a) List of Yandex N.V. subsidiaries included into "Excluded Perimeter" category (hereinafter – the "EP companies").
- b) List of Yandex N.V. subsidiaries included into "Target Perimeter" category (hereinafter – the "TP companies").
- c) The Yandex N.V. and its subsidiaries consolidated balance sheet as of December 31, 2022 prepared based on US GAAP recognition and measurement principles consistent with the Group's US GAAP accounting policies (hereinafter – the "Group balance sheet as of December 31, 2022").
- d) The Yandex N.V. and its subsidiaries consolidated balance sheet as of September 30, 2023 prepared based on US GAAP recognition and measurement principles consistent with the Group's US GAAP accounting policies, which were used to prepare US GAAP consolidated financial statements for 2022 (hereinafter – the "Group balance sheet as of September 30, 2023").
- e) The EP companies combined balance sheet (hereinafter – the "EP Group combined balance sheet") as of December 31, 2022 and as of September 30, 2023 prepared based on US GAAP recognition and measurement principles consistent with the Group's US GAAP accounting policies, which were used to prepare US GAAP consolidated financial statements for 2022.
- f) The TP companies combined balance sheet September 30, (hereinafter – the "TP Group combined balance sheet") as of December 31, 2022 and as of September 30, 2023 prepared based on US GAAP recognition and measurement principles consistent with the Group's US GAAP accounting policies, which were used to prepare US GAAP consolidated financial statements for 2022.
- g) A table which shows the consolidation of TP companies' stand-alone balance sheets into the TP Group combined balance sheet detailing US GAAP adjustments for each financial statement line item (hereinafter – the "TP Group consolidation table") as of December 31, 2022 and as of September 30, 2023.
- h) A table which shows the consolidation of EP companies' stand-alone balance sheets into the EP Group combined balance sheet detailing US GAAP adjustments for each financial statement line item (hereinafter – the "EP Group consolidation table") as of December 31, 2022 and as of September 30, 2023.
- i) A table which shows the consolidation of the TP Group combined balance sheet and the EP Group combined balance sheet into US GAAP consolidated balance sheet detailing US GAAP adjustments for each financial statement line item (hereinafter – the "Group consolidation table") as of December 31, 2022 and as of September 30, 2023.
- j) A detailed listing of cash balances by type, bank and currency as of September 30, 2023 (hereinafter – the "Cash detailed listing") for [\*\*\*] and EP companies.
- k) A detailed listing of deposit balances with maturity less than [3] months by bank and currency as of September 30, 2023 (hereinafter – the "Deposits detailed listing") for [\*\*\*] and EP companies.
- l) Bank statements for cash balances for [\*\*\*] and EP companies as of September 30, 2023.



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- m) Deposit application form for deposit balances with maturity less than [\*\*\*] months where [\*\*\*] and EP companies had accounts as of September 30, 2023.
- n) A detailed listing of trade and other receivables balances (within current assets) by counterparty as of September 30, 2023 (hereinafter – the "Receivables detailed listing") for [\*\*\*].
- o) A detailed listing of prepaid expenses balances (within current assets) by counterparty as of September 30, 2023 (hereinafter – the "Prepaid expenses detailed listing") for [\*\*\*].
- p) A detailed listing of inventory balances by inventory items as of September 30, 2023 (hereinafter – the "Inventory detailed listing") for [\*\*\*].
- q) A fixed asset register by types and items as of September 30, 2023 (hereinafter – the "Fixed assets register") for [\*\*\*].
- r) An asset not yet in use register by initial purchase order and counterparty as of September 30, 2023 (hereinafter – the "Assets not yet in use register") for [\*\*\*].
- s) A detailed listing of prepaid property and equipment balances by counterparty as of September 30, 2023 (hereinafter – the "Prepaid property and equipment detailed listing") for [\*\*\*].
- t) A finance lease contracts register by lessor and leased asset as of September 30, 2023 (hereinafter – the "Finance lease register") for [\*\*\*].
- u) An operating lease right-of-use assets register by lessor and leased asset as of September 30, 2023 (hereinafter – the "Operating lease right-of-use assets register") for [\*\*\*].
- v) An intangible asset register by types and items as of September 30, 2023 (hereinafter – the "Intangible assets register") for [\*\*\*].
- w) A detailed listing of loans payable by lender and loan agreement as of September 30, 2023 (hereinafter – the "Loans payable detailed listing") for [\*\*\*].
- x) Bank statements on loan agreements balance where [\*\*\*] had balances as of September 30, 2023.
- y) A detailed listing of liabilities under the reverse factoring program presented within "Debt" line item in the TP Group combined balance sheet by agreement as of September 30, 2023 (hereinafter – the "Liabilities under the reverse factoring program (within debt) detailed listing") for [\*\*\*].
- z) Factoring agent report for reverse factoring program for all banks, where [\*\*\*] had outstanding balance as of September 30, 2023.
- aa) A breakdown of line item "Accounts payable, accrued and other liabilities" from TP Group combined balance sheet by nature as of September 30, 2023 (hereinafter – the "Accounts payable, accrued and other liabilities breakdown").
- bb) A detailed listing of trade payables for services balances by counterparty as of September 30, 2023 (hereinafter – the "Payables detailed listing") for [\*\*\*].

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- cc) A detailed listing of liabilities under the reverse factoring program presented within "Accounts payable, accrued and other liabilities" line item in the TP Group combined balance sheet by agreement as of September 30, 2023 (hereinafter – the "Liabilities under the reverse factoring program (within accounts payable) detailed listing") for [\*\*\*].
- dd) A breakdown of line item "Other accrued liabilities" within non-current liabilities of TP Group combined balance sheet by nature as of September 30, 2023 (hereinafter – the "Other accrued liabilities breakdown").
- ee) A tax risks register by company, type of tax and risk level as of September 30, 2023 (hereinafter – the "Tax risk register").
- ff) A detailed listing of receivables and payables between the EP companies and the TP companies as of September 30, 2023 (hereinafter – the "Intragroup balances detailed listing").

Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

### SCHEDULE 13

#### COMPLETION NOTIFICATIONS

##### PART A

##### First Completion First Notice

To: Yandex N.V.,  
Schiphol Boulevard 165, 1118 BG Schiphol, the  
Netherlands (the "Seller")

Reference is made to the Share Purchase Agreement between the Seller and JSC Solid Management, Trust Manager ("Д.У.") for Closed-end Mutual Investment Combined Fund "Consortium. First" (the "Purchaser") dated [●] (the "SPA").

In accordance with clause 6.2 of the SPA, the Purchaser hereby notifies the Seller of: (i) the number of the First Tranche Exchange NV Shares to be exchanged at First Completion; (ii) the total number of the First Tranche Total Ordinary Company Shares to be acquired at First Completion; and (iii) the calculation of the First Tranche Pre-Conversion Payment. The respective numbers and calculations are set out in the table below:

| #   | Line Item   | Units             | Source/Formula                     | Value   |
|---|---|-------------------|------------------------------------|---------|
| <b>I – To be transferred by the Purchaser to the Seller</b> |   |                   |                                    |         |
| 1   | First Tranche Exchange NV Shares                  | Seller Shares     | Purchaser                          | [●]     |
| 2   | NV Share Price                                    | RUB / Share       | Share Purchase Agreement           | [***] ₺ |
| 3   | First Tranche NV Shares Payment                   | RUB               | Formula: [1] x [2]                 | [●] ₺   |
| 4   | Preference Share A Purchase Price                 | RUB               | Share Purchase Agreement           | [***] ₺ |
| 5   | First Tranche Sale Ordinary Shares                | Company Shares    | Share Purchase Agreement           | [***]   |
| 6   | Price per Ordinary Share                          | RUB/Company Share | Share Purchase Agreement           | [***] ₺ |
| 7   | Base First Tranche Payment                        | RUB               | Formula: [5] x [6]                 | [***] ₺ |
| 8   | FCALA #1: Upstream Reserve                        | RUB               | Share Purchase Agreement           | [***] ₺ |
| 9   | FCALA #2: Complete Target Group Advisory Expenses | RUB               | Share Purchase Agreement           | [***] ₺ |
| 10  | FCALA #3: TBD                                     | RUB               | Purchaser (pre-agreed with Seller) | [●] ₺   |
| 11  | Aggregate FCALA                                   | RUB               | Formula: [8] + [9] + [10]          | [●] ₺   |



Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

## PART B

### Second Completion First Notice

To: Yandex N.V.,  
Schiphol Boulevard 165, 1118 BG Schiphol, the  
Netherlands (the "Seller")

Reference is made to the Share Purchase Agreement between the Seller and JSC Solid Management, Trust Manager ("Д.У.") for Closed-end Mutual Investment Combined Fund "Consortium. First" (the "Purchaser") dated [●] (the "SPA").

In accordance with clause 7.2 of the SPA, the Purchaser hereby notifies the Seller of: (i) the number of the Second Tranche Exchange NV Shares to be exchanged at Second Completion; (ii) the total number of the Second Tranche Total Ordinary Company Shares to be acquired at Second Completion; and (iii) the calculation of the Second Tranche Pre-Conversion Payment. The respective numbers and calculations are set out in the table below:

| #  | Line Item   | Units                 | Source/Formula                     | Value      |
|--|---|-----------------------|------------------------------------|------------|
| <b>I – To be transferred by the Seller to the Purchaser</b>  |   |                       |                                    |            |
| 1  | Ordinary Shares Outstanding                         | Company Shares        | Share Purchase Agreement           | [***]      |
| 2  | Pre-Completion Sale Shares                          | Company Shares        | Share Purchase Agreement           | [***]      |
| 3  | First Tranche Total Ordinary Company Shares         | Company Shares        | First Completion Notice            | [●]        |
| 4  | <b>Second Tranche Total Ordinary Company Shares</b> | <b>Company Shares</b> | <b>Formula: [1] - [2] - [3]</b>    | <b>[●]</b> |
| 5  | Price per Ordinary Share                            | RUB / Share           | Share Purchase Agreement           | [***] ₺    |
| 6  | Second Tranche Purchase Price                       | RUB                   | Formula: [4] x [5]                 | [●] ₺      |
| <b>II – To be transferred by the Purchaser to the Seller</b> |   |                       |                                    |            |
| 7  | <b>Second Tranche Exchange NV Shares</b>            | <b>Seller Shares</b>  | <b>Purchaser</b>                   | <b>[●]</b> |
| 8  | NV Share Price                                      | RUB / Share           | Share Purchase Agreement           | [***] ₺    |
| 9  | Second Tranche NV Shares Payment                    | RUB                   | Formula: [7] x [8]                 | [●] ₺      |
| 10   | Base Second Tranche Payment                         | RUB                   | Formula: [6] - [9]                 | [●] ₺      |
| 11   | SCALA #1: TBD                                       | RUB                   | Purchaser (pre-agreed with Seller) | [●] ₺      |
| 12   | SCALA #2: TBD                                       | RUB                   | Purchaser (pre-agreed with Seller) | [●] ₺      |



Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

## PART C

## First Completion Second Notice

To: Yandex N.V.,  
Schiphol Boulevard 165, 1118 BG Schiphol, the  
Netherlands (the "Seller")

Reference is made to the Share Purchase Agreement between the Seller and JSC Solid Management, Trust Manager ("Д.У.") for Closed-end Mutual Investment Combined Fund "Consortium. First" (the "Purchaser") dated [●] (the "SPA").

In accordance with clause 6.2 of the SPA, the Purchaser hereby notifies the Seller of: (i) the number of the First Tranche Exchange NV Shares to be exchanged at First Completion; (ii) the total number of the First Tranche Total Ordinary Company Shares to be acquired at First Completion; and (iii) the calculation of the First Tranche Payment. The respective numbers and calculations are set out in the table below:

| #   | Line Item   | Units             | Source/Formula                     | Value   |
|---|---|-------------------|------------------------------------|---------|
| <b>I – To be transferred by the Purchaser to the Seller</b> |   |                   |                                    |         |
| 1   | First Tranche Exchange NV Shares                  | Seller Shares     | Purchaser                          | [●]     |
| 2   | NV Share Price                                    | RUB / Share       | Share Purchase Agreement           | [***] P |
| 3   | First Tranche NV Shares Payment                   | RUB               | Formula: [1] x [2]                 | [●] P   |
| 4   | Preference Share A Purchase Price                 | RUB               | Share Purchase Agreement           | [***] P |
| 5   | First Tranche Sale Ordinary Shares                | Company Shares    | Share Purchase Agreement           | [***]   |
| 6   | Price per Ordinary Share                          | RUB/Company Share | Share Purchase Agreement           | [***] P |
| 7   | Base First Tranche Payment                        | RUB               | Formula: [5] x [6]                 | [***] P |
| 8   | FCALA #1: Upstream Reserve                        | RUB               | Purchaser (pre-agreed with Seller) | [***] P |
| 9   | FCALA #2: Complete Target Group Advisory Expenses | RUB               | Purchaser (pre-agreed with Seller) | [***] P |
| 10  | FCALA #3: TBD                                     | RUB               | Purchaser (pre-agreed with Seller) | [●] P   |
| 11  | Aggregate FCALA                                   | RUB               | Formula: [8] + [9] + [10]          | [●] P   |
| 12  | First Tranche Pre-Conversion Payment              | RUB               | Formula: [4] + [7] - [11]          | [●] P   |
| 13  | Relevant Date                                     | Date              | Purchaser                          | [●]     |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

|  |  |                       |   |       |
|--|--|-----------------------|---|-------|
| 14   | Conversion Rate                                    | CNH / RUB             | Purchaser in accordance with Clause 1.3 of the Share Purchase Agreement | [●] P |
| 15   | Adjusted Conversion Rate                           | CNH / RUB             | Purchaser in accordance with Clause 3.2 of the Share Purchase Agreement | [●] P |
| 16   | <b>First Tranche Payment</b>                       | <b>CNH</b>            | <b>Formula: [12] / [15]</b>   | ¥ [●] |
| <b>II – To be transferred by the Seller to the Purchaser</b> |  |                       |   |       |
| 17   | First Tranche Exchange Ordinary Shares             | Company Shares        | Formula: [1]  | [●]   |
| 18   | First Tranche Sale Ordinary Shares                 | Company Shares        | Formula: [5]  | [***] |
| 19   | <b>First Tranche Total Ordinary Company Shares</b> | <b>Company Shares</b> | <b>Formula: [17] + [18]</b>   | [●]   |
| 20   | <b>Preference Share A</b>                          | <b>Company Shares</b> | <b>Share Purchase Agreement</b>   | [***] |
| 21   | First Tranche Sale Shares                          | Company Shares        | Formula: [19] + [20]  | [●]   |

According to the table above, [●] First Tranche Exchange NV Shares will be transferred to the Purchaser at First Completion. Pursuant to clause [●] of the SPA, the total value of the First Tranche Exchange NV Shares shall be equal to First Tranche NV Shares Payment or [●].

Terms used but not defined herein shall have the meanings ascribed to them in the SPA.

Signed by \_\_\_\_\_ )  
 \_\_\_\_\_ ))  
 duly authorised for and on behalf of \_\_\_\_\_ )  
**JSC SOLID MANAGEMENT** \_\_\_\_\_ )  
 Trust Manager ("Д.У.") for Closed-end Mutual Investment \_\_\_\_\_ ) **Authorised Signatory**  
 Combined Fund "Consortium. First"



Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.

## PART D

### Second Completion Second Notice

To: Yandex N.V.,  
Schiphol Boulevard 165, 1118 BG Schiphol, the  
Netherlands (the "Seller")

Reference is made to the Share Purchase Agreement between the Seller and JSC Solid Management, Trust Manager ("Д.У.") for Closed-end Mutual Investment Combined Fund "Consortium. First" (the "Purchaser") dated [●] (the "SPA").

In accordance with clause 7.2 of the SPA, the Purchaser hereby notifies the Seller of: (i) the number of the Second Tranche Exchange NV Shares to be exchanged at Second Completion; (ii) the total number of the Second Tranche Total Ordinary Company Shares to be acquired at Second Completion; and (iii) the calculation of the Second Tranche Payment. The respective numbers and calculations are set out in the table below:

| #  | Line Item   | Units                 | Source/Formula                     | Value      |
|--|---|-----------------------|------------------------------------|------------|
| <b>I – To be transferred by the Seller to the Purchaser</b>  |   |                       |                                    |            |
| 1  | Ordinary Shares Outstanding                         | Company Shares        | Share Purchase Agreement           | [***]      |
| 2  | Pre-Completion Sale Shares                          | Company Shares        | Share Purchase Agreement           | [***]      |
| 3  | First Tranche Total Ordinary Company Shares         | Company Shares        | First Completion Notice            | [●]        |
| 4  | <b>Second Tranche Total Ordinary Company Shares</b> | <b>Company Shares</b> | <b>Formula: [1] - [2] - [3]</b>    | <b>[●]</b> |
| 5  | Price per Ordinary Share                            | RUB / Share           | Share Purchase Agreement           | [***] ₺    |
| 6  | Second Tranche Purchase Price                       | RUB                   | Formula: [4] x [5]                 | [●] ₺      |
| <b>II – To be transferred by the Purchaser to the Seller</b> |   |                       |                                    |            |
| 7  | <b>Second Tranche Exchange NV Shares</b>            | <b>Seller Shares</b>  | <b>Purchaser</b>                   | <b>[●]</b> |
| 8  | NV Share Price                                      | RUB / Share           | Share Purchase Agreement           | [***] ₺    |
| 9  | Second Tranche NV Shares Payment                    | RUB                   | Formula: [7] x [8]                 | [●] ₺      |
| 10   | Base Second Tranche Payment                         | RUB                   | Formula: [6] - [9]                 | [●] ₺      |
| 11   | SCALA #1: TBD                                       | RUB                   | Purchaser (pre-agreed with Seller) | [●] ₺      |
| 12   | SCALA #2: TBD                                       | RUB                   | Purchaser (pre-agreed with Seller) | [●] ₺      |

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

|    |                                       |            |   |              |
|----|---------------------------------------|------------|---|--------------|
| 13 | SCALA #3: TBD                         | RUB        | Purchaser (pre-agreed with Seller)                                      | [●] P        |
| 14 | Aggregate SCALA                       | RUB        | Formula: [11] + [12] + [13]   | [●] P        |
| 15 | Second Tranche Pre-Conversion Payment | RUB        | Formula: [10] - [14]  | [●] P        |
| 16 | Relevant Date                         | Date       | Purchaser   | [●]          |
| 17 | Conversion Rate                       | CNH / RUB  | Purchaser in accordance with Clause 1.3 of the Share Purchase Agreement | [●] P        |
| 18 | Adjusted Conversion Rate              | CNH / RUB  | Purchaser in accordance with Clause 3.2 of the Share Purchase Agreement | [●] P        |
| 19 | <b>Second Tranche Payment</b>         | <b>CNH</b> | <b>Formula: [15] / [18]</b>   | <b>¥ [●]</b> |

According to the table above, up to [●] Second Tranche Exchange NV Shares will be transferred to the Purchaser at Second Completion. Pursuant to clause [●] of the SPA, the total value of the Exchange NV Shares shall be equal to Second Tranche NV Shares Payment or [●].

Terms used but not defined herein shall have the meanings ascribed to them in the SPA.

Signed by \_\_\_\_\_ )  
 )  
 )  
 duly authorised for and on behalf of )  
**JSC SOLID MANAGEMENT** ) .....  
 Trust Manager ("Д.У.") for Closed-end Mutual Investment ) **Authorised Signatory**  
 Combined Fund "Consortium. First"

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

Signed by )  
 )  
 [\*\*\*] )  
 duly authorised for and on behalf of )  
 **JSC SOLID MANAGEMENT** ) /s/ [\*\*\*]  
 Trust Manager ("Д.У.") for Closed-end Mutual Investment )  
 Combined Fund "Consortium. First" ) **Authorised Signatory**

---

Signed by )  
 )  
 [\*\*\*] )  
 duly authorised for and on behalf of )  
 **YANDEX N.V.** ) /s/ [\*\*\*]  
 ) **Authorised Signatory**

---



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**EXECUTION VERSION**

**28 MARCH 2024**

**JSC SOLID MANAGEMENT**

and

**YANDEX N.V.**

---

**DEED OF AMENDMENT**

**in relation to**

**SHARE PURCHASE AGREEMENT  
DATED 4 FEBRUARY 2024**

---

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**THIS DEED** (this "**Deed**") is made and entered into as of 28 March 2024

**BETWEEN:**

- (1) **YANDEX N.V.**, a public limited 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 (the "**Seller**"); and
- (2) **JSC SOLID MANAGEMENT, Trust Manager ("J.V.") for CLOSED-END MUTUAL INVESTMENT COMBINED FUND "CONSORTIUM. FIRST"**, a joint stock company incorporated in the Russian Federation with its registered office at Room 2 Suite XVI, 5<sup>th</sup> floor, Khoroshyovskoye sh. 32A, Moscow, 125284, the Russian Federation, and registered with the Russian unified state register of legal entities under number (OGRN) [\*\*\*]; Closed-end Mutual Investment Combined Fund "Consortium. First" (trust management rules No. [\*\*\*], number assignment date 22 August 2023, as amended) (the "**Purchaser**"),

together the "**Parties**" and each a "**Party**".

**RECITALS:**

(Capitalised terms used in these Recitals that are not set out above are defined in Clause 1.1 below)

- (A) WHEREAS, on 4 February 2024, the Parties entered into a share purchase agreement relating to, among other things, the sale and purchase of certain shares in International Joint Stock Company Yandex (*Международная компания акционерное общество «Яндекс»*), (the "**Company**"), as more particularly described in that agreement (the "**SPA**").
- (B) WHEREAS, the Parties have now agreed to make certain amendments to the SPA, subject to and on the terms of this Deed.
- (C) WHEREAS, this Deed is supplemental to the SPA.
- (D) WHEREAS, in consideration of the mutual promises, agreements, warranties and provisions contained in this Deed, the receipt, sufficiency and entirety of which is hereby acknowledged, the Parties have agreed the following.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**Definitions**

- 1.1 Terms defined in the SPA shall have the same meaning when used in this Deed unless the context otherwise requires or unless otherwise defined herein.
- 1.2 In this Deed, any reference to a "clause" or "schedule" is a reference to a clause or schedule of the SPA, as the case may be.

**Principles of Interpretation**

- 1.3 The principles of interpretation set out in the SPA shall apply *mutatis mutandis* to this Deed unless the context otherwise requires.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

2. **TRANSACTION DOCUMENT**

The Parties agree that this Deed is a Transaction Document.

3. **CONTINUITY**

The provisions of the SPA shall, save as amended by this Deed, continue in full force and effect, and shall be read and construed as one document with this Deed.

4. **AMENDMENTS**

4.1 The SPA shall be amended with effect on and from the date of this Deed.

4.2 The amendments set out in this Deed are variations in accordance with clause 17.27 of the SPA.

**Longstop Date**

4.3 The Parties agree that the following defined term in clause 1.1 of the SPA shall be deleted in its entirety:

*“**Longstop Date**” means 2 April 2024, or such other date as the Seller and the Purchaser may agree in writing;”*

and replaced with the following:

*“**Longstop Date**” means 30 April 2024, or such other date as the Seller and the Purchaser may agree in writing;”*

**Relevant Date**

4.4 The Parties agree that the following defined term in clause 1.3 of the SPA shall be deleted in its entirety:

*“**Relevant Date**” means:*

- (a) for the purposes of determining whether a monetary threshold or limit referred to in paragraph 3 of Schedule 10 (Limitations on liability) has been reached or exceeded, the date of receipt of written notification of the relevant claim in accordance with paragraph 2 of Schedule 10 (Limitations on liability); and*
- (b) for any other purpose under this Agreement, the date falling [\*\*\*] days before the date on which a payment or an assessment is to be made, provided that exact date shall be chosen by the respective payor.”*

and replaced with the following:

*“**Relevant Date**” means:*

- (a) for the purposes of determining whether a monetary threshold or limit referred to in paragraph 3 of Schedule 10 (Limitations on liability) has been reached or exceeded, the date of receipt of written notification of the*

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

*relevant claim in accordance with paragraph 2 of Schedule 10 (Limitations on liability); and*

- (b) *for any other purpose under this Agreement, the date falling [\*\*\*] Business Days before the date on which a payment or an assessment is to be made, provided that exact date shall be chosen by the respective payor.”.*

#### **Central Bank Consent**

- 4.5 The Parties agree that all references to the Central Bank Consent in the SPA shall be deleted in their entirety (including, for the avoidance of doubt, deletion of Condition 4 of clause 4.1 of the SPA in its entirety (without changing the numbering of subsequent Conditions)).

#### **First Completion Obligations**

- 4.6 Notwithstanding anything to the contrary in the SPA, the Parties agree that the Purchaser shall deliver (or procure the delivery) to the Seller the First Completion Second Notice contained in Part C of Schedule 13 (*Completion Notifications*) of the SPA on the date of payment to the Seller Bank Account of the First Tranche Payment.

#### **Second Completion Obligations**

- 4.7 Notwithstanding anything to the contrary in the SPA, the Parties agree that the Purchaser shall deliver (or procure the delivery) to the Seller the Second Completion Second Notice contained in Part D of Schedule 13 (*Completion Notifications*) of the SPA on the date of payment to the Seller Bank Account of the Second Tranche Payment.

#### **Wind Down Use of Names and Logos**

- 4.8 The Parties agree that clauses 15.6.2 and 15.6.3 of the SPA shall be deleted and replaced in their entirety with the following new clauses 15.6.2 and 15.6.3:

“15.6.2 **“Relevant Branding”** means any Relevant Name or any brand, trade or service mark, trade name or branding owned or used by any member of the Complete Target Group as of the date of this Agreement, provided always that “Toloka” shall not be considered to constitute Relevant Branding; and

15.6.3 **“Relevant Name”** means any of: (a) [\*\*\*]; (b) any abbreviation of the foregoing, whether on its own or as part of another name; (c) [\*\*\*], [\*\*\*] and any other domain name held or used by any member of the Complete Target Group as of the date of this Agreement; and (d) any word or words similar to or which are likely to be confused with any of above, provided always that “Toloka” shall not be considered to constitute a Relevant Name.”

#### **5. THIRD PARTY RIGHTS**

No one other than a Party to this Deed, their successors and permitted assigns, shall have any right to enforce any of its terms. No term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Deed.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

6. **COUNTERPARTS**

This Deed 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. Transmission of a fully executed counterpart of this Deed (and not, for the avoidance of doubt, merely the relevant executed signature page) by email (in PDF, JPEG or other agreed format), shall take effect as delivery of an executed counterpart of this Deed. Each counterpart shall constitute an original of this Deed, but the counterparts shall together constitute one and the same instrument.

7. **GOVERNING LAW**

This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination, or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

8. **INCORPORATION OF TERMS**

The provisions of clauses 1.2, 1.3 (as amended by this Deed), 1.4 and 1.5 (*Interpretation*), 17.1 to 17.4 (inclusive) (*Announcements*), 17.6 (*Confidentiality*), 17.10 (*No Partnership*), 17.11 to 17.13 (inclusive) (*Assignment*), 17.15 (*Entire Agreement*), 17.26 (*Waiver*), 17.27 (*Variation*), 17.36 (*Costs*), 17.37 (*Language*), 17.38 (*Independent Advice*), and 19.2 to 19.9 (inclusive) (*Governing Law and Dispute Resolution*) of the SPA shall apply *mutatis mutandis* to this Deed.

**IN WITNESS WHEREOF**, this Deed has been duly executed by the Parties (or their duly authorised representatives) and delivered as a **DEED** on the date first stated above.

[Signature pages follow]



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**EXECUTION PAGES**

**THE PURCHASER**

**EXECUTED** as a **DEED** by )  
**JSC SOLID MANAGEMENT,** )  
**Trust Manager ("T.M.") for** )  
**CLOSED-END MUTUAL INVESTMENT COMBINED** )  
**FUND "CONSORTIUM. FIRST",** )  
 )  
a company incorporated in ) /s/ [\*\*\*]  
the Russian Federation, acting by ) Authorised Person  
[\*\*\*] )  
who, in accordance with the laws of that )  
territory, is acting under the authority of )  
the company in the presence of: )

Signature of witness /s/ [\*\*\*] \_\_\_\_\_

Name of witness [\*\*\*]

Address of witness [\*\*\*]

Occupation of witness [\*\*\*]

[Signature Page to Deed of Amendment to SPA]



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**THE SELLER**

**EXECUTED** as a **DEED** by  
**YANDEX N.V.**  
a company incorporated in  
the Netherlands, acting by  
[\*\*\*]  
who, in accordance with the laws of that  
territory, is acting under the authority of  
the company in the presence of:

)  
)  
) /s/ [\*\*\*]  
) \_\_\_\_\_  
) Authorised Person  
)  
)  
)  
)

Signature of witness /s/ [\*\*\*] \_\_\_\_\_  
Name of witness [\*\*\*]  
Address of witness [\*\*\*]  
Occupation of witness [\*\*\*]

[Signature Page to Deed of Amendment to SPA]



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

EXECUTION VERSION

4 FEBRUARY 2024

YANDEX N.V.

and

INTERNATIONAL JOINT STOCK COMPANY YANDEX

---

DEED OF UNDERTAKING

---

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**TABLE OF CONTENTS**

| Clause  | Page              |
|---|-------------------|
| <a href="#">1. INTERPRETATION</a>             | <a href="#">1</a> |
| <a href="#">2. COVENANTS AND UNDERTAKINGS</a> | <a href="#">3</a> |
| <a href="#">3. WARRANTIES</a>                 | <a href="#">5</a> |
| <a href="#">4. ENTRY INTO FORCE</a>           | <a href="#">6</a> |
| <a href="#">5. CONFIDENTIALITY</a>            | <a href="#">6</a> |
| <a href="#">6. ASSIGNMENT</a>                 | <a href="#">7</a> |
| <a href="#">7. FURTHER ASSURANCE</a>          | <a href="#">7</a> |
| <a href="#">8. THIRD PARTY RIGHTS</a>         | <a href="#">8</a> |
| <a href="#">9. ENTIRE AGREEMENT</a>           | <a href="#">8</a> |
| <a href="#">10. NOTICES</a>                   | <a href="#">8</a> |
| <a href="#">11. GOVERNING LAW</a>             | <a href="#">9</a> |
| <a href="#">12. INCORPORATION OF TERMS</a>    | <a href="#">9</a> |

EU1/ 502264616.10

---

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**THIS AGREEMENT** is made as a deed on 4 February 2024 (the "**Agreement**")

**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 (the "**Seller**"); and
- (2) **INTERNATIONAL JOINT STOCK COMPANY YANDEX** (*Международная компания акционерное общество «Яндекс»*), an international joint stock company incorporated in the Russian Federation with its registered office at Solnechniy bulvar 3, Premise 6, Office 202, Kaliningrad, the Russian Federation, and registered with the Russian unified state register of legal entities under number (OGRN) 1233900014699 (the "**Company**"),

together the "**Parties**" and each a "**Party**".

**RECITALS:**

(Capitalised terms used in these Recitals that are not set out above are defined in Clause 1.1 below)

- (A) The Seller and JSC Solid Management, Trust Manager ("Д.У.") for Closed-end Mutual Investment Combined Fund "Consortium. First", a joint stock company incorporated in the Russian Federation with its registered office at Room 2 Suite XVI, 5<sup>th</sup> floor, Khoroshyovskoye sh. 32A, Moscow, 125284, the Russian Federation, and registered with the Russian unified state register of legal entities under number (OGRN) [\*\*\*]; Closed-end Mutual Investment Combined Fund "Consortium. First" (trust management rules No. [\*\*\*], number assignment date 22 August 2023, as amended) (the "**Purchaser**") entered into a share purchase agreement on or about the date of this Agreement (the "**SPA**"), pursuant to which the Seller has agreed to sell and to transfer to the Purchaser the Sale Shares in the Company upon the terms and subject to the conditions set out in the SPA.
- (B) In connection with the transactions contemplated by the SPA and for the purposes of protection of the legitimate interests of the Complete Target Group, procurement of uninterrupted operations of the Complete Target Group and all other related benefits, the Parties have agreed to enter into this Agreement.

**IT IS AGREED** as follows:

1. **INTERPRETATION**

**Definitions**

- 1.1 In this Agreement, capitalised terms shall have the meaning given to them in the SPA, unless the context otherwise requires or unless otherwise defined herein pursuant to the provisions of Clause 1.2.
- 1.2 In this Agreement, the following words and expressions shall have the following meanings:

"**Avride Business**" means the business of being engaged in the creation, development, testing, provision or commercialisation of solutions and services of any nature or kind for the autonomous transportation of passengers, goods and cargo, including, without limitation, the design, development and testing of related software and hardware technologies, components and

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

applicable infrastructure, and the production, operation, renting and/or leasing of self-driving vehicles and robots;

"**Confidential Information**" has the meaning given to that term in Clause 5.1;

"**Effective Date**" has the meaning given to that term in Clause 4.1;

"**Evolved Permitted Business**" means any business that may be entered into or created as the Original Permitted Business naturally develops following First Completion, taking into account such matters including its natural evolution, the supply and demand for its products or services, market factors, industry and market trends, competitive dynamics, customer preference, technology, market size, and regulation;

"**Nebius Business**" means the business of being engaged in the creation, development, testing, provision or commercialisation of cloud services and technologies of any nature or kind, including, without limitation, the development and provision of hardware as a service (HWaaS), infrastructure as a service (IaaS), platform as a service (PaaS), artificial intelligence as a service (AIaaS) (including, without limitation, cognitive services and large language models (LLMs)), and software as a service (SaaS), using self-owned or third-party infrastructure and/or software;

"**Original Permitted Business**" means each of the Avride Business, the Nebius Business, the Toloka Business and the TripleTen Business;

"**Permitted Person**" means: (i) any Permitted Person (as such term is defined in the SPA); (ii) any individual who has ceased to be an employee of the Complete Target Group (for any reason) for a period of not less than [\*\*\*] months prior to employment or engagement by the Seller and/or its Affiliates; (iii) any individual employed on a part-time basis by the Complete Target Group who has not received any monetary compensation from the Complete Target Group for a period of not less than [\*\*\*] months prior to employment or engagement by the Seller and/or its Affiliates; and (iv) any individual employed or engaged through service contracts by the Seller or Seller Group Companies as at [\*\*\*], provided that in case of this sub-paragraph (iv) such individual is not employed by the Complete Target Group at any time during the period from [\*\*\*] to [\*\*\*];

"**Restricted Business**" means: (i) the principal businesses of the Complete Target Group listed in Part A of the Schedule (*Restricted Business*), as conducted at First Completion; and (ii) the businesses listed in Part B of the Schedule (*Restricted Business*), as conducted at First Completion, but excluding, in each case, the Original Permitted Business;

"**Restricted Employee**" means any individual employed by the Complete Target Group at any time in the twelve (12) months prior to First Completion and/or who became employed by Complete Target Group in the three (3) years following First Completion, but, in each case, excluding any Permitted Person;

"**Restricted Territory**" means the Russian Federation and the Republic of Belarus;

"**Toloka Business**" means the business of being engaged in the creation, development, testing, provision or commercialisation of crowdsourcing solutions and services of any nature or kind, services for the full-cycle of artificial intelligence (AI) development, commercialization and related services (including, without limitation, data labeling, aggregation, augmentation and cleansing, machine learning algorithm developing, large language model (LLM) creation, training, tuning and operationalization, software as a service (SaaS) products and related solutions of any nature or kind); and

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

"TripleTen Business" means the business of being engaged in the creation, development, testing, provision or commercialisation of online education, training, and certification, including, without limitation, the provision of online learning products (including online knowledge tools and smart devices) and online learning services (including online courses and interactive learning apps).

#### **Principles of Interpretation**

1.3 The principles of interpretation set out in clauses 1.2, 1.4 and 1.5 of the SPA shall apply *mutatis mutandis* to this Agreement.

## **2. COVENANTS AND UNDERTAKINGS**

2.1 In order to protect the Complete Target Group's and Purchaser's legitimate interests in the full benefit of the business and goodwill of the Complete Target Group, the Seller covenants with the Company that from First Completion:

#### **Competition**

2.1.1 until the expiration of five (5) years from First Completion, the Seller shall not (and shall procure that its Affiliates shall not) either on its/his/her own account or in conjunction with or on behalf of any other person, carry on or be engaged, concerned, or interested in carrying on:

- (A) the Restricted Business within any territory; and/or
- (B) the Original Permitted Business and the Evolved Permitted Business within any Restricted Territory,

save that, the Parties agree as follows:

- (1) the Seller and its Affiliates (either on its/his/her own account or in conjunction with or on behalf of any other person) shall be entitled to carry on or be engaged, concerned, or interested in carrying on any Evolved Permitted Business in any territory (save for the Restricted Territory), provided in all cases that where a particular business which would otherwise be an Evolved Permitted Business develops in a way so as to carry on, be engaged, concerned or interested in a Restricted Business (as conducted by a Complete Target Group Company at First Completion) such business will cease to be considered as an Evolved Permitted Business and the Seller and its Affiliates shall be in breach of this Clause 2.1.1; and
- (2) the Seller (and its Affiliates) shall never be considered to be in breach of the restrictions in this Clause 2.1, and the Company and the Purchaser shall not be entitled to bring any claim, in relation to the Seller and its Affiliates (either on its/his/her own account or in conjunction with or on behalf of any other person) carrying on or being engaged, concerned, or interested in carrying on any Original Permitted Business in any territory (save for the Restricted Territory);

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

#### **Solicitation and Hiring**

2.1.2 until the expiration of five (5) years from First Completion, the Seller shall not (and shall procure that its Affiliates shall not) either on its/his/her own account or in conjunction with or on behalf of any other person:

(A) solicit or endeavour to solicit from any member of the Complete Target Group any Restricted Employee with a view to inducing that individual to leave such employment (whether or not such individual would commit a breach of his contract of employment by reason of leaving) and to act for a Restricted Business or otherwise for the Seller and/or its Affiliates; and

(B) employ, engage (i.e., enter into a services contract, directly or indirectly through staffing agencies, without establishment of an employment relationship) or hire or endeavour to employ, engage or hire any Restricted Employee (including by way of engaging into relevant negotiations with any Restricted Employee),

provided that nothing in this Clause 2.1.2 shall prevent the Seller or any of its Affiliates from entering into a contract relating to the employment of any Permitted Person.

2.2 From First Completion, before employing, engaging or hiring any individual, the Seller shall (and shall procure that its Affiliates shall) use all reasonable endeavours to verify that such individual is not a Restricted Employee.

#### **Remedies**

2.3 If the Seller or any of its Affiliates breaches Clause 2.1.2, the Seller shall pay to the Company, as liquidated damages:

2.3.1 an amount equal to the total income (including any income received in connection with any equity incentive awards) received by the relevant Restricted Employee from the Complete Target Group for the last [\*\*\*] years before the relevant breach has occurred; or

2.3.2 if the relevant Restricted Employee has been employed by the Complete Target Group for less than [\*\*\*] years before the relevant breach has occurred, an amount equal to his/her income (including any income received in connection with any equity incentive awards) for the period of his/her employment by the Complete Target Group increased proportionally for a period of [\*\*\*] years.

2.4 The Parties confirm that the liquidated damages set out in Clause 2.3 are reasonable and proportionate to protect the Complete Target Group's and Purchaser's legitimate interests in the enforcement of the restrictions and undertakings set out in Clause 2.1.2.

2.5 The Seller agrees and acknowledges that the restrictions and undertakings set out in Clause 2.1 are fair and reasonable and necessary to assure the protection of the Complete Target Group's and Purchaser's legitimate interests in the goodwill of the Complete Target Group and shall be construed as separate and independent undertakings.

2.6 The Seller agrees and acknowledges that damages and liquidated damages under Clause 2.3 may not be an adequate remedy for any breach of the undertakings set out in this Clause 2.1 and that the Company shall be entitled to seek the remedies of injunction, specific performance and any



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

other equitable relief for any threatened or actual breach of such undertakings set out in this Clause 2.1.

- 2.7 The rights, powers, privileges and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers, privileges or remedies provided by the Applicable Law, provided in all cases that if any liquidated damages are paid by the Seller pursuant to Clause 2.3, no additional cash damages shall be payable by the Seller in connection with that same claim (without limitation to any other rights or remedies the Company or the Purchaser may have to claim under this Agreement).

**Modification of Restrictions**

- 2.8 If any restriction contained in Clause 2.1 is held to be invalid or unenforceable but would be valid and enforceable if part of the wording of the covenant were deleted or the periods of restriction were shortened or the Restricted Business, Restricted Territory or restricted territories set out in Clause 2.1.1(A) were reduced in scope or the Restricted Employees were narrowed down, the restriction applies with such modification as is necessary to make it valid and enforceable.

**Benefit of Restrictions**

- 2.9 The restrictions entered into by the Seller in Clause 2.1 are given to the Company, for itself and for each member of the Complete Target Group and the Purchaser. Each such member and the Purchaser may also enforce the terms of Clause 2.1 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act and the provisions of Clause 8.

**3. WARRANTIES**

- 3.1 Each Party warrants to the other Party that each of the following statements is true, accurate and not misleading as at the date of this Agreement and shall be deemed to repeat them as at the Effective Date by reference to the circumstances subsisting at that time:

**Incorporation**

- 3.1.1 it is duly incorporated, duly organised and validly existing under the laws of its jurisdiction of incorporation;

**Corporate power and authority**

- 3.1.2 it has the corporate power and authority to enter into and perform this Agreement and any agreement entered into pursuant to the terms of this Agreement;

**Binding agreements**

- 3.1.3 the provisions of this Agreement and any agreement entered into pursuant to the terms of this Agreement, constitute valid and binding obligations on that Party and are enforceable against it in accordance with their respective terms, in each case subject to principles of Applicable Laws of general application limiting obligations;

**Due authorisation, execution, and delivery**

- 3.1.4 it has duly authorised, executed, and delivered this Agreement;

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**No breach**

- 3.1.5 the execution and delivery by that Party of, and the performance by it of its obligations under this Agreement and any agreement entered into pursuant to the terms of this Agreement will not result in:
- (A) a breach of or conflict with any provision of that Party's memorandum or articles of association or equivalent constitutional documents;
  - (B) a material breach of, or constitute a material default under, any instrument to which that Party is a party or by which it is bound; or
  - (C) a breach of any Applicable Laws;

**Proceedings**

- 3.1.6 there are no:
- (A) outstanding judgments, orders, injunctions, or decrees of any governmental or regulatory body or arbitration tribunal against or affecting that Party;
  - (B) lawsuits, actions or proceedings pending or, to its knowledge, threatened against or affecting that Party; or
  - (C) investigations by any governmental or regulatory body which are pending or, to its knowledge, threatened against that Party,

and which, in each case, has or could have a material adverse effect on its ability to perform its obligations under this Agreement or any other agreements entered into pursuant to the terms of this Agreement; and

**Solvency**

- 3.1.7 that Party is not bankrupt or insolvent or unable to pay its debts when due and no order has been made, and no corporate action or other step has been taken and no legal proceedings have been started or threatened, for its winding-up, dissolution or re-organisation or for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager (or equivalent in any jurisdiction) of it or over any of its assets, or any other measures taken against or in respect of it under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction, and no events have occurred which, under Applicable Laws, would justify any such orders, steps or proceedings.

**4. ENTRY INTO FORCE**

- 4.1 This Agreement shall enter into force on the First Completion End Date (the "**Effective Date**").

**5. CONFIDENTIALITY**

- 5.1 For the purposes of Clauses 5.2 and 5.3, "**Confidential Information**" means the existence and contents of this Agreement and any other agreement or arrangement contemplated by this Agreement.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- 5.2 Each Party undertakes to the other Party that, subject to Clause 5.3, unless the prior written consent of the other Party shall first have been obtained, it shall, and shall procure that its officers, employees, advisers, agents, any other Representatives shall, keep confidential and shall not by failure to exercise due care or otherwise by any act or omission disclose to any person whatever, or use or exploit commercially for its or their own purposes, any of the Confidential Information of the other Party.
- 5.3 The consent referred to in Clause 5.2 shall not be required for disclosure by a Party of any Confidential Information:
- 5.3.1 to its officers, employees, advisers, agents or other Representatives, in each case, as may be contemplated by this Agreement or, to the extent required to enable such Party to carry out its obligations or enforce its rights under this Agreement and who shall in each case be made aware by such Party of its obligations under this Clause and shall be required by such Party to observe the same restrictions on the use of the relevant information as are contained in Clauses 5.2 and 5.4, subject to the same exceptions as are contained in this Clause 5.3;
- 5.3.2 subject to Clause 5.4, to the extent required by Applicable Laws or by the regulations of any stock exchange or regulatory authority to which such Party is or may become subject or pursuant to any order of court or other competent authority or tribunal;
- 5.3.3 to the extent that the relevant Confidential Information is in the public domain otherwise than by breach of this Agreement by either Party;
- 5.3.4 which 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;
- 5.3.5 which that Party lawfully possessed prior to obtaining it from another;
- 5.3.6 to the other Party to this Agreement; or
- 5.3.7 pursuant to the terms of this Agreement.
- 5.4 If a Party becomes required, in circumstances contemplated by Clause 5.3.2, to disclose any information such Party shall (save to the extent prohibited by law) give to the other Party such notice as is practical in the circumstances of such disclosure and shall co-operate with the other Party, having due regard to the other Party's views, and take such steps as the other Party may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure.
6. **ASSIGNMENT**
- No Party shall assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge or otherwise dispose of or deal with in any manner whatsoever the benefit of this Agreement or sub-contract or delegate in any manner whatsoever its performance under this Agreement.
7. **FURTHER ASSURANCE**
- The Parties shall, at their own cost, promptly execute and deliver all such documents and do all such things and provide all such information and assistance, as the other Party may from time to time reasonably require for the purpose of giving full effect to the provisions of this

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

Agreement and to secure for the Company the full benefit of the rights, powers and remedies conferred upon it under this Agreement.

#### 8. **THIRD PARTY RIGHTS**

With the exception of the rights of each member of the Complete Target Group and the Purchaser to enforce the terms contained in Clause 2 (each such party being, for the purposes of this Clause 8, a "**Third Party**") and the rights of each Third Party to enforce the terms of Clause 11 (*Governing Law*) and the dispute resolution provisions referenced in Clause 12, 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 rights of the relevant Third Parties under Clause 2 are subject to the terms of Clause 6 (*Assignment*), Clause 11 (*Governing Law*) and the dispute resolution provisions referenced in Clause 12. The Parties to this Agreement may by agreement rescind or vary any term of this Agreement without the consent of any of the Third Parties.

#### 9. **ENTIRE AGREEMENT**

9.1 Each of the Parties to this Agreement confirms on behalf of itself and its Affiliates that this Agreement 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, whether in writing or 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.

9.2 Each Party agrees and undertakes on behalf of itself and its Affiliates that:

9.2.1 in entering into this Agreement, it has not relied on any statement, representation, warranty, assurance, covenant, indemnity, undertaking or commitment of any person (whether a party to this Agreement or not) (a "**Statement**") which is not expressly set out in this Agreement (an "**Agreed Statement**"); and

9.2.2 without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, it shall have no rights, claims or remedies (and hereby irrevocably waives any such rights, claims or remedies) in relation to any Statement other than an Agreed Statement.

#### 10. **NOTICES**

10.1 Any notice in connection with this Agreement shall be in writing in English and delivered by hand, email, courier using an internationally recognised courier company to the address or email address (as the case may be) specified in Clause 10.3 or to such other address or email address as the relevant Party may from time to time specify by notice to the other Party given in accordance with this Clause.

10.2 A notice shall be effective upon receipt and shall be deemed to have been received:

10.2.1 at the time of delivery, if delivered by hand or courier; or

10.2.2 if sent by email, the earlier of (a) when the sender receives an automated message confirming delivery; or (b) four (4) hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

provided that, in each case, a notice received, or deemed to be received, on a day which is not a business day in the place of receipt, or after 5 pm on any business day in the place of receipt, shall be deemed to have been received on the next following business day in the place of receipt (and for the purposes of this Clause, a business day in the place of receipt shall mean a day (other than a Saturday or Sunday) on which banks are open for general business in that place).

10.3 The relevant details of each Party at the date of this Agreement are:

**Seller**

Address: Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands

Email: [\*\*\*]

Attention: [\*\*\*]

**Company**

Address: 82/2 Sadovnicheskaya st., Moscow, 115035, the Russian Federation

Email: [\*\*\*]

Attention: [\*\*\*]

10.4 Should a Party fail to notify the other Party of any change to its address in accordance with Clause 10.3, then any notice served under this Clause shall be validly served by that second Party if served to the address listed in Clause 10.3. In the absence of evidence of earlier receipt, any notice shall take effect from the time that it is deemed to be received in accordance with Clause 10.2.

**11. GOVERNING LAW**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination, or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

**12. INCORPORATION OF TERMS**

The provisions of clauses 17.1 to 17.4 (inclusive) (*Announcements, Permitted Announcements and Cooperation*), 17.24 (*Unenforceable Provisions*), 17.26 (*Waiver*), 17.27 (*Variation*), 17.28 (*Counterparts*), 17.36 (*Costs*), 17.37 (*Language*) and 19.2 to 19.9 (inclusive) (*Dispute Resolution*) of the SPA shall apply *mutatis mutandis* to this Agreement.

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**EXECUTION PAGES**

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**EXECUTED** as a **DEED** by )  
**YANDEX N.V.** )  
a company incorporated in ) /s/ [\*\*\*]  
the Netherlands, acting by ) \_\_\_\_\_  
[\*\*\*] ) Authorised Person  
who, in accordance with the laws of that )  
territory, is acting under the authority of )  
the company in the presence of: )

Signature of witness /s/ [\*\*\*] \_\_\_\_\_

Name of witness [\*\*\*]

Address of witness [\*\*\*]

Occupation of witness [\*\*\*]

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**EXECUTED** as a **DEED** by )  
**INTERNATIONAL JOINT STOCK** )  
**COMPANY YANDEX** )  
a company incorporated in )  
the Russian Federation, acting by )  
[\*\*\*], )  
who, in accordance with the laws of that )  
territory, is acting under the authority of )  
the company in the presence of: )

/s/ [\*\*\*]  
\_\_\_\_\_  
Authorised Person

Signature of witness

/s/ [\*\*\*]  
\_\_\_\_\_

Name of witness

[\*\*\*]

Address of witness

[\*\*\*]

Occupation of witness

[\*\*\*]



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**SCHEDULE  
RESTRICTED BUSINESS**

**PART A**

- Search and Portal, which includes Search, Search App, Browser (browser for computers, Android and iOS smartphones), Weather, analytical tools (being Yandex Metrica (a web analytics tool), Webvisor (a technology to measure and improve the performance of web assets), Yandex Radar (open access internet analysis tool which utilizes data from Yandex Metrica to measure market shares for different types browsers, mobile devices and operating systems used to access the internet), and Yandex Crowd (data labeling platform)). Based on user search queries entered into Yandex search engine, the Search and Portal business provides a broad range of locally relevant search and information services that are free to users and that enable them to find relevant information quickly and easily;
- Yandex Advertising Network, a platform for serving ads on Yandex services and partner websites, including Yandex Direct. Through the Yandex Advertising Network partners can deliver performance-based, brand and video ads on their search results pages or websites using Yandex advertising technologies, as well as programmatic advertising and mobile advertising;
- Geolocation services: Maps and Navigation (map and navigation apps);
- E-commerce, Mobility and Delivery: transactional online-to-offline (O2O) businesses, which consist of:
  - the mobility businesses: ride-hailing (on-demand taxi and transportation service using human drivers), fleet management software, Yandex Drive (B2C and B2B car-sharing business utilizing human-driven vehicles), and scooter on-demand rental business;
  - the E-commerce businesses: Yandex Market (e-commerce marketplace), Yandex Lavka (first party hyperlocal convenience store delivery service), the grocery delivery services of Yandex Eats and Delivery Club, and Market-15 (hyperlocal delivery service); and
  - other O2O businesses: Yandex Delivery (last-mile logistics solution for individuals, enterprises and small and medium businesses, offering same-day-delivery, next-day-delivery and intercity delivery services), RouteQ (cloud platform for optimizing last mile logistics and courier services by forming optimized delivery routes and courier monitoring), the ready-to-eat meal service of Yandex Eats and Delivery Club Food Delivery; and Yandex Fuel (contactless payment service at gas stations);
- Plus and Entertainment Services: subscription service Yandex Plus, entertainment services Yandex Music (music and audiobooks streaming platform), Kinopoisk (subscription-based video streaming), Bookmate (online platform for reading and listening to books), Yandex Afisha (event ticket aggregator), production center Plus Studio, and mobile gaming;
- Classifieds: Auto.ru (auto classified), Yandex Realty (real estate classified), Yandex Rent (rental service for long-term housing) and Yandex Travel (online travel aggregator);
- Yandex Cloud and Yandex 360: cloud computing business, B2B and B2C office and collaboration software services, productivity tools, namely Yandex Mail, Yandex Disk (cloud-based storage service), Yandex Telemost (video conferencing service), Yandex Documents (online documents editor), Yandex Calendar, Yandex Messenger and Yandex Notes;



*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

- Yandex Education (Practicum and other education initiatives);
- Devices and Alice: AI virtual assistant for several languages, smart TV platform and smart home devices developed inhouse at Yandex (speakers, TVs, video streaming devices, bulbs, sockets and sensors), and related operating systems and software (Yandex TV OS);
- Self-driving vehicles and delivery robots business (including rovers), development of Lidar sensors; and
- FinTech business: Yandex Split (buy-now-pay-later service), Yandex Pay (payment services), and Yandex ID (single account to access Yandex ecosystem product and services).

*Information in this exhibit identified by [\*\*\*] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed.*

**PART B**

1. The business of audiobook streaming as offered through the Yandex Plus subscription.
2. The business of leasing vehicles operated by human drivers to taxi fleet management companies.
3. The business of aggregating free online games played by users through browser programs.

## PRINCIPAL SUBSIDIARIES OF YANDEX N.V.

| Name of Subsidiary(1)   | Jurisdiction of Organization |
|-------------------------|------------------------------|
| YANDEX LLC              | Russia                       |
| IPJSC Yandex            | Russia                       |
| Yandex.Technologies LLC | Russia                       |

---

(1) Directly or indirectly held

---

**YANDEX N.V.****Insider Trading Policy****(As amended through December 22, 2016)****1. BACKGROUND AND PURPOSE**

The US federal securities laws prohibit any member of the Board of Directors (a “Director”) or employee of Yandex N.V. (the “Company”) and, together with its subsidiaries, the “Group”) or its subsidiaries from purchasing or selling Company securities on the basis of material nonpublic information concerning the Company or the Group, or from disclosing material nonpublic information to others who might trade on the basis of that information. In addition, the Dutch Financial Supervision Act prohibits such practices to the extent a person is in the Netherlands when engaging in the prohibited actions. The rules of the Moscow Stock Exchange also prohibit trading based on inside information. These laws impose severe sanctions on individuals who violate them. In addition, the U.S. Securities and Exchange Commission (“SEC”) has the authority to impose large fines on the Company and on the Company’s Directors, senior management of the Group and controlling shareholders if the Group’s employees engage in insider trading and the Company has failed to take appropriate steps to prevent it (so-called “controlling person” liability).

This insider trading policy is being adopted in light of these legal requirements, and with the goal of helping:

- prevent inadvertent violations of the insider trading laws;
- avoid even the appearance of impropriety on the part of those employed by, or associated with, the Group;
- protect the Company from controlling person liability; and
- protect the reputation of the Company, its Directors and the Group’s employees.

The Company’s Chief Financial Officer shall serve as the Compliance Officer for the purposes of this policy.

**2. PERSONAL RESPONSIBILITY AND LIMITATION OF LIABILITY**

Persons subject to this policy have ethical and legal obligations to maintain the confidentiality of information about the Group and to not engage in transactions in Company securities while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this policy, and that any family member, household member or entity whose transactions are subject to this policy, as discussed below, also comply with this policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company or the Group, the Compliance Officer or any other employee or director pursuant to this policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this policy or applicable securities laws.

### 3. DEFINITION OF MATERIAL NONPUBLIC INFORMATION

3.1 Material Information. Information is considered “material” if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the Company’s stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities after the fact, with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- projections of future earnings or losses, or other earnings guidance;
- changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- a significant change in the Company’s search market share;
- a significant change in advertising volume or CPC;
- a pending or proposed merger, acquisition or tender offer;
- a pending or proposed acquisition or disposition of a significant asset;
- a pending or proposed joint venture;
- a Company or Group restructuring;
- significant related party transactions;
- a change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- material bank borrowings or other financing transactions out of the ordinary course;
- the establishment of a repurchase program for Company securities;
- a change in senior management;
- a change in auditors or notification that the auditor’s reports may no longer be relied upon;
- development of a significant new product, process, or service;
- pending or threatened significant litigation, or the resolution of such litigation;
- impending bankruptcy or the existence of severe liquidity problems;
- the gain or loss of a significant business partner; or
- the imposition of a ban on trading in Company securities or the securities of another company.

3.2 When Information is Considered Public. Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through a newswire service, a widely-available radio or television program, a widely-available newspaper, magazine or news website, or a public disclosure document filed with the SEC that is available on the SEC’s website. By contrast, information would likely not be considered widely disseminated if it is available only to the

Company's employees, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to afford the investing public sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after second business day after the day on which the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in Company Securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

#### 4. **PROHIBITIONS RELATING TO TRANSACTIONS IN THE COMPANY'S SECURITIES**

4.1 Covered Persons. This Section 4 applies to:

- all Directors;
- all employees of the Group;
- all family members of Directors and employees of the Group who share the same address as, or are financially dependent on, the Director or employee of the Group, and any other person who shares the same address as the Director or employee of the Group (other than an unrelated person who is not financially dependent on the Director or employee of the Group and on whom the Director or employee of the Group is not financially dependent);
- all corporations, partnerships, trusts or other entities controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities; and
- such other persons as the Company may determine should be subject to this Section 4 based upon their access to material nonpublic information.

4.2 Prohibition on Trading While Aware of Material Nonpublic Information.

(a) Except as provided in Section 6, no person or entity covered by Section 4 may:

- Purchase or sell any securities of the Company while he or she is aware of any material nonpublic information concerning the Company, or recommend to another person that they do so;
- disclose to any other person any material nonpublic information concerning the Company if it is reasonably foreseeable that such person may misuse that information, such as to purchase or sell Company securities;

- purchase, sell, or recommend to purchase or sell any securities of another company while he or she is aware of any material nonpublic information concerning such other company which he or she learned in the course of his or her service as a Director or employee of the Group, or recommend to another person that they do so;
- disclose to any other person any material nonpublic information concerning another company which he or she learned in the course of his or her service as a Director or employee of the Group if it is reasonably foreseeable that such person may misuse that information, such as to purchase or sell securities of such other company; or
- assist anyone with any of the above.

- (b) If a person ceases to be a Director or employee of the Group at a time when he or she is aware of material nonpublic information concerning the Company and/or the Group, the prohibition on purchases or sales of Company securities in Section 4.2(a) shall continue to apply to such person until that information has become public or is no longer material.

4.3 Prohibition on Pledges. No person or entity covered by this Section 4 may purchase Company securities on margin, borrow against Company securities held in a margin account, or pledge Company securities as collateral for a loan. However, an exception may be granted where a person wishes to pledge Company securities as collateral for a loan and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the Compliance Officer.

4.4 Prohibition on Short Sales and Derivative Transactions. No person or entity covered by this Section 4 may engage in any of the following types of transactions:

- short sales of Company securities, including short sales “against the box”; or
- purchases or sales of puts, calls or other derivative securities based on the Company’s securities.

## 5. **ADDITIONAL PROHIBITIONS APPLICABLE TO DIRECTORS, SENIOR MANAGEMENT AND DESIGNATED EMPLOYEES**

5.1 Covered Persons. This Section 5 applies to:

- all Directors;
- all employees of the Group with the following positions or, in the future, with positions with different titles that carry with them





substantially similar responsibilities as those set out below (“Senior Management”):

- Chief Executive Officer
- Chief Executive Officer of Yandex LLC
- Chief Technology Officer
- Chief Financial Officer
- Chief Accounting Officer
- Head of Investor Relations
- Tax Director
- Head of Treasury
- such other employees of the Group as are designated from time to time by the Board of Directors of the Company, the Chief Executive Officer of the Group or the Compliance Officer as being subject to this Section 5 (the “Designated Employees”);
- all family members of Directors, Senior Managers and Designated Employees who share the same address as, or are financially dependent on, the Director, Senior Manager or Designated Employee, and any other person who shares the same address as the Director, Senior Manager or Designated Employee (other than an unrelated person who is not financially dependent on the Director, Senior Manager or Designated Employee and on whom the Director, Senior Manager or Designated Employee is not financially dependent); and
- all corporations, partnerships, trusts or other entities controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities.

## 5.2 Blackout Periods.

- (a) Except as provided in Section 6, no person or entity covered by this Section 5 may purchase or sell any securities of the Company during the period beginning two weeks prior to the end of each fiscal quarter and ending upon the completion of the second full trading day after the public announcement of earnings for such quarter (a “regular blackout period”).
- (b) The Company may from time to time notify Directors, Senior Managers and other specified employees of the Group that an additional blackout period (a “corporate news blackout period”) is in effect in view of significant events or developments involving the Company and the Group. In such event, except as provided in Section 6, no such individual may purchase or sell any securities of the Company during such corporate news blackout period or inform any third party that a corporate news blackout period is in effect. (In this policy, regular blackout periods and corporate news blackout periods are each referred to as a “blackout period.”)

5.3 Trading Solely Under Trading Plans. Subject to Section 6, and unless otherwise expressly approved by the Compliance Officer in writing, Directors, Senior Managers and such other persons identified by the Compliance Officer from time to time (the “Plan Persons” and each a “Plan Person”) shall only be permitted to effect any sales or purchases of securities of the Company pursuant to a binding contract, written plan or specific instruction (a “trading plan”) which is adopted and operated in compliance with Rule 10b5-1. Such trading plan must be: (1) in writing; (2) submitted to the Company for review by the Company prior to its adoption; and (3) not be adopted during a blackout period or while the Plan Person was aware of material nonpublic information.

5.4 Notice of Trades; Filing Requirements.

- (a) Advance Notice. No person or entity covered by this Section 5 may purchase or sell or otherwise acquire or dispose of securities of the Company, other than in a transaction permitted under Section 6(a), unless he, she or it notifies the Compliance Officer prior to such transaction.
- (b) Notification Procedures. The notifications required by Section 5.3(a) may be oral or in writing (including by e-mail) and should include the identity of the covered person, the type of transaction (for example, an open market purchase, a privately negotiated sale, an option exercise, etc.), the date or proposed date of the transaction and the number of shares involved. For purposes of Section 5.3, a purchase, sale or other acquisition or disposition shall be deemed to occur at the time the person becomes irrevocably committed to it (for example, in the case of an open market purchase or sale, this occurs when the trade is executed, not when it settles).

6. **EXCEPTIONS**

- (a) The prohibitions in Sections 4.2(a) and 5.2 on purchases and sales of Company securities do not apply to:
  - exercises of share options or other equity awards that would otherwise expire or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations, in each case in a manner permitted by the applicable equity award agreement; provided, however, that the securities so acquired may not be sold (either outright or in connection with a “cashless” exercise transaction through a broker) while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to Section 5, during a blackout period (as defined in Section 5.2(b));
  - acquisitions or dispositions of Company ordinary shares under any future Company sponsored pension plan which are made pursuant

to standing instructions not entered into or modified while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to Section 5, during a blackout period;

- other purchases of securities from the Company or sales of securities to the Company;
- bona fide gifts, unless the person making the gift has reason to believe that the recipient intends to sell the securities while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to Section 5, during a blackout period; and
- purchases or sales made pursuant to a binding contract, written plan or specific instruction (a “trading plan”) which is adopted and operated in compliance with Rule 10b5-1; provided such trading plan: (1) is in writing; (2) was submitted to the Company for review by the Company prior to its adoption; and (3) was not adopted while the employee or Director was aware of material nonpublic information or, in the case of someone who is subject to Section 5, during a blackout period.

- (b) Nothing in this policy is intended to limit the ability of a venture capital partnership or other similar entity with which a Director is affiliated to distribute Company securities to its partners, members or other similar persons. It is the responsibility of each affected Director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances and applicable securities laws.

## 7. **PENALTIES FOR VIOLATION**

Violation of any of the foregoing rules is grounds for disciplinary action by the Company, including termination of employment.

## 8. **COMPANY ASSISTANCE AND EDUCATION**

The Company shall take reasonable steps designed to ensure that all Directors and employees of the Group are educated about, and periodically reminded of, the US federal, Russian and Dutch securities law restrictions and Company policies regarding insider trading.

## 9. **LIMITATION ON LIABILITY**

None of the Company, the Compliance Officer or the Company’s other employees will have any liability for any delay in reviewing a trading plan submitted for review pursuant to Section 6(a) or for any refusal to permit a pledge pursuant to Section 5.3. Notwithstanding any review of a trading plan pursuant to Section 6(a) or receipt of an advance notice pursuant to Section 5.3(a), none of the Company, the Compliance Officer or the Group’s other employees

assumes any liability for the consequences of such trading plan or transaction to the person engaging in or adopting such trading plan or transaction.

**Certification by the Principal Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, John Boynton, 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: April 26, 2024

By: /s/ John Boynton  
Name: John Boynton  
Title: *Chairman of the Board of Directors*  
*(Principal Executive Officer)*

---

**Certification by the Principal Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Alexander Balakhnin, 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: April 26, 2024

By: /s/ Alexander Balakhnin

Name: Alexander Balakhnin  
Title: *Chief Financial Officer*  
*(Principal Financial Officer)*

---

**Certification by the Principal Executive Officer and Principal 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, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), the undersigned John Boynton and Alexander Balakhnin, 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: April 26, 2024

By: /s/ John Boynton

Name: John Boynton

Title: *Chairman of the Board of Directors*  
*(Principal Executive Officer)*

By: /s/ Alexander Balakhnin

Name: Alexander Balakhnin

Title: *Chief Financial Officer*  
*(Principal Financial Officer)*

---

## Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-177622 and 333-213317) and in the Registration Statement on Form F-3 (No. 333-239391) of Yandex N.V. of our report dated April 26, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ Joint-Stock Company "Technologies of Trust – Audit"  
Moscow, Russian Federation  
April 26, 2024

---